

# Sainsbury's Intermediate Holdings Limited

## Annual Report and Financial Statements

For the 52 weeks to 10 March 2018



**Sainsbury's Intermediate Holdings Limited**  
**Strategic Report**  
**for the 52 weeks to 10 March 2018**

**Principal activities and review of business**

The principal activity of Sainsbury's Intermediate Holdings Limited ('the Company') during the financial period was investment in subsidiary companies. The Company was incorporated on 14 April 2016 to hold the investment in Home Retail Group Limited.

The Company's loss for the financial period was £66,246,000 (2017: profit of £830,657,000). The financial position as at 10 March 2018 is shown in the balance sheet set out on page 7.

All material operations are carried out in the United Kingdom.

A full review of the business and the market can be found in the 2018 Annual Report and Financial Statements of J Sainsbury plc, the ultimate parent undertaking, on the following website: [www.about.sainsburys.co.uk](http://www.about.sainsburys.co.uk).

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of J Sainsbury plc and its subsidiaries (the 'Group') and are not managed separately. Accordingly the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 30 to 34 of the Group's Annual Report and Financial Statements 2018, which do not form part of this report.

**Future developments**

No change is planned in the activities of the Company in the next financial period.

**Key performance indicators (KPIs)**

The Directors of J Sainsbury plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group, which includes the Company, are discussed on pages 3 to 27 and 28 to 29 of the Group's annual report, which does not form part of this report.

**Financial risk management**

The financial risk management policies of the Company are disclosed in note 23 on pages 130 to 139 of the Group's Annual Report.

By order of the Board:



Mike Coupe  
Director

17 September 2018

**Sainsbury's Intermediate Holdings Limited**  
**Directors' Report**  
**for the 52 weeks to 10 March 2018**

The Directors present their report and audited financial statements of Sainsbury's Intermediate Holdings Limited (the 'Company') for the 52 weeks to 10 March 2018. The prior financial year's financial statements were for the 52 weeks to 11 March 2017.

**Dividends**

During the financial period, there were no dividends approved or paid (2017: £604,520,000).

**Going concern**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Directors**

The Directors of the Company who held office during the financial period and up to the date of signing the financial statements are shown below:

Mike Coupe  
John Rogers

**Company Secretary**

The Company Secretary of the Company who held office during the financial period and up to the date of signing the financial statements is shown below:

Timothy Fallowfield (Appointed 3 May 2018)  
Anthony Guthrie (Resigned 3 May 2018)

**Directors' indemnities**

The Directors are entitled to be indemnified by the ultimate parent company, J Sainsbury plc, to the extent permitted by law and the Articles of Association in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2017/18, which was renewed for 2018/19. The insurance covers all Directors and Officers of companies in the Group. Neither the indemnities nor insurance provide cover in the event that the Director or Officer is proved to have acted fraudulently.

**Disclosure of information to auditors**

Each of the Directors confirms that, so far as he is aware, there is no relevant audit information of which the auditors are unaware. Each Director has taken all steps that he ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Independent auditors**

Ernst & Young LLP have indicated their willingness to continue in office.

By order of the Board:



Mike Coupe  
Director  
17 September 2018

**Sainsbury's Intermediate Holdings Limited**  
**Statement of Directors' Responsibilities**  
**for the 52 weeks to 10 March 2018**

The Directors are responsible for preparing the Strategic report, 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 period. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

John Rogers  
**Director**



17 September 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAINSBURY'S INTERMEDIATE HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Sainsbury's Intermediate Holdings Limited for the 52 week period ended 10 March 2018 which comprise of the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 9, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 10 March 2018 and of its loss for the period 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 below. 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 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have 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 Strategic report or Directors' report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAINSBURY'S INTERMEDIATE HOLDINGS LIMITED (CONTINUED)**

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**

As explained more fully in the Statement of Directors' responsibilities set out on page 3 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 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 <https://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.



Ben Marles (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
19 September 2018

**Sainsbury's Intermediate Holdings Limited**  
**Statement of comprehensive income**  
**for the 52 weeks to 10 March 2018**

	Note	2018 £'000	2017 £'000
<b>Revenue</b>		-	830,717
Impairment of Investment in Subsidiary	6	(66,246)	-
<b>Operating (loss)/profit</b>	3	(66,246)	830,717
Finance costs		-	(60)
<b>(Loss)/profit before tax</b>		(66,246)	830,657
Income tax expense	5	-	-
<b>(Loss)/profit for the financial period</b>		(66,246)	830,657

There was no other comprehensive income or expense during the financial period or the prior financial period.

The notes on pages 9 to 13 are an integral part of these financial statements.

**Sainsbury's Intermediate Holdings Limited**  
**Balance Sheet**  
**as at 10 March 2018**

	Note	2018 £'000	2017 £'000
<b>Non-current assets</b>			
Investments in subsidiaries	6	1,233,517	1,299,763
		<b>1,233,517</b>	1,299,763
<b>Total assets</b>		<b>1,233,517</b>	1,299,763
<b>Net assets</b>		<b>1,233,517</b>	1,299,763
<b>Equity</b>			
Called up share capital	7	8,134	8,134
Retained earnings	8	1,225,383	1,291,629
<b>Total equity</b>		<b>1,233,517</b>	1,299,763

The notes on pages 9 to 13 are an integral part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors and were signed on its behalf by:



John Rogers  
**Director**

17 September 2018



**Sainsbury's Intermediate Holdings Limited**  
**Statement of changes in equity**  
**for the 52 weeks to 10 March 2018**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>At 12 March 2017</b>	<b>8,134</b>	<b>1,291,629</b>	<b>1,299,763</b>
<b>Loss for the financial period</b>	<b>-</b>	<b>(66,246)</b>	<b>(66,246)</b>
<b>At 10 March 2018</b>	<b>8,134</b>	<b>1,225,383</b>	<b>1,233,517</b>

<b>At 14 April 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the financial period</b>	<b>-</b>	<b>830,657</b>	<b>830,657</b>
<b>Total comprehensive profit for the 47 weeks to 11 March 2017</b>	<b>-</b>	<b>830,657</b>	<b>830,657</b>
<b>Transactions with owners:</b>			
Issue of shares	1,299,071	-	1,299,071
Capital return	-	(226,137)	(226,137)
Capital reduction	(1,290,937)	1,290,937	-
Allotted in respect of share option scheme	-	692	692
Dividends paid	-	(604,520)	(604,520)
<b>At 11 March 2017</b>	<b>8,134</b>	<b>1,291,629</b>	<b>1,299,763</b>

The notes on pages 9 to 13 are an integral part of these financial statements.

**Sainsbury's Intermediate Holdings Limited**  
**Notes to the financial statements**  
**for the 52 weeks to 10 March 2018**

**1 General information**

Sainsbury's Intermediate Holdings Limited is a private limited company (the 'Company') incorporated and domiciled in England and Wales. The Company's registered address is 33 Holborn, London EC1N 2HT. The Company is part of J Sainsbury plc ('the Group').

The immediate and ultimate parent and controlling company of the Company is J Sainsbury plc, which is registered in England and Wales. J Sainsbury plc is the ultimate parent company into which the Company's financial statements are consolidated. Copies of the ultimate parent company's financial statements may be obtained from [www.about.sainsburys.co.uk](http://www.about.sainsburys.co.uk).

The financial period represents the 52 weeks to 10 March 2018 (prior financial period 47 weeks and 2 days to 11 March 2017).

**2 Accounting policies**

**(a) Statement of compliance**

The Company is a wholly-owned subsidiary of J Sainsbury plc and is included in the consolidated financial statements of J Sainsbury plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. J Sainsbury plc address is 33 Holborn, London, EC1N 2HT.

The Company's financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the Standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the European Union.

FRS 101 sets out amendments to IFRS as adopted by the European Union that are necessary to achieve compliance with the Companies Act and related regulations. These amendments had no impact on the Statement of comprehensive income, Balance sheet or Statement of changes in equity for the Company for the 52 weeks ended 10 March 2018.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present a cash flow statement.
- The requirements of IFRS 7 and IFRS 13 for disclosure of financial instruments and fair values.
- The requirements of paragraph 17 of IAS 24, Related Party Transactions, to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries.
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective.
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1.

**(b) Basis of preparation**

The financial statements are presented in sterling, rounded to the nearest thousand ('£000') unless otherwise stated. They have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2c.

**Sainsbury's Intermediate Holdings Limited**  
**Notes to the financial statements (continued)**  
**for the 52 weeks to 10 March 2018**

**2 Accounting policies (continued)**

**Going concern**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

**Amendments to published standards**

**Effective for the Company in these financial statements:**

The Company has considered the following amendments to published standards that are effective for the Company for the financial period beginning 12 March 2017 and concluded that they are either not relevant to the Company or that they do not have a significant impact on the Company's financial statements other than disclosures. These standards and interpretations have been endorsed by the European Union.

- Amendments to IAS 7 'Statement of Cash Flows' on the disclosures in financial statements
- Annual Improvements Cycle - 2014-2016
- Amendments to IFRS 12 'Disclosure of Interests in Other Entities': Clarification of the scope of disclosure requirements in IFRS 12

**Standards and revisions effective for future periods:**

- IFRS 9 'Financial Instruments', effective for the financial year commencing 11 March 2018
- IFRS 15 'Revenue from Contracts with Customers', effective for the financial year commencing 11 March 2018
- IFRS 16 'Leases', effective for the financial year commencing 10 March 2019

The impact of these new standards have been detailed within the Annual Report and Financial Statements 2018 of J Sainsbury plc.

The accounting policies set out below have been applied consistently to all financial periods presented in the financial statements by the Company.

**Dividend Income**

Dividend income relates to dividends received from subsidiaries.

**Investments in subsidiaries undertakings**

Investment in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

**Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss. Any impairment charge is recognised in the income statement in the period it occurs.

**Current tax**

Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the income statement, except when it relates to items charged to equity, in which case the current tax is also dealt with in equity, or other comprehensive income, respectively.

**Called up share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Finance costs**

Finance income and costs are recognised in the income statement for financial assets and liabilities measured at amortised cost using the effective interest method.

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

### **(c) Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with FRS 101 requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those which are significant to the Company are discussed separately below. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

#### **Judgements**

In the process of applying the Company's accounting policies, management do not consider any judgements to have a significant effect on the amounts recognised in the financial statements.

#### **Estimates and assumptions**

The areas where assumptions and estimates are significant to the financial statements are as described below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### *Impairment of assets*

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. The key assumptions in the fair value less costs to dispose include expected future rental yields, estimated costs to completion, where applicable, and consideration of alternative use values.

## **3 Operating (loss)/profit**

Administrative charges and auditor's remuneration have been borne by the ultimate parent company, J Sainsbury plc, or other Group companies.

## **4 Employees and Directors' remuneration**

The average monthly number of persons (including Directors) employed by the Company during the financial period was nil (2017: nil).

All of the Directors are also employees of the ultimate parent company, J Sainsbury plc, or other Group companies. The Directors' emoluments are borne by Sainsbury's Supermarkets Ltd, a Group company that makes no recharge to the Company. It is not possible to make an accurate apportionment of the Directors' emoluments as they serve as Directors to a number of Group companies. Accordingly, the income statement does not include emoluments in respect of the Directors.

**Sainsbury's Intermediate Holdings Limited**  
**Notes to the financial statements (continued)**  
**for the 52 weeks to 10 March 2018**

**5 Income tax expense**

The income tax expense for the financial period was £nil (2017: nil).

	2018 £'000	2017 £'000
(Loss)/profit before tax	(66,246)	830,657
Income tax at UK corporation tax rate of 19.06% (2017: 20%)	(12,626)	(166,131)
Impairment of subsidiaries not deductible for taxation purposes	12,626	-
Non-taxable dividends received	-	166,143
Group relief surrendered for nil consideration	-	(12)
<b>Total tax expense in income statement</b>	<b>-</b>	<b>-</b>

The main rate of UK corporation tax reduced from 20 per cent to 19 per cent from 1 April 2017. A further reduction in the UK corporation tax rate from 19 per cent to 17 per cent, rather than 18 per cent, effective from 1 April 2020 was substantively enacted in the prior year. Deferred tax on temporary differences and tax losses as at the balance sheet date is calculated at the substantively enacted rates at which the temporary differences and tax losses are expected to reverse.

**6 Investments in subsidiaries**

	2018 £'000	2017 £'000
Beginning of the year	1,299,763	-
Impairment in subsidiaries	(66,246)	-
<b>End of the year</b>	<b>1,233,517</b>	<b>1,299,763</b>

The Company's subsidiaries held as at 10 March 2018 were:

Name of subsidiary undertaking	Country of registration	Holdings	£'000	Proportion of voting rights and shares held
Home Retail Group Limited	England	813,445,001 ordinary shares	1,299,071	100%

**7 Called up share capital**

	2018 Number	2017 Number	2018 £'000	2017 £'000
<b>Called up share capital</b>				
Allotted and fully paid - ordinary shares of £0.01	813,445,001	813,445,001	8,134	8,134
Allotted and fully paid - deferred shares of £0.01	1	1	-	-
	<b>813,445,002</b>	<b>813,445,002</b>	<b>8,134</b>	<b>8,134</b>

**Sainsbury's Intermediate Holdings Limited**  
**Notes to the financial statements (continued)**  
**for the 52 weeks to 10 March 2018**

**8 Retained earnings**

	£'000
<b>At 12 March 2017</b>	<b>1,291,629</b>
<b>Loss for the financial period</b>	<b>(66,246)</b>
<b>At 10 March 2018</b>	<b>1,225,383</b>
At 14 April 2016	-
Capital return of £0.278 per ordinary share	(226,137)
Court-approved reduction in share capital	1,290,937
Profit for the financial period	830,657
Allotted in respect of share option scheme in relation to Home Retail Group Limited	692
Dividends paid	(604,520)
<b>At 11 March 2017</b>	<b>1,291,629</b>

**9 Financial risk management**

**Treasury management**

Treasury policies are reviewed and approved by the ultimate parent company's board. The J Sainsbury plc Chief Executive and Chief Financial Officer have joint delegated authority from the ultimate parent company's board to approve finance transactions.

The Group operates a central treasury function, which is responsible for managing the Company's liquid resources, funding requirements and interest rate and currency exposures.

**Interest rate risk**

The Company has no exposure to interest rate fluctuations as amounts receivable from Group companies carry fixed rates of interest.

The Company has no exposure to interest rate fluctuations on other creditors and amounts payable to the parent company as these are non-interest bearing.

**Liquidity risk**

The Company's exposure to liquidity risk is limited as cash flow requirements are managed and funded by the parent company.

**Credit risk**

The Company's exposure to credit risk is limited to other debtors and amounts receivable from Group companies. The amounts receivable from Group companies are existing related party receivables and both other debtors and amounts receivable from Group companies have no history of default and none of the amounts are past due nor impaired.

**Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide services to the Group and to maintain an optimal capital structure.