

Company registration number: 2427377

**The Sanctuary Spa Group Limited**  
**Directors' report and financial statements**  
**For the year ended 31 May 2009**

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**THE SANCTUARY SPA GROUP LIMITED**  
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**THE SANCTUARY SPA GROUP LIMITED**  
**COMPANY INFORMATION**

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**Directors**

A Avis (Resigned 9 March 2009)  
C How  
B Leigh  
H Sampson (Appointed 9 March 2009)

**Secretary**

M J Campbell

**Registered office**

PZ Cussons House  
Bird Hall Lane  
Stockport  
Cheshire  
SK3 OXN

**Company number**

2427377

**Auditors**

PricewaterhouseCoopers LLP  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

**Bankers**

Barclays Bank Plc  
7<sup>th</sup> Floor  
1 Marsden Street  
Manchester  
M2 1HW

**THE SANCTUARY SPA GROUP LIMITED**  
**Directors' report for the year ended 31 May 2009**

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The directors present their report together with the audited financial statements for the year ended 31 May 2009

**Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year of £1,152,396 (period ended 31 May 2008 £713,286) The prior period relates to the period from 1 September 2007 to 31 May 2008

The directors do not recommend the payment of a dividend

**Principal activities**

The principal activity of the company continues to be the receipt of licence fees from group companies for use of the Sanctuary trade-mark

**Review of business and future developments**

The company continued to earn a licence fee during the year and is expected to continue earning this fee in the foreseeable future

**Key performance indicators**

The directors do not consider the use of KPIs necessary The main transaction in the company is the licence fee from another group company

**Financial risk management**

***Interest rate risk***

The company has no significant exposure to interest rate risk.

***Price risk***

Expenditure made by the company is authorised prior to it being made by management in order to ensure that goods and services are not obtained at a higher price than necessary

***Credit risk***

The company's revenue transactions are from related parties and there are no related party credit risks

***Liquidity risk***

The company is funded internally by the group and therefore has no direct exposure to liquidity or debt market risk

**Post balance sheet events**

There have been no significant events since the year end

**Directors**

The directors who served throughout the year (except where noted) are included in the list of officers and professional advisers on page 1

## **THE SANCTUARY SPA GROUP LIMITED**

### **Directors' report for the year ended 31 May 2009 (continued)**

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#### **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 year. Under that law the directors have elected to prepare 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.

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.

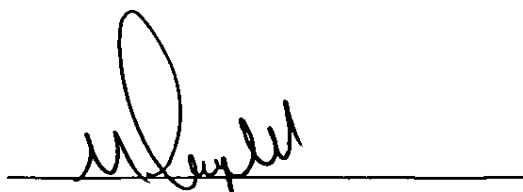
#### **Statement of disclosure of information to auditor**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the 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.

#### **Independent auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

#### **By order of the Board**



**M. J. Campbell**  
Secretary

22 December 2009

**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 2009 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 Directors' Responsibilities Statement 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 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 Sections 495 and 496 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.

**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 2009 and of its profit 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.

**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

Manchester

22 December 2009

**THE SANCTUARY SPA GROUP LIMITED**  
**Profit and loss account for the year ended 31 May 2009**

	Note	Year ended 31 May 2009 £	Period ended 31 May 2008 £
Turnover	2	1,553,289	1,013,393
Administrative expenses		<u>-</u>	<u>(45,865)</u>
<b>Operating profit on ordinary activities before taxation</b>	3	<u>1,553,289</u>	<u>967,528</u>
Tax on profit on ordinary activities	4	<u>(434,916)</u>	<u>(254,242)</u>
<b>Profit on ordinary activities after taxation</b>	10	<u>1,118,373</u>	<u>713,286</u>

All amounts relate to continuing activities

There are no recognised gains and losses other than those passing through the profit and loss account

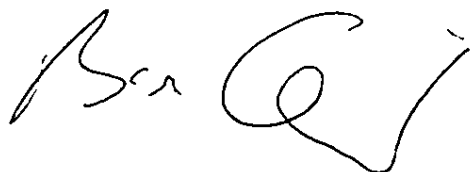
There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

**THE SANCTUARY SPA GROUP LIMITED**  
**Balance sheet as at 31 May 2009**

			31 May 2009 £	31 May 2008 £
	Note	£		
<b>Fixed assets</b>				
Tangible assets	5	-	-	-
Investments	6	2,635,925	2,635,925	2,635,925
		2,635,925	2,635,925	2,635,925
<b>Current assets</b>				
Debtors -				
Due within one year	7	3,335,230	2,459,331	
Cash at bank and in hand		397	-	
		3,335,627	2,459,331	
<b>Creditors</b> amounts falling due within one year	8	(430,873)	(672,950)	
<b>Net current assets</b>		2,904,754	1,786,381	
<b>Net assets</b>		5,540,679	4,422,306	
<b>Capital and reserves</b>				
Called up share capital	9	653,344	653,344	
Share premium account	10	21,926	21,926	
Capital redemption reserve	10	71,656	71,656	
Profit and loss account	10	4,793,753	3,675,380	
<b>Total shareholders' funds</b>	10	5,540,679	4,422,306	

These financial statements were approved by the Board on 22 December 2009 and signed on its behalf by

B Leigh  
Director



The notes on pages 7 to 11 form part of these financial statements



## **1. Accounting policies**

The following principal accounting policies have been applied

### *Accounting convention*

The financial statements have been prepared on the going concern basis under the historical cost convention and are in accordance with the Companies Act 2006 and applicable accounting standards

### *Turnover*

Turnover represents inter-company charges and fees, which are recognised as they are incurred, on the accruals basis

### *Depreciation*

Depreciation is provided on all tangible fixed assets at the following annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life

Furniture, fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line
Leasehold improvements	-	Life of the lease

### *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 average 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

### *Consolidation*

As an intermediate parent company whose securities are not listed anywhere in the European Community, and whose immediate parent company is incorporated under the law of an EC member country, the company is exempt from the requirement to prepare group financial statements

### *Cash flow statement*

The company has taken advantage of the exemptions available in Financial Reporting Standard 1 in not preparing a cash flow statement

**THE SANCTUARY SPA GROUP LIMITED**
**Notes to the financial statements for the year ended 31 May 2009 (continued)**
**2. Turnover**

	<b>Year ended 31 May 2009</b>	<b>Period ended 31 May 2008</b>
	<b>£</b>	<b>£</b>
Licence fees	1,553,289	1,013,393

**3. Operating profit**

	<b>Year ended 31 May 2009</b>	<b>Period ended 31 May 2008</b>
	<b>£</b>	<b>£</b>
This is arrived at after charging		
Depreciation	-	45,865
Auditor's remuneration – audit fee	-	-

The cost of the audit fee is borne by another group company

**4. Taxation on profit from ordinary activities**

	<b>Year ended 31 May 2009</b>	<b>Period ended May 2008</b>
	<b>£</b>	<b>£</b>

**a) Analysis of charge in period**
**Current tax:**

UK corporation tax on profits of the year/period	428,116	291,226
Adjustment in respect of previous periods	-	(2,961)
<b>Total current tax</b>	<b>428,116</b>	<b>288,265</b>

**Deferred tax:**

Origination and reversal of timing differences	6,800	(34,023)
<b>Total tax on profit on ordinary activities</b>	<b>434,916</b>	<b>254,242</b>

**b) Factors affecting the tax charge for the year/period**

The standard rate of tax for the year, based on UK standard rate of corporation tax, is 28% (2008 29.5%)  
The actual tax charge for the current and previous year is different from the standard rate for the reasons set out below

Profit on ordinary activities before tax	1,553,289	967,528
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 29.5%)	434,920	285,421
Effects of		
Accelerated capital allowances	(6,804)	5,805
Adjustments in respect of prior periods	-	(2,961)
<b>Total current tax charge</b>	<b>428,116</b>	<b>288,265</b>

**THE SANCTUARY SPA GROUP LIMITED**

Notes to the financial statements for the year ended 31 May 2009 (continued)

**5. Tangible fixed assets**

	Short Leasehold property improvements £	Furniture, fixtures & fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 June 2008 and 31 May 2009	<u>65,968</u>	<u>9,759</u>	<u>431,526</u>	<u>507,253</u>
<i>Depreciation</i>				
At 1 June 2008 and 31 May 2009	<u>65,968</u>	<u>9,759</u>	<u>431,526</u>	<u>507,253</u>
<i>Net book value</i>				
At 31 May 2008 and 31 May 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**6. Fixed asset investments**

Name	Nature of business	Class	Shares held
The Sanctuary at Covent Garden Limited	Ladies health club	Ordinary	100%
The Sanctuary Spas Limited	Dormant	Ordinary	100%
The Sanctuary Licensing Limited	Dormant	Ordinary	100%
			<b>31 May 2009 £</b>
<i>Cost</i>			
At 1 June 2008 and 31 May 2009			<u>2,636,925</u>
<i>Provision for diminution in value</i>			
At 1 June 2008 and 31 May 2009			<u>1,000</u>
<i>Net book value</i>			
At 31 May 2008 and 31 May 2009			<u>2,635,925</u>

**THE SANCTUARY SPA GROUP LIMITED**

**Notes to the financial statements for the year ended 31 May 2009 (continued)**

**7. Debtors**

	<b>31 May 2009</b>	<b>31 May 2008</b>
	<b>£</b>	<b>£</b>
<b>Amount falling due within one year:</b>		
Deferred tax	27,223	34,023
Amounts due from group undertakings	3,308,007	2,425,308
	<u>3,335,230</u>	<u>2,459,331</u>

Amounts owed by the group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

The movement in deferred tax can be analysed as follows:

	<b>£</b>
As at 1 June 2008	34,023
Profit and loss account	<u>(6,800)</u>
<b>As at 31 May 2009</b>	<b><u>27,223</u></b>

All of the above deferred tax relates to accelerated capital allowances

**8. Creditors: amounts falling due within one year**

	<b>31 May 2009</b>	<b>31 May 2008</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	381,681
Trade creditors	757	43
Corporation tax	430,116	291,226
	<u>430,873</u>	<u>672,950</u>

**9. Share Capital**

	<b>31 May 2009</b>	<b>31 May 2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted, and fully paid</b>		
411,033 Ordinary shares of 10p each	41,104	41,104
6,122,404 "A" Ordinary shares of 10p each	612,240	612,240
	<u>653,344</u>	<u>653,344</u>

All shares rank pari passu

**THE SANCTUARY SPA GROUP LIMITED**

Notes to the financial statements for the year ended 31 May 2009(continued)

**10. Reconciliation of movement in shareholders' funds**

	Share capital £	Share premium account £	Capital Redemption Reserve £	Profit and loss account £	Total £
Opening shareholders' funds at 1 June 2008	653,344	21,926	71,656	3,675,380	4,422,306
Profit for the year	-	-	-	1,118,373	1,118,373
Closing shareholders' funds At 31 May 2009	653,344	21,926	71,656	4,793,753	5,540,679

**11. Related party transactions**

The company had no related party transactions other than those with group companies. The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

**12. Ultimate parent company and ultimate controlling party**

At 31 May 2009 the company's ultimate parent company was PZ Cussons plc, a company registered in England. The accounts of PZ Cussons plc can be obtained from the registered office, PZ Cussons House, Bird Hall Lane, Stockport, Cheshire, SK3 0XN.