

REGISTERED NUMBER: 04138209

KRUIDVAT REAL ESTATE UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 DECEMBER 2014

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Kruidvat Real Estate UK Limited

Annual Report and Financial Statements for the 52 weeks ended 27 December 2014

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Kruidvat Real Estate UK Limited

Directors' report

The directors present their report together with the audited financial statements of Kruidvat Real Estate UK Limited (the "Company") (registered number 04138209) for the 52 weeks ended 27 December 2014.

This report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

PRINCIPAL ACTIVITY

The Company operates in property rental in the United Kingdom, leasing to group companies only.

RESULTS AND BUSINESS REVIEW

The result for the financial year amounted to £nil (2013: £nil).

At 27 December 2014, shareholders' funds totalled £2 (2013: £2).

The period end financial position is satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future. The directors do not consider that a detailed review is appropriate.

DIVIDEND

No dividend was declared or paid during the period (2013: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of the Company's parent company, A.S. Watson (Health & Beauty UK) Limited, manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of A.S. Watson (Health & Beauty UK) Limited, which include those of the Company, are discussed in the group's annual report which does not form part of this report.

DIRECTORS

The directors who held office during the period and up to the date of signing these financial statements, unless where stated, were:

D K M Lai

A J Heaton

J C Y Wat Resigned 20 May 2014

P W Macnab Appointed 20 May 2014

G G Smith

As permitted by s234(2) of the Companies Act 2006, the Company maintains directors' and officers' liability insurance which provides insurance cover against liabilities which directors and other officers of the Company may incur personally as a consequence of claims made against them alleging breach of duty or other unlawful acts or omissions in their capacity as directors and officers.

Kruidvat Real Estate UK Limited

Directors' report (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each director, as at the date of this report has confirmed that in so far as they are aware there is no relevant audit information (this is information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



G G Smith
Director

03.06.2015

Kruidvat Real Estate UK Limited

Independent auditors' report to the member of Kruidvat Real Estate UK Limited

Report on the Financial Statements

Our opinion

In our opinion, Kruidvat Real Estate UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 27 December 2014 and of its result for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Kruidvat Real Estate UK Limited's financial statements comprise:

- Balance sheet as at 27 December 2014;
- Profit and loss account for the 52 weeks ended 27 December 2014 for the period then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Kruidvat Real Estate UK Limited

Independent auditors' report to the member of Kruidvat Real Estate UK Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Rosemary Shapland

Rosemary Shapland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

4 June 2015

Kruidvat Real Estate UK Limited

Profit and loss account for the 52 weeks ended 27 December 2014

		52 weeks ended 27 December 2014	52 weeks ended 28 December 2013
	Note	£'000	£'000
Turnover		2,960	2,897
Operating expenses		(2,960)	(2,897)
Operating result	2	-	-
Result on ordinary activities before taxation		-	-
Tax on result on ordinary activities	5	-	-
Result for the financial period	9	-	-

All of the above results relate to continuing operations.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been prepared.

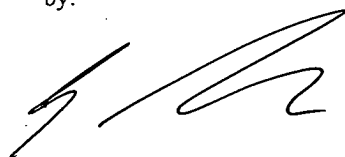
A note on historical cost profits has not been included as part of these financial statements as the result disclosed in the profit and loss account are prepared on an unmodified historical cost basis.

Kruidvat Real Estate UK Limited

Balance sheet as at 27 December 2014

	Note	27 December 2014 £'000	28 December 2013 £'000
CURRENT ASSETS			
Debtors	6	294	356
CREDITORS:			
Amounts falling due within one year	7	(294)	(356)
NET ASSETS		-	-
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account	9	-	-
TOTAL SHAREHOLDERS' FUNDS	10	-	-

The financial statements on pages 5 to 9 were approved by the Board of Directors and signed on its behalf by:



G G Smith
Director
01.06.2015

Registered number 04138209

Kruidvat Real Estate UK Limited

Notes to the financial statements for the 52 weeks ended 27 December 2014

1 ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which are consistently applied are set out below.

The financial statements of the Company are made up to the nearest Saturday to 31 December each year.

The Company is exempt from the following:-

- publication of a cash flow statement under FRS 1, 'Cash Flow Statements' (revised 1996); and
- requirement to disclose related party transactions with A.S. Watson (Health & Beauty UK) Limited owned group undertakings, under FRS 8, 'Related Party Disclosures'.

These exemptions have been claimed as the Company was a wholly owned subsidiary undertakings of A.S. Watson (Health & Beauty UK) Limited, a company registered in England and Wales, which publishes consolidated financial statements that are publicly available.

b) Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred. These are charged to group companies as rental income. Where an incentive to sign the lease has been taken, this is spread on a straight line basis over the lease term.

2 OPERATING RESULT

	52 weeks ended 27 December 2014 £'000	52 weeks ended 28 December 2013 £'000
Operating profit is stated after (crediting)/charging:		
Operating leases – land and buildings	2,960	2,897
Rental income	(2,960)	(2,897)

Fees in respect of auditors' remuneration (2014: £825) have been met by A.S. Watson (Health & Beauty UK) Limited in both the current and previous years (2013: £800).

3 EMPLOYEES

There were no employees during the period (2013: nil).

4 DIRECTORS' EMOLUMENTS

The remuneration of the Company's Directors was paid by another Group company, which makes no recharge to the Company (2013: £nil). The Directors received no remuneration for their services as Directors of the Company.

Kruidvat Real Estate UK Limited

Notes to the financial statements for the 52 weeks ended 27 December 2014 (continued)

5 TAX ON RESULT ON ORDINARY ACTIVITIES

No tax was paid or payable by the company during the year (2013: £nil).

6 DEBTORS

	27 December 2014 £'000	28 December 2013 £'000
Amounts owed by group undertakings	294	356

Amounts owed by group undertakings are interest free and repayable on demand.

7 CREDITORS: amounts falling due within one year

	27 December 2014 £'000	28 December 2013 £'000
Other creditors	294	356

8 CALLED UP SHARE CAPITAL

	27 December 2014 £	28 December 2013 £
Allotted and fully paid:		
2 (2013: 2) ordinary shares of £1 each	2	2

9 RESERVES

	Profit and loss account £'000
At 28 December 2013	-
Result for the financial period	-
At 27 December 2014	-

10 RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDERS' FUNDS

	52 weeks ended 27 December 2014 £'000
Result for the financial period	-
Opening shareholders' funds	-
Closing shareholders' funds	-

Kruidvat Real Estate UK Limited

Notes to the financial statements for the 52 weeks ended 27 December 2014 (continued)

11 COMMITMENTS

The following annual payments are due in respect of operating leases and hire agreements that expire in the following periods from the balance sheet date:

	Land and Buildings	
	27 December 2014 £'000	28 December 2013 £'000
Less than one year	742	403
Two to five years	1,563	1,931
More than five years	68	441
	<u>2,373</u>	<u>2,775</u>

12 GUARANTEES

Superdrug Stores plc, a fellow group undertaking, has issued guarantees in respect of property lease rentals for the Company, to the annual value of £5,624,768 (2013; £5,624,768).

13 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is A.S. Watson (Health & Beauty UK) Limited, a company registered in England. The consolidated financial statements of that company can be obtained from Hutchison House, 5 Hester Road, Battersea, London SW11 4AN. A.S. Watson (Health & Beauty UK) Limited represents the smallest group into which the results of the Company are consolidated.

Up to 2 June 2015, the Company's ultimate parent undertaking and controlling party was Hutchison Whampoa Limited, a company incorporated in Hong Kong, which was the largest group into which the results of the Company were consolidated. The financial statements of Hutchison Whampoa Limited can be obtained from 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong.

Upon completion of the Merger and Spin-off proposal as mentioned in the joint announcement made by Hutchison Whampoa Limited and Cheung Kong (Holdings) Limited on 9 January 2015, the Company's ultimate parent undertaking and controlling party has changed from Hutchison Whampoa Limited to CK Hutchison Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands, effective from 3 June 2015.