REGISTERED NO: 3348613

THE COSMETIC SHOP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEKS ENDED 31 DECEMBER 2011

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COMPANIES HOUSE

The Cosmetic Shop Limited

Annual Report and Financial Statements for the 53 weeks ended 31 December 2011

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The Cosmetic Shop Limited

Directors' report for the 53 weeks ended 31 December 2011

The directors present their report together with the audited financial statements of The Cosmetic Shop Limited, registered number 3348613, for the 53 weeks ended 31 December 2011

PRINCIPAL ACTIVITY

The Company did not trade during the year or preceding financial year and made neither a profit nor loss Accordingly, neither a profit or loss account nor a statement of total recognised gains and losses have been presented

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of the Company's intermediate holding 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 who held office during the year and up to the date of signing these financial statements, unless where stated, were

D K M Lai	
A J Heaton	
J P Seigal	Resigned 31 January 2012
G G Smith	
J E Tonks	Appointed 31 January 2012

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

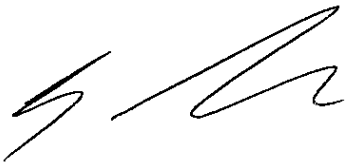
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)

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 (this is information needed by the Company's auditors in connection with preparing their report) 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
10 July 2012

The Cosmetic Shop Limited

Independent auditors' report to the member of The Cosmetic Shop Limited

We have audited the financial statements of The Cosmetic Shop Limited for the 53 weeks ended 31 December 2011 which comprise the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities (set out on pages 1 and 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

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

Scope of the audit of the financial statements

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 In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 31 December 2011,
- 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

Opinion on other matter prescribed by the Companies Act 2006

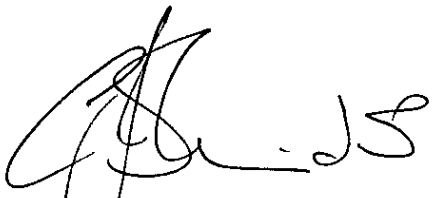
In our opinion the information given in the Directors' Report for the period for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the member of The Cosmetic Shop Limited (continued)

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.



Christopher Maidment (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick 13 July 2012

The Cosmetic Shop Limited

Balance sheet as at 31 December 2011

	Note	31 December 2011 £	25 December 2010 £
CURRENT ASSETS			
Debtors – amounts owed by parent company		**2**	2
NET ASSETS		**2**	2
CAPITAL AND RESERVES			
Called up share capital	4	**2**	2
TOTAL SHAREHOLDER'S FUNDS		**2**	2

The financial statements on pages 5 to 6 were approved by the Board of Directors and signed on its behalf by.

G G Smith
Director

10 July 2012

The Cosmetic Shop Limited

Notes to the financial statements for the 53 weeks ended 31 December 2011

1 ACCOUNTING POLICIES

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 United Kingdom The principal accounting policies which are consistently applied are set out below

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 was 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

2 ADMINISTRATIVE EXPENSES

Fees in respective of auditors' remuneration have been met by The Perfume Shop Limited in both the current and previous years.

3 DIRECTORS' EMOLUMENTS

No emoluments were paid or payable by the Company to the directors (2010 £nil) who are remunerated for their services by other group companies

4 CALLED UP SHARE CAPITAL

	53 weeks ended 31 December 2011 £	52 weeks ended 25 December 2010 £
Allotted and fully paid:		
2 (2010 2) ordinary shares of £1 each	2	2

5 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Merchant Retail Group plc, which is a wholly owned subsidiary undertaking of 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 Hutchison Whampoa Limited, a company incorporated in Hong Kong, which is the largest group into which the results of the Company are consolidated. The financial statements of Hutchison Whampoa Limited can be obtained from 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong