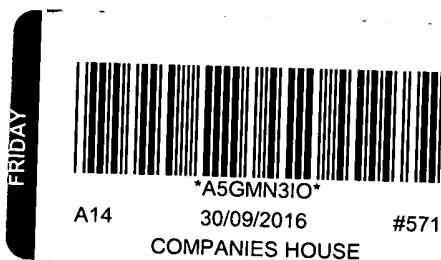


Registered Number 04138209

Kruidvat Real Estate UK Limited
Annual Report and Financial Statements
For the 52 Weeks ended 26 December 2015



Kruidvat Real Estate UK Limited
Annual Report and Financial Statements
For the 52 Weeks ended 26 December 2015

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Kruidvat Real Estate UK Limited
Directors' Report
For the 52 Weeks ended 26 December 2015

The directors present their report and the audited financial statements of the Company for the 52 weeks ended 26 December 2015.

This report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

General Information

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

Principal Activity

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

Adoption of FRS 101

The Company's financial statements are prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101), having previously been prepared in accordance with "old" UK GAAP. The transition has resulted in no material adjustments to amounts previously reported.

Results and Business Review

The result for the financial year amounted to £nil (2014: nil).

At 26 December 2015, shareholders' funds totalled £2 (2014: £2).

Dividends

The directors do not recommend the payment of a dividend on the ordinary shares (2014: nil).

Principal Risks and Uncertainties

The directors of the Company's parent company, A.S. Watson (Health & Beauty UK) Limited, manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. 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.

Directors

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

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

D K M Lai
A J Heaton
P W Macnab
R A Fleming (Appointed on 1 October 2015)
G Smith (Resigned on 1 October 2015)

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.

Kruidvat Real Estate UK Limited
Directors' Report (continued)
For the 52 Weeks ended 26 December 2015

Statement of Directors' Responsibilities

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 period. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed subject to any material departures disclosed and explained in the Financial Statements;
- notify the Company's shareholder in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

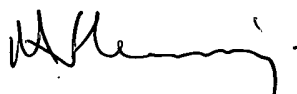
Disclosure of Information to Auditors

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

Independent Auditors

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

On behalf of the board



R A Fleming
Director

28 September 2016

Kruidvat Real Estate UK Limited
Independent Auditors' Report to the member of Kruidvat Real Estate UK Limited
For the 52 Weeks ended 26 December 2015

Report on the financial statements

Our opinion

In our opinion, Kruidvat Real Estate UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 26 December 2015 and of its result 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

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 26 December 2015;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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 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.

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.

Kruidvat Real Estate UK Limited

Independent Auditors' Report to the member of Kruidvat Real Estate UK Limited For the 52 Weeks ended 26 December 2015

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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 3, 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 member 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 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
28 September 2016

Kruidvat Real Estate UK Limited
Statement of Comprehensive Income
For the 52 Weeks ended 26 December 2015

		52 weeks ended 26 December 2015 £'000	52 weeks ended 27 December 2014 £'000
	Note		
Income Statement			
Revenue	1	3,190	2,960
Operating expenses	2	(3,190)	(2,960)
Operating result		-	-
Result before taxation		-	-
Income tax expense	5	-	-
Result for the period		-	-
Other Comprehensive Income			
Other comprehensive income		-	-
Total comprehensive income for the period		-	-

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

The notes on pages 9 to 12 form part of these financial statements.

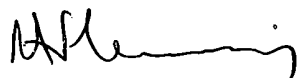
Kruidvat Real Estate UK Limited
Balance Sheet
At 26 December 2015

Registered Number: 04138209

		At 26 December 2015 £'000	At 27 December 2014 £'000
	Note		
Current assets			
Trade receivables	6	206	294
Creditors – amounts falling due within one year			
Trade payables	7	(206)	(294)
Net assets		-	-
Equity			
Called up share capital	8	-	-
Retained earnings		-	-
Total shareholder's funds		-	-

The notes on pages 9 to 12 form part of these financial statements.

These financial statements on pages 6 to 12 were approved by the board of directors on **28** September 2016 and signed on its behalf by:



R A Fleming
Director

Kruidvat Real Estate UK Limited
Statement of Changes in Equity
For the 52 Weeks ended 26 December 2015

	Called up share capital £'000	Retained earnings £'000	Total shareholder's funds £'000
At 29 December 2013	-	-	-
Result for the period	-	-	-
At 27 December 2014	-	-	-
Result for the period	-	-	-
At 26 December 2015	-	-	-

The notes on pages 9 to 12 form part of these financial statements.

Kruidvat Real Estate UK Limited
Notes to the Financial Statements
For the 52 Weeks ended 26 December 2015

1. Summary of Significant Accounting Policies

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

Basis of Preparation

The financial statements of Kruidvat Real Estate UK Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. These financial statements are the first published financial statements of Kruidvat Real Estate UK Limited prepared in accordance with FRS 101 having been previously prepared in accordance with "old" UK GAAP.

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

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

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

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

Consolidation

The Company is a wholly owned subsidiary of A.S. Watson (Health & Beauty UK) Limited, its immediate parent company and of its ultimate parent, CK Hutchison Holdings Limited. It is included in the consolidated financial statements of A.S. Watson (Health & Beauty UK) Limited which are publically available. The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Going Concern

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

Revenue

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

Kruidvat Real Estate UK Limited
Notes to the Financial Statements (continued)
For the 52 Weeks ended 26 December 2015

Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. The benefits of lease incentives are taken to the income statement on a straight line basis over the period of the lease. Contributions received from landlords as an incentive to enter into a lease are treated as deferred income within payables and released over the period of the lease.

2. Operating result

Operating result is stated after charging:

	52 weeks ended 26 December 2015 £'000	52 weeks ended 27 December 2014 £'000
Operating lease charges	3,190	2,960

Fees in respect of auditors' remuneration of £850 (2014: £825) have been met by A.S. Watson (Health & Beauty UK) Limited in both the current and previous years. The Company did not incur any non-audit fees in the current and prior periods.

3. Employees

There were no employees during the period (2014: nil).

4. Directors' emoluments

In 2015 and 2014 the directors received no remuneration for their services to the Company and are remunerated for their services by other A.S. Watson Group companies.

5. Income tax

No tax was paid or payable by the Company during the period (2014: £nil).

6. Trade receivables

	At 26 December 2015 £'000	At 27 December 2014 £'000
Amounts owed by group undertakings	206	294

Amounts owed by group undertakings are repayable on demand and are non-interest bearing.

Kruidvat Real Estate UK Limited
Notes to the Financial Statements (continued)
For the 52 Weeks ended 26 December 2015

7. Trade payables

	At 26 December 2015 £'000	At 27 December 2014 £'000
Trade payables	206	294

8. Called up share capital

	At 26 December 2015 £	At 27 December 2014 £
Allotted and fully paid ordinary shares of £1 each	2	2
Number of shares	2	2

9. Capital and other commitments

At 26 December 2015 the Company had the following commitments:

a) Lease commitments:

The following payments are due in respect of operating leases that expire in the following periods from the balance sheet date:

	At 26 December 2015 £'000	At 27 December 2014 £'000
Aggregate future minimum lease payments:		
Buildings		
Under one year	3,246	3,254
Between one to five years	3,993	4,529
More than five years	134	18
	7,373	7,801

b) Guarantees:

Superdrug Stores plc, a fellow group undertaking, has issued guarantees in respect of property lease rentals for the Company, to the annual value of £5,624,768 (2014: £5,624,768).

10. Controlling parties

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.

The Company's ultimate parent undertaking and controlling party is CK Hutchison Holdings Limited, a company incorporated in the Cayman Islands and listed on The Stock Exchange of Hong Kong Limited, which is the largest group into which the results of the Company are consolidated. The financial statements of CK Hutchison Holdings Limited can be obtained from 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong.

Kruidvat Real Estate UK Limited
Notes to the Financial Statements (continued)
For the 52 Weeks ended 26 December 2015

11. Effect of the conversion to FRS 101

These financial statements are the first published financial statements of Kruidvat Real Estate UK Limited prepared in accordance with FRS 101, having been previously prepared in accordance with "old" UK GAAP.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard. The framework addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure exemptions of EU-adopted IFRS. The Company is a qualifying entity for the purposes of FRS 101.

The transition has resulted in no material adjustments to amounts previously reported.