Grant Thornton

Financial Statements
Sofa.com Midco Limited

For the year ended 28 February 2018

Registered number: 09341801

Company Information

Directors	Mr R J E Holmes (Appointed 24 May 2017) Mrs J L Hughes-Ward (Appointed 28 June 2018)
Company secretary	Mr R J E Holmes
Registered number	09341801
Registered office	35 Chelsea Wharf 15 Lots Road London SW10 0QJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

Sofa.com Midco Limited

Contents

Strategic Report
For the year ended 28 February 2018

The directors present their report and financial statements for the year ended 28 February 2018.

Future plans

The Company has restructured its balance sheet to try and reduce the amount of debt which is held within the business and therefore carried out a debt for equity swap.

Financial risk management objectives and policies

The Company faces a number of risks in both the development and day-to-day operations of its business. The Board regularly reviews these risks and oversees the implementation by executive directors and operational management of processes to manage these risks.

Subsequent events

On the 14 June 2018 CBPE Capital Fund VIII (CBPE) the majority shareholders sold the group to funds managed by LGT European Capital (LGT). Subsequently in August 2018 the group carried out a debt for equity swap to reduce the amount of debt held in the business by £59m by writing off the shareholder loan notes and accrued interest and converting £6.023m of bank loans into preference shares.

The following unaudited proforma balance sheet represents the Company position had the debt for equity swap taken place as at 28 February 2018:

	28 February 2018 £	Unaudited proforma 28 February 2018 £
Fixed assets		
Investments	**55,980**	55,980
Current assets		
Debtors: amounts falling due after more than one year	**-**	-
Debtors: amounts falling due within one year	**26,769**	26,769
Cash at bank and in hand	**464**	464
	27,233	27,233
Creditors: amounts falling due within one year	**(367,189)**	(423,170)
Net current liabilities	**(339,956)**	(395,937)
Total assets less current liabilities	(283,976)	(339,957)
Creditors: amounts falling due after more than one year	**(52,098,014)**	-
Net liabilities	(52,381,990)	(339,957)

Strategic Report
For the year ended 28 February 2018

This report was approved by the board on 30 November 2018 and signed on its behalf.

Mr R J E Holmes
Director

Directors' Report
For the year ended 28 February 2018

The directors present their report and the financial statements for the year ended 28 February 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 profit or loss of the Company for that period.

In preparing these financial statements, the directors are 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal activity

The company's principal activity during the year was that of a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £42,046,469 (2017: £10,366,917).

The impact of uncertain market conditions on current and expected trading performance are considered by management to be an indicator of impairment. As such management have carried out a value in use impairment review based on detailed management budgets for three years, management forecasts for years four and five and country growth rates thereafter. This has resulted in an impairment of £42,025,647 (2017: £10,365,687) on the amounts owed by group undertakings.

Directors' Report

For the year ended 28 February 2018

Directors

The directors who served during the year were:

Mr V A Gunn (resigned 30 April 2018)
Mr E M Knighton (resigned 3 April 2017)
Mr R J E Holmes (appointed 24 May 2017)
Mrs J L Hughes-Ward (appointed 28 June 2018)

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The company made a loss in the year and had net liabilities at the year end. The directors of the ultimate parent companies, funds managed by LGT European Capital (LGT), have confirmed their current intention to continue to support the company for a period of at least 12 months from the date of approval of these financial statements.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 November 2018 and signed on its behalf.

Mr R J E Holmes
Director

Grant Thornton

Independent Auditor's Report to the members of Sofa.com Midco Limited

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Sofa.com Midco Limited (the 'company') for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 28 February 2018 and of its loss 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 as applied to listed entities, 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.

Who we are reporting to

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.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have 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.

Grant Thornton

Independent Auditor's Report to the members of Sofa.com Midco Limited

Overview of our audit approach

- Overall materiality: £517,000 which represents 2% of the company's total assets capped at 90% of the group materiality;
- A key audit matter was identified as to the recoverability of intercompany debtors
- A key change in the scope of the audit from the prior year related to the recoverability of the intercompany debtors

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Recoverability of intercompany debtors Following the covenant breach at the year-end within a fellow subsidiary in the group and post year end restructuring of loan notes and bank debt, this cast doubt on the recoverability of the intercompany debtor. Management prepared a value in use calculation to evaluate the current carrying value of the assets of the group's business and consequently fully impaired this intercompany debtor. We therefore identified the recoverability of intercompany debtors as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Determining whether the methodology used by management to calculate the value in use of the group's business, which the fellow subsidiary forms a part of, was appropriate; • Using our internal valuation specialist to benchmark the weighted average cost of capital used in the assessment against similar businesses; • Agreeing the forecast financial information used in the value in use calculation to approved budgets for the group; and • Reperforming the calculation of the value in use and impairment The company's accounting policy on recoverability of intercompany debtors is shown in note 2.5 to the financial statements and related disclosures are included in note 10. **Key observations** Based on our audit work we found the methodologies to be appropriate and the weighted average cost of capital used in the assessment to be in line with similar companies. We agree with management's conclusion that the intercompany debtor is fully impaired.

Grant Thornton

Independent Auditor's Report to the members of Sofa.com Midco Limited

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £517,000, which is 2% of total assets capped at 90% of group materiality. This benchmark is considered the most appropriate because the company is an intermediate holding company which does not trade.
Materiality for the current year is higher than the level that we determined for the year ended 28 February 2017 to reflect the increase in group materiality for the year.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 65% of financial statement materiality.

We determined the threshold at which we will communicate misstatements to the audit committee to be £25,850. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its environment and risk profile and in particular included:

- confirming our understanding of the activity of the company to relate solely to the holding and servicing of the group's debt; and
- undertaking substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment and the management of specific risks.

This approach is consistent with that adopted for the year ended 28 February 2017 other than the inclusion of a risk around the recoverability of the intercompany debtor as discussed under Key Audit Matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 - 4, 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.

Grant Thornton

Independent Auditor's Report to the members of Sofa.com Midco Limited

Our opinion on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, 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.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

Grant Thornton

Independent Auditor's Report to the members of Sofa.com Midco Limited

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Marc Summers, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 30 November 2018

Statement of Comprehensive Income

For the year ended 28 February 2018

	Note	Year ended 28 February 2018 £	Year ended 28 February 2017 £
Administrative expenses		(20,822)	(1,080)
Exceptional other operating charges	8	(42,025,647)	(10,365,687)
Operating loss	4	(42,046,469)	(10,366,767)
Interest receivable and similar income	6	5,999,266	4,556,419
Interest payable and expenses	7	(5,999,266)	(4,556,569)
Loss before tax		(42,046,469)	(10,366,917)
Tax on loss		-	-
Loss for the period		(42,046,469)	(10,366,917)
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(42,046,469)	(10,366,917)

There were no recognised gains and losses for 2018 (2017: £nil) other than those included in the income statement.
The notes on pages 13 to 19 form part of these financial statements.

Statement of Financial Position

As at 28 February 2018

	Note		28 February 2018 £		29 February 2017 £
Fixed assets					
Investments	9		**55,980**		55,980
Current assets					
Debtors: amounts falling due after more than one year	10	**-**		33,082,361	
Debtors: amounts falling due within one year	10	**26,769**		170	
Cash at bank and in hand	11	**464**		3,428	
		27,233		33,085,959	
Creditors: amounts falling due within one year	12	**(367,189)**		(378,711)	
Net current assets			**(339,956)**		32,707,248
Total assets less current liabilities			**(283,976)**		32,763,228
Creditors: amounts falling due after more than one year	13		**(52,098,014)**		(43,098,749)
Net liabilities			**(52,381,990)**		(10,335,521)
Capital and reserves					
Called up share capital	16		**55,981**		55,981
Profit and loss account			**(52,437,971)**		(10,391,502)
Shareholders' deficit			**(52,381,990)**		(10,335,521)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr R J E Holmes
Director
Date: 30 November 2018

The notes on pages 13 to 19 form part of these financial statements.

Sofa.com Midco Limited
Registered number:09341801

Statement of Changes in Equity

For the year ended 28 February 2018

	Share capital £	Retained earnings £	Total equity £
At 1 March 2017	55,981	(10,391,502)	(10,335,521)
Comprehensive income for the year			
Loss for the year	-	(42,046,469)	(42,046,469)
Total comprehensive income for the year	-	(42,046,469)	(42,046,469)
Shares issued during the year	-	-	-
At 28 February 2018	55,981	(52,437,971)	(52,381,990)

Statement of Changes in Equity

For the period ended 28 February 2017

	Share capital £	Retained earnings £	Total equity £
At 1 March 2016	55,981	(24,585)	31,396
Comprehensive income for the period			
Loss for the period	-	(10,366,917)	(10,366,917)
Total comprehensive income for the period	-	(10,366,917)	(10,366,917)
Shares issued during the period	-	-	-
At 28 February 2017	55,981	(10,391,502)	(10,335,521)

The notes on pages 13 to 19 form part of these financial statements.

Notes to the Financial Statements

For the year ended 28 February 2018

1. General information

Sofa.com Midco Limited is a company limited by shares and incorporated in England. The registered office is 35 Chelsea Wharf, 15 Lots Road, London, SW10 0QJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company has taken advantage of the following disclosure exemption in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" The requirements of Section 7 Statement of Cash Flows.

2.2 Basis of consolidation

The financial statements contain information about Sofa.com Midco 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 requirements to prepare consolidated financial statements as it is included in the consolidated financial statements of its parent company Sofa.com Topco Limited, a company registered in England and Wales.

2.3 Going concern

The company made a loss in the year and had net liabilities at the year end. The directors of the ultimate parent companies, funds managed by LGT European Capital (LGT), have confirmed their current intention to continue to support the company for a period of at least 12 months from the date of approval of these financial statements.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the year ended 28 February 2018

Accounting policies (continued)

2.7 Financial instruments

The basic financial instruments transactions that the Company enters into result in the recognition of financial assets and liabilities that comprise trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the year ended 28 February 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities as at the balance sheet date and the amounts reported for expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Given the uncertain market conditions the directors have carried out an impairment review as discussed in Note 10. This impairment review has a number of significant estimates and judgements within it.

4. Operating loss

During the year, no directors received any emoluments. Audit fees of £5,000 (2017: £5,000) are borne by another group company.

5. Employees

The Company has no employees other than the directors, who did not receive remuneration.

6. Interest receivable

	Year ended 28 February 2018 £	Period ended 28 February 2017 £
Interest receivable from group companies	**5,999,266**	4,556,419

7. Interest payable and similar charges

	Year ended 28 February 2018 £	Period ended 28 February 2017 £
Loan note interest	**5,999,266**	4,556,419
Other interest payable	**-**	150
	5,999,266	4,556,569

Notes to the Financial Statements
For the year ended 28 February 2018

8. Exceptional items

	Year ended 28 February 2018 £	Period ended 28 February 2017 £
Impairment of intercompany borrowings	**42,025,647**	10,365,687

9. Fixed asset investments

	Investment in subsidiary companies £
Cost or valuation	
At 1 March 2017	55,980
At 28 February 2018	55,980
Net book value	
At 28 February 2018	**55,980**
At 29 February 2017	55,980

Name	Country of Incorporation	Principal Place of Business	Class of Shares	Holding	Principal activity
Zaparoh Sp.Z.o.o	Poland	Rabakowo 62-023, Gadki, Poland	Ordinary	100% Indirect Subsidiary	Manufacturing
GT Lines B.V	Holland	Bert Haanstrakade 2-4 Amsterdam, 1087 Netherlands	Ordinary	100% Indirect Subsidiary	Sale of sofas
Sofa.com Ltd	United Kingdom	Unit 35 Chelsea Wharf, London, United Kingdom	Ordinary	100% Indirect Subsidiary	Sale of sofas
Sofa.com Bidco Limited	United Kingdom	Unit 35 Chelsea Wharf, London, United Kingdom	Ordinary	100% Direct Subsidiary	Holding company

Notes to the Financial Statements

For the year ended 28 February 2018

10. Debtors

	2018	2017
	£	£
Due after more than one year		
Amounts owed by group undertakings	-	33,082,361

An impairment loss of £42,025,647 (2017: £10,365,687) on investment carrying value was recognised in exceptional other operating charges during the year. The impact of uncertain market conditions on current and expected trading performance are considered by management to be an indicator of impairment. As such management have carried out a value in use impairment review based on detailed management budgets for three years, management forecasts for years four and five and country growth rates thereafter.

	2018	2017
	£	£
Due within one year		
Prepayments and accrued income	5,500	-
Other debtors	21,269	170
	26,769	170

11. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	464	3,428

12. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	365,647	377,169
Taxation and social security	1,542	1,542
	367,189	378,711

Notes to the Financial Statements

For the year ended 28 February 2018

13. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Shareholders loans	52,098,014	43,098,749

In August 2018 a post balance sheet event occurred writing off the value of shareholder loan notes (note 20)

14. Loans

Analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within 2-5 years		
Shareholders loans	52,098,014	43,098,749

In August 2018 a post balance sheet event occurred writing off the value of shareholder loan notes (note 20)

15. Financial instruments

	2018	2017
Financial assets	£	£
Financial assets that are debt instruments measured at amortised cost	21,733	33,085,959

Notes to the Financial Statements

For the year ended 28 February 2018

16. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
55,981 Ordinary shares of £1 each	55,981	55,981

17. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

18. Related party transactions

As a wholly owned subsidiary enterprise the Company has taken exemption from disclosing transactions with members of the same group which are also wholly owned. There are no other related party transactions.

19. Controlling party

The immediate parent undertaking of Sofa.com Bidco Limited is Sofa.com Midco Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking during the year was CBPE Capital Fund VIII. CBPE Capital LLP is the manager of CBPE Capital Fund VIII.

The largest and smallest group to prepare consolidated financial statements including this entity is that headed by Sofa.com Topco Limited. These accounts are available from its registered office.

On 14 June 2018 CBPE Capital Fund VIII sold the group to Bluebell Holdco Limited which is controlled by LGT European Capital and as such LGT European Capital became the ultimate parent undertaking.

20. Post balance sheet event

On the 14 June 2018 CBPE Capital Fund VIII (CBPE) the majority shareholders sold the group to Bluebell Holdco Limited which is controlled by LGT European Capital (LGT). Subsequently in August 2018 the group carried out a debt for equity swap to reduce the amount of debt held in the business by £59m by writing off the shareholder loan notes and accrued interest and converting £6.023m of bank loans into shares.