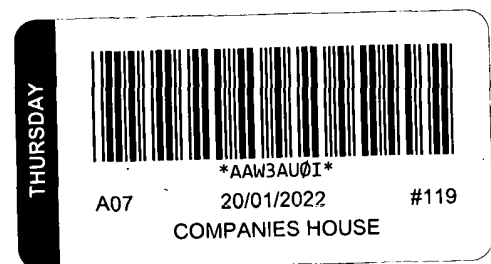


Poundland UK and Europe Limited

Annual report and financial statements

Registered number 09127615

For the period ended 27 September 2020



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Directors' report

The directors present their annual report and financial statements for the year ended 27 September 2020.

Principal activity and business review

During the period, the Company did not trade and the directors do not envisage that the Company will trade in the foreseeable future. The Company has been dormant, as defined in Section 480 of the Companies Act 2006, throughout the current period. The Management have determined to close the company during 2022, accordingly the financial statements have been prepared on a basis other than going concern.

The Company made neither a profit nor a loss for the period (52 weeks ended 30 September 2019: loss of £423,280,000).

The Company's ultimate parent undertaking is Steinhoff International Holdings N.V

Directors

The directors who held office during the year, except as noted, were as follows:

S Cardinaal (resigned 16 December 2021)

D Williams

N Wharton

Other than those disclosed above, there have been no changes in directors after the year end.

Auditor

In accordance with Section 480 of the Companies Act 2006, the Company was entitled to exemption from the requirement to have its financial statements for the financial period ended 27 September 2020 audited.

By order of the board



D Williams
Director

Poundland CSC
Midland Road
Walsall
WS1 3TX
12 January 2022

Directors' responsibilities statement in respect of the 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 consolidated financial statements in accordance with IFRS as adopted by the EU and parent company financial statements in accordance with FRS 102 (UK GAAP).

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 Group and Company and of the profit or loss of the Group and 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 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 Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and 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.

Income statement
for the period ended 27 September 2020

	<i>Note</i>	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000 (Restated)
Administrative expenses		-	(13)
Impairment loss		-	(408,339)
Operating loss		-	(408,352)
Financial expense	4	-	(21,171)
Loss before taxation		-	(429,523)
Taxation	6	-	6,243
Profit/(Loss) for the year		-	(423,280)

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

All activities were continuing throughout the current and preceding year.

The notes on pages 6 to 11 form part of these financial statements.

Statement of financial position

At 27 September 2020

	<i>Note</i>	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000 (Restated)
Non-current assets			
Investments in subsidiaries	7	138,713	138,713
Current assets			
Trade and other receivables	8	6,362	6,362
Total assets		145,075	145,075
Current liabilities			
Trade and other payables	9	(400)	(400)
Net assets		144,675	144,675
Equity attributable to equity holders of the parent			
Share capital	10	-	-
Capital contribution reserve		313,252	313,252
Retained losses		(168,577)	(168,577)
Total equity		144,675	144,675

The notes on pages 6 to 11 form part of these financial statements.

For the period ended 27 September 2020 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records for the preparation of financial statements.

These financial statements were approved by the board of directors on 12 January 2022 and were signed on its behalf by:



D Williams
Director

Registered number: 09127615

Statement of changes in equity
for the period ended 27 September 2020

	Share capital	Share premium	Retained losses	Capital contribution reserve	Total equity
	£000	£000	£000	£000	£000
Balance at 1 October 2018	1	461,226	(206,524)	-	254,703
Total comprehensive expense for the year					
Loss for the year	-	-	(428,458)	-	(428,458)
Prior period adjustment (Note 2)			5,178		5,178
Total comprehensive expense for the year	-	461,226	(629,804)	-	(168,577)
Transactions with owners, recorded directly in equity					
Share capital reduction	(1)	-	1	-	-
Share premium reduction	-	(461,226)	461,226	-	-
Release from intra-group obligations	-	-	-	313,252	313,252
Total contributions by and distributions to owners	(1)	(461,226)	461,227	313,252	313,252
Balance at 30 September 2019 (Restated)	-	-	(168,577)	313,252	144,675
Balance at 1 October 2019	-	-	(168,577)	313,252	144,675
Total comprehensive expense for the year					
Profit for the year	-	-	-	-	-
Total comprehensive expense for the year	-	-	-	-	-
Balance at 27 September 2020	-	-	(168,577)	313,252	144,675

The notes on pages 6 to 11 form part of these financial statements.

Notes to the financial statements *(forming part of the financial statements)*

1 Significant accounting policies

Poundland UK and Europe Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales. The registered office is Midland Road, Walsall, West Midlands, WS1 3TX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The accounting policies have been used consistently, other than where new policies have been adopted.

The Company has taken advantage of the exemptions under FRS 102 The Financial Reporting Standard (sections 1.8 to 1.13) from the requirement to produce a cash flow statement, disclose information on key management personnel compensation and the disclosure of related party information.

The financial statements are prepared under the historical cost basis.

1.2 Investments in associates and subsidiaries

Investments in subsidiaries and associates are all held at cost in the separate financial statements of the Company.

1.3 Financial assets

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.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Notes to the financial statements

1 Significant accounting policies (*continued*)

1.4 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.6 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 reporting end date.

1.7 Classification of financial instruments

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for share capital exclude amounts in relation to those shares.

1.8 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, 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.

Notes to the financial statements

1 Significant accounting policies *(continued)*

1.8 Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Impairment of assets

The Company assesses whether there are any indicators of impairment as at the reporting date for all investments. When value in use calculations are undertaken, the directors must estimate the expected future cash flows from the investment and choose a suitable discount rate in order to calculate the present value of those cash flows. The key source of estimation uncertainty is the growth rates applied. An investment impairment of £408m (2018: £173m) was made in the year to 30 September 2019. See note 7 for details.

1.9 Going concern

The directors have prepared the accounts on a basis other than going concern following the decision taken to close the company during 2022. Assets and liabilities are included at their realisable value. There has been no impact on the financial statements as a result of the adoption of this basis.

2 Taxation – Prior Period Restatement

The accounts have been restated to incorporate the impact of reclassification of tax adjustments relating to the prior period. This has resulted in net assets and profit for the period to 30 September 2019 increasing by £5,178,000.

3 Staff numbers and cost

Excluding directors, no persons were employed by the Company during the year *(year ended 30 September 2019: None)*.

4 Finance expense

	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000
On amounts owed to Group undertakings	-	21,171

5 Remuneration of directors

The directors of the Company were also directors of other companies in the Pepco Group Limited Group. The directors do not believe it is practical to apportion their remuneration between their services as directors of the Group and their services as directors of other companies within the Pepco Group Limited Group.

Notes to the financial statement

6 Taxation

	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000 (Restated)
Total tax (credit) for the year	-	(6,243)

Reconciliation of effective tax rate

The tax (credit)/charge is reconciled with the standard rates of UK corporation tax as follows:

	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000
<i>Current taxation</i>		
Loss before tax	-	(429,523)
UK corporation tax at 19% (2019: 19%)	-	(81,609)
Tax effect of expenses that are not deductible in determining taxable profit	-	81,609
Prior year adjustment	-	(6,243)
Total (credit)/charge for the year	-	(6,243)

7 Investments in subsidiaries

Movement in investments:

	Shares in Group undertakings £000
<i>Cost or valuation</i>	
At beginning of year	138,712
Impairment	-
At end of year	138,712
<i>Net book value</i>	
At 27 September 2020	138,712
At 30 September 2019	138,712

Notes to the financial statements

7 Investments in subsidiaries (continued)

Details of the Company's subsidiaries at 27 September 2020 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% held	
				Direct	Indirect
Poundland Group Limited	England	Holding company	Ordinary	100.00	
Poundland Group Holdings Limited	England	Holding company	Ordinary		100.00
Poundland Holdings Limited	England	Holding company	Ordinary		100.00
Poundland Trustee Limited	England	Holding company	Ordinary		100.00
Poundland Value Retailing Limited	England	Dormant	Ordinary	100.00	
Poundland Retail Limited	England	Dormant	Ordinary		100.00
Poundland Willenhall Limited	England	Dormant	Ordinary		100.00
Family Bargains (Retail) Limited	England	Dormant	Ordinary	100.00	
M&O Business Systems Limited	England	Dormant	Ordinary	100.00	
Bargain Limited	England	Dormant	Ordinary	100.00	
Sheptonview Limited	England	Dormant	Ordinary	100.00	
Home & More Limited	England	Dormant	Ordinary	100.00	
Dealz Retailing Ireland Limited	Republic of Ireland	Dormant	Ordinary	100.00	
Poundland Stores Limited	England	Dormant	Ordinary	100.00	

The investments in subsidiaries are all stated at cost.

All subsidiaries incorporated in the United Kingdom are registered at Midland Road, Walsall, West Midlands, WS1 3TX.

Dealz Retailing Ireland Limited's registered address is: Unit 3, Westend Retail Park, Blanchardstown, Dublin 15, Republic of Ireland.

8 Trade and other receivables

	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000 (Restated)
Other debtors	6,362	6,362
	<u>6,362</u>	<u>6,362</u>

Notes to the financial statements

9 Trade and other payables: amounts falling due within one year

	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000 (Restated)
Amounts due to Group undertaking	383	383
Accruals and deferred income	17	17
	<u>400</u>	<u>400</u>

Amounts due to Group undertakings is non-interest bearing and is repayable on demand.

10 Share capital

	Period ended 27 September 2020 £000	Period ended 30 September 2019 £000
<i>Issued and fully paid</i>		
200,000 (2019: 200,000 shares of £0.00001 each) ordinary shares of £0.00001 each	-	-

11 Transactions with related parties

The Company has taken advantage of the exemption conferred by FRS 102 section 33 not to disclose transactions with other Group companies.

12 Ultimate parent company

At the statement of financial position date the Company is a direct subsidiary undertaking of PEU (TRE) Limited which is registered in England and Wales. PEU (TRE) Limited's registered address is Unit B, 120 Weston Street, London, SE1 4GS.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Steinhoff International Holdings N.V., incorporated in The Netherlands. The address of Steinhoff International Holdings N.V. is: Building B2, Vineyard Office Park, Cnr Adam Tas & Devon Valley Road, Stellenbosch 7600, South Africa.

The parent of the smallest group in which these financial statements are consolidated is Pepco Group Limited, incorporated in England and Wales.