

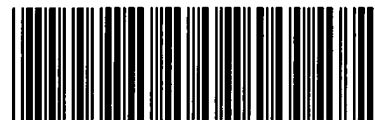
Company Registration No. 02691521

VIKING DIRECT (HOLDINGS) LIMITED

Annual Report and Financial Statements

For the year ended 30 December 2017

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VIKING DIRECT (HOLDINGS) LIMITED

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VIKING DIRECT (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N Maslen
M Horn (resigned 13 April 2018)

COMPANY SECRETARY

Jacqueline Hills

REGISTERED OFFICE

501 Beaumont Leys Lane
Leicester
Leicestershire
LE4 2BN

AUDITOR

Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

VIKING DIRECT (HOLDINGS) LIMITED

STRATEGIC REPORT

The director prepares their strategic report on the affairs of the company for the 52 week year ended 30 December 2017. The director in preparing this strategic report, has complied with S414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of an intermediary holding company. It is not anticipated that there will be any changes to the principal activity of the company in the near future.

REVIEW OF THE BUSINESS

The directors consider that the level of activity within the company during the year and the financial position at the year end is consistent with the expectations set out on incorporation. The director expects that the objectives of the company will continue to be sustainable for the foreseeable future.

On 1st January 2017, Office Depot Inc. sold their European business (which included Viking Direct (Holdings) Limited) to Aurelius Equity Opportunities SE & Co KGaA. The ultimate parent company from the 1st January is Aurelius Equity Opportunities SE & Co KGaA.

In August 2017, the company issued 100 shares for a consideration of £52,132k to its parent company Office Depot Holdings Limited.

FUTURE DEVELOPMENTS

The directors do not foresee any change to the activities of the company at this time.

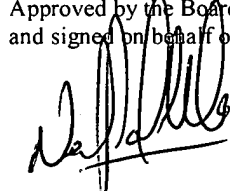
SUBSEQUENT EVENTS

There have been no important subsequent events affecting the company post year end.

PRINCIPLE RISKS AND UNCERTAINTIES

The key risk or uncertainty to the company is in respect to the carrying value of the investment in the subsidiary undertaking and its related sub-group. As part of the ongoing review of business the director undertook a full review of the company and its wider sub-group during year and as part of the post balance sheet review year exercise. As a result of which they believe that the carrying value of the investment continues to be supported by the trading results and net assets of the sub-group.

Approved by the Board of Directors
and signed on behalf of the Board



N Maslen
Director

501 Beaumont Leys Lane
Leicester
Leicestershire
LE4 2BN

28 September 2018

VIKING DIRECT (HOLDINGS) LIMITED

DIRECTOR'S REPORT

The director presents their annual report on the affairs of the company, together with the financial statements and auditor's report for the 52 week year ended 30 December 2017.

GOING CONCERN

The company and wider group manages its day to day working capital requirements through the utilisation of both short term external overdraft facilities, internal funding and external factoring facilities provided within the wider group. Both the company and the wider group's actual results since the balance sheet date along with forecasts and projections from the date of approval of these financial statements and taking account of reasonably possible changes in trading performance which could flow from the current economic uncertainties, show that the company is able to operate within the level of its current facilities. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for a year of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, is £927,000 (2016: £140,000 profit). The directors do not propose the payment of a dividend for the year (2016: £nil).

DIRECTORS

The directors who held office during the year and subsequently to the date of this report were as follows:

N Maslen

M Horn (resigned 13 April 2018)

AUDITOR

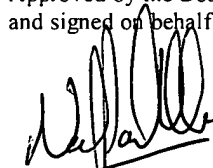
Each of the persons who is a director of the company at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director to make themselves 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 s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board on

28 September 2018



N Maslen
Director

501 Beaumont Leys Lane
Leicester
Leicestershire
LE4 2BN

VIKING DIRECT (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIKING DIRECT (HOLDINGS) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Viking Direct (Holdings) Limited:

- give a true and fair view of the state of the company's affairs as at 30 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 11.

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".

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 year of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIKING DIRECT (HOLDINGS) LIMITED (CONTINUED)

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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIKING DIRECT (HOLDINGS) LIMITED (CONTINUED)

- 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.

We have nothing to report in respect of these matters.

Use of our report

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



Ryan Duffy (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

VIKING DIRECT (HOLDINGS) LIMITED

INCOME STATEMENT

For the year ended 30 December 2017

	Note	Total 2017 £'000	Total 2016 £'000
Revenue		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit		-	-
Finance (costs)/income	6	(927)	140
		<hr/>	<hr/>
(Loss)/Profit before taxation		(927)	140
Tax	7	-	-
		<hr/>	<hr/>
(Loss)/Profit for the financial year attributable to owners of the Company, being total comprehensive (loss)/income for year		<hr/> (927)	<hr/> 140

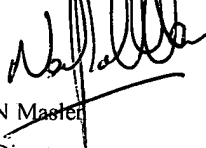
VIKING DIRECT (HOLDINGS) LIMITED

BALANCE SHEET As at 30 December 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Investments	8	200,803	200,803
Total assets		<u>200,803</u>	<u>200,803</u>
Non-current liabilities			
Amounts owed to group undertakings	9	(152,483)	(203,688)
Net assets/(liabilities)		<u>48,320</u>	<u>(2,885)</u>
Equity			
Share capital	10	1,279	1,279
Share premium account	10	54,725	2,593
Retained earnings	10	(7,684)	(6,757)
Equity attributable to owners of the Company		<u>48,320</u>	<u>(2,885)</u>

The financial statements of Viking Direct (Holdings) Limited (company number 2691521) were approved by the Board of Directors and authorised for issue on *28 September 2018*

Signed on behalf of the Board of Directors


N Master
Director

VIKING DIRECT (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 30 December 2017

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
Balance at 26 December 2015	1,279	2,593	(6,897)	(3,025)
Profit for the year	-	-	140	140
Total comprehensive income for the year	-	-	140	140
Balance at 31 December 2016	1,279	2,593	(6,757)	(2,885)
Loss for the year	-	-	(927)	(927)
Total comprehensive income for the year	-	-	(927)	(927)
Share issue	-	52,132	-	52,132
Balance at 30 December 2017	1,279	54,725	(7,684)	48,320

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 December 2017

1. GENERAL INFORMATION

Viking Direct (Holdings) Limited is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Aurelius Equity Opportunities SE & Co KGaA. The group accounts of Aurelius Equity Opportunities SE & Co KGaA are available to the public and can be obtained from the registered office. The registered office address of the parent Company preparing consolidated accounts is Ludwig-Ganghofer-Straße 6, 82031 Grünwald, Germany.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting years beginning on or after 1 January 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The Company has an accounting reference date of 31 December and the accounts are drawn up to the nearest Saturday to this date. In the prior year the accounting year was a 53 week year to 31 December 2016 and for the current year there was a 52 week year to 30 December 2017. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Aurelius Equity Opportunities SE & Co KGaA.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting year, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The principal accounting policies adopted are set out below.

Going concern

The company and wider group manages its day to day working capital requirements through the utilisation of both short term external overdraft facilities, internal funding and external factoring facilities provided within the wider group. Both the company and the wider group's actual results since the balance sheet date along with forecasts and projections from the date of approval of these financial statements and taking account of reasonably possible changes in trading performance which could flow from the current economic uncertainties, show that the company is able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a year of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimate recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Operating loss/profit

Operating loss is stated after charging restructuring costs but before investment income and finance costs.

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 income statement 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 balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 December 2017

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying the Company's accounting policies

The directors have considered the Income Statement, the Balance sheet, the Statement of Changes in Equity and the Company's accounting policies and do not consider there to be any critical accounting judgements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £200,803,000 with an impairment loss recognised in 2017 of nil (2016: Nil).

4. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £1,000 (2016: £1,000).

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There are no employees other than the directors listed on page 1 (2016: nil).

The directors did not receive any remuneration for their services to the company (2016: nil).

6. FINANCE COSTS/(INCOME)

	Year ended 2017 £'000	Year ended 2016 £'000
Interest payable/(receivable) to group companies	927	(140)
	<u>927</u>	<u>(140)</u>

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 30 December 2017

7. TAX

	Year ended 2017 £'000	Year ended 2016 £'000
Corporation tax:		
UK corporation tax	-	-
	<hr/>	<hr/>
	-	-
Deferred tax		
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Corporation tax is calculated at 19.25% (2016: 20.00%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The reduction in corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. Further reductions of 19% (effective 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 2017 £'000 £	Year ended 2016 £'000 £
(Loss)/Profit before tax	(927)	140
	<hr/>	<hr/>
Tax at the UK corporation tax rate of 19.25% (2016: 20%)	(179)	28
Group relief not paid for	179	(28)
	<hr/>	<hr/>
Tax expense for the year	-	-
	<hr/>	<hr/>

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 30 December 2017

8. INVESTEMENTS

Investments in subsidiary undertaking	£'000
Cost at 31 December 2016 and 30 December 2017	<u>200,803</u>
Net book value	
At 31 December 2016 and 30 December 2017	<u><u>200,803</u></u>

Details of the subsidiary undertaking, the activities of which comprise the distribution of office supplies, are set out below:

Investments	Country of incorporation	Type of shares	Portion of shares held
Office Depot International (UK) Limited	UK	Ordinary	49.11%

Registered office

501 Beaumont Leys Lane, Leicester, LE4 2BN

9. BORROWINGS

	2017 £'000	2016 £'000
Unsecured borrowing		
Amounts owed to group undertakings	152,483	203,688
	<u>152,483</u>	<u>203,688</u>
Total borrowings	<u><u>152,483</u></u>	<u><u>203,688</u></u>
	2017 £'000	2016 £'000
Amounts due for settlement on demand or within 12 months:		
Amounts owed to group undertakings	136,064	150,548
Amounts due for settlement between one and five years:		
Amounts owed to group undertakings	16,419	53,140
	<u>152,483</u>	<u>203,688</u>

The other principal features of the Company's borrowings are as follows:

The amounts owed to group undertakings bear interest at a rate of 6 month LIBOR +1.10%, 3 month LIBOR +3.00% and 6m EURIBOR + 0.5%.

VIKING DIRECT (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 December 2017

10. SHARE CAPITAL AND OTHER RESERVES

	Year ended 30 December 2017 £'000	Year ended 31 December 2016 £'000
Called up, allotted and fully paid		
319,818 (2016: 319,718) 'A' ordinary shares of £1 each	320	320
959,152 (2016: 959,152) 'B' ordinary shares of £1 each	959	959
	<u>1,279</u>	<u>1,279</u>

The class 'A' ordinary shares and class 'B' ordinary shares rank pari passu.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The retained earnings reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment.

In August 2017, the company issued 100 "A" shares for a consideration of £52,132k to its parent company Office Depot Holdings Limited

11. CONTROLLING PARTY

The Company's immediate parent undertaking is Office Depot (Holdings) Ltd, a company incorporated in the United Kingdom.

In the opinion of the director's, the Company's ultimate parent Company and ultimate controlling party for the year ended 30 December 2017 was Aurelius Equity Opportunities SE & Co KGaA. The Office Depot Europe companies were sold at 1 January 2017 and Aurelius Equity Opportunities SE & Co KGaA, a Company incorporated in Germany, became the ultimate parent company. This is the largest and smallest group for which group accounts are drawn up.

Copies of the Aurelius Equity Opportunities SE & Co KGaA financial statements can be obtained from Ludwig-Ganghofer-Straße 6, 82031 Grünwald, Germany.