Registered number: 2427377

THE SANCTUARY SPA GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2014

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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 Benson House 33 Wellington Street Leeds LS1 4JP

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2014

The Directors present their report and the financial statements for the year ended 31 May 2014.

The Company has taken the exemption available under section 414b of the Companies Act 2006 not prepare a strategic report having met the criteria of a small company in the current and preceding financial year.

DIRECTORS

The Directors who served during the year and up to the date of signing 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.

GOING CONCERN

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

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.

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2014

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 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; 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.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 November 2014 and signed on its behalf.

J D Lang
Director

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by The Sanctuary Spa Group Limited, comprise:

- the balance sheet as at 31 May 2014;
- the profit and loss account for the year 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 their preparation comprises applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) ("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.

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements (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.

Opinions on matters 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.

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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

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 and in preparing the Directors' 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 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and 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 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.

Ian Morrison

Ian Morrison (Senior statutory auditor)
for and on behalf of PRICEWATERHOUSECOOPERS LLP

Chartered Accountants and Statutory Auditors

Benson House
33 Wellington Street
Leeds
LS1 4JP

Date:
26 November 2014

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2014

	Note	2014 £000	*2013* *£000*
Amounts written off investments		(1,636)	*-*
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,636)	*-*
Tax on result on ordinary activities	4	-	*(15)*
RESULT/(LOSS) FOR THE FINANCIAL YEAR	11	(1,636)	*(15)*

All amounts for 2014 and 2013 relate to discontinuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

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

The notes on pages 8 to 13 form part of these financial statements.

BALANCE SHEET
AS AT 31 MAY 2014

	Note	£000	2014 £000	*£000*	*2013 £000*
FIXED ASSETS					
Investments	6		-		*1,636*
CURRENT ASSETS					
Debtors	7	**6,124**		*6,124*	
CREDITORS: amounts falling due within one year	8	**(8,067)**		*(8,067)*	
NET CURRENT LIABILITIES			**(1,943)**		*(1,943)*
NET LIABILITIES			**(1,943)**		*(307)*
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		**(2,690)**		*(1,054)*
SHAREHOLDERS' DEFICIT	12		**(1,943)**		*(307)*

The financial statements on pages 6 to 13 were approved and authorised for issue by the board and were signed on its behalf on 26 November 2014

J D Lang
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014

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 Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements 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.

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

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 Improvements	-	Life of the lease
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.

2. RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

Audit fees of nil (2013: nil) were borne by another group company and no recharge made in the current or prior year.

Explanation of exceptional items
Year to May 2014

Amounts written off investments

During the year the tangible fixed assets within the Sanctuary Covent Garden Limited were impaired as a result of the spa closure. Due to the resulting net liabilities within The Sanctuary Covent Garden Limited, the investment held of £1.6 million has been fully impaired as a consequence.

3. STAFF COSTS

The Company has no employees other than the Directors, who did not receive any remuneration for services provided to the Company *(2013 - £NIL)*.

4. TAX ON RESULT ON ORDINARY ACTIVITIES

	2014 **£000**	*2013* *£000*
Analysis of tax (credit)/charge in the year		
Current tax		
UK corporation tax charge on result for the year	-	-
Deferred tax (see note 9)		
Losses utilised	-	*15*
Tax on result on ordinary activities	-	*15*

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the results on ordinary activities before taxation at the standard rate of corporation tax in the UK of 22.67% *(2013 - 23.83%)*.

5. TANGIBLE FIXED ASSETS

	Short Leasehold Property Improvement £000	Fixtures & fittings £000	Total £000
Cost			
At 1 June 2013 and 31 May 2014	66	441	507
Depreciation			
At 1 June 2013 and 31 May 2014	66	441	507
Net book value			
At 31 May 2014	-	-	-
At 31 May 2013	*-*	*-*	*-*

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 June 2013 and 31 May 2014	1,636
Impairment	
At 1 June 2013	-
Charge for the year	1,636
At 31 May 2014	1,636
Net book value	
At 31 May 2014	-
At 31 May 2013	*1,636*

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%

6. FIXED ASSET INVESTMENTS (continued)

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 prior year whilst the other two companies are dormant.

7. DEBTORS

	2014	*2013*
	£000	*£000*
Amounts owed by group undertakings	**6,123**	*6,123*
Other debtors	**1**	*1*
	6,124	*6,124*

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

8. CREDITORS:
Amounts falling due within one year

	2014	*2013*
	£000	*£000*
Bank overdrafts	**529**	*529*
Amounts owed to group undertakings	**7,538**	*7,538*
	8,067	*8,067*

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

9. DEFERRED TAXATION

	2014	*2013*
	£000	*£000*
At beginning of year	**-**	*(15)*
Charged to profit and loss	**-**	*15*
At end of year	**-**	*-*

10. SHARE CAPITAL

	2014 £000	*2013 £000*
Allotted, called up and fully paid		
411,033 (2013: 411,033) Ordinary shares of £0.10 each	**41**	*41*
6,122,404 (2014: 6,122,404) "A" Ordinary shares of £0.10 each	**612**	*612*
	653	*653*

11. RESERVES

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000
At 1 June 2013	**22**	**72**	**(1,054)**
Loss for the financial year	**-**	**-**	**(1,636)**
At 31 May 2014	**22**	**72**	**(2,690)**

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £000	*2013 £000*
Opening shareholders' deficit	**(307)**	*(292)*
Result/(loss) for the financial year	**(1,636)**	*(15)*
Closing shareholders' deficit	**(1,943)**	*(307)*

13. 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 2014 was £5.0 million (2013 - £5.0 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 2014 was £118.5 million (2013 - £100.0 million).

14. 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.

15. 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).

16. 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