

Registration number: 08684899

Holland & Barrett (Benelux) Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 30 September 2022



Holland & Barrett (Benelux) Limited

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Holland & Barrett (Benelux) Limited

Company Information

Directors	M Smith
	A Gourlay
	N Allen
Company secretary	M Smith
Registered office	Samuel Ryder House
	Barling Way
	Eliot Park
	Nuneaton
	Warwickshire
	CV10 7RH

Holland & Barrett (Benelux) Limited
Strategic Report for the Year Ended 30 September 2022

The directors present their strategic report for the year ended 30 September 2022.

Principal activity

The principal activity of the company is acting as an intermediate holding company.

Business review and results

The results of the Company shows a loss before taxation for the financial year of £nil (2021: loss before tax of £7,000). This loss has been charged to reserves. The Company did not trade during the financial year.

The Statement of Comprehensive Income and the Balance Sheet are set out on page 5 and 6. Both the activity in the year and the year end financial position of the Company remain satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

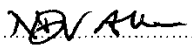
Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company is the holding company of a number of wholly owned subsidiaries. The key risk affecting the Company is related to the performance of the subsidiaries and any requirement for a potential impairment of the carrying value of investments held.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Approved by the Board on 31/8/23 and signed on its behalf by:


.....
N Allen
Director

Holland & Barrett (Benelux) Limited

Directors' Report for the Year Ended 30 September 2022

The directors present their report and the audited financial statements for the year ended 30 September 2022.

Results and dividends

The loss for the financial year amounted to £nil (2021: loss of £7,000).

No dividends were paid out during the year (2021: £Nil).

The net assets of the Company are £85.9m (2021: £85.9m).

Directors of the company

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

RI Bell (resigned 30 April 2023)

M Smith - Company secretary and director

The following directors were appointed after the year end:

A Gourlay (appointed 30 April 2023)

N Allen (appointed 30 April 2023)

Holland & Barrett (Benelux) Limited

Directors' Report for the Year Ended 30 September 2022 (continued)

Going concern

The Company meets its day-to-day working capital requirements through its bank facilities. Treasury management is completed at Group level on behalf of the Company. Forecasts and projections, taking account of reasonably possible changes in trading performance, as well as modelling severe but plausible downside scenarios, which amounted to a 10% reduction in EBITDA, show that the Group, of which the company is part, would potentially require support from its ultimate owner, Letterone Investment Holdings SA, to be able to continue with the level of capital investment deemed necessary to complete its transformation to a digitally led Wellness business. A letter of support has been provided to this effect by both the Company's ultimate owner and its parent company, L1R HB Holdings Limited.

The L1R HB Holdings Limited group had fully drawn down its revolving credit bank facility of €75m as at 30 September 2022. In November 2022, the L1R HB Holdings Limited group purchased all of its external debt. The acquisition of the external debt was funded by a loan from DEA Finance S.A.R.L., a company in the LetterOne group. By 30 June 2023, a further €40m loan had been provided by DEA Finance S.A.R.L. to the L1R HB Holdings Limited group.

Having assessed the principal risks and taking into account the Group's cash balance at the year end and the letter of support provided by the Group's owners Letter One, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its financial statements. Further information on the Group's borrowings is given in the notes to the financial statements.

In its assessment of the Group's prospects, the Directors have taken into account:

- Covid-19. Now that the Covid-19 vaccine roll-out is complete in the countries in which we operate we feel that the risks arising from Covid-19 have been significantly mitigated.
- Supply chain risks. This year has seen some disruption caused by the pandemic, specifically related to the Omicron variant in December 21 & January 22. However, we have worked with our partners to ensure an effective response and to minimise the overall impact.
- Expectations of the future economic environment. There remains a lot of uncertainty over macro-economic risks brought about by the Covid-19 pandemic, including changing customer behaviours, reduced consumer confidence and governments needing to recoup their budget deficits in the future.

Having assessed the current position, principal risks and prospects of the Group, and taking into account the letter of support provided by the Group's owners, forecasts produced by management which demonstrate that the Group is forecast to generate profits and free cashflow, and the fact that the Group has repaid all external debt in the year ending 30 September 2023, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Directors' liabilities

During the year and up to the date of signing of this report the Group maintained liability insurance and qualifying third party indemnification provisions for its Directors and the Company Secretary.

Holland & Barrett (Benelux) Limited

Statement of Comprehensive Income for the Year Ended 30 September 2022

	Note	2022 £ 000	2021 £ 000
Administrative expenses		<u>-</u>	<u>(7)</u>
Operating loss		<u>-</u>	<u>(7)</u>
Loss before taxation		<u>-</u>	<u>(7)</u>
Loss for the financial year		<u>-</u>	<u>(7)</u>
Total Comprehensive Expense		<u><u>-</u></u>	<u><u>(7)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Holland & Barrett (Benelux) Limited

(Registration number: 08684899)

Balance Sheet as at 30 September 2022


	Note	2022 £ 000	2021 £ 000
Fixed assets			
Investments	7	85,958	85,958
Creditors: Amounts falling due within one year	8	<u>(12)</u>	<u>(12)</u>
Net assets		<u>85,946</u>	<u>85,946</u>
Capital and reserves			
Share premium account	10	85,958	85,958
Profit and loss account	10	<u>(12)</u>	<u>(12)</u>
Total equity		<u>85,946</u>	<u>85,946</u>

For the financial year ending 30 September 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 31/8/23 and signed on its behalf by:



N Allen
Director

Holland & Barrett (Benelux) Limited

Statement of Changes in Equity for the Year Ended 30 September 2022

	Called Up Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total Equity £ 000
At 1 October 2020	-	85,958	(5)	85,953
Loss for the financial year	-	-	(7)	(7)
Total comprehensive expense	-	-	(7)	(7)
At 30 September 2021	-	85,958	(12)	85,946

	Called Up Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total Equity £ 000
At 1 October 2021	-	85,958	(12)	85,946
At 30 September 2022	-	85,958	(12)	85,946

The notes on pages 8 to 16 form an integral part of these financial statements.

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

Samuel Ryder House
Barling Way
Eliot Park
Nuneaton
Warwickshire
CV10 7RH
UK

2 Accounting policies

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 years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The Company's presentation and functional currency is GBP.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following accounting policies have been applied consistently throughout the year.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

2 Accounting policies (continued)

Group financial statements not prepared

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate UK parent undertaking and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Going concern

The Company meets its day-to-day working capital requirements through its bank facilities. Treasury management is completed at Group level on behalf of the Company. Forecasts and projections, taking account of reasonably possible changes in trading performance, as well as modelling severe but plausible downside scenarios, which amounted to a 10% reduction in EBITDA, show that the Group, of which the company is part, would potentially require support from its ultimate owner, Letterone Investment Holdings SA, to be able to continue with the level of capital investment deemed necessary to complete its transformation to a digitally led Wellness business. A letter of support has been provided to this effect by both the Company's ultimate owner and its parent company, L1R HB Holdings Limited.

The L1R HB Holdings Limited group had fully drawn down its revolving credit bank facility of €75m as at 30 September 2022. In November 2022, the L1R HB Holdings Limited group purchased all of its external debt. The acquisition of the external debt was funded by a loan from DEA Finance S.A.R.L., a company in the LetterOne group. By 30 June 2023, a further €40m loan had been provided by DEA Finance S.A.R.L. to the L1R HB Holdings Limited group.

Having assessed the principal risks and taking into account the Group's cash balance at the year end and the letter of support provided by the Group's owners Letter One, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its financial statements. Further information on the Group's borrowings is given in the notes to the financial statements.

In its assessment of the Group's prospects, the Directors have taken into account:

- Covid-19. Now that the Covid-19 vaccine roll-out is complete in the countries in which we operate we feel that the risks arising from Covid-19 have been significantly mitigated.
- Supply chain risks. This year has seen some disruption caused by the pandemic, specifically related to the Omicron variant in December 21 & January 22. However, we have worked with our partners to ensure an effective response and to minimise the overall impact.
- Expectations of the future economic environment. There remains a lot of uncertainty over macro-economic risks brought about by the Covid-19 pandemic, including changing customer behaviours, reduced consumer confidence and governments needing to recoup their budget deficits in the future.

Having assessed the current position, principal risks and prospects of the Group, and taking into account the letter of support provided by the Group's owners, forecasts produced by management which demonstrate that the Group is forecast to generate profits and free cashflow, and the fact that the Group has repaid all external debt in the year ending 30 September 2023, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Finance income and costs policy

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

2 Accounting policies (continued)

Tax

Tax on profit or loss for the year comprises of current tax only recognised in the profit and loss account. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Recognition and measurement

Financial assets

Basic financial assets include amounts owed by group undertakings recognised initially at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses

Financial liabilities

Basic financial liabilities include amounts owed to group undertakings recognised at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial liabilities are de-recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

2 Accounting policies (continued)

Impairment excluding stocks and deferred tax asset

Financial assets:

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognised in profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Judgements in applying accounting policies and key sources of estimation uncertainty

The key assumptions concerning the areas of uncertainty at the Balance Sheet date which have a significant risk of causing a material adjustment to carrying amounts are:

Critical estimates: Impairment of investment in subsidiaries

The Company considers whether investments in subsidiaries undertakings are impaired, and where an indicator of impairment is identified, the Company performs an impairment test through estimating the recoverable value of the investee. The recoverable amount is based upon forecast cash flows of the businesses. The amount and timing of the cash flows and the discount rate used in the model require management's judgement. An impairment loss is recognised where the carrying value of an investment exceeds its recoverable value. See note 7.

3 Auditors' remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	-	7

4 Staff costs

The Company has no employees other than the directors (2021: Nil), who did not receive any remuneration (2021: £Nil).

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

5 Directors' remuneration

The remuneration of UK residents is borne by Holland & Barrett Retail Limited, another group company. The UK directors received no remuneration in respect of their services as directors or other services to the Company. Holland & Barrett Retail Limited does not recharge Holland & Barrett (Benelux) Limited for these services and it is not considered possible to accurately apportion their emoluments between the individual entities within the group.

6 Taxation

Tax charged/(credited) in the statement of comprehensive income

2022	2021
£ 000	£ 000

Current taxation

-	-
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The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

2022	2021
£ 000	£ 000

Loss before tax	-	(7)
Corporation tax at standard rate	-	(1)
Tax increase arising from group relief	-	1
Total tax charge/(credit)	-	-

An increase to the main rate of corporation tax from 19% to 25% from 1 April 2023 was substantively enacted on 24 May 2021, with the Finance Bill 2021 receiving Royal Assent on 10 June 2021. Deferred taxes have been measured based on the enacted rate at the year end date and reflected in these financial statements.

7 Investments in subsidiaries, joint ventures and associates

2022	2021
£ 000	£ 000

Investments in subsidiaries	85,958	85,958
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Holland & Barrett (Benelux) Limited

**Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022
(continued)**

7 Investments in subsidiaries, joint ventures and associates (continued)

Subsidiaries	£ 000
Cost or valuation	
At 1 October 2021 and at 30 September 2021	<u>85,958</u>
Carrying amount	
At 30 September 2022	<u>85,958</u>
At 30 September 2021	<u>85,958</u>

The investment value is supported by the net assets in the subsidiaries.

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

7 Investments in subsidiaries, joint ventures and associates (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
LIR HB Finance (Netherlands) B.V.*	22 Grenville Street, St Helier, Jersey	Ordinary	100%	100%
Precision Engineered Limited	Samuel Ryder House, Barling Way, Eliot Park, Nuneaton, Warwickshire, CV10 7RH	Ordinary	100%	100%
Holland & Barrett B.V.	Piet Heinkade 167, 1019 GM Amsterdam, Netherlands	Ordinary	100%	100%
Holland & Barrett N.V. Limited	Pres. Wilsonplein, 4/288, 9000 Gent, Belgium	Ordinary	100%	100%

* Denotes direct undertaking of the Company

Subsidiary undertakings

*LIR HB Finance (Netherlands) B.V.**

The principal activity of LIR HB Finance (Netherlands) B.V.* is Intermediate holding company.

Precision Engineered Limited

The principal activity of Precision Engineered Limited is Intermediate holding company.

Holland & Barrett B.V.

The principal activity of Holland & Barrett B.V. is Retailer of health food and related products.

Holland & Barrett N.V. Limited

The principal activity of Holland & Barrett N.V. Limited is Retailer of health food and related products.

The directors believe that the carrying value of the investments is supported by the recoverable amount of the investees and their subsidiary business.

The information comprises a full listing of the Company's subsidiary undertakings at the Balance Sheet date.

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

8 Creditors: Amounts falling due within one year

	Note	2022 £ 000	2021 £ 000
Due within one year			
Amounts owed to group undertakings	11	12	5
Accruals and deferred income		-	7
		<u>12</u>	<u>12</u>

9 Called Up Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The holder of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Reserves

Share premium account

The share premium account represents amounts raised on the initial allotment of share capital in excess of the nominal value of shares issued, less any costs directly attributable to the issue of that share capital.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

11 Related party transactions

The Company has transacted in the year with related parties, being subsidiaries and other members of the wider group of Letterone Investment Holdings S.A. As all such related parties transacted with are wholly owned member of the wider group, the Company has taken advantage of FRS 102 33.11 from disclosing transactions with such fellow Group members

Holland & Barrett (Benelux) Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 September 2022 (continued)

12 Parent and ultimate parent undertaking

The company's immediate parent is Holland & Barrett International Limited, incorporated in United Kingdom.

The ultimate parent is Letterone Investment Holdings S.A., incorporated in Luxembourg.

The parent of the largest group in which these financial statements are consolidated is L1R HB Holdings Limited, incorporated in Jersey.

The parent of the smallest group in which these financial statements are consolidated is Holland and Barrett International Limited, incorporated in England.