

CHECKBURY LIMITED

Directors' Report and financial statements

For the 52 week period ended 30 January 2016

Company No: 1131608

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Directors' report and financial statements

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Directors' Report

The Directors of Checkbury Limited (the "Company") present their directors' report and the financial statements for the 52 week period ended 30 January 2016.

Business review

The principal activity of the Company is property management. The profit before tax was £2,869,000 for the period ended 30 January 2016 (2015: £2,774,000).

On 10 February 2016, the Company's immediate parent company, Signet Trading Limited, resolved to acquire the Company's business and all assets and liabilities (the 'Business Transfer'), effective from 31 January 2016. The Company intends to effect a reduction of capital and to complete the Business Transfer via a dividend in specie to Signet Trading Limited by 24 May 2016.

Dividends

No dividends were paid in the period (2015: £nil).

Directors and Directors' interests

The Directors, who served throughout the period and to the date of this report, unless otherwise stated, were:

Shaun D Carney

Mark A Jenkins

None of the Directors had any beneficial interest in the share capital of the Company during the period (2015: nil).

Company Secretary

The Company Secretary who served throughout the period and to the date of this report was Mark A Jenkins.

Political and charitable contributions

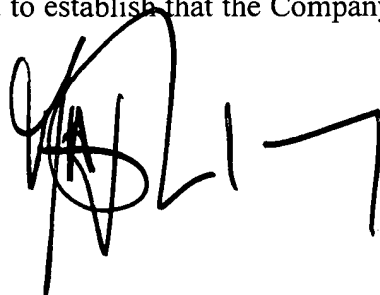
The Company made no charitable or political contributions during the period (2015: £nil).

Disclosure of information to auditors

Each of the Directors at the date hereof confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board,



110 Cannon Street
London,
EC4N 6EU

Mark A Jenkins
Director
23 May 2016

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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; 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 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 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.

Independent auditor's report to the members of Checkbury Limited

We have audited the financial statements of Checkbury Limited for the 52 weeks ended 30 January 2016 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 January 2016 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern and post balance sheet event

In forming our opinion on the financial statements, we have considered the disclosures made with regards to the company's application of the going concern principle in preparation of the financial statements, as included in Note 1 Accounting policies, as well as the post balance sheet event disclosed under Note 19 Post balance sheet events. We draw your attention to these disclosures and specifically the preparation of the financial statements on a non-going concern basis. In our opinion, the company has made adequate disclosure on the impact of the amalgamation of the separate legal trading entities into one legal entity, Signet Trading Limited, and the effect of the amalgamation, being that the legal entity will cease trading and become inactive.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jeremy Hall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL

23 May 2016

Profit and loss account

for the 52 weeks ended 30 January 2016 and the 52 weeks ended 31 January 2015

	Notes	52 weeks ended 30 January 2016 £000	52 weeks ended 31 January 2015 £000
Rent receivable from properties		1,608	1,608
Rent payable on properties		<u>(186)</u>	<u>(186)</u>
Gross profit		1,422	1,422
Administrative expenses		<u>(89)</u>	<u>(158)</u>
Operating profit		1,333	1,264
Interest receivable and similar income	2	<u>1,536</u>	<u>1,510</u>
Profit on ordinary activities before taxation	3	2,869	2,774
Tax on profit on ordinary activities	5	<u>(592)</u>	<u>(613)</u>
Profit for the financial period		<u>2,277</u>	<u>2,161</u>

The results shown above are in respect of continuing operations. There were no gains or losses recognised other than those in the profit and loss account for either period.

The notes on pages 7 to 11 form part of these financial statements.

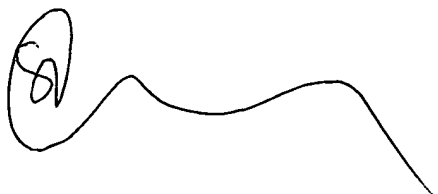
Balance sheet

at 30 January 2016 and 31 January 2015

	Notes	30 January 2016		31 January 2015	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	6		7,189		7,248
Current assets					
Debtors	7	65,767		64,120	
Creditors:					
Amounts falling due within one year	8	(591)		(1,280)	
Net current assets			<u>65,176</u>		<u>62,840</u>
Net assets			<u>72,365</u>		<u>70,088</u>
Capital and reserves					
Called up share capital	10		16,400		16,400
Share premium account			23,850		23,850
Revaluation reserve			2,952		2,987
Profit and loss account			<u>29,163</u>		<u>26,851</u>
Shareholders' funds			<u>72,365</u>		<u>70,088</u>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the Board of Directors on 23 May 2016 and were signed on its behalf by:



Shaun D Carney

Director

Company No: 1131608

Statement of changes in equity
 for the 52 week period ended 30 January 2016

	Share capital £000	Share premium £000	Revaluation reserve	Profit and loss account £000	Total equity £000
Balance at 1 February 2014	16,400	23,850	3,017	24,660	67,927
Difference between historical cost and actual depreciation	-	-	(30)	30	-
Profit for the financial period	-	-		2,161	2,161
Balance at 31 January 2015	16,400	23,850	2,987	26,851	70,088
Difference between historical cost and actual depreciation			(35)	35	-
Profit for the financial period	-	-		2,277	2,277
Balance at 30 January 2016	16,400	23,850	2,952	29,163	72,365

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements and in the current and preceding period.

Basis of preparation

The financial statements have been prepared in accordance with FRS 101, applicable United Kingdom law and under the historical cost convention as modified by the revaluation of freehold and long leasehold properties.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU-IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not affected the previously reported financial position and financial performance of the Company.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of capital management
- The effects of new but not yet effective IFRSs.

The Company's ultimate holding company is Signet Jewelers Limited which is registered in Bermuda. The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking.

As the consolidated financial statements of Signet Jewelers Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7.

Going concern

The Company's business activities and the factors likely to affect its future development and position are set out in the Business Review section of the Directors' Report.

Attention is drawn to the post balance sheet event disclosed in note 13. The entire business and operating assets and liabilities of Checkbury are expected to be transferred to the Company's immediate holding company, Signet Trading Limited, completed by 24 May 2016.

Notes (continued)

1. Accounting policies (continued)

Going concern (continued)

The Company is still considered to be a going concern as it is in a net asset position at year-end, and reported net profits for the current financial year. However, due to the fact that the entity will cease trading upon completion of the business transfer, the accounts have been prepared on a non-going concern basis. The application of this basis is not considered to affect the valuation of assets and liabilities to be transferred, as the transfer will take place at carrying value. The restructuring of the group is planned for operational and administrative reasons, and the Company will continue to operate as a going concern until the transfer of assets and liabilities is complete, after which the company will become dormant.

Rent receivable from properties

Rent receivable from properties is recognised on a straight-line basis over the relevant rental period.

Operating lease rentals

Rentals payable under certain leases are recognised on a straight line basis over the life of the leases.

Depreciation and amortisation

Depreciation is provided on freehold and long leasehold retail premises over an estimated useful life not exceeding 50 years. Freehold land is not depreciated.

Taxation

The charge for taxation is based on the profit for the period and takes into account timing differences between the treatment of certain items for taxation and accounting purposes.

2. Net interest receivable

	2016 £000	2015 £000
Interest receivable on amounts owed by Group undertakings	<u>1,536</u>	<u>1,510</u>

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2016 £000	2015 £000
Depreciation	59	128
Auditor's remuneration	<u>2</u>	<u>2</u>

There were no employees in the current or preceding periods.

The auditors did not perform any non-audit services in either period.

Notes (continued)

4. Remuneration of Directors

No Directors received any remuneration from the Company (2015: £nil).

5. Taxation

	2016 £000	2015 £000
UK corporation tax charge for the period	592	618
Adjustment in respect of previous periods	-	(5)
	<u>592</u>	<u>613</u>
	2016 %	2015 %
UK statutory tax rates	20.2	21.3
Expenditure permanently disallowable for tax, net of permanent undercharges	0.4	1.0
Adjustment in respect of previous periods	-	(0.2)
Effective tax rate in the accounts	<u>20.6</u>	<u>22.1</u>

6. Tangible fixed assets

	Freehold property £000	Long leasehold property £000	Short leasehold property £000	Total £000
Valuation				
At 1 February 2014	7,014	1,842	1,300	10,156
Disposals	-	-	-	-
At 31 January 2015	<u>7,014</u>	<u>1,842</u>	<u>1,300</u>	<u>10,156</u>
Disposals	-	-	-	-
At 30 January 2016	<u>7,014</u>	<u>1,842</u>	<u>1,300</u>	<u>10,156</u>
Depreciation				
At 1 February 2014	2,061	328	391	2,780
Charge for the period	68	27	33	128
At 31 January 2015	<u>2,129</u>	<u>355</u>	<u>424</u>	<u>2,908</u>
Charge for the period	-	27	32	59
At 30 January 2016	<u>2,129</u>	<u>382</u>	<u>456</u>	<u>2,967</u>
Net book value				
At 30 January 2016	<u>4,885</u>	<u>1,460</u>	<u>844</u>	<u>7,189</u>
At 31 January 2015	<u>4,885</u>	<u>1,487</u>	<u>876</u>	<u>7,248</u>
At 1 February 2014	<u>4,953</u>	<u>1,514</u>	<u>909</u>	<u>7,376</u>

Notes (continued)

6. Tangible fixed assets (continued)

Freehold and long leasehold properties were valued in 2002 by professional valuers on an existing use basis, except for one property that was valued on an open market basis. The current net book value of tangible fixed assets approximates to fair value.

The net book value of properties determined on a historical cost basis would be:

	2016 £000	2015 £000
Cost	6,520	6,520
Depreciation	<u>(2,278)</u>	<u>(2,254)</u>
	<u>4,242</u>	<u>4,266</u>

7. Debtors

	2016 £000	2015 £000
Amounts owed by Group undertakings	<u>65,767</u>	<u>64,120</u>

8. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Corporation tax	<u>(592)</u>	<u>1,280</u>

9. Deferred taxation

There are no assets or liabilities for deferred taxation in respect of properties stated in the accounts at valuation (2015: £nil).

10. Called up share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid:</i>		
16,400,000 ordinary shares of £1 each	<u>16,400</u>	<u>16,400</u>

Notes (continued)

11. Commitments and contingent liabilities

The annual commitments under non-cancellable operating leases are as follows:

	2016	2015
	Land &	Land &
	buildings	buildings
	£000	£000
Operating leases which expire:		
After more than five years	187	186
	187	186

12. Related party transactions

As the Company is a wholly-owned subsidiary of Signet Trading Limited and the Company's voting rights are controlled within the group headed by Signet Jewelers Limited, the Company has taken advantage of the exemption contained in IAS 24 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Signet Jewelers Limited, within which this Company is included, can be obtained from the address given in note 14.

13. Post balance sheet event

On 10 February 2016, the Company's immediate parent company, Signet Trading Limited, resolved to acquire the Company's business and all assets and liabilities (the 'Business Transfer'), effective from 31 January 2016. The Company intends to effect a reduction of capital and to complete the Business Transfer via a dividend in specie to Signet Trading Limited by 24 May 2016. The assets and liabilities will be transferred at carrying value. The carrying values of these assets and liabilities are considered to approximate to their fair values.

14. Ultimate Parent Company

The Company's ultimate parent is Signet Jewelers Limited, a company incorporated in Bermuda under the Companies Act 1981 of Bermuda. The financial statements of Signet Jewelers Limited which consolidate the results of the Company are available to the public and may be obtained from 110 Cannon Street, London EC4N 6EU or at www.signetjewelers.com.