

REGISTERED NO: 02202838

**SAVERS HEALTH AND BEAUTY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 52 WEEKS ENDED 27 DECEMBER 2014**

TUESDAY



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23/06/2015  
COMPANIES HOUSE

# **Savers Health and Beauty Limited**

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

### **CONTENTS**

### **Pages**

Strategic report	1-2
Directors' report	3-4
Independent auditors' report to the member of Savers Health and Beauty Limited	5-6
Profit and loss account for the 52 weeks ended 27 December 2014	7
Balance sheet as at 27 December 2014	8
Notes to the financial statements for the 52 weeks ended 27 December 2014	9-16

# **Savers Health and Beauty Limited**

## **Strategic report**

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The directors present their Strategic report for the 52 weeks ended 27 December 2014.

### **PRINCIPAL ACTIVITY**

The Company trades as a health, beauty and household discount retailer in the UK.

### **RESULTS AND BUSINESS REVIEW**

Turnover for the period was £300m (2013: £247m), an increase of 21.6% (2013: 15.0%). The personal recession continued for most of 2014 as prices rose faster than earnings resulting in Savers' customers continuing to seek value. Savers' customers recognised the value and service provided in store by awarding the Company UK Best Personal Care Retailer in the Verdict Customer Satisfaction Award in 2014. The Company also increased its store portfolio by 46 to 299 trading stores (2013: 253 trading stores). Despite aggressive price wars within grocers the Company was able to increase its gross margin to 29.8% (2013: 28.8%).

The operating profit for 2014 amounted to £19.6m (2013: £9.0m), with a profit for the financial period of £14.8m (2013: £6.7m).

At 27 December 2014, the shareholder's deficit totalled £22.0m (2013: £36.9m).

### **BUSINESS ENVIRONMENT**

The UK health and beauty market in 2014 was worth £13.6bn.

The value retail sector has been through a period of change in scale and customer perception over the past 7 years and the sector is now considered a mainstream feature of the UK retail market especially in the grocery market. There has also been a shift from the major UK grocers to smaller convenience food formats on the high street which has provided an opportunity for Savers to provide the household and personal care offer to those customers.

### **STRATEGY**

The Company will focus on continuing to provide competitively priced high quality brand name products in core categories of household, hair and health and introduce new products to customers as they expand their repertoire of discount shopping. The Company will continue to expand its footprint in the UK where discount retailers are under-represented in secondary sites to ensure all consumers have access to money saving offers on brands. As a discounter, Savers management understand the need to balance investment in people training, structures and store environment to deliver award winning customer service with cost control. Savers will continue to increase profitability through further improvement in execution of the offer and better retail standards across the store estate.

The directors remain confident that the business will remain profitable and improve on current levels of performance.

### **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.

## Savers Health and Beauty Limited Strategic report (continued)

### KEY PERFORMANCE INDICATORS ("KPIs")

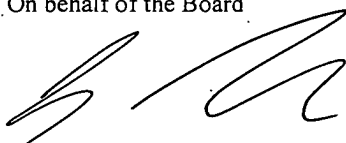
The directors monitor progress on the Company's performance by reference to the following KPIs:

	52 weeks ended 27 December 2014	52 weeks ended 28 December 2013
	£'000	£'000
• Turnover	299,925	246,593
• Gross margin (%)	29.8%	28.8%
• Operating profit before exceptionals, interest and tax	19,565	9,023
• Net external debt at period end	-	-
• Total shareholder's deficit	(22,019)	(36,853)

### GOING CONCERN

As stated in note 1 to the financial statements, the directors note that there is an excess of liabilities over assets on the balance sheet. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate having received assurances from its parent undertaking A.S. Watson (Health & Beauty UK) Limited as detailed in the Accounting Policies.

On behalf of the Board



G G Smith  
Director

3rd June 2015

## **Savers Health and Beauty Limited**

### **Directors' report**

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The directors present their annual report together with the audited financial statements of the Company (registered number: 02202838) for the 52 weeks ended 27 December 2014.

#### **DIVIDEND**

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

#### **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

G G Smith

P W Macnab                      Appointed 20 May 2014

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.

#### **EMPLOYEE INVOLVEMENT**

The Board regards employee involvement and effective communication as being essential to foster good employee relations, to achieve improved performance and productivity, to enhance the quality of working life, and to gain commitment to the Company's business objectives.

Consultation with employees has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. There are regular newsletters, regional meetings, management meetings and a conference to ensure that there is a regular flow and exchange of information and ideas about the business.

#### **DISABLED PERSONS**

It is the Company's policy to give full consideration to the possibility of employing disabled persons wherever suitable opportunities exist. Employees who have become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions. It is the policy of the Company that the training, career development and promotion of disabled persons should be identical to that of other employees.

## **Savers Health and Beauty Limited**

### **Directors' report (continued)**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 period. 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:

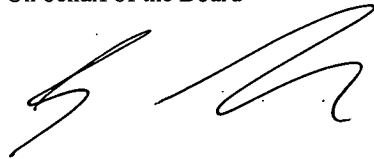
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

3rd June 2015

# **Savers Health and Beauty Limited**

## **Independent auditors' report to the member of Savers Health and Beauty Limited**

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### **Report on the Financial Statements**

#### **Our opinion**

In our opinion, Savers Health and Beauty 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 profit 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**

Savers Health and Beauty Limited's financial statements comprise:

- the balance sheet as at 27 December 2014;
- the profit and loss account for the period then ended; and
- 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 Strategic report and 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.

# **Savers Health and Beauty Limited**

## **Independent auditors' report to the member of Savers Health and Beauty Limited (continued)**

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### **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.

### **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 4, 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



**Savers Health and Beauty 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
<b>Turnover</b>	1 (b)	<b>299,925</b>	<b>246,593</b>
Cost of sales		(210,684)	(175,642)
Gross profit		<u>89,241</u>	<u>70,951</u>
Selling and distribution costs		(61,376)	(53,560)
Administrative expenses		(9,987)	(9,123)
Other operating income		<u>1,687</u>	<u>755</u>
<b>Operating profit</b>	2	<b>19,565</b>	<b>9,023</b>
Interest payable	5	(1,011)	-
Interest receivable	6	<u>1,011</u>	<u>3</u>
<b>Profit on ordinary activities before taxation</b>		<b>19,565</b>	<b>9,026</b>
Tax on profit on ordinary activities	7	(4,731)	(2,370)
<b>Profit for the period</b>	17	<b><u>14,834</u></b>	<b><u>6,656</u></b>

All of the above results relate to continuing operations.

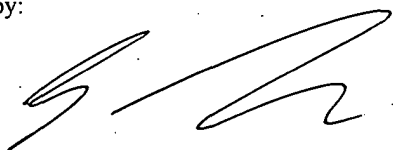
There are no recognised gains or losses other than those included in the results above and therefore a separate statement of total recognised gains and losses has not been presented.

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

**Savers Health and Beauty Limited**  
**Balance sheet as at 27 December 2014**

	Note	27 December 2014 £'000	28 December 2013 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	16,027	12,858
Investments	10	7	7
		<u>16,034</u>	<u>12,865</u>
<b>CURRENT ASSETS</b>			
Stock	11	33,043	29,800
Debtors	12	28,920	21,528
Cash at bank and in hand		17,833	14,356
		<u>79,796</u>	<u>65,684</u>
<b>CREDITORS:</b>			
Amounts falling due within one year	13	<u>(116,051)</u>	<u>(113,991)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(36,255)</u>	<u>(48,307)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(20,221)</u>	<u>(35,442)</u>
Provision for liabilities and charges	14	(1,798)	(1,411)
<b>NET LIABILITIES</b>		<u>(22,019)</u>	<u>(36,853)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	1,400	1,400
Share premium account	17	3	3
Profit and loss account	17	(23,422)	(38,256)
<b>TOTAL SHAREHOLDER'S DEFICIT</b>	18	<u>(22,019)</u>	<u>(36,853)</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors and signed on its behalf by:



G G Smith  
Director

3rd June 2015

Registered number: 02202838

# Savers Health and Beauty Limited

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

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### 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 UK. The principal accounting policies which are consistently applied are set out below.

The directors note that there is an excess of liabilities over assets on the balance sheet. The financial statements have been prepared on the going concern basis which the directors believe to be appropriate having received the following assurances from the parent undertaking A.S. Watson (Health & Beauty UK) Limited.

The Company is currently partly dependent for its capital and funds on A.S. Watson (Health & Beauty UK) Limited. The Company has been provided with assurances by the parent undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available.

The Company is exempt from the following:

- publication of a cash flow statement under FRS 1, 'Cash Flow Statements' (revised 1996);
- publication of consolidated financial statements under Section 400 of the Companies Act; 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 is a wholly owned subsidiary undertaking 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) Turnover

Turnover represents retail sales to customers in the United Kingdom and is measured at the fair value of the consideration received or receivable and is recognised on the day that the sale is made based on the store till receipts and automatic uploads of retail information. It represents amounts receivable for goods sold in the normal course of business, net of returns, and is stated net of value added tax. The Company regularly operates a variety of sales promotions that give rise to goods being sold at a discount to standard retail price. Turnover reflects retail sales net of all related discounts. Retail sales are usually in cash or by credit or debit card. It is the Company's policy to sell its products to the customer with a right of return. Based on accumulated experience no provision is made for such returns at the time of sale.

#### c) Intangible fixed assets

Intangible assets represent purchased goodwill, being the excess of the fair value of the consideration given over the fair value of the separable net assets acquired on the acquisition of a business or company. Fair values are attributed to the identifiable assets and liabilities that existed at the date of acquisition reflecting their condition at that date.

Purchased goodwill was amortised through the profit and loss account on a straight line basis over a period of 20 years, which is considered by management to be a fair reflection of the useful economic life of the underlying assets acquired.

#### d) Tangible fixed assets

Tangible fixed assets are stated at historic cost, net of accumulated depreciation. The cost of fixed assets is their historic purchase price, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, over the following expected useful economic lives of the assets concerned:

Freehold buildings	50 years
Leasehold land and buildings	shorter of 6 2/3yrs or length of lease
Fixtures, fittings and equipment	4 to 10 years

Useful economic lives of assets are reviewed periodically.

# **Savers Health and Beauty Limited**

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

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### **e) Impairment of intangible and tangible fixed assets**

Intangible and tangible fixed assets are subject to review for impairment in accordance with FRS11 "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the profit and loss account in the year in which it occurs.

### **f) Investments in subsidiary undertaking**

Investments in subsidiary undertakings are held at cost less any provision for impairment. Impairment reviews are performed by directors when there has been indication of potential impairment.

### **g) Stock**

Stocks are stated at the lower of cost and net realisable value, at weighted average cost and consist of finished goods purchased for resale. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Provisions are made as appropriate for shrinkage and slow-moving items.

### **h) Operating leases**

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

### **i) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### **j) Pension costs**

The Company operates a defined contribution pension scheme for all employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

### **k) Foreign currency**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the balance sheet date. All gains and losses are taken to the profit and loss account.

### **l) Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

# Savers Health and Beauty Limited

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

<b>2 OPERATING PROFIT</b>	<b>52 weeks ended 27 December 2014</b>	<b>52 weeks ended 28 December 2013</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after (crediting)/charging:		
Rental income	(319)	(257)
Depreciation (note 9)	2,939	3,124
Loss on disposal of fixed assets	221	62
Operating leases – other	13,670	13,079
Operating leases – plant and machinery	223	185
Services provided by the company's auditor		
Fees payable for the audit	91	90

<b>3 EMPLOYEES</b>	<b>52 weeks ended 27 December 2014</b>	<b>52 weeks ended 28 December 2013</b>
	<b>Number</b>	<b>Number</b>
The average monthly number of persons employed by the Company (including directors) during the period was:		
Stores	<u>3,006</u>	<u>2,573</u>
Their aggregate remuneration comprised:	<b>£'000</b>	<b>£'000</b>
Wages and salaries	36,613	30,525
Social security costs	1,381	1,146
Other pension costs	<u>278</u>	<u>188</u>
	<u>38,272</u>	<u>31,859</u>

### 4 DIRECTORS' EMOLUMENTS

In 2014 and 2013 no emoluments were paid or payable by the Company to the directors who are remunerated for their services by other group companies.

<b>5 INTEREST PAYABLE</b>	<b>52 weeks ended 27 December 2014</b>	<b>52 weeks ended 28 December 2013</b>
	<b>£'000</b>	<b>£'000</b>
Other interest payable	<u>1,011</u>	<u>-</u>

<b>6 INTEREST RECEIVABLE</b>	<b>52 weeks ended 27 December 2014</b>	<b>52 weeks ended 28 December 2013</b>
	<b>£'000</b>	<b>£'000</b>
Other interest receivable	<u>1,011</u>	<u>3</u>

# Savers Health and Beauty Limited

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

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 27 December 2014 £'000	52 weeks ended 28 December 2013 £'000
<b>a) Analysis of charge in the period</b>		
<b>Current tax:</b>		
UK corporation tax on profit for the period	4,452	2,422
Adjustment in respect of prior period	(18)	3
Total current tax	<u>4,434</u>	<u>2,425</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	255	(55)
Impact of change in tax rate	42	-
Total deferred tax (note 15)	<u>297</u>	<u>(55)</u>
<b>Tax on profit on ordinary activities</b>	<u>4,731</u>	<u>2,370</u>

### b) Factors affecting tax charge for the period

The current tax charge for the period is higher (2013: higher) than the effective rate of corporation tax in the UK at 21.5% (2013: 23.25%). The differences are explained below:

<b>Profit on ordinary activities before taxation</b>	<u>19,565</u>	<u>9,026</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	4,206	2,099
Effects of:		
Expenses not deducted for tax purposes	95	84
Short term timing differences	81	47
Depreciation in excess of capital allowances	113	239
Depreciation on capitalised revenue expenditure	(43)	(47)
Adjustment to tax (charge)/credit in respect of prior period	(18)	3
Total current tax charge	<u>4,434</u>	<u>2,425</u>

### c) Factors affecting future tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates based on when the deferred taxes are expected to unwind and reflected in these financial statements. During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which was substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured.

# Savers Health and Beauty Limited

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

### 8 INTANGIBLE FIXED ASSETS

27 December  
2014  
£'000

#### Cost

At 27 December 2014 and 28 December 2013 1,003

#### Amortisation

At 27 December 2014 and 28 December 2013 1,003

#### Net Book Value

At 27 December 2014 and 28 December 2013 -

The directors consider that the goodwill arising on the Company's investment in its dormant subsidiary, Crosby's Limited, no longer has any value.

### 9 TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Fixtures, fittings and computer equipment £'000	Total £'000
<b>COST</b>			
At 28 December 2013	3,123	45,558	48,681
Additions	-	4,864	4,864
Intra Group transfers	-	5,029	5,029
Disposals	-	(841)	(841)
At 27 December 2014	<u>3,123</u>	<u>54,610</u>	<u>57,733</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 28 December 2013	789	35,034	35,823
Charge for period	43	2,896	2,939
Intra Group transfers	-	3,713	3,713
Disposals	-	(769)	(769)
At 27 December 2014	<u>832</u>	<u>40,874</u>	<u>41,706</u>
<b>NET BOOK VALUE</b>			
At 27 December 2014	<u>2,291</u>	<u>13,736</u>	<u>16,027</u>
At 28 December 2013	<u>2,334</u>	<u>10,524</u>	<u>12,858</u>

The net book value of land and buildings comprises:

	52 weeks ended 27 December 2014 £'000	52 weeks ended 28 December 2013 £'000
Freehold	2,286	2,327
Short leasehold	<u>5</u>	<u>7</u>
	<u>2,291</u>	<u>2,334</u>

# Savers Health and Beauty Limited

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

### 10 INVESTMENTS

27 December  
2014  
£'000

#### Cost

At 27 December 2014 and 28 December 2013

282

#### Provision for impairment

At 27 December 2014 and 28 December 2013

(275)

#### Net Book Value

At 27 December 2014 and 28 December 2013

7

The directors believe that the carrying value of the investments is supported by their underlying assets.

### 11 STOCK

27 December  
2014  
£'000

28 December  
2013  
£'000

Finished goods and goods for resale

33,043

29,800

### 12 DEBTORS

27 December  
2014  
£'000

28 December  
2013  
£'000

Trade debtors

7,204

10,250

Amounts owed by group undertakings

3,178

654

Prepayments and accrued income

18,263

10,052

Deferred tax asset (note 15)

275

572

28,920

21,528

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

### 13 CREDITORS: amounts falling due within one year

27 December  
2014  
£'000

28 December  
2013  
£'000

Trade creditors

13,889

4,191

Amounts owed to group undertakings

74,108

88,210

Corporation tax

9,761

3,768

Other creditors including taxes and social security

4,652

5,816

Accruals and deferred income

13,641

12,006

116,051

113,991

The Company has a bank overdraft facility which is provided by National Westminster Bank plc and which is unsecured and repayable on demand. Interest is payable at National Westminster Bank plc base rate plus 1.25%. The Company's banking arrangements are subject to a netting facility whereby credit balances may be offset against the indebtedness of its immediate parent company and fellow subsidiary undertakings.

Amounts owed to group undertakings are unsecured, interest free, repayable on demand.

The Company has an additional credit agreement with A.S. Watson (Health & Beauty UK) Limited, the parent company, under which an interest-free loan credit facility of up to £35,000,000 has been made available. The loan credit facility matures on 30 June 2017.



# Savers Health and Beauty Limited

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

### 14 PROVISIONS FOR LIABILITIES AND CHARGES

	Idle property provision £'000
At 28 December 2013	1,411
Charge to the profit and loss account	387
At 27 December 2014	<u>1,798</u>

### 15 DEFERRED TAX ASSET

	27 December 2014 £'000	28 December 2013 £'000
Accelerated capital allowances	138	429
Other timing differences	137	143
Total deferred tax	<u>275</u>	<u>572</u>
At 28 December 2013	572	517
Deferred tax (charge)/credit for the period (note 7)	(297)	55
At 27 December 2014	<u>275</u>	<u>572</u>

### 16 CALLED UP SHARE CAPITAL

	27 December 2014 £'000	28 December 2013 £'000
Allotted, called up and fully paid:		
1,400,000 (2013: 1,400,000) ordinary shares of £1 each	<u>1,400</u>	<u>1,400</u>

### 17 RESERVES

	Share premium account £'000	Profit & loss account £'000
At 28 December 2013	3	(38,256 )
Profit for the period	-	14,834
At 27 December 2014	<u>3</u>	<u>(23,422 )</u>

# Savers Health and Beauty Limited

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

18 RECONCILIATION OF MOVEMENTS IN TOTAL SHAREHOLDER'S DEFICIT	52 weeks ended 27 December 2014 £'000	52 weeks ended 28 December 2013 £'000
Profit for the period	14,834	6,656
Opening shareholder's deficit	(36,853)	(43,509)
Closing shareholder's deficit	(22,019)	(36,853)

### 19 OPERATING LEASE 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		Other	
	27 December 2014 £'000	28 December 2013 £'000	27 December 2014 £'000	28 December 2013 £'000
Within one year	4,612	5,816	130	105
Within two to five years	8,039	7,245	133	52
After five years	3,105	-	-	-
	15,756	13,061	263	157

The financial commitments for operating lease amounts payable as a percentage of turnover have been based on the minimum payment that is required under the terms of the relevant lease. As a result the amounts charged to the profit and loss account may be different to the financial commitment at the period end date.

### 20 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.