Company Registration No. 05468786 (England and Wales)

JWC (INT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

JWC (INT) LIMITED

COMPANY INFORMATION

Director	A Muller	(Appointed 5 February 2018)
Company number	05468786	
Registered office	5th Floor Festival House Jessop Avenue Cheltenham Gloucestershire GL50 3SH	
Auditor	Leonard Wilson & Co Colinton House Leicester Road Bedworth Warwickshire CV12 8AB	

JWC (INT) LIMITED

CONTENTS

JWC (INT) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The director presents his annual report and financial statements for the year ended 30 September 2018.

Principal activities
The principal activity of the company is the management of intellectual property rights.

The director is not aware at the date of signing this report of any likely major changes in the company's activities in the next year.

Results and dividends
The results for the year are set out on page 5.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Grobler	(Resigned 6 February 2018)
A Muller	(Appointed 5 February 2018)

Auditor
The auditor, Leonard Wilson & Co, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
The director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Business review and going concern
The company's turnover amounted to A$12.9m (2017 - A$13.5m) and the profit before tax amounted to A$5.5m (2017 - A$5.8m).

The company's net liabilities have decreased from A$8.7m in 2017 to A$4.3m in 2018.

Notwithstanding the net liabilities position at 30 September 2018, the director believes the company is a going concern on the basis that they have received confirmation from Steinhoff Europe AG that they will not recall the amounts owed at 30 September 2018 for at least twelve months from the date of signing these financial statements. The director believes the company's profitability i.e. income less expenses will be materially at the same level for the forthcoming year as that for the year ended 30 September 2018 and therefore believes that it is appropriate to prepare these accounts on a going concern basis.

On the assumption that the Company Voluntary Arrangement (CVA) of the company's indirect parent Steinhoff Europe AG is implemented as expected (refer note 18) and no funding is required to be provided to its indirect parent, the director is of the opinion that the company can meet its liabilities as they fall due for a period of at least the next 12 months from the date of signing these financial statements.

CVA of indirect parent company
In December 2017 an announcement was made by the company's ultimate parent, Steinhoff International Holdings N.V., that an investigation into accounting irregularities was to take place. This and further announcements had an effect on the ability to raise finance within the Steinhoff International Group, of which this company is a member.

As at the signing date, the proposed CVA of the company's indirect parent Steinhoff Europe AG (SEAG) has not yet been implemented, see note 18 for further details. If the CVA is not implemented as is expected then the company as an indirect subsidiary could potentially be called upon to help finance the parent company. The company does not rely on support from its indirect parent SEAG and is not expected to be affected by the CVA agreement which is expected to be implemented.

Statement of director's responsibilities
The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have 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 director is 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. He is 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.

A Muller
Director
5 April 2019

JWC (INT) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JWC (INT) LIMITED

Opinion

We have audited the financial statements of JWC (INT) Limited (the 'company') for the year ended 30 September 2018 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director is 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 director either intends 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Ian Turner

Ian Turner FCA (Senior Statutory Auditor)
for and on behalf of Leonard Wilson & Co
Chartered Accountants
Statutory Auditor

8 April 2019

Colinton House
Leicester Road
Bedworth
Warwickshire
CV12 8AB

JWC (INT) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 A$000	2017 A$000
Turnover	**3**	12,898	13,468
Cost of sales		(6,000)	(6,000)
Gross profit		6,898	7,468
Administrative expenses		28	(171)
Operating profit	**4**	6,926	7,297
Interest receivable	**6**	81	-
Interest payable	**7**	(1,461)	(1,490)
Profit before taxation		5,546	5,807
Tax on profit	**8**	(1,137)	(1,259)
Profit and total comprehensive income for the financial year	**16**	4,409	4,548

The profit and loss account has been prepared on the basis that all operations are continuing operations.

JWC (INT) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 A$000	2017 A$000
Fixed assets			
Intangible assets	9	100,751	100,785
Tangible fixed assets	10	2,611	2,668
		103,362	103,453
Current assets			
Debtors	11	10,427	10,743
Current tax recoverable		52	77
Cash at bank and in hand		6,270	543
		16,749	11,363
Creditors: amounts falling due within one year			
Creditors	13	131	130
Net current assets		16,618	11,233
Total assets less current liabilities		119,980	114,686
Creditors: amounts falling due after more than one year			
Loans	12	115,621	115,621
Provisions for liabilities			
Deferred tax liabilities	14	8,681	7,796
Net liabilities		(4,322)	(8,731)
Capital and reserves			
Profit and loss reserves	16	(4,322)	(8,731)

The financial statements were approved by the director and authorised for issue on 5 April 2019.

A Muller
Director
Company Registration No. 05468786

JWC (INT) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Share capital A$000	Retained earnings A$000	Total A$000
Balance at 1 October 2016	-	(13,279)	(13,279)
Year ended 30 September 2017:			
Profit and total comprehensive income for the year	-	4,548	4,548
Balance at 30 September 2017	-	(8,731)	(8,731)
Year ended 30 September 2018:			
Profit and total comprehensive income for the year	-	4,409	4,409
Balance at 30 September 2018	-	(4,322)	(4,322)

1 Accounting policies

Company information
JWC (INT) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5th Floor Festival House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3SH.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The accounts are presented in Australian Dollars which is the functional currency of the company. The sterling exchange rate at the balance sheet date is 1.8086 AUD to 1 GBP.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 101, The Financial Reporting Standard applicable in the UK and Republic of Ireland. These financial statements for the year ended 30 September 2018 are the first financial statements of JWC (INT) Limited prepared in accordance with FRS 101. The company transitioned from FRS 102 to FRS 101 for all periods presented and the date of transition to FRS 101 was 1 October 2016.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 101.

The company has taken advantage of the following disclosure exemptions under FRS 101:
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 and (e) of IAS 38 Intangibles Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the group accounts of the ultimate parent company and ultimate controlling party, Steinhoff International Holdings N.V., a company registered in the Netherlands. The accounts, when released, will be available to the public and can be obtained as set out in note 17.

1.2 Going concern

At the time of approving the financial statements, on the assumption that the CVA of the company's indirect parent Steinhoff Europe AG is implemented as expected (refer note 18) and no funding is required from its indirect parent, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover represents primarily royalty income receivable on the trademarks owned by the company and rental income.

1.4 Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of the assets less their residual values over their useful lives on the following bases:

- Trademarks - See note 9

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	- 2% Straight line basis

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

1.10 Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost.

1 Accounting policies **(Continued)**

Other financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are classified as debt, and are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or, if hedged, at the hedged rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the exchange rates prevailing at that date or if appropriate, at the hedged rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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.

3 Turnover

	2018	2017
	A$000	A$000
Turnover analysed by class of business		
Royalty income	12,524	13,116
Property rental income	374	352
	12,898	13,468

3 Turnover (Continued)

	2018	2017
	A$000	**A$000**
Turnover analysed by geographical market		
Australia	11,401	11,898
New Zealand	1,122	1,218
United Kingdom	375	352
	12,898	13,468

4 Operating profit

	2018	2017
	A$000	**A$000**
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(228)	10
Fees payable to the company's auditor for the audit of the company's financial statements	13	7
Depreciation of tangible fixed assets	57	57
Amortisation of intangible assets	34	23

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2017 - 1).

6 Interest receivable

	2018	2017
	A$000	**A$000**
Interest income:		
Other interest	81	-

7 Interest payable

	2018	2017
	A$000	**A$000**
Interest on financial liabilities:		
Loan interest	1,461	1,490

8 Income tax expense

	2018 A$000	2017 A$000
Current tax		
UK corporation tax on profits for the current period	(52)	(77)
Adjustments in respect of prior periods	304	144
Total UK current tax	252	67
Deferred tax		
Origination and reversal of temporary differences	885	1,192
Total tax charge	1,137	1,259

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2018 A$000	2017 A$000
Profit before taxation	5,546	5,807
Expected tax charge based on a corporation tax rate of 19% (2017: 19.5%)	1,054	1,132
Effect of expenses not deductible in determining taxable profit	139	161
Utilisation of tax losses brought forward	(497)	(584)
Under/(over) provided in prior years	309	64
Deferred tax adjustments	885	1,192
Other tax adjustments	(753)	(706)
Taxation charge for the year	1,137	1,259

9 Intangible fixed assets

	Trademarks A$000
Cost	
At 30 September 2017	100,836
At 30 September 2018	100,836
Amortisation and impairment	
At 30 September 2017	51
Charge for the year	34
At 30 September 2018	85
Carrying amount	
At 30 September 2018	100,751
At 30 September 2017	100,785

Intangible assets represents intellectual property rights in the form of various trademarks. The various trademarks have been in existence for between 30 to 40 years and are now well established.

The trademarks with an estimated useful life of 3 years have been amortised at a rate of 33% on straight line basis. No amortisation has been charged on the trademarks for which an impairment review has shown the estimated recoverable amount of the trademarks exceeds their present carrying value.

10 Tangible fixed assets

	Freehold land and buildings A$000
Cost	
At 30 September 2017	2,868
At 30 September 2018	2,868
Accumulated depreciation and impairment	
At 30 September 2017	200
Charge for the year	57
At 30 September 2018	257
Carrying amount	
At 30 September 2018	2,611
At 30 September 2017	2,668

On 1 February 2018, the freehold land and buildings were revalued in excess of their carrying value.

The professional valuation based on the investment method was provided by the chartered surveyors CBRE Limited, St Martin's Court, 10 Paternoster Row, London, EC4M 7HP.

11 Debtors

	2018 A$000	2017 A$000
Trade debtors	6,664	7,096
VAT recoverable	8	8
Amounts due from fellow group undertakings	3,755	3,639
	10,427	10,743

12 Loans

Analysis of loans

	2018 A$000	2017 A$000
Amounts due to fellow group undertakings	115,621	115,621

The above loan balance represents amounts owed to Steinhoff Europe AG, a company registered in Switzerland.

As at 30 September 2018, Steinhoff Europe AG have agreed not to recall the amounts owed for at least 12 months from the date of signing these accounts.

13 Creditors

	Due within one year	
	2018 A$000	2017 A$000
Loan interest	120	120
Accruals	11	10
	131	130

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances A$000	Tax losses to carry forward A$000	Total A$000
Deferred tax liability at 1 October 2017	8,186	-	8,186
Deferred tax asset at 1 October 2017	-	(390)	(390)
Deferred tax movements in current year			
Debit to profit or loss	682	203	885
Deferred tax liability at 30 September 2018	8,868	(187)	8,681

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 A$000	2017 A$000
Deferred tax liabilities	8,681	7,796

15 Share capital

	2018 A$	2017 A$
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of A$1 each	2	2
	2	2

16 Profit and loss reserves

	2018 A$000	2017 A$000
At the beginning of the year	(8,731)	(13,279)
Profit for the year	4,409	4,548
At the end of the year	(4,322)	(8,731)

17 Controlling party

The company is a wholly owned subsidiary of Retail Interests Ltd, a company registered in England & Wales. The results of the company are consolidated with the Steinhoff Europe AG Group. The ultimate parent company and controlling party is Steinhoff International Holdings N.V., a company incorporated in the Netherlands.

The largest group for which the results of the company are consolidated is headed by Steinhoff International Holdings N.V. Copies of these consolidated financial statements may be obtained via the website www.steinhoffinternational.com, when they become available.

18 CVA of indirect parent company

In December 2017 an announcement was made by the company's ultimate parent, Steinhoff International Holdings N.V., that an investigation into accounting irregularities was to take place. This and further announcements had an effect on the ability to raise finance within the Steinhoff International Group, of which this company is a member.

As at the signing date, the proposed Company Voluntary Arrangement (CVA) of the company's indirect parent Steinhoff Europe AG (SEAG) has not yet been implemented. The CVA includes the reorganisation of the corporate structure of SEAG and Steinhoff Finance Holdings GmbH. Approximately 94 percent of creditors who voted approved a CVA for SEAG and approximately 99 percent approved a CVA for Steinhoff Finance Holdings GmbH. If the CVA is not implemented as is expected then the company as an indirect subsidiary could potentially be called upon to help finance the parent company. The company does not rely on support from its indirect parent SEAG and is not expected to be affected by the CVA agreement which is expected to be implemented.