

Registered Number 04138209

Kruidvat Real Estate UK Limited

Annual Report and Financial Statements

For the 52 Weeks ended 26 December 2020

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Kruidvat Real Estate UK Limited
Annual Report and Financial Statements
For the 52 Weeks ended 26 December 2020

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Kruidvat Real Estate UK Limited
Directors' Report
For the 52 Weeks ended 26 December 2020

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 26 December 2020.

General Information

The Company is a private limited company, limited by shares, and is incorporated, registered and domiciled in England, in the United Kingdom. The registered number of the Company is 04138209. The address of its registered office is Hutchison House, 5 Hester Road, Battersea, London, SW11 4AN.

Principal Activity

The Company operates in property rental in the United Kingdom, leasing to A.S. Watson Group companies only.

Results and Business Review

The result for the financial period amounted to £nil (2019: £nil).

At 26 December 2020, total shareholder's funds totalled £2 (28 December 2019: £2).

Dividends

The directors do not recommend the payment of a dividend on the ordinary shares (2019: £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.

Directors

The directors have access to the advice and services of the company secretary and board members are able to take independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as directors. The directors possess an appropriate balance of skills and experience for the requirements of the business.

The directors of the Company during the period and up to the date of approving this report were:

D K M Lai
A J Heaton
P W Macnab
R A Fleming

As permitted by s234 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. This insurance is a qualifying third party indemnity, and was in force during the financial period and also at the date of approval of the financial statements.

Kruidvat Real Estate UK Limited
Directors' Report (continued)
For the 52 Weeks ended 26 December 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare Financial Statements for each financial 52 week period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Disclosure of Information to Auditors

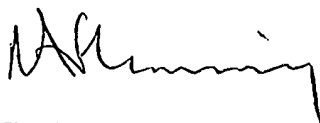
So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the relevant steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

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. The Company has also taken advantage of the small companies exemptions in preparing this Directors' report.

On behalf of the board



R A Fleming
Director

11 June 2021

Kruidvat Real Estate UK Limited
Independent Auditors' Report to the member of Kruidvat Real Estate UK Limited
For the 52 Weeks ended 26 December 2020

Report on the audit of the financial statements

Opinion

In our opinion, Kruidvat Real Estate UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 26 December 2020 and of its result for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), with comprise: the balance sheet as at 26 December 2020; statement of comprehensive income and the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Kruidvat Real Estate UK Limited
Independent Auditors' Report to the member of Kruidvat Real Estate UK Limited
(continued)
For the 52 Weeks ended 26 December 2020

Reporting on other information (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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 26 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Kruidvat Real Estate UK Limited
Independent Auditors' Report to the member of Kruidvat Real Estate UK Limited
(continued)
For the 52 Weeks ended 26 December 2020

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and internal legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud and actual and potential litigation and claims
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, or posted by members of senior management with a financial reporting oversight role

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

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

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)
For the 52 Weeks ended 26 December 2020

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: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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

23 June 2021

Kruidvat Real Estate UK Limited
Statement of Comprehensive Income
For the 52 Weeks ended 26 December 2020

| | | 52 weeks ended 26 December 2020 £'000 | 52 weeks ended 28 December 2019 £'000 |
|--|-------------|--|--|
| | Note | | |
| Revenue | | - | - |
| Operating expenses | 2 | - | - |
| Operating result | 2 | - | - |
| Result before taxation | | - | - |
| Income tax expense | 5 | - | - |
| Result for the financial period | | - | - |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | - | - |

Revenue and operating result arise from the Company's continuing operations.

Kruidvat Real Estate UK Limited
Balance Sheet
As at 26 December 2020

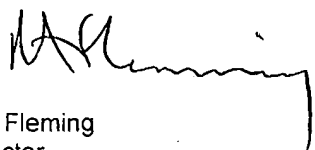
Registered Number: 04138209

| | At 26 December 2020 £'000 | At 28 December 2019 £'000 |
|---|------------------------------------|------------------------------------|
| Note | | |
| Fixed assets | | |
| Right-of-use assets | - | - |
| Current assets | | |
| Trade receivables | - | - |
| Creditors – amounts falling due within one year | | |
| Trade payables | - | - |
| Lease liabilities | - | - |
| Net current assets | - | - |
| Total Assets less current liabilities | - | - |
| Creditors – amounts falling due after more than one year | | |
| Lease liabilities | - | - |
| Net assets | - | - |
| Equity | | |
| Called up share capital | 6 | - |
| Retained earnings | - | - |
| Total shareholder's funds | - | - |

The notes on pages 11 to 12 form part of these financial statements.

These financial statements on pages 8 to 12 were authorised for issue by the board of directors
 12 June 2021 and signed on its behalf by:

R A Fleming
 Director



Kruidvat Real Estate UK Limited
Statement of Changes in Equity
For the 52 Weeks ended 26 December 2020

| | Called up share capital £'000 | Retained earnings £'000 | Total shareholder's funds £'000 |
|---------------------------------|--|--|--|
| At 29 December 2018 | - | - | - |
| Result for the financial period | - | - | - |
| At 28 December 2019 | - | - | - |
| Result for the financial period | - | - | - |
| At 26 December 2020 | - | - | - |

Kruidvat Real Estate UK Limited
Notes to the Financial Statements
For the 52 Weeks ended 26 December 2020

1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation

The financial statements of Kruidvat Real Estate UK Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The directors do not believe there to be any critical estimates or judgements within the financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a) (iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors';
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

With the adoption of IFRS16, leases are accounted for under the Group entity of which they are trading. This has been confirmed in a legal agreement approved by the directors. This means that no results are reported by this Company for the period ended 26 December 2020.

Going Concern

The Company meets its day-to-day working capital requirements through its intercompany relationships. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within its current funding arrangements. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue

Revenue represents income arising from the sub-let of properties. It is recognised, net of lease incentives provided, on a straight-line basis over the term of the lease.

Kruidvat Real Estate UK Limited
Notes to the Financial Statements (continued)
For the 52 Weeks ended 26 December 2020

2. Operating result

Auditors' remuneration in respect of the audit of £1,000 (2019: £1,000) has been met by A.S. Watson (Health & Beauty UK) Limited in both the current and previous periods. The Company did not incur any non-audit fees in the current and prior periods.

3. Employees

There were no employees during the period (2019: nil).

4. Directors' emoluments

In 2020 and 2019 the directors received no remuneration for their services to the Company and are remunerated for their services by other A.S. Watson Group companies.

5. Income tax expense

No tax was paid or payable by the Company during the period (2019: £nil).

6. Called up share capital

| | At 26 December 2020 £ | At 28 December 2019 £ |
|--|--------------------------------|--------------------------------|
| Allotted and fully paid ordinary shares of £1 each | 2 | 2 |
| Number of shares | 2 | 2 |

7. Capital and other commitments

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 £1,370,850 (2019: £1,472,350).

8. Controlling parties

The Company's immediate parent undertaking is A.S. Watson (Health & Beauty UK) Limited, a company registered in England. The smallest group into which the results of the Company are consolidated is A.S. Watson Holdings Limited, a company incorporated in the Cayman Islands with its principal place of business in Hong Kong. The registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The financial statements of A.S. Watson Holdings Limited are not publicly available.

The Company's ultimate parent undertaking and controlling party and the largest group to consolidate these financial statements is CK Hutchison Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. The financial statements of CK Hutchison Holdings Limited can be obtained from 48th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.