

Registration number: 03738136

# Steinhoff UK Holdings Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2018

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# **Steinhoff UK Holdings Limited**

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# **Steinhoff UK Holdings Limited**

## **Company Information**

<b>Directors</b>	LJD Preez
	TLR De Klerk
	NG Brown
	HH Bouygues
	S Mahajan
<b>Registered office</b>	Pall Mall Works 17-19 Cockspur Street London SW1Y 5BL
<b>Auditor</b>	Deloitte LLP Statutory Auditor 2 Hardman Street Manchester M3 3HF

## **Steinhoff UK Holdings Limited**

### **Strategic Report for the Year Ended 30 September 2018**

The directors present their report on the affairs of the company, together with the financial statements and independent auditor's report, for the year ended 30 September 2018.

#### **Review of the business, key performance indicators and future developments**

The company is an investment holding company. The majority of transactions are with group undertakings, and the key performance indicators for the company are loss or profit after taxation and net assets, both of which are shown in the financial statements. Due to the nature of the business the directors do not consider there to be any non-financial key performance indicators on which the business is managed.

The loss after taxation was £35,066,000 (2017: profit of £3,616,000). Before the taxation charge, the loss was £31,936,000 (2017: profit of £4,371,000).

At an operating level, the company's operating loss increased to £49,253,000 (2017: £118,000). The main reasons for this were a reduction in dividends received from subsidiaries, from £7,000,000 in the prior year to £nil in the current year, and an increase in impairments raised against investments and amounts receivable from group undertakings, to £48,821,000 (2017: £7,324,000).

The most significant impairment made in the current year was £47,103,000 against an amount receivable from Steinhoff Europe AG, an indirect parent of the company. Further information on this impairment is described in note 15.

The impairment against investments in subsidiaries made in the current year was £1,557,000 against Southern View Finance UK Limited. More information can be found in note 13.

Net finance income however improved year on year by £12,828,000, largely due to an increase in interest receivable from group undertakings, from £18,594,000 in the prior year to £36,604,000 in the current year, as a result of loan agreements that were entered into partway during the prior year which had a full year's worth of interest accruing in the current year. Finance costs however also increased in the current year, due to a foreign exchange loss of £5,497,000 that arose on a loan that the company had to one of its Australian subsidiaries which is denominated in Australian dollars.

As described in note 4, the company has restated the carrying value of its investment in Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited) as at 30 September 2017, due to uncertainty surrounding the correct accounting treatment of certain rebates in Blue Group UK Retail Limited. This has reduced the company's net assets and increased retained losses as at 30 September 2017 by £72,232,000. However as the company's net assets and retained losses as at 1 October 2016 have been adjusted by the same amount, the prior year income statement has not been affected.

Net assets reduced from £624,076,000 (as restated) to £589,010,000 as a result of the loss for the year.

Events occurring subsequent to the financial year are disclosed in the Directors' Report and note 21 to the financial statements.

## **Steinhoff UK Holdings Limited**

### **Strategic Report for the Year Ended 30 September 2018 (continued)**

#### **Review of the business, key performance indicators and future developments (continued)**

In particular, attention is drawn to the sale of a number of the company's subsidiaries, being the furniture retail, manufacturing and logistics businesses, which completed on 26 February 2020. The companies involved include Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited), Blue Group UK Group Properties Limited (formerly Steinhoff UK Group Properties Limited), Unitrans UK Limited and Blue Group UK Manufacturing Limited (formerly Steinhoff UK Manufacturing Limited) and their trading subsidiaries.

In addition, as announced by the Steinhoff International Holdings N.V. group, a range of strategic options for the subgroup headed by Pepco Group Limited is being considered and evaluated, including a potential public listing. This process remains in its early stages and no definitive decision has been taken with respect to any specific course of action at this point.

Other than these, the directors do not anticipate the principal activity of the business changing in the foreseeable future and expect the current level of activity to continue.

#### **Principal risks and uncertainties**

The company is an investment company with investments in wholly owned subsidiaries, linked mainly to the furniture, bedding, homewares and discount retail sector. The success of these entities is therefore influenced by the economic environment in which they operate.

A quarterly review of all potential business risks is carried out, determining the potential impact on the company, the likelihood of the risk arising and the current controls in place to mitigate such risks.

A number of key risks faced by the company are highlighted in the going concern section of note 2 to the financial statements, including:

- CVA of Steinhoff Europe AG and Steinhoff Finance Holding GmbH;
- Homestyle 2007 Pension Scheme guarantee;
- Further funding for subsidiaries, particularly due to the uncertainty surrounding the Coronavirus; and
- Potential shareholder/vendor claims in the wider Steinhoff International Group.

Please refer to note 2 for more information on the above risks.

A key risk to the UK based subsidiaries is the potential impact of Brexit which is not yet clear due to a lack of consensus and clarity about the terms of departure. Where appropriate, more information on how Brexit may affect individual subsidiaries is included in each company's financial statements.

The financial position of the company and liquidity position are detailed in the financial statements.

## Steinhoff UK Holdings Limited

### Strategic Report for the Year Ended 30 September 2018 (continued)

#### Principal risks and uncertainties (continued)

##### *Credit risk*

Potential concentration of credit risk consist principally of short-term cash and cash equivalent investments, and amounts owed by group undertakings. The company deposits short-term cash surpluses with a well-known UK bank. The ability of group undertakings to repay amounts due is regularly assessed.

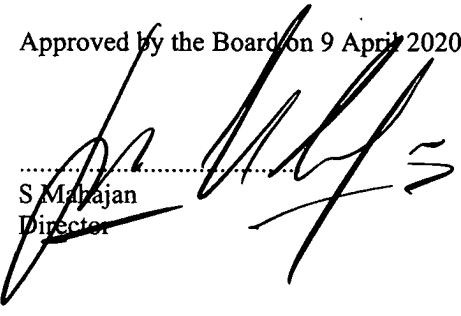
At the year end, the company did not consider there to be any other significant concentration of credit risk which had not been adequately provided for.

##### *Liquidity risk*

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk is managed at various levels, starting at the ultimate holding company and cascading down to the UK group of companies of which this company is one. The UK group manages liquidity risk by monitoring forecast cash flows which are provided weekly. Please refer to the going concern section of note 2 for assumptions made in the company's cash flow forecasts.

Approved by the Board on 9 April 2020 and signed on its behalf by:



.....  
S Mahajan  
Director

## **Steinhoff UK Holdings Limited**

### **Directors' Report for the Year Ended 30 September 2018**

The directors present their report and the financial statements for the year ended 30 September 2018.

#### **Directors of the company**

The directors, who held office during the year and thereafter unless otherwise stated, were as follows:

H Odendaal (resigned 8 February 2018)

LJD Preez (appointed 5 February 2018)

PJ Dieperink (resigned 30 June 2019)

S Summers (resigned 20 November 2018)

DM Van Der Merwe (resigned 4 March 2019)

MJ Jooste (resigned 5 December 2017)

SJ Grobler (resigned 8 February 2018)

The following directors were appointed after the year end:

TLR De Klerk (appointed 13 March 2019)

NG Brown (appointed 30 June 2019)

HH Bouygues (appointed 10 September 2019)

S Mahajan (appointed 6 January 2020)

#### **Dividends**

No dividends have been declared or proposed during the year, prior year or since the year end.

#### **Going concern**

The financial statements have been prepared on the going concern basis on the assumption that the company will continue in operational existence for the foreseeable future, namely for 12 months from the date of signing the financial statements. In forming the conclusion that the accounts should be prepared on this basis, the directors have taken into account a number of factors, making certain assumptions and estimates in the process.

It is noted that the statement of financial position shows that the company had net current liabilities at the statement of financial position date. However the amounts owed to group undertakings at 30 September 2018 as shown in note 17 and included in current liabilities have either been settled since the year end by the recovery of non-current receivables from group undertakings, or the current liabilities are linked to existing non-current receivables in such a way that the liabilities only have to be settled if cash is received against those receivables.

As discussed further in note 2 of the financial statements, the directors note that the combination of circumstances highlighted in that note represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Further details regarding the preparation of financial statements on a going concern basis can be found in note 2 of the financial statements.

## **Steinhoff UK Holdings Limited**

### **Directors' Report for the Year Ended 30 September 2018 (continued)**

#### **Matters included in the Strategic Report**

In accordance with s414(C) of the Companies Act 2006, included in the Strategic Report is information relating to the future development of the business which would otherwise be required by Schedule 7 of the 'large and medium sized companies and groups (accounts and reports) regulations 2008' to be contained in a Directors' Report.

#### **Important non adjusting events after the financial year**

After the year end, in July 2019, Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited), a subsidiary of the company, transferred the Homestyle 2007 Pension Scheme (the "Scheme"), its largest defined benefit pension scheme, to a newly incorporated subsidiary of the company, Homestyle Pension Company Limited. As part of the transfer, the company gave a guarantee to the Scheme up to the value of £33 million. As at 30 September 2019, the date of the most recent valuation for accounting purposes, the Scheme was in surplus as calculated for the purposes of IAS 19.

In November 2019, the company reached agreement with Alteri Investors to sell to them a number of the company's subsidiaries, being the furniture retail, manufacturing and logistics businesses. The companies involved include Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited), Blue Group UK Group Properties Limited (formerly Steinhoff UK Group Properties Limited), Unitrans UK Limited and Blue Group UK Manufacturing Limited (formerly Steinhoff UK Manufacturing Limited) and their trading subsidiaries.

After receiving regulatory approval, completion took place on 26 February 2020.

During August 2019, the company's indirect parent companies Steinhoff Europe AG (SEAG) and Steinhoff Finance Holding GmbH (SFHG) successfully completed the implementation of the Restructuring (as detailed in the SEAG CVA and the SFHG CVA which can be found on the International company website <http://www.steinhoffinternational.com>). Among other things, the SIHNV Group has implemented certain changes to the Group's European corporate holding structure and the restructuring of SEAG's and SFHG's financial indebtedness extending the expiry of debt instruments to 31 December 2021.

As part of the SEAG CVA and the SFHG CVA, the company has granted security over the following assets:

- Shares in Retail Holdings SarL and its subsidiaries;
- Shares in Greenlit Brands Pty Ltd and its subsidiaries;
- The company's bank accounts; and
- Amounts receivable from Pepco Group Limited (formerly Pepkor Europe Limited), an indirect subsidiary of the company.

In November 2019, the subgroup with parent Greenlit Brands Pty Ltd reached agreement to divest its General Merchandise division, including 322 stores and over 6,100 employees. As the division was a significant portion of this subgroup's business, the company will need to assess the investment it carries in the Greenlit Brands Pty Ltd subgroup and it is likely to trigger an impairment review for future periods' financial statements of the company.

In addition, the recent outbreak and spread of the Coronavirus has led to the closure of certain stores operated by the company's subsidiaries which are deemed "non-essential" stores, however approximately a third remain open at the date of signing. The impact on the ongoing profitability of the affected subsidiaries is still uncertain, but an impairment review on the company's investments in those subsidiaries is likely to be triggered for the financial statements for the year ended 30 September 2020.



## **Steinhoff UK Holdings Limited**

### **Directors' Report for the Year Ended 30 September 2018 (continued)**

#### **Directors' liabilities**

The company has purchased directors' and officers' liability insurance cover which was in place during the year and remains in place as at the date of this report.

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 9 April 2020 and signed on its behalf by:

.....  
S Matraja  
Director



## **Steinhoff UK Holdings Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Steinhoff UK Holdings Limited**

### **Independent Auditor's Report to the members of Steinhoff UK Holdings Limited**

#### **Report on the audit of the financial statements**

##### **Disclaimer of opinion**

We do not express an opinion on the accompanying financial statements of Steinhoff UK Holdings Limited (the 'company'). Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We were engaged to audit the financial statements for the year ended 30 September 2018 which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for disclaimer of opinion**

In preparing the financial statements management was required to make significant judgements, as described in the basis of preparation, in relation to the exceptional circumstances surrounding the ultimate parent company, Steinhoff International Holdings N.V. group (the 'Group') of which the company is a member, following the announcement of accounting irregularities on 5 December 2017. These significant judgments continue to apply and could subsequently impact the company. As a result there remain multiple material uncertainties that potentially interact with each other and for which the cumulative effect could be both material and pervasive to the financial statements as a whole. These uncertainties are set out below:

##### *Material uncertainty related to going concern*

As set out in note 2 in the financial statements, concerning the company's ability to continue as a going concern, the company has historically been reliant on borrowing facilities arranged at a group level and the company may require additional facilities from the Group.

As disclosed in the Group financial statements signed on 18 June 2019, in assessing the Group and ultimate parent company's ability to continue as a going concern, the Group's Management Board made several critical assumptions, over which there is material uncertainty. The Group has restructured its borrowings and continues to monitor funding levels in its subsidiaries and the potential impact of claims against the Group. These were key considerations when Group management assessed the Group's ability to continue as a going concern in the 2018 financial statements which also include a number of material uncertainties that continue to remain relevant.

As stated in note 2, these events or conditions, along with the other matters as set forth in note 2 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the ultimate parent company's, the Group's, and therefore the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

## **Steinhoff UK Holdings Limited**

### **Independent Auditor's Report to the members of Steinhoff UK Holdings Limited (continued)**

#### **Basis for disclaimer of opinion (continued)**

##### *Material uncertainty with respect to litigation*

As set out in the basis of preparation in note 2 concerning litigation. Following the public announcement on 5 December 2017 by the Group and the subsequent sharp decline in the stock price of the Group's shares, the Group has received several claims from investors, which have been described in the basis of preparation. Although Group management is unable to estimate the potential cash outflow in the case of unfavorable decisions by the courts, the potential outflows of cash for the Group could be considerable.

##### *Material uncertainty related to the scope and impact of the Forensic Investigation Report*

As set out in the basis of preparation in note 2 concerning a Forensic Investigation into accounting irregularities across the Group which was completed in March 2019; the Investigation Report remains confidential and legally privileged and is not directly available to management of the company. In addition, the scope of the Forensic Investigation was set at the Group level and therefore may not have identified all matters that would have been identified had the scope been set at the company level. Whilst management of the company have undertaken enquiries with management of the Group in order to satisfy themselves that no further adjustments are required to be made to the company's financial statements, the impact of the Report's subject matter cannot be assessed with certainty and may result in future material adjustments.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the financial statements, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct our audit in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However because of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## **Steinhoff UK Holdings Limited**

### **Independent Auditor's Report to the members of Steinhoff UK Holdings Limited (continued)**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

Because of the significance of the matter described in the basis for disclaimer of opinion section of our audit report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

##### **Matters on which we are required to report by exception**

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have nothing to report in respect of these matters.

##### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Damian Sanders FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom

9 April 2020

# Steinhoff UK Holdings Limited

## Income Statement for the Year Ended 30 September 2018

	Note	2018 £ 000	2017 £ 000
Revenue	5	-	7,000
Administrative (expenses)/income		(432)	206
Other losses	6	<u>(48,821)</u>	<u>(7,324)</u>
Operating loss	7	<u>(49,253)</u>	<u>(118)</u>
Finance income	8	37,232	19,431
Finance costs	9	<u>(19,915)</u>	<u>(14,942)</u>
Net finance income		<u>17,317</u>	<u>4,489</u>
(Loss)/profit before tax		(31,936)	4,371
Income tax expense	12	<u>(3,130)</u>	<u>(755)</u>
(Loss)/profit for the year		<u><u>(35,066)</u></u>	<u><u>3,616</u></u>

The above results were derived from continuing operations.

There were no items of comprehensive (expense)/income in the current year or prior year other than the (loss)/profit for the year shown above and, accordingly, no statement of comprehensive income is presented.

# Steinhoff UK Holdings Limited

(Registration number: 03738136)

## Statement of Financial Position as at 30 September 2018

			(As restated, see note 4)
	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Investments	13	638,581	640,138
Other financial assets	14	746,290	750,970
		<u>1,384,871</u>	<u>1,391,108</u>
<b>Current assets</b>			
Trade and other receivables	15	3,584	95,198
Cash at bank and in hand	16	17,240	1,953
		<u>20,824</u>	<u>97,151</u>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	17	(278,951)	(275,571)
Income tax liability		(3,130)	(828)
		<u>(282,081)</u>	<u>(276,399)</u>
<b>Net current liabilities</b>		<u>(261,257)</u>	<u>(179,248)</u>
<b>Total assets less current liabilities</b>		1,123,614	1,211,860
<b>Creditors: Amounts falling due after more than one year</b>			
Loans and borrowings	18	(534,604)	(587,784)
<b>Net assets</b>		<u>589,010</u>	<u>624,076</u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Share premium reserve		768,133	768,133
Retained losses		<u>(179,124)</u>	<u>(144,058)</u>
<b>Shareholder's funds</b>		<u>589,010</u>	<u>624,076</u>

Approved by the Board on 9 April 2019 and signed on its behalf by:

.....  
S Mahajan  
Director

The notes on pages 15 to 54 form an integral part of these financial statements.

# Steinhoff UK Holdings Limited

## Statement of Changes in Equity for the Year Ended 30 September 2018

	Share capital £ 000	Share premium £ 000	Retained losses £ 000	Total £ 000
At 1 October 2017	1	768,133	(144,058)	624,076
Loss and total comprehensive expense for the year	-	-	(35,066)	(35,066)
At 30 September 2018	<u>1</u>	<u>768,133</u>	<u>(179,124)</u>	<u>589,010</u>

	Share capital £ 000	Share premium £ 000	Retained losses £ 000	Total £ 000
At 1 October 2016 (as restated, see note 4)	1	454,673	(147,674)	307,000
Profit and total comprehensive income for the year	-	-	3,616	3,616
New share capital subscribed	-	313,460	-	313,460
At 30 September 2017 (as restated, see note 4)	<u>1</u>	<u>768,133</u>	<u>(144,058)</u>	<u>624,076</u>



# **Steinhoff UK Holdings Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2018**

### **1 General information**

The company is a private company limited by share capital incorporated under the Companies Act 2006 and domiciled in England & Wales. The functional currency of the company is considered to be pounds sterling as that is the currency of the primary economic environment in which the company operates.

The address of its registered office is:

Pall Mall Works  
17-19 Cockspur Street  
London  
SW1Y 5BL

These financial statements were authorised for issue by the Board on 9 April 2020.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 September 2018 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements. They have been prepared under the historical cost convention.

As widely reported, in December 2017 an announcement was made by the company's ultimate parent, Steinhoff International Holdings N.V. ("SIHNV", "the Group"), that an investigation into accounting irregularities was to take place, and PwC were appointed to perform an independent forensic investigation. The results of these investigations were reported in the 2018 SIHNV financial statements. Key items identified, which may subsequently have an impact on the company, were:

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 2 Accounting policies (continued)

##### Basis of preparation (continued)

###### *Scope and impact of the Forensic Investigation Report*

The Forensic Investigation was completed by PwC in March 2019 and an overview of the report was made available on the Group's website. The full report on the Forensic Investigation (the "Report") remains confidential and legally privileged and management of the company are unable to obtain direct access to the report.

Management has made enquiries with and received information from Group management in order to satisfy themselves that no further adjustments are required to be made in the company's financial statements as a result of matters identified in the Report. Management consider that they have taken all the steps that they ought to have taken in order to conclude, in the absence of direct access to the Report, on any further impact on the company of matters identified in the Report. Management is aware that the scope of the Report was at the Group level, and therefore may not have identified all matters that would have been identified had the scope been set at the company level; also, the Report includes various limitations and caveats. Consequently, the impact of the Report's subject matter on the financial statements cannot be assessed with certainty and may result in future material adjustments.

###### *Litigation*

The SIHNV Group has received several shareholder and vendor claims and notices of regulatory investigation. A key assumption in the SIHNV Group cash flows is that no material claims or fines are awarded against the Group and will become payable during the next twelve months. As SIHNV management is unable to estimate the potential cash outflow in the case of unfavourable decisions by the courts, the potential outflows of cash could be considerable.

###### *Remediation plan*

In the SIHNV financial statements the Supervisory Board as well as the Management Board have given a description of their 'Remediation Plan' (including phase 2 of the PwC Investigation). This remediation plan, which is described as in progress, includes measures taken and to be taken to strengthen governance, to strengthen group-wide-controls, including the 'tone at the top', and other measures to prevent the accounting irregularities recurring. It also includes measures taken or to be taken to correct non-compliance with laws and regulations that have occurred. Furthermore, it includes actions taken and to be taken to recuperate the losses that were caused by the individuals and/or organisations that played a part in the accounting irregularities or were instrumental in it.

## **Steinhoff UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of IAS 7 Statement of Cash Flows;
- (c) the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- (d) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- (e) the requirements of paragraphs 10(f) of IAS 1 Presentation of Financial Statements to present a statement of financial position as at the beginning of the prior year, the company having made a prior year adjustment; and
- (f) the requirement in paragraph 30 and 31 of IAS 8 to disclose new IFRS's not yet effective.

Where relevant, equivalent disclosures have been given in the group accounts of Steinhoff International Holdings N.V.. The group accounts of Steinhoff International Holdings N.V. are available to the public and can be obtained from [www.steinhoffinternational.com](http://www.steinhoffinternational.com).

##### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. This also includes details of its risks and uncertainties.

The Directors' Report and note 21 to the financial statements also give details of events subsequent to the year end which are likely to have a material effect on the company.

The company produces weekly cash flow forecasts which extend out over 65 weeks. These forecasts and projections show that the company should be able to continue in operational existence for the foreseeable future, namely for 12 months from the date of signing the financial statements. However, it is noted that these cash flow forecasts, by their very nature, have inherent assumptions and uncertainties included. The most significant uncertainties represent matters that affect the Group as a whole, and were disclosed in the 2018 SIHNV financial statements signed in June 2019, but which remain applicable.

The directors draw attention to the following critical assumptions and material uncertainties that could affect the Group and the company and are key in arriving at the going concern assumption, namely:

##### ***SEAG CVA***

During August 2019 the company's indirect parent companies Steinhoff Europe AG (SEAG) and Steinhoff Finance Holding GmbH (SFHG) successfully completed the implementation of a restructuring of the Group's borrowings as described in note 21 and the company granted security over certain assets. The going concern assumption assumes that these securities will not be called in within the going concern review period, as there has been no indication that they will be.

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 2 Accounting policies (continued)

##### Going concern (continued)

###### *Homestyle 2007 Pension Scheme guarantee*

In July 2019, the company gave a guarantee to the Homestyle 2007 Pension Scheme (the "Scheme") up to the value of £33 million as described in note 21. Contributions to the Scheme as agreed with the Scheme's Trustees, and the ongoing costs of running the Scheme, both of which are being funded indirectly by the company, have been built into the company's cash flow forecasts, however any additional funding over and above this has not been incorporated as this is not expected to be required in the next 12 months.

###### *Further funding for subsidiaries*

The going concern assumption is that the subsidiaries remaining after the sale of certain subsidiaries to Alteri Investors, as described in note 21, require no further funding from the company. Finance has been arranged by subsidiaries for their particular subgroups and the company has had no indication that these subgroups will require further funding or support from the company. The directors continue to monitor the performance of the company's subsidiaries on a regular basis.

In particular, the recent outbreak and spread of the Coronavirus may lead to sourcing and other challenges for certain of the company's subsidiaries. It is not yet possible to determine accurately any future impact on business performance; however businesses are taking a number of steps to mitigate any potential effect, including alternative sourcing arrangements.

###### *Shareholder/vendor claims in the SIHNV Group*

As explained in the Basis of preparation note above, the SIHNV Group has received several shareholder and vendor claims and notices of regulatory investigation. The company's cash flow forecasts assume that the company receives no material claims itself in relation to these claims against the wider SIHNV Group, as there has been no indication that such claims will be made against the company. The directors continue to monitor the situation and its impact upon the company.

Whilst the directors have instituted measures to preserve cash, the combination of these circumstances creates material uncertainties over future results and cash flows.

The directors have concluded that the combination of these circumstances represents a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern, and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, namely for 12 months from the date of signing the financial statements. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **Steinhoff UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Exemption from preparing group accounts**

The financial statements contain information about Steinhoff UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Steinhoff International Holdings N.V., a company incorporated in The Netherlands.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 October 2017 have had a material effect on the financial statements.

##### **Revenue recognition**

Revenue is attributable to the company's principal activity, which is that of an investment company. All revenue in the financial period has been earned from UK business. Dividend income is accounted for when it is receivable, being when it is approved for distribution.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company activities.

##### **Finance income and costs policy**

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

##### **Tax**

The tax expense for the year comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

##### **Investments**

Investments in subsidiary undertakings are initially measured at cost, including transaction costs. At subsequent reporting dates, investments are carried at cost subject to annual impairment review.

## **Steinhoff UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **2 Accounting policies (continued)**

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Financial assets and liabilities**

###### ***Classification***

The financial assets are loans and receivables.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

###### ***Recognition and measurement***

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost less impairment.

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

###### ***Impairment***

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

## **Steinhoff UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Critical judgements in applying the company's accounting policies*

The critical judgement to be disclosed that has a material impact on the financial statements is as follows:

##### **Going concern**

For the assumptions made in forming the going concern opinion, refer note 2.

#### **4 Prior year restatement**

##### **Impairment of investments in subsidiaries**

In preparation of the current year financial statements, the company identified certain errors in determination of the recoverable amount of the investment in one of its subsidiaries, Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited), as of 1 October 2016 and 30 September 2017. These errors were attributable to overstated net assets value of the subsidiary and inaccurate consideration of the impacts caused by the uncertainty surrounding certain receipts received by Blue Group UK Retail Limited (as disclosed in the company's prior year financial statements) from related parties and so called third parties including inter alia brand and marketing support, reimbursement of fixed costs, volume and settlements rebates.

Therefore the directors of the company have reassessed the carrying value of its investment in Blue Group UK Retail Limited compared to its recoverable amount as at 1 October 2016 and have determined that there has been substantial impairment in the recoverable amount of the business. The directors have therefore restated the opening prior year statement of financial position (ie at 1 October 2016) to reduce investments and equity by £72,232,000. The prior year statement of financial position (as at 30 September 2017) has also been restated by reducing investments and equity by the same figure of £72,232,000. The company's carrying value of its investment in Blue Group UK Retail Limited has therefore now been reduced to £nil.

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 4 Prior year restatement (continued)

##### Impairment of investments in subsidiaries (continued)

The effect of this change has been to restate the prior year as follows:

	As previously reported £ 000	Investment impairment £ 000	As restated £ 000
<b>Net assets as at 30 September 2017</b>			
Investments	712,370	(72,232)	640,138
Other net liabilities (unchanged)	<u>(16,062)</u>	<u>-</u>	<u>(16,062)</u>
Net assets	<u>696,308</u>	<u>(72,232)</u>	<u>624,076</u>
	As previously reported £ 000	Investment impairment £ 000	As restated £ 000
<b>Retained losses</b>			
Retained losses at 1 October 2016	(75,442)	(72,232)	(147,674)
Profit after tax for year to 30 September 2017	<u>3,616</u>	<u>-</u>	<u>3,616</u>
Retained losses at 30 September 2017	<u>(71,826)</u>	<u>(72,232)</u>	<u>(144,058)</u>

There has been no impact on the prior year income statement.

##### Reclassification of liabilities from non-current to current

At the end of the prior year, the company had an amount of £111,183,000 (including accrued interest) owed to its indirect parent company, Steinhoff Europe AG, which the company had borrowed in an earlier period to invest funds in its subsidiary, Greenlit Brands Pty Ltd.

In the company's prior year financial statements, this amount was included in non-current liabilities. However, when preparing the current year financial statements, the directors have reviewed the terms of the loan agreement and have concluded that as the company had no unconditional right to defer settlement of the liability for at least 12 months after the prior reporting period, this amount should have been included within current liabilities.

The company has therefore made a prior year restatement, increasing current liabilities and correspondingly reducing non-current liabilities by £111,183,000 in the comparative statement of financial position as at 30 September 2017.

There has been no effect on reported profit or equity for the comparative year.

It is noted that this reclassification does not impact the liquidity of the company in practice, as the amount owed to Steinhoff Europe AG is only repayable at such a time when Greenlit Brands Pty Ltd repay an equivalent amount due to the company (amounts which are included in non-current assets of the company).



# Steinhoff UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

### 5 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £ 000	2017 £ 000
Dividends received	-	7,000

All revenue is earned from UK business.

### 6 Other losses

The analysis of the company's other losses for the year is as follows:

	2018 £ 000	2017 £ 000
Impairment against investments in subsidiaries	(1,557)	(326)
Impairment against loan to subsidiaries	(161)	(6,998)
Impairment against amounts receivable from group undertakings	(47,103)	-
	<u>(48,821)</u>	<u>(7,324)</u>

Further information on the impairment against amounts receivable from group undertakings is described in note 15.

The current year impairment against investments in subsidiaries is against Southern View Finance UK Limited as described in note 13.

### 7 Operating loss

Arrived at after charging:

	2018 £ 000	2017 £ 000
Foreign exchange losses	96	161

### 8 Finance income

	2018 £ 000	2017 £ 000
Interest receivable from group undertakings	36,604	18,594
Other finance income	628	837
	<u>37,232</u>	<u>19,431</u>

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 9 Finance costs

	2018 £ 000	2017 £ 000
Interest on bank overdrafts and borrowings	2	141
Foreign exchange losses	5,497	-
Amounts payable to group undertakings	<u>14,416</u>	<u>14,801</u>
	<u>19,915</u>	<u>14,942</u>

#### 10 Staff costs

The company has no employees other than the directors. There were no staff costs during either year.

The emoluments of the directors were paid by fellow subsidiaries of Steinhoff International Holdings N.V. It is not practicable to split their remuneration between their services to group companies.

#### 11 Auditor's remuneration

	2018 £ 000	2017 £ 000
Audit of the financial statements	<u>40</u>	<u>44</u>

There were no non-audit fees payable to the company's auditor in either year.

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 12 Income tax

Tax charged/(credited) in the income statement:

	2018 £ 000	2017 £ 000
<b>Current taxation</b>		
UK corporation tax	3,130	828
UK corporation tax adjustment to prior periods	-	(73)
	<u>3,130</u>	<u>755</u>

The tax on (loss)/profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017: 19.5%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
(Loss)/profit before tax	<u>(31,936)</u>	<u>4,371</u>
Corporation tax at standard rate	(6,068)	852
Decrease in current tax from adjustment for prior periods	-	(73)
Increase from effect of expenses not deductible in determining taxable profit	9,276	1,429
Decrease from effect of dividends from UK companies	-	(1,365)
Other reconciling items	<u>(78)</u>	<u>(88)</u>
Total tax charge	<u>3,130</u>	<u>755</u>

19% is the rate of corporation tax for the year following the reduction in the UK rate from 20% to 19% with effect from 1 April 2017.

There is no recognised or unrecognised deferred tax in either year.

Included within the Finance Act 2016 was a reduction in the corporation tax rate to 17% from 1 April 2020. This will affect the company's future tax charge.

Neither the Finance Act 2017 nor the Finance Act 2018 nor the Finance Act 2019 is expected to have a material effect on the company's tax position.

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 13 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost</b>	
At 1 October 2017 and 30 September 2018	<u>1,253,558</u>
<b>Provision</b>	
At 1 October 2017 (as restated, see note 4)	613,420
Charge for the year	<u>1,557</u>
At 30 September 2018	<u>614,977</u>
<b>Carrying amount</b>	
At 30 September 2018	<u>638,581</u>
At 1 October 2017 (as restated, see note 4)	<u>640,138</u>

The provision charge of £1,557,000 against the company's investments relates to Southern View Finance UK Limited.

Southern View Finance UK Limited is currently undertaking a Members Voluntary Liquidation and the company does not expect to receive any material returns from its investment. A provision of £1,557,000 has therefore been made to impair the company's investment down to £nil.

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Details of the subsidiaries as at 30 September 2018 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Bedshed	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Bensons Beds Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Cargo Homeshop Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Concorde Logistics Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Dunlopillo Limited*	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Fantastic Furniture Limited*	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Sprung Slumber Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Furniture Shed Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Harveys Furniture Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Homestyle 2007 Pension Scheme Trustee Limited	Pension Scheme Trustee	United Kingdom Pall Mall Works, 17-19 Cockspur Street, London, SW1Y 5BL	100%	100%
Homestyle Group Operations Limited*	Property Management	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Homestyle Operations Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Localbasis Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Myer's Beds Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Pritex Limited	Manufacture	United Kingdom Saint-Gobain House, Binley Business Park, Coventry, England, CV3 2TT	100%	100%
Property Portfolio (No 1) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 2) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 3) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 7) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 8) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%

Steinhoff UK Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

13 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Property Portfolio (No 11)	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 14) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 15) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Property Portfolio (No 17) Limited*	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Reid Furniture (2014) Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Relyon Group Limited	Investment	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Relyon Limited	Manufacture	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%



**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Serais Investments Limited	Property Management	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Sleepmasters Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Slumberland Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Sofa Shed Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Springtex Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Staples & Co Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Blue Group UK Beds Limited (formerly Steinhoff UK Beds Limited)	Manufacture	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Blue Group UK Furniture Limited (formerly Steinhoff UK Furniture Limited)	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Blue Group UK Group Properties Limited (formerly Steinhoff UK Group Properties Limited)*	Property Management	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Blue Group UK Manufacturing Limited (formerly Steinhoff UK Manufacturing Limited)	Investment	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited)*	Retail	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Formation Furniture Limited (formerly Steinhoff UK Upholstery Limited)	Import/distribution	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
TechXpress Limited	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
The Package Deal Kings Limited*	Dormant	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Unitrans Limited	Logistics	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Unitrans Logistics (UK) Limited	Investment	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Unitrans UK Limited*	Investment	United Kingdom 5th Floor, Festival House, Jessop Avenue, Cheltenham, GL50 3SH	100%	100%
Greenlit Brands Pty Ltd*	Investment	Australia Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Steinhoff Risk Solutions Pty Ltd	Insurance broking	Australia Level 4, 1 Epping Road, North Ryde, NSW 2113	0%	100%
Greenlit Brands Household Goods Pty Ltd	Investment	Australia Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Steinhoff Commercial Holdings Pty Ltd	Dormant	Australia Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%

Steinhoff UK Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

13 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Steinhoff Bedding Australia Pty Ltd	Manufacture	Australia Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Bravoscar Wholesaling Pty Ltd	Financing	Australia Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Greenlit Brands Corporate Solutions Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
POCO Australia Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Bravoscar Finance Company Pty Ltd	Financing	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Unitrans Property Pty Ltd	Trustee	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Unitrans Unit Trust	Property ownership	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	0%
Steinhoff Asia Pacific Ltd	Investment	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Panda Sofa Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
G&G Furniture Imports Pty Ltd	Importer	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Steinhoff Pacific Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Steinhoff Australia Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Bay Leather Republic Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Big Brand Outlet Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Furniture Australia Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Snooze Management Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Snooze Sleep Well Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Freedom Home & Cafe Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Furniture New Zealand Ltd	Retail	New Zealand, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
F.G.L. Property Tee Pty Ltd	Trustee	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
FGL Property Discretionary Trust	Property Ownership	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Unitrans Asia Pacific Pty Ltd	Logistics	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Prosequi Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Furniture Partnership	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Bayswiss Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Swiss Delicatessen & Restaurant Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%

Steinhoff UK Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

13 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Swiss Deli Retail Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Reconquista Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Beyond the Square Promotions Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Bayteak Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Bedroom Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Lidcombe Unit Trust	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	0%	100%
Freedom Unit Trust	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Bossaninja Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Lonaka Manufacturing Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Asteria Australia Pty Ltd	Online Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Kings Park Unit Trust	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	0%	100%
Freedom Brands Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Aigls Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Properties Holding Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Moore Park Bedding Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Freedom Property WA No.2 Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW 2113	100%	100%
Greenlit Brands General Merchandise Pty Ltd	Investment	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
PSEA Direct Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%



**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Best& Less Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Harsyn Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Harrin Australia Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
PSEA Dept. Stores Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Harris Scarfe Financial Services Pty Ltd	Finance	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Bronsonbay Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Allens Stores Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Harris Scarfe Insurance Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Harris Scarfe Securitisation Income Trust No. 1	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Harris Scarfe Securitisation Trust No. 1	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	0%
Postie Plus Group Ltd	Retail	New Zealand, Level 1, 646 Great South Road, Ellerslie, Auckland. 1642	100%	100%
Mozi Australia Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Storecon Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
The Kidstore Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Epiross Pty Ltd	Retail	Australia, 657-673 Parramatta Rd, Leichhardt, NSW 2040	100%	100%
Hongyu (HK) Holdings Ltd	Recycling	Hong Kong	50%	50%
Poundland Group Limited*	Investment	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Group Holdings Limited	Investment	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Poundland Value Retailing Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Retail Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Holdings Limited	Investment	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Willenhall Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Trustee Limited	Investment	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Limited	General merchandise retailer	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
M&O Business Systems Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Bargain Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Homes & More Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Poundland Stores Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland International Limited	Investment	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Shepton View Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Poundland Far East Limited	Purchasing company	Hong Kong, Suite 701, 168 Queen's Road Central, Hong Kong	97.88%	97.88%
Dealz Espana SL	General merchandise retailer	Spain, Calle Bravo Murillo 192, Madrid 28020	97.88%	97.88%
Dealz Retailing Ireland Limited	Dormant	Eire, Unit 3 West End Retail Park, Blanchardstown, Dublin 15	97.88%	97.88%
Pagewell Limited	Dormant	Eire, 24/26, City Quay, Dublin 2	97.88%	97.88%
Pagewell Concession (Ilac) Limited	Dormant	Eire, 88 Harcourt Street, Dublin 2, D02 DK18	97.88%	97.88%
Fantastic Holdings Limited	Investment	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%

Steinhoff UK Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

13 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Fantastic Furniture Pty Limited	Retail	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Furniture (Licencing) Pty Limited	Dormant	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
FHL Distribution Centre Pty Limited	Importer	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Royal Comfort Bedding Pty Ltd	Manufacturing	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Metal Furniture Manufacturers Pty Limited	Manufacturing	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Holdings Hong Kong Limited	Manufacturing	Hong Kong, Room E, 16/F, CNT Tower, Hennessy Road, Wanchai	100%	100%
Fantastic International Manufacturing - FIM Limited	Manufacturing	Hong Kong, Room E, 16/F, CNT Tower, Hennessy Road, Wanchai, Hong Kong	60%	60%
Fantastic International Manufacturing Jiangsu Co. Ltd	Manufacturing	China, 1 Benniu Industrial Concentration District (North), Wujin District, Changzhou, Jiangsu Province	60%	60%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Cong Ty TNHH Fantastic Metal Furniture Manufacturers	Dissolved	Vietnam, No 2, Lot 14-16, Road No.3, Tan Duc Industrial Zone, Duc Hoa Ha Commune, Duc Hoa District, Long An province	0%	100%
Cong Ty TNHH Fantastic Manufacturing	Manufacturing	Vietnam, Lot W, N6 – D4 Street, Nam Tan Uyen Industrial Park, Khanh Binh Ward, Tan Uyen District, Binh Duong Province	100%	100%
Plush - Think Sofas Pty Limited	Retail	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Original Mattress Factory Pty Limited	Retail	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Property Pty Limited	Property Ownership	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Dandenong Property Trust	Property Ownership	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Furniture Limited	Dormant	New Zealand, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	100%	100%
Fantastic Furniture - The Package Deal Kings Limited	Dormant	New Zealand, 18-26 Amelia Earhart Avenue, Mangere, Auckland, 2022	100%	100%

Steinhoff UK Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

13 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Best Buy Furniture Pty Limited	Dormant	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
The Package Deal Kings Pty Limited	Dormant	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Furniture Share Plan Pty Limited	Trustee	Australia, 62 Hume Highway, Chullora, NSW 2190	100%	100%
Fantastic Holdings Performance Hurdle Employee Share Trust	Share Trust	Australia, Level 4, 1 Epping Road, North Ryde, NSW	100%	100%
White Label Investments Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW	100%	100%
White Label Innovations Pty Ltd	Retail	Australia, Level 4, 1 Epping Road, North Ryde, NSW	100%	100%
State Marketing and Innovation Corporation Pty Ltd	Dormant	Australia, Level 4, 1 Epping Road, North Ryde, NSW	100%	100%
Retail Holdings SarL*	Investment	Luxembourg, 56, Rue Charles Martel, L-2134, Luxembourg	100%	100%
Dealz Poland Sp. z o.o.	General merchandise retailer	Poland, Strzeszyńska 73 A, 60-479 Poznań	97.88%	97.88%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
GHM Stores Limited	Non-trading entity	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Pepkor UK Retail Limited	Retail	United Kingdom, Oak House, Reeds Crescent, Watford, WD24 4QP	97.88%	97.88%
Poundland UK and Europe Limited	Investment	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Vaucluse Diffusion SASU	General merchandise retailer	France, Immeuble Mirabeau II, 1 Bis Avenue Guy de Maupassant, 13170 Les Pennes Mirabeau	97.88%	97.88%
Fully Sun China Ltd	Purchasing company	Hong Kong, 19/F., Seaview Commercial Building, 21-24 Connaught Road West, Hong Kong	97.88%	97.88%
Pepkor Europe GmbH	Investment	Switzerland, Kanzlei Pilatushof, Hirschmattstrasse 15, 6003 Luzern	97.88%	97.88%
Pepco Group Limited (formerly Pepkor Europe Limited)	Investment	United Kingdom, Unit B, 120 Weston Street, London, United Kingdom, SE1 4GS	97.88%	97.88%



**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Southern View Finance UK Limited*	Micro-Lending	United Kingdom, Witan Gate House, 500 - 600 Witan Gate West, Milton Keynes, MK9 1SH	100%	100%
Capfin Limited	Credit Lender	United Kingdom, Witan Gate House, 500 - 600 Witan Gate West, Milton Keynes, MK9 1SH	100%	100%
Pepko Poland Sp. z o.o.	General merchandise retailer	Poland, Strzeszyńska 73 A, 60-479 Poznań	97.88%	97.88%
Konopacka Holdings B.V.	Investment	The Netherlands, Noord Brabantlaan 265, 5652LD Eindhoven	97.88%	97.88%
Rawka Holdings B.V.	Investment	The Netherlands, Noord Brabantlaan 265, 5652LD Eindhoven	97.88%	97.88%
Cardina Investment Sp. z o.o.	Property holding	Poland, Strzeszyńska 73 A, 60-479 Poznań	97.88%	97.88%
Evarts Investments Sp. z o.o.	Property holding	Poland, Strzeszyńska 73 A, 60-479 Poznań	97.88%	97.88%
Pepkor Ingatlan Kft	Property holding	Hungary, 1138 Budapest Váci út 187	97.88%	97.88%

Steinhoff UK Holdings Limited

Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

13 Investments (continued)

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Pepco Croatia d.o.o.	General merchandise retailer	Croatia, Damira Tomljanovića Gavrana 11, 10020 Zagreb	97.88%	97.88%
Pepco Czech Republic S.r.o.	General merchandise retailer	Czech Republic, Hvezdova 1717/2b, 14078 Prague 4	97.88%	97.88%
Pepco Hungary Kft.	General merchandise retailer	Hungary, 1138 Budapest Váci út 187	97.88%	97.88%
Pepco Slovakia s.r.o.	General merchandise retailer	Slovakia, Nevädzová 6, 821 01 Bratislava	97.88%	97.88%
Pepco d.o.o.	General merchandise retailer	Slovenia, Tržaška cesta 515, SI-1351 Brezovica pri Ljubljani	97.88%	97.88%
Pepco Lithuania UAB	General merchandise retailer	Lithuania, Viršuliškių al. 34-1, Vilnius, LT-05132	97.88%	97.88%
Pepco Latvia SIA	General merchandise retailer	Latvia, Strēlnieku 9-7, Riga, LV-1010	97.88%	97.88%
Pepco Estonia OU	General merchandise retailer	Estonia, Sõpruse pst 145C, Tallinn City, Harju county, 13417	97.88%	97.88%
Pepco Retail SRL	General merchandise retailer	Romania, 17/3 Ceasornicului str., Sector 1, Bucharest	97.88%	97.88%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
Pepco Properties Sp. z o.o	Property holding	Poland, Strzeszyńska 73 A, 60-479 Poznań	97.88%	97.88%
Family Bargains (Retail) Limited	Dormant	United Kingdom, Wellmans Road, Willenhall, West Midlands, WV13 2QT	97.88%	97.88%
Pepkor Imports B.V.	Investment	The Netherlands, Naritaweg 165, 1043 BW, Amsterdam	97.88%	97.88%
Pepkor France SAS	Non-trading company	France, 1, Place Boieldieu, 75002 Paris	97.88%	97.88%
Pepkor Retail Espana S.L.	Non-trading company	Spain, 1-3 Avenida Baix Llobregat, Barcelona 08820	97.88%	97.88%
Sapphire 117 Limited	Non-trading company	United Kingdom, Unit 4.1 The Leather Market, Weston Street, London, SE1 3ER	97.88%	97.88%
Pepco Group Services Limited (formerly Pepkor Marketing Limited)	Non-trading company	United Kingdom, Unit 4.1 The Leather Market, Weston Street, London, SE1 3ER	97.88%	97.88%
Pepkor GPS (Shanghai) Co Ltd	Purchasing company	China, 8th floor, 666(H) East Beijing Rd, Huangpu District, Shanghai, Shanghai 200001	97.88%	97.88%

**Steinhoff UK Holdings Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

**13 Investments (continued)**

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held	
			2018	2017
PGS Partner India Private Ltd	Purchasing company	India, Unit no-128, Suncity Success Tower Sector-65, Golf Course Extn Road, Gurugram, Haryana-122005	97.88%	97.88%

\* indicates direct investment of the company

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 14 Other financial assets

	2018 £ 000	2017 £ 000
<b>Non-current financial assets</b>		
Receivables from group undertakings	737,229	742,275
Other receivables	<u>9,061</u>	<u>8,695</u>
	<u>746,290</u>	<u>750,970</u>

Interest on receivables from group undertakings which are governed by formal loan agreements is charged at rates between 2.5% and LIBOR plus 7.5%. There is a small value of interest-free balances, which did not originate under formal loan agreements but came about as a result of a standstill and cash pooling agreement which was in place at the year end between the company and certain of its subsidiaries. As a result of this agreement, as at the year end, none of the balances above were expected to be repaid until January 2020 at the earliest, hence why they have been classified as non-current.

#### 15 Trade and other receivables

	2018 £ 000	2017 £ 000
Receivables from group undertakings	3,559	95,198
Prepayments	<u>25</u>	<u>-</u>
	<u>3,584</u>	<u>95,198</u>

Receivables from group undertakings are repayable on demand.

Receivables from group undertakings are stated net of a provision of £47,103,000 which was made on a balance receivable at year end from Steinhoff Europe AG, the indirect parent of the company. As highlighted in note 21, Steinhoff Europe AG has recently been through a restructuring exercise and CVA, and the directors have impaired the balance receivable due to the uncertainty of whether this balance will be recoverable by the company. The impairment recognised during the year can be seen in note 6.

#### 16 Cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank	<u>17,240</u>	<u>1,953</u>

# Steinhoff UK Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

### 17 Trade and other payables

	2018	(As restated, see note 4) 2017
	£ 000	£ 000
Accrued expenses	76	314
Amounts due to group undertakings	278,539	275,082
Other payables	336	175
	<u>278,951</u>	<u>275,571</u>

Interest on amounts due to group undertakings which are governed by formal loan agreements is charged at rates between 3.2% and base rate plus 2.85%.

There is also a quantity of interest-free balances, which did not originate under formal loan agreements but came about as a result of a standstill and cash pooling agreement which was in place at the year end between the company and certain of its subsidiaries. As the company has no unconditional right to defer settlement of these balances for at least 12 months after the year end, the company has included these amounts as current liabilities.

Although there was no unconditional right as at the year end to defer settlement for at least 12 months, it should be noted that after the year end the company has either used non-current receivables from group undertakings to settle the current liabilities, or the current liabilities are linked to existing non-current receivables in such a way that the liabilities only have to be settled if cash is received against those receivables.

### 18 Loans and borrowings

	2018	(As restated, see note 4) 2017
	£ 000	£ 000
<b>Non-current loans and borrowings</b>		
Amounts payable to group undertakings	<u>534,604</u>	<u>587,784</u>

Interest on amounts payable to group undertakings is charged at rates between 3.2% and base rate plus 2.85%.

## Steinhoff UK Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)

#### 19 Share capital

##### Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,132</u>	<u>1,132</u>	<u>1,132</u>	<u>1,132</u>

The company has abolished its authorised share capital.

#### 20 Parent and ultimate parent undertaking

The company's immediate parent during the year was Steinhoff Retail GmbH. After the year end, the company was sold to Steenbok Newco 7 Limited.

The ultimate parent, both before and after the aforementioned transfer, is Steinhoff International Holdings N.V..

The most senior parent entity producing publicly available financial statements is Steinhoff International Holdings N.V.. These financial statements are available upon request from [www.steinhoffinternational.com](http://www.steinhoffinternational.com).

##### Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is Steinhoff International Holdings N.V., incorporated in The Netherlands.

The registered office of Steinhoff International Holdings N.V. is:

Building B2  
Vineyard Office Park  
Cnr Adam Tas & Devon Valley Road  
Stellenbosch 7600  
South Africa

#### 21 Events after the financial year

After the year end, in July 2019, Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited), a subsidiary of the company, transferred the Homestyle 2007 Pension Scheme (the "Scheme"), its largest defined benefit pension scheme, to a newly incorporated subsidiary of the company, Homestyle Pension Company Limited. As part of the transfer, the company gave a guarantee to the Scheme up to the value of £33 million. As at 30 September 2019, the date of the most recent valuation for accounting purposes, the Scheme was in surplus as calculated for the purposes of IAS 19.

## **Steinhoff UK Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2018 (continued)**

#### **21 Events after the financial year (continued)**

In November 2019, the company reached agreement with Alteri Investors to sell to them a number of the company's subsidiaries, being the furniture retail, manufacturing and logistics businesses. The companies involved include Blue Group UK Retail Limited (formerly Steinhoff UK Retail Limited), Blue Group UK Group Properties Limited (formerly Steinhoff UK Group Properties Limited), Unitrans UK Limited and Blue Group UK Manufacturing Limited (formerly Steinhoff UK Manufacturing Limited) and their trading subsidiaries.

After receiving regulatory approval, completion took place on 26 February 2020.

During August 2019, the company's indirect parent companies Steinhoff Europe AG (SEAG) and Steinhoff Finance Holding GmbH (SFHG) successfully completed the implementation of the Restructuring (as detailed in the SEAG CVA and the SFHG CVA which can be found on the International company website <http://www.steinhoffinternational.com>). Among other things, the SIHNV Group has implemented certain changes to the Group's European corporate holding structure and the restructuring of SEAG's and SFHG's financial indebtedness extending the expiry of debt instruments to 31 December 2021.

As part of the SEAG CVA and the SFHG CVA, the company has granted security over the following assets:

- Shares in Retail Holdings SarL and its subsidiaries;
- Shares in Greenlit Brands Pty Ltd and its subsidiaries;
- The company's bank accounts; and
- Amounts receivable from Pepco Group Limited (formerly Pepkor Europe Limited), an indirect subsidiary of the company.

In November 2019, the subgroup with parent Greenlit Brands Pty Ltd reached agreement to divest its General Merchandise division, including 322 stores and over 6,100 employees. As the division was a significant portion of this subgroup's business, the company will need to assess the investment it carries in the Greenlit Brands Pty Ltd subgroup and it is likely to trigger an impairment review for future periods' financial statements of the company.

In addition, the recent outbreak and spread of the Coronavirus has led to the closure of certain stores operated by the company's subsidiaries which are deemed "non-essential" stores, however approximately a third remain open at the date of signing. The impact on the ongoing profitability of the affected subsidiaries is still uncertain, but an impairment review on the company's investments in those subsidiaries is likely to be triggered for the financial statements for the year ended 30 September 2020.