Company Registration No. 05468786 (England and Wales)

JWC (INT) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

JWC (INT) LIMITED

COMPANY INFORMATION

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

JWC (INT) LIMITED

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JWC (INT) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents his annual report and financial statements for the year ended 30 September 2017.

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

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

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

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

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

The company's net liabilities have decreased from A$13,279,000 (As restated) in 2016 to A$8,731,000 in 2017. Notwithstanding the net liabilities position at 30 September 2017, the director believes the company is a going concern on the basis that they have received confirmation from Steinhoff Europe AG that they will not recall the amounts owed at 30 September 2017 for at least twelve months from the date of signing these accounts.

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

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

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

Financial instruments
The company does not use complex financial instruments.

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

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
So far each person who was a director up to and including the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

A Muller
Director
5 April 2019

JWC (INT) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JWC (INT) LIMITED

Opinion

We have audited the financial statements of JWC (INT) Limited (the 'company') for the year ended 30 September 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JWC (INT) LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of director
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either 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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Ian Turner

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

8 April 2019

Colinton House
Leicester Road
Bedworth
Warwickshire
CV12 8AB

JWC (INT) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Year ended 30 September 2017 A$000	Period ended 30 September 2016 as restated A$000
Turnover	3	13,468	16,727
Cost of sales		(6,000)	(12,000)
Gross profit		7,468	4,727
Administrative expenses		(171)	(1,314)
Operating profit	4	7,297	3,413
Other interest payable and similar expenses	6	(1,490)	(2,009)
Profit before taxation		5,807	1,404
Tax on profit	7	(1,259)	689
Profit for the financial year		4,548	2,093

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

JWC (INT) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Year ended 30 September 2017 A$000	Period ended 30 September 2016 A$000
Profit for the year	4,548	2,093
Other comprehensive income	-	-
Total comprehensive income for the year	4,548	2,093

JWC (INT) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

		2017		2016 as restated	
	Notes	**A$000**	**A$000**	**A$000**	**A$000**
Fixed assets					
Intangible assets	8		100,785		100,731
Tangible assets	9		2,668		2,725
			103,453		103,456
Current assets					
Debtors	10	10,820		15,199	
Cash at bank and in hand		543		300	
		11,363		15,499	
Creditors: amounts falling due within one year					
Other creditors		130		9	
Net current assets			11,233		15,490
Total assets less current liabilities			114,686		118,946
Creditors: amounts falling due after more than one year	12		(115,621)		(125,621)
Provisions for liabilities	13		(7,796)		(6,604)
Net liabilities			(8,731)		(13,279)
Capital and reserves					
Profit and loss reserves			(8,731)		(13,279)

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

A Muller
Director

Company Registration No. 05468786

JWC (INT) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital	Profit and loss reserves	Total
	A$000	A$000	A$000
As restated for the period ended 30 September 2016:			
Balance at 1 July 2015	-	(8,626)	(8,626)
Prior period adjustment (see note 17)	-	(6,746)	(6,746)
As restated	-	(15,372)	(15,372)
Period ended 30 September 2016:			
Profit and total comprehensive income for the period	-	2,093	2,093
Balance at 30 September 2016	-	(13,279)	(13,279)
Year ended 30 September 2017:			
Profit and total comprehensive income for the year	-	4,548	4,548
Balance at 30 September 2017	-	(8,731)	(8,731)

1 Accounting policies

Company information

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

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The accounts are presented in Australian Dollars which is the functional currency of the company. The sterling exchange rate at the balance sheet date is 1.7078 AUD to 1 GBP.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Transactions entered into between members of the group.

The financial statements of the company are consolidated in the financial statements of Steinhoff International Holdings N.V. These consolidated financial statements may be obtained via the website www.steinhoffinternational.com, when they become available.

1.2 Going concern

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

1.3 Reporting period

These set of financial statements are for the year ended 30 September 2017 and the comparative figures are for a 15 month period 1 July 2015 to 30 September 2016. Therefore the current and previous periods figures are only comparable if the different lengths of the accounting periods are taken into account. The previous period was extended by 3 months from 30 June to 30 September due to a decision made by the management board of the ultimate parent company to align the reporting period with reporting periods of other group retail companies in Europe.

1.4 Turnover

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

1 Accounting policies **(Continued)**

1.5 Intangible fixed assets other than goodwill

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

Amortisation is recognised so as to write off the cost of the intangible assets less their residual values over their estimated useful economic lives on a straight-line basis, as follows:

Trademarks	20 years

1.6 Tangible fixed assets

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

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

Freehold land and buildings	- 2% Straight line basis

1.7 Impairment of fixed assets

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

1.8 Cash at bank and in hand

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

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

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

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

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

1.10 Taxation

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

1 Accounting policies **(Continued)**

Current tax

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

Deferred tax

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

1.11 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 A$000	2016 A$000
Turnover analysed by geographical market		
Australia	11,898	14,695
New Zealand	1,218	1,511
United Kingdom	352	521
	13,468	16,727

4 Operating profit

Operating profit for the period is stated after charging/(crediting):	2017 A$000	2016 A$000
Exchange losses	(10)	(1,154)
Fees payable to the company's auditor for the audit of the company's financial statements	7	8
Depreciation of tangible fixed assets	57	72
Amortisation of intangible assets	23	18

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
	1	2

The director is the key management person of the company. The director's remuneration is paid by other companies within the Steinhoff Group. It is not practicable to split the director's remuneration between services to group companies.

6 Interest payable and similar expenses

	2017 A$000	2016 A$000
Loan interest	1,490	2,009
Disclosed on the profit and loss account as follows:		
Other interest payable and similar expenses	1,490	2,009

7 Taxation

	2017 A$000	2016 A$000
Current tax		
UK corporation tax on profits for the current period	(77)	(512)
Adjustments in respect of prior periods	144	(35)
Total current tax	67	(547)
Deferred tax		
Origination and reversal of timing differences	1,192	(142)
Total tax charge/(credit)	1,259	(689)

7 Taxation **(Continued)**

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit/or loss and the standard rate of tax as follows:

	2017 A$000	2016 A$000
Profit before taxation	5,807	1,404
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20%)	1,132	281
Tax effect of expenses that are not deductible in determining taxable profit	161	219
Unutilised tax losses carried forward	(584)	-
Under/(over) provided in prior years	64	6
Deferred tax adjustment	1,192	(142)
Foreign exchange differences	80	(41)
Intangible asset amortisation	(786)	(1,012)
Taxation charge/(credit) for the period	1,259	(689)

8 Intangible fixed assets

	Trademarks A$000
Cost	
At 1 October 2016	100,759
Additions	77
At 30 September 2017	100,836
Amortisation and impairment	
At 1 October 2016	28
Amortisation charged for the year	23
At 30 September 2017	51
Carrying amount	
At 30 September 2017	100,785
At 30 September 2016	100,731

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

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

9 Tangible fixed assets

	Freehold land and buildings A$000
Cost	
At 1 October 2016 and 30 September 2017	2,868
Depreciation and impairment	
At 1 October 2016	143
Depreciation charged in the year	57
At 30 September 2017	200
Carrying amount	
At 30 September 2017	2,668
At 30 September 2016	2,725

10 Debtors

Amounts falling due within one year:	2017 A$000	2016 A$000
Trade debtors	7,096	10,245
Corporation tax recoverable	77	512
Amounts due from fellow group undertakings	3,639	4,432
VAT	8	10
	10,820	15,199

11 Creditors: amounts falling due within one year

	2017 A$000	2016 A$000
Loan interest	120	-
Accruals	10	9
	130	9

12 Creditors: amounts falling due after more than one year

	2017 A$000	2016 A$000
Amounts due to fellow group undertakings	115,621	125,621

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

As at 30 September 2017, Steinhoff Europe AG have agreed not to recall the amounts owed for at least 12 months from the date of signing these accounts.

13 Provisions for liabilities

	Notes	2017 A$000	2016 A$000
Deferred tax liabilities	14	7,796	6,604

14 Deferred taxation

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

Balances:	Liabilities 2017 A$000	Liabilities 2016 A$000
Accelerated capital allowances	8,186	7,489
Tax losses to carry forward	(390)	(885)
	7,796	6,604

Movements in the year:	2017 A$000
Liability at 1 October 2016	6,604
Charge to profit or loss	1,192
Liability at 30 September 2017	7,796

15 Share capital

	2017	2016
	A$	**A$**
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of A$1 each	2	2
	2	2

16 Controlling party

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

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

17 Prior period adjustment

Changes to the balance sheet

	At 30 September 2016			
	As previously reported	Adjustment at 1 Jul 2015	Adjustment at 30 Sep 2016	As restated
	A$000	A$000	A$000	A$000
Provisions for liabilities				
Deferred tax	-	(6,746)	142	(6,604)
Capital and reserves				
Profit and loss	(6,675)	(6,746)	142	(13,279)

Changes to the profit and loss account

	Period ended 30 September 2016		
	As previously reported	Adjustment	As restated
	A$000	A$000	A$000
Taxation	547	142	689
Profit for the financial period	1,951	142	2,093

The director has reviewed the company's accounting deferred tax policy for the current and prior accounting periods. The director has decided to provide for the potential deferred tax liability arising on intangible fixed assets offset by the deferred tax asset on tax losses carried forward, in order to provide more reliable and relevant accounting information.

18 Important events after the reporting period

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

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