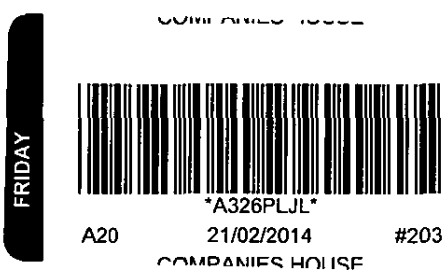


Registered number 2427377

THE SANCTUARY SPA GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2013



THE SANCTUARY SPA GROUP LIMITED

CONTENTS

	Page
Company information	1
Directors' report	2 - 3
Independent auditors' report to the members of The Sanctuary Spa Group Limited	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 14

THE SANCTUARY SPA GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	B H Leigh J D Lang
COMPANY SECRETARY	M J Campbell
REGISTERED NUMBER	2427377
REGISTERED OFFICE	Manchester Business Park 3500 Aviator Way Manchester M22 5TG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW

THE SANCTUARY SPA GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2013

The Directors present their report and the audited financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITIES

The Company ceased trading on the 1 June 2011 and has not incurred any costs nor generated any income for the year ended 31 May 2013

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £15,000 (2012 - profit £27,418,000)

During the year the Company received an intercompany dividend of nil (2012 - £28,457,000)

During the year the Company paid a dividend of nil (2012 - £35,958,000)

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of the signing of the financial statements were

B H Leigh
J D Lang

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

FUTURE DEVELOPMENTS

The Directors believe the Company is well placed to perform satisfactorily in the future

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

THE SANCTUARY SPA GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

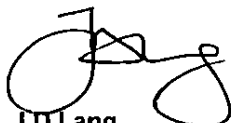
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

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 judgments 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.

This report was approved by the board on 27 November 2013 and signed on its behalf



J D Lang
Director

THE SANCTUARY SPA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SANCTUARY SPA GROUP LIMITED

We have audited the financial statements of The Sanctuary Spa Group Limited for the year ended 31 May 2013, which comprise the Profit and Loss Account, 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 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). 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.

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 and Financial Statements 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 May 2013 and of its loss for the year 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

THE SANCTUARY SPA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SANCTUARY SPA GROUP LIMITED

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



Jason Leach (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

27 November 2013

THE SANCTUARY SPA GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2013**

	Note	2013 £000	2012 £000
Income from fixed asset investments		-	28,457
Amounts written off investments		-	(1,000)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	27,457
Tax on profit on ordinary activities	4	(15)	(39)
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	11	(15)	27,418
		<hr/>	<hr/>

All amounts for 2013 and 2012 relate to discontinued operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

There are no material differences between the profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents

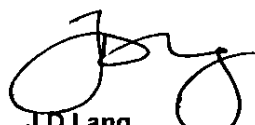
The notes on pages 8 to 14 form part of these financial statements

THE SANCTUARY SPA GROUP LIMITED
REGISTERED NUMBER 2427377

BALANCE SHEET
AS AT 31 MAY 2013

	Note	£000	2013 £000	2012 £000
FIXED ASSETS				
Investments	6		1,636	1,636
CURRENT ASSETS				
Debtors	7	6,124		6,139
CREDITORS: amounts falling due within one year	8	(8,067)	(8,067)	
NET CURRENT LIABILITIES			(1,943)	(1,928)
NET LIABILITIES			(307)	(292)
CAPITAL AND RESERVES				
Called up share capital	10		653	653
Share premium account	11		22	22
Capital redemption reserve	11		72	72
Profit and loss account	11		(1,054)	(1,039)
SHAREHOLDERS' DEFICIT	12		(307)	(292)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 November 2013


J D Lang
 Director

The notes on pages 8 to 14 form part of these financial statements

THE SANCTUARY SPA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been 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 Directors have used the going concern principle on the basis that although the Company has net current liabilities it has received a letter of support from its ultimate parent company

The principle accounting policies, which have been applied consistently throughout the year, are set out below

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short term Leasehold Property	-	Life of the lease
Improvements		
Fixtures & fittings	-	20% straight line

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.4 Taxation and deferred taxation

Current taxation is provided at amounts expected to be paid (or recovered) based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

THE SANCTUARY SPA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging

	2013	2012
	£000	£000
Amounts written off investments	-	1,000

Audit fees of nil (2012 £1,000) were borne by another group company and no recharge made in the current or prior year

3. STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration (2012 - £NIL) for services provided to the Company

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013	2012
	£000	£000
Analysis of tax charge in the year		
Current tax		
Adjustments in respect of prior periods	-	37
Deferred tax		
Origination and reversal of timing differences	-	2
Losses utilised	15	-
Total deferred tax (see note 9)	15	2
Tax on profit on ordinary activities	15	39

THE SANCTUARY SPA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

4. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.83% (2012 - 25.69%). The differences are explained below

	2013 £000	2012 £000
Profit on ordinary activities before tax	-	27,457
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.83% (2012 - 25.69%)	-	7,054
Effects of		
Non-tax deductible amortisation of goodwill and impairment	-	257
Adjustments to tax charge in respect of prior periods	-	37
Non taxable dividends from UK companies	-	(7,311)
Current tax charge for the year	-	37

Factors that may affect future tax charges

The main rate of corporation tax in the UK reduced from 24% to 23% from 1 April 2013

A reduction in the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015 was announced in the Budget on 20 March 2013 and was substantively enacted on 2 July 2013 as part of the Finance Bill 2013

5. TANGIBLE FIXED ASSETS

	Short Leasehold Property Improvements £000	Fixtures & fittings £000	Total £000
Cost			
At 1 June 2012 and 31 May 2013	66	441	507
Depreciation			
At 1 June 2012 and 31 May 2013	66	441	507
Net book value			
At 31 May 2013	-	-	-
At 31 May 2012	-	-	-

THE SANCTUARY SPA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

6 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 June 2012 and 31 May 2013	<u>1,636</u>
Net book value	
At 31 May 2013	<u>1,636</u>
At 31 May 2012	<u>1,636</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company

Name	Class of shares	Holding
The Sanctuary at Covent Garden Limited	Ordinary	100%
The Sanctuary Spas Limited	Ordinary	100%
The Sanctuary Licensing Limited	Ordinary	100%

All the above Companies are registered in England and Wales. In the opinion of the Directors, the aggregate value of shares in and amounts owing by its subsidiaries is not less than the aggregate amounts at which they are included in the Company's balance sheet. The Sanctuary at Covent Garden Limited has ceased trading in the current year whilst the other two companies are dormant.

7 DEBTORS

	2013 £000	2012 £000
Due after more than one year		
Deferred tax asset (see note 9)	-	15
Due within one year		
Amounts owed by group undertakings	6,123	6,123
Other debtors	1	1
	<u>6,124</u>	<u>6,139</u>

Amounts owed by group companies are unsecured, non interest bearing and are repayable on demand

THE SANCTUARY SPA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

8. CREDITORS

Amounts falling due within one year

	2013	2012
	£000	£000
Bank overdrafts	529	529
Amounts owed to group undertakings	7,538	7,501
Corporation tax	-	37
	8,067	8,067

Amounts owed to group companies are unsecured, non interest bearing and are repayable on demand

9. DEFERRED TAXATION

	2013	2012
	£000	£000
At beginning of year	15	17
Released during/(charged for) year (P&L)	(15)	-
Other movement (P&L)	-	(2)
	-	15

The deferred taxation balance is made up as follows

	2013	2012
	£000	£000
Accelerated capital allowances	-	15

10. SHARE CAPITAL

	2013	2012
	£000	£000
Allotted, called up and fully paid		
411,033 (2012 - 411,040) Ordinary shares of £0 10 each	41	41
6,122,404 "A" Ordinary shares of £0 10 each	612	612
	653	653

THE SANCTUARY SPA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013**

11. RESERVES

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 1 June 2012	22	72	(1,039)
Loss for the financial year	-	-	(15)
At 31 May 2013	<u>22</u>	<u>72</u>	<u>(1,054)</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £000	2012 £000
Opening shareholders' (deficit)/funds	(292)	8,248
(Loss)/profit for the financial year	(15)	27,418
Dividends (Note 13)	-	(35,958)
Closing shareholders' deficit	<u>(307)</u>	<u>(292)</u>

13. DIVIDENDS

	2013 £000	2012 £000
Dividends paid	<u>-</u>	<u>35,958</u>

14. CONTINGENT LIABILITIES

The Company is party to cross guarantee arrangements relating to an overdraft facility for certain group companies' accounts at Barclays Bank Plc. The maximum exposure at 31 May 2013 was £5.0 million (2012 - £10.0 million).

In addition the Company is party to cross guarantee arrangements relating to a borrowing facility provided to PZ Cussons Plc. The amount borrowed under this arrangement at 31 May 2013 was £100.0 million (2012 - £82.0 million).

15. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption in paragraph 3 of Financial Reporting Standard 8, as a result, details of transactions with group companies are not disclosed.

THE SANCTUARY SPA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2013

16. CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of The Sanctuary Spa Holdings Limited and is included in the consolidated financial statements of PZ Cussons Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised).

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly-owned subsidiary of The Sanctuary Spa Holdings Limited. PZ Cussons Plc is ultimate parent company and ultimate controlling party of the company. PZ Cussons Plc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of PZ Cussons Plc can be obtained from the registered office of this company, Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG. The companies are incorporated in Great Britain and registered in England and Wales.