

Poundland International Limited

**Annual report and financial
statements**

Registered number 03484379

For the 52 week period ended 27 March
2016



Contents

Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the strategic report, Directors' report and the financial statements	3
Independent auditor's report to the members of Poundland International Limited	4
Income statement and statement of other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes	9

Strategic report

The directors present their strategic report for the 52 weeks ended 27 March 2016 (*52 weeks ended 29 March 2015*).

Principal activity and business review

The principal activity of the Company is that of an investment holding company.

On 16 April 2014, the Company purchased, for £2,893, 100% of the share capital of Brandelirial SL, a company registered in Spain, and changed its name to Dealz España SL.

The Company made a profit before taxation for the 52 week period of £Nil (*52 weeks ended 29 March 2015: loss £2,480*).

On 16 September 2016, Poundland Group plc, the company's previous ultimate parent company, was acquired by the group headed by Steinhoff International Holdings N.V., a company registered in The Netherlands. From 16 September 2016, the Company's ultimate parent undertaking is Steinhoff International Holdings N.V.

Principal risks and uncertainties

As an investment holding company, the principal risks are those faced by its main investment, Dealz España SL, details of which are disclosed in the consolidated financial statements of Poundland Group Plc.

Results and dividend

The directors do not recommend the payment of a dividend.

The results for the period are set out in the income statement on page 6.

Policy and practice on payment of creditors

Provided that a supplier is complying with the relevant terms and conditions, including prompt and complete submission of all specified documentation, payment will be made in accordance with these agreed terms. Company policy is to ensure that suppliers know the terms on which payment will take place at the time of entering a transaction. The Company does not follow any code or standard on payment practice.

Environmental matters

We recognise that our operations impact the environment and that this is an increasingly important issue for consumers. We actively pursue policies that help us to reduce our carbon footprint and costs. We focus on four key areas; using less electricity; maximising recycling opportunities; improving fuel efficiency; and reducing packaging waste. We consider this key to the ongoing success of our business. We actively pursue policies that help us reduce the environmental impact of our operations and constantly seek to reduce our energy consumption to deliver efficiencies and meet the exacting environmental requirements of our socially aware customers.

Employees

The Company is an equal opportunity employer and makes every effort to ensure disabled people are not discriminated against on the grounds of their disabilities. In the event of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate training is arranged.

Employees are kept informed regarding the Company's affairs and are consulted on a regular basis through meetings wherever feasible and appropriate.

By order of the board


NR Hateley
Director

12 October 2016

Directors' report

The directors present their annual report and audited financial statements for the 52 weeks ended 27 March 2016 (52 weeks ended 29 March 2015).

Directors

The directors who held office during the period were as follows:

JJ McCarthy (resigned 30 June 2016)
NR Hateley
AJ Garbutt (appointed 30 June 2016)

Other than disclosed above, there have been no changes to the directors since the period end.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Strategic report

Information on principal activity and business review, principal risks and uncertainties, results and dividends, policy and practice on payment of creditors and employees is included within the strategic report.

By order of the board



NR Hateley
Director

Wellmans Road
Willenhall
West Midlands
WV13 2QT

12 October 2016

Statement of directors' responsibilities in respect of the strategic report, Directors' report and the financial statements

The directors are responsible for preparing the strategic report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) 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 judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Poundland International Limited

We have audited the financial statements of Poundland International Limited for the 52 week period ended 27 March 2016 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including *FRS 101 Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 March 2016 and of its result for the 52 week period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial period is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the strategic report and Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Poundland International Limited *(continued)*

Matters on which we are required to report by exception

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

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



Greg Watts (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

13 October 2016

Income statement and statement of other comprehensive income
for the 52 week period ended 27 March 2016

	<i>Note</i>	52 weeks 2016 £	52 weeks 2015 £
Revenue		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Distribution costs		-	-
Administrative expenses		-	(2,480)
		<hr/>	<hr/>
Operating loss	2	-	(2,480)
Interest receivable and similar income		-	-
		<hr/>	<hr/>
Loss before tax		-	(2,480)
Taxation	4	-	-
		<hr/>	<hr/>
Loss for the period		-	(2,480)
		<hr/>	<hr/>

There is no other comprehensive income other than the loss for the period shown above and therefore no separate statement of other comprehensive income has been presented.

All activities were continuing throughout the current and preceding period.

The notes on pages 9 to 13 form part of these financial statements.

Statement of financial position
at 27 March 2016

	<i>Note</i>	2016 £	2015 £
Non current assets			
Investments in subsidiaries	5	2,893	2,893
Current assets			
Trade and other receivables	6	2	2
Total assets		<u>2,895</u>	<u>2,895</u>
Current liabilities			
Trade and other payables	7	(5,373)	(5,373)
Net liabilities		<u>(2,478)</u>	<u>(2,478)</u>
Equity attributable to equity holders of the parent			
Share capital	8	2	2
Retained earnings		(2,480)	(2,480)
Total deficit		<u>(2,478)</u>	<u>(2,478)</u>

The notes on pages 9 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 12 October 2016 and were signed on its behalf by:



NR Hateley
Director

Company registered number: 03484379

Statement of changes in equity
for the period ended 27 March 2016

	Share capital £	Retained earnings £	Total equity £
Balance at 31 March 2014	2	-	2
Total comprehensive income for the period			
Profit or loss	-	(2,480)	(2,480)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(2,480)	(2,480)
	<hr/>	<hr/>	<hr/>
Balance at 29 March 2015	2	(2,480)	(2,478)
	<hr/>	<hr/>	<hr/>
Balance at 30 March 2015	2	(2,480)	(2,478)
Total comprehensive income for the period			
Profit for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 27 March 2016	2	(2,480)	(2,478)
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Poundland International Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

The Company has early adopted the requirements of Statutory Instrument (SI) 2015 No. 980 *The Companies, Partnerships and Group (Accounts and Reports) Regulations 2015*.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 11.

The Company's ultimate parent undertaking, Poundland Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Poundland Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Wellmans Road, Willenhall, West Midlands WV13 2QT.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Poundland Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of Group settled share based payments

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the strategic report.

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £2,478,000 which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Poundland Group plc, the company's ultimate parent undertaking. Poundland Group plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Investments in debt and equity securities

Shares in subsidiary undertakings are stated at cost less any provision for impairment where in the opinion of the directors, there has been a diminution in the value of the investment.

1.4 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

2 Fees payable to the auditors

Auditor's remuneration is borne by Poundland Limited, another Group undertaking. Amounts payable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Poundland Group plc

3 Staff numbers and costs

The Company has no employees other than the Directors. Their remuneration was paid by another Group undertaking in both periods.

4 Taxation

Recognised in the income statement

	52 weeks 2016 £	52 weeks 2015 £
Current taxation		
Current tax credit on income for the period	-	-
	<hr/>	<hr/>

Factors affecting the tax credit for the current period

The current tax charge for the period is the same as (52 weeks ended 29 March 2015: lower than) the standard rate of corporation tax in the UK of 20% (52 weeks ended 30 March 2015: 21%).

	52 weeks 2016 £	52 weeks 2015 £
Loss before tax	-	(2,480)
	<hr/>	<hr/>
Current tax at 20% (52 weeks ended 29 March 2015: 21%)	-	521
Effects of Ineligible expenditure	-	(521)
	<hr/>	<hr/>
Total charge for the period	-	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's tax charge accordingly.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

Notes (continued)

5 Investments in subsidiaries

	Investment in subsidiary undertakings £
Cost at beginning and end of the period	2,893

The Company's subsidiary undertakings at the period end are:

Name	Country of incorporation	Principal activity	Percentage of ordinary shares held
Dealz España SL	Spain	Value retailer	100%

Dealz Espana SL's registered address is: B86867515, Calle Bravo Murillo 192, Madrid 28020, Spain.

6 Trade and other receivables

	2016 £	2015 £
Unpaid share capital	2	2

7 Trade and other payables

	2016 £	2015 £
Amounts owed to Group undertakings	5,373	5,373

Amounts owed to Group undertakings are non-interest bearing and repayable on demand.

8 Share capital

	2016 £	2015 £
<i>Allotted and called up</i>		
2 ordinary shares of £1 each	2	2

9 Transactions with related parties

The Company has taken advantage of the exemption conferred by paragraph 8(j) of FRS 101 not to disclose transactions with other Group companies.

10 Ultimate parent company

The Company is a direct subsidiary of Poundland Limited and an indirect subsidiary of Poundland Group Plc which are both registered in England and Wales.

Notes *(continued)*

11 Explanation of transition to FRS 101 from Adopted IFRS

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the period ended 27 March 2016, the comparative information presented in these financial statements for the period ended 29 March 2015 and in the preparation of an opening FRS 101 balance sheet at 31 March 2014 (the Company's date of transition).

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The Company has made no measurement and recognition adjustments.

12 Events subsequent to the balance sheet date

On 16 September 2016, Poundland Group plc, the company's previous ultimate parent company, was acquired by the group headed by Steinhoff International Holdings N.V., a company registered in The Netherlands. From 16 September 2016, the Company's ultimate parent undertaking is Steinhoff International Holdings N.V.