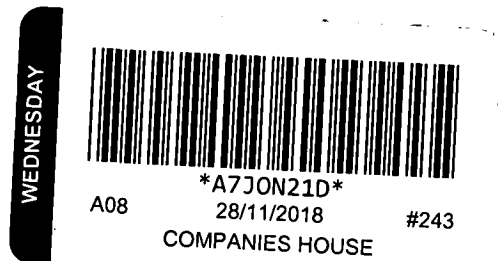


DCC Health & Beauty Solutions Limited

Directors' report and financial statements

Year ended 31 March 2018

Registered number: 03005147



DCC Health & Beauty Solutions Limited

Directors' report and financial statements

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DCC Health & Beauty Solutions Limited

Directors and other information

Directors

SC O'Connor
RLK Witheridge
C Costigan
A Williams
T O'Connor
R McEvoy

Company secretary

KM Leay

Registered office

9-12 Hardwick Road
Astmoor Industrial Estate
Runcorn
Cheshire
WA7 1PH

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2, Ireland

Solicitors

BLM Law
Kings House
42 King Street
Manchester
M3 2NU

Registered number

03005147

DCC Health & Beauty Solutions Limited

Directors' report

for the year ended 31 March 2018

The directors present their report, together with the audited financial statements of the company for the year ended 31 March 2018.

Principal activities and review of the business activities

The Company is an investment company. During the year the Company invested in a new subsidiary DCC Health & Beauty Solutions USA, Inc., this was financed by group debt. Its principal risk is that the carrying value of its investments in subsidiaries may not be recoverable. The directors envisage that the Company will continue to pursue investment opportunities.

The Company is not required to prepare a Strategic Report.

Results and dividends

The loss for the year after taxation amounted to £293,000 (2017: £227,000).

The directors did not recommend any dividend payment during the year (2017: £nil).

Going concern

The directors have prepared the financial statements on the going concern basis. The directors consider that the company has adequate resources to continue in existence for the foreseeable future.

Directors, Secretary and their interests

The directors who served during the year and up to the date of signing the financial statements were:

SC O'Connor
RLK Witheridge
C Costigan
A Williams
T O'Connor
R McEvoy

The directors and secretary who held office at 31 March 2018 had no interests in the shares in, or debentures or loan stock of, the Company.

Subsequent events

There have been no significant events since the balance sheet date that would impact on the financial statements.

Statement of disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

DCC Health & Beauty Solutions Limited

Directors' report *(continued)* *for the year ended 31 March 2018*

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 the directors have prepared the financial statements in accordance with FRS 101 *Reduced Disclosure Framework*

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

Auditor

KPMG, Chartered Accountants were reappointed as auditors pursuant to section 487 of the Companies Act 2006.

On behalf of the board



SC O'Connor
Director

Date: 29 June 2018



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of DCC Health & Beauty Solutions Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of DCC Health & Beauty Solutions Limited ('the Company') for the year ended 31 March 2018 set out on pages 7 to 16 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Accounting standards including FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



Independent auditor's report to the members of DCC Health & Beauty Solutions Limited *(continued)*

1 Report on the audit of the financial statements *(continued)*

Other information *(continued)*

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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;
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.



Independent auditor's report to the members of DCC Health & Beauty Solutions Limited *(continued)*

2 Respective responsibilities and restrictions on use *(continued)*

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

David Moran (Senior Statutory Auditor)

29th June 2018

for and on behalf of
KPMG, Statutory Auditor
Chartered Accountants
1 Stokes Place
St. Stephens Green
Dublin 2

DCC Health & Beauty Solutions Limited

Profit and loss account for year ended 31 March 2018

| | <i>Note</i> | 2018 £'000 | 2017 £'000 |
|----------------------------------------------------|-------------|-----------------------|-----------------------|
| Turnover – Rental income | 2 | 318 | 318 |
| Administrative expenses | | (78) | (78) |
| | | <hr/> | <hr/> |
| Operating profit | 3 | 240 | 240 |
| Interest payable and similar charges | 4 | (584) | (506) |
| | | <hr/> | <hr/> |
| Loss on ordinary activities before taxation | | (344) | (266) |
| Tax on loss on ordinary activities | 5 | 51 | 39 |
| | | <hr/> | <hr/> |
| Loss for the financial year | | (293) | (227) |
| | | <hr/> | <hr/> |

All of the above results are derived from continuing activities.

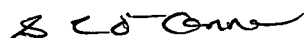
The company had no recognised gains or losses other than the losses above and therefore no separate Statement of Other Comprehensive Income has been presented.

DCC Health & Beauty Solutions Limited

Balance sheet as at 31 March 2018

| | <i>Note</i> | 2018 £'000 | 2017 £'000 |
|-------------------------------------------------------|-------------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 3,554 | 3,631 |
| Investments | 7 | 30,811 | 23,604 |
| | | <u>34,365</u> | <u>27,235</u> |
| Current assets | | | |
| Debtors | 8 | 53 | 40 |
| Cash at bank and in hand | | 372 | 46 |
| | | <u>425</u> | <u>86</u> |
| Creditors: amounts falling due within one year | 9 | (22,337) | (14,576) |
| Net current liabilities | | <u>(21,912)</u> | <u>(14,490)</u> |
| Total assets less current liabilities | | <u>12,453</u> | <u>12,745</u> |
| Provisions for liabilities and charges | 10 | (16) | (15) |
| Net assets | | <u>12,437</u> | <u>12,730</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 13,163 | 13,163 |
| Share premium account | | 112 | 112 |
| Capital redemption reserve | | 150 | 150 |
| Profit and loss account | | (988) | (695) |
| Shareholders' funds | | <u>12,437</u> | <u>12,730</u> |

These financial statements were approved by the board of directors on 29 June 2018 and were signed on its behalf by:



SC O'Connor
Director

Company Registration Number: 03005147

DCC Health & Beauty Solutions Limited

Statement of Changes in Equity for year ended 31 March 2018

| | Called up share capital £000 | Share premium £000 | Capital redemption reserves £000 | Profit and loss account £000 | Total equity £000 |
|------------------------------------------------|------------------------------------|--------------------------|-------------------------------------------|------------------------------------|----------------------|
| Balance at 1 April 2016 | 13,163 | 112 | 150 | (468) | 12,957 |
| Total comprehensive income for the year | | | | | |
| Loss for the financial year | - | - | - | (227) | (227) |
| Balance at 31 March 2017 | 13,163 | 112 | 150 | (695) | 12,730 |
| Balance at 1 April 2017 | 13,163 | 112 | 150 | (695) | 12,730 |
| Total comprehensive income for the year | | | | | |
| Loss for the financial year | - | - | - | (293) | (293) |
| Balance at 31 March 2018 | 13,163 | 112 | 150 | (988) | 12,437 |

The notes on pages 9 to 16 form part of the financial statements.

DCC Health & Beauty Solutions Limited

Notes

forming part of the financial statements

1 Accounting policies

DCC Health & Beauty Solutions Limited (the “Company”) is a company incorporated and domiciled in the UK. The registered number is 03005147 and the registered address is 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire, WA7 1PH.

The Company is exempt by virtue of 401 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 and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU “Adopted IFRS’s”, 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.

The Company’s ultimate parent undertaking, DCC plc, includes the Company in its consolidated financial statements. The consolidated financial statements of DCC plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

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;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Presentation of third balance sheet when restating comparative information.

As the consolidated financial statements of DCC plc 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 *Financial Instrument Disclosures*

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

DCC Health & Beauty Solutions Limited

Notes *(continued)*

1 Accounting policies *(continued)*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements or on estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate access to financial resources to continue in operational existence for the foreseeable future. The company therefore continues to prepare the accounts on a going concern basis.

1.3 Non-derivative financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

1.4 Investments

Investments in subsidiaries are carried at cost less impairment.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

1.6 Leases

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated losses.

DCC Health & Beauty Solutions Limited

Notes (*continued*)

1 Accounting policies (*continued*)

1.7 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful life of the tangible fixed assets. Land is not depreciated. The estimated useful life is as follows:

- Investment property 40 years

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is 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.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.9 Turnover – rental income

Rental income from investment properties is recognised on an accruals basis as turnover on a straight line basis over the term of the lease.

2 Turnover, operating profit and auditor's remuneration

Turnover relates to rental income from the UK.

3 Statutory information

The auditors' remuneration for audit services was paid by another group company.

The directors' did not receive any emoluments from this company in respect of qualifying service in 2018 (2017: £nil). There were no employees other than the directors (2017: none) during the year.

DCC Health & Beauty Solutions Limited

Notes (continued)

4 Interest payable and similar charges

| | 2018 £'000 | 2017 £'000 |
|----------------------------------------|---------------|---------------|
| Interest payable to group undertakings | 584 | 506 |

5 Taxation

| | 2018 £'000 | 2017 £'000 |
|---------------------------------------------------|---------------|---------------|
| Recognised in the profit and loss account | | |
| <i>UK corporation tax</i> | | |
| Current tax on income for the period (credit) | (52) | (39) |
| <i>Deferred tax (see note 10)</i> | | |
| Origination and reversal of temporary differences | 1 | 1 |
| Impact of change in tax rates | - | (1) |
| Total deferred tax | 1 | - |
| Total tax credit | (51) | (39) |

| | 2018 £'000 | 2017 £'000 |
|----------------------------------------------------------|---------------|---------------|
| Reconciliation of effective tax rate | | |
| Loss before taxation | (344) | (267) |
| Tax using the UK corporation tax rate of 19% (2017: 20%) | (65) | (53) |
| <i>Effects of:</i> | | |
| Non-deductible expenses | 14 | 15 |
| Impact of change in tax rates | - | (1) |
| Prior year adjustments | - | - |
| Total tax credit | (51) | (39) |

DCC Health & Beauty Solutions Limited

Notes (continued)

6 Tangible assets

| | Investment property £'000 |
|----------------------------------|---------------------------------|
| Cost | |
| Balance at 1 April 2017 | 4,344 |
| Balance at 31 March 2018 | 4,344 |
| Depreciation | |
| Balance at 1 April 2017 | 713 |
| Depreciation charge for the year | 77 |
| Balance at 31 March 2018 | 790 |
| Net book value | |
| At 1 April 2017 | 3,631 |
| At 31 March 2018 | 3,554 |

Included above is land with a net book value of £1,250,000 (2017: £1,250,000) which is not depreciated.

The investment property owned by the Company was valued by the Directors of the Company, as at the 31 March 2018, and the fair value was considered to be in line with the net book value of the property.

7 Fixed assets investments

| | Shares in group undertakings £'000 |
|---------------------------------|---------------------------------------------|
| Cost and NBV | |
| Balance at 1 April 2017 | 23,604 |
| Additions | 7,207 |
| Balance at 31 March 2018 | 30,811 |

The Company has the following investments in subsidiaries:

| | Country of incorporation | Class of Shares held | Ownership 2018 | Ownership 2017 |
|-----------------------------------------|-----------------------------|-------------------------|-------------------|-------------------|
| Thompson & Capper Ltd | England and Wales | Ordinary | 100% | 100% |
| Laleham Health & Beauty Ltd | England and Wales | Ordinary | 100% | 100% |
| DCC Health & Beauty Solutions USA, Inc. | USA | Ordinary | 100% | N/a |

During the year the Company invested in a new subsidiary DCC Health & Beauty Solutions USA, Inc., this was financed by group debt.

DCC Health & Beauty Solutions Limited

Notes (continued)

8 Debtors

| | 2018 £'000 | 2017 £'000 |
|-------------------------------------------|---------------|---------------|
| Corporation tax – group relief receivable | 52 | 39 |
| Amounts owed by group undertakings | 1 | 1 |
| | <u>53</u> | <u>40</u> |

9 Creditors: amounts falling due within one year

| | 2018 £'000 | 2017 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 22,262 | 14,503 |
| Accruals and deferred income | 75 | 73 |
| | <u>22,337</u> | <u>14,576</u> |

The amounts due to group undertakings are unsecured and repayable on demand. Interest is charged on the following group loan balance as follows:

- £20,206,000 at 3 month LIBOR plus 3.5%
- £944,000 at Bank of England base rate plus 3%
- £1,112,000 is non-interest bearing

10 Deferred tax assets and liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

| | Liabilities 2018 £'000 | Liabilities 2017 £'000 |
|------------------------------------------------------------------------|------------------------------|------------------------------|
| Tangible fixed assets (excess of capital allowances over depreciation) | 16 | 15 |
| Deferred tax liabilities | <u>16</u> | <u>15</u> |

Movement in deferred tax during the year

| | 1 April 2017 £'000 | Recognised in income £'000 | 31 March 2018 £'000 |
|-----------------------|--------------------------|----------------------------------|---------------------------|
| Tangible fixed assets | 15 | 1 | 16 |
| | <u>15</u> | <u>1</u> | <u>16</u> |

DCC Health & Beauty Solutions Limited

Notes (continued)

10 Deferred tax assets and liabilities (continued)

Movement in deferred tax during the prior year

| | 1 April 2016 £'000 | Recognised in income £'000 | 31 March 2017 £'000 |
|-----------------------|--------------------------|----------------------------------|---------------------------|
| Tangible fixed assets | 15 | 1 | 16 |
| | <u>15</u> | <u>1</u> | <u>16</u> |

11 Share capital

| | 2018 £'000 | 2017 £'000 |
|-------------------------------------------|---------------|---------------|
| <i>Allotted, called up and fully paid</i> | | |
| 13,163,200 Ordinary shares of £1 each | 13,163 | 13,163 |

The holders 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.

12 Related party transactions

The Company has taken advantage of the exemption available not to disclose inter-group transactions, on the basis that it is a wholly owned subsidiary.

13 Ultimate parent company and parent company or larger group

The Company's immediate parent undertaking is DCC Healthcare UK Limited, a company incorporated in the United Kingdom.

The Company is a subsidiary undertaking of DCC Plc which is the ultimate parent company incorporated in the Republic of Ireland.

The smallest and largest group in which the results of the Company are consolidated is that headed by DCC Plc. The consolidated financial statements of DCC Plc are available to the public and may be obtained from DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

14 Accounting estimates and judgements

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities with the next financial year with the exception of the directors valuation of the investment property included in note 6.

15 Post balance sheet events

There have been no significant events since the balance sheet date that would impact on the financial statements.

16 Approval of financial statements

The financial statements were approved by the board of directors on 29 June 2018.