

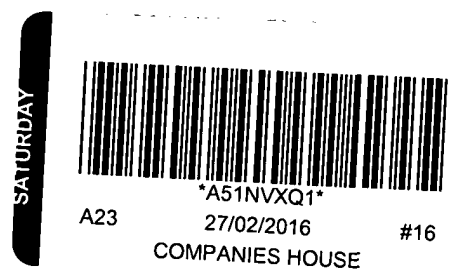
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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2015**



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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**COMPANY INFORMATION**

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|                             |                                                                                                                                        |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>DIRECTORS</b>            | B H Leigh<br>J D Lang                                                                                                                  |
| <b>COMPANY SECRETARY</b>    | M J Campbell                                                                                                                           |
| <b>REGISTERED NUMBER</b>    | 2480670                                                                                                                                |
| <b>REGISTERED OFFICE</b>    | Manchester Business Park<br>3500 Aviator Way<br>Manchester<br>M22 5TG                                                                  |
| <b>INDEPENDENT AUDITORS</b> | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>Benson House<br>33 Wellington Street<br>Leeds<br>LS1 4JP |

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2015

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The Directors present their report and the audited financial statements for the year ended 31 May 2015.

The Company has taken the exemption available under section 414b of the Companies Act 2006 not to 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 the Company has net assets.

#### 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.

#### INDEPENDENT AUDITORS

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

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2015

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#### 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;
- 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 February 2016 and signed on its behalf.



**J D Lang**  
Director

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SANCTUARY AT COVENT GARDEN LIMITED

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#### Report on the financial statements

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##### Our opinion

In our opinion The Sanctuary at Covent Garden Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 May 2015 and of its result 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.
- 

##### What we have audited

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

- the balance sheet as at 31 May 2015;
- 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 the preparation of the financial statements is 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.

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#### Opinions on matter prescribed by the Companies Act 2006

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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.

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#### Other matters on which we are required to report by exception

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##### 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.

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SANCTUARY AT COVENT GARDEN LIMITED

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#### 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.

#### 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 in preparing the Directors' Report; and 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

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##### 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 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 parent 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.

##### What an audit of financial statements involves

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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.

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SANCTUARY AT COVENT GARDEN LIMITED**

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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.

*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 February 2016*



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THE SANCTUARY AT COVENT GARDEN LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2015

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|                                                             | Note | 2015<br>£000 | 2014<br>£000 |
|-------------------------------------------------------------|------|--------------|--------------|
| Administrative expenses                                     |      | -            | (2,565)      |
| <b>RESULT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | -            | (2,565)      |
| Tax on result/(loss) on ordinary activities                 | 4    | -            | 443          |
| <b>RESULT/(LOSS) FOR THE FINANCIAL YEAR</b>                 | 9    | -            | (2,122)      |

All amounts relate to discontinued operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

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

The Company has not traded during the year. During this period, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

The notes on pages 9 to 13 form part of these financial statements.

**THE SANCTUARY AT COVENT GARDEN LIMITED**  
**REGISTERED NUMBER: 2480670**

**BALANCE SHEET**  
**AS AT 31 MAY 2015**

|                                                       | Note | £000    | 2015<br>£000 | £000    | 2014<br>£000 |
|-------------------------------------------------------|------|---------|--------------|---------|--------------|
| <b>CURRENT ASSETS</b>                                 |      |         |              |         |              |
| Debtors                                               | 6    | 1,180   |              | 1,180   |              |
| <b>CREDITORS:</b> amounts falling due within one year | 7    | (1,065) |              | (1,065) |              |
| <b>NET CURRENT ASSETS</b>                             |      |         | <b>115</b>   |         | <b>115</b>   |
| <b>NET ASSETS</b>                                     |      |         | <b>115</b>   |         | <b>115</b>   |
| <b>CAPITAL AND RESERVES</b>                           |      |         |              |         |              |
| Called up share capital                               | 8    |         | -            |         | -            |
| Profit and loss account                               | 9    |         | <b>115</b>   |         | <b>115</b>   |
| <b>SHAREHOLDERS' FUNDS</b>                            | 10   |         | <b>115</b>   |         | <b>115</b>   |

The financial statements on pages 8 to 13 were approved and authorised for issue by the board and were signed on its behalf on *26 February 2016*



**J D Lang**  
Director

The notes on pages 9 to 13 form part of these financial statements.

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

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#### 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 standards in the United Kingdom.

The Directors have used the going concern principle on the basis that the Company has net assets.

The principal 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:

|                   |   |                   |
|-------------------|---|-------------------|
| Freehold property | - | not less than 2%  |
| Plant & machinery | - | 25% straight line |

##### 1.3 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.

##### 1.4 Exceptional items

Exceptional items are considered by the Directors to be exceptional in nature rather than being representative of the underlying trading of the company, and may include such items as restructuring costs and material profits and losses on disposal of property, plant and equipment. The Directors apply judgemental in assessing the particular items, which by virtue of their scale and nature should be disclosed separately in the financial statements. The Directors believe that the separate disclosure of these items is relevant to an understanding of the Company's financial performance

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

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**2. RESULT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

The result/(loss) on ordinary activities before taxation is stated after charging:

|                   | <b>2015<br/>£000</b> | <b>2014<br/>£000</b> |
|-------------------|----------------------|----------------------|
| Exceptional items | -                    | 2,565                |

Audit fees of £nil (2014: £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**

**Exceptional administrative expenses**

During the prior year the Company decided to close the Covent Garden spa resulting in an impairment of the fixed assets totalling £2,565,000.

**3. STAFF COSTS**

The Company has no employees other than the Directors, who did not receive any remuneration for services provided to the Company (2014: £NIL).

**4. TAX ON RESULT/(LOSS) ON ORDINARY ACTIVITIES**

|                                                                  | <b>2015<br/>£000</b> | <b>2014<br/>£000</b> |
|------------------------------------------------------------------|----------------------|----------------------|
| UK corporation tax charge/(credit) on result/(loss) for the year | -                    | (443)                |

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%). The differences are explained below:

|                                                                                                                | <b>2015<br/>£000</b> | <b>2014<br/>£000</b> |
|----------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Loss on ordinary activities before tax                                                                         | -                    | (2,565)              |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.83% (2014 - 22.67%) | -                    | (581)                |
| <b>Effects of:</b>                                                                                             |                      |                      |
| Non-tax deductible amortisation of goodwill and impairment                                                     | -                    | 581                  |
| Short term timing difference leading to an increase (decrease) in taxation                                     | -                    | (443)                |
| <b>Current tax charge/(credit) for the year</b>                                                                | -                    | (443)                |

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

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**5. TANGIBLE FIXED ASSETS**

|                                | Freehold<br>property<br>£000 | Plant &<br>machinery<br>£000 | Total<br>£000 |
|--------------------------------|------------------------------|------------------------------|---------------|
| <b>Cost</b>                    |                              |                              |               |
| At 1 June 2014 and 31 May 2015 | 5,115                        | 18                           | 5,133         |
| <b>Depreciation</b>            |                              |                              |               |
| At 1 June 2014 and 31 May 2015 | 5,115                        | 18                           | 5,133         |
| <b>Net book value</b>          |                              |                              |               |
| At 31 May 2015                 | -                            | -                            | -             |

**6. DEBTORS**

|                                    | 2015<br>£000 | 2014<br>£000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 796          | 796          |
| Other debtors                      | 384          | 384          |
|                                    | 1,180        | 1,180        |

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

**7. CREDITORS:  
Amounts falling due within one year**

|                 | 2015<br>£000 | 2014<br>£000 |
|-----------------|--------------|--------------|
| Bank overdrafts | 1,065        | 1,065        |

**8. CALLED UP SHARE CAPITAL**

|                                            | 2015<br>£000 | 2014<br>£000 |
|--------------------------------------------|--------------|--------------|
| <b>Allotted, called up and fully paid</b>  |              |              |
| 100 (2014: 100) Ordinary shares of £1 each | -            | -            |

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THE SANCTUARY AT COVENT GARDEN LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015

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9. RESERVES

|                                | Profit and<br>loss account<br>£000 |
|--------------------------------|------------------------------------|
| At 1 June 2014 and 31 May 2015 | 115                                |

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|                                      | 2015<br>£000 | 2014<br>£000 |
|--------------------------------------|--------------|--------------|
| Opening shareholders' funds          | 115          | 2,237        |
| Result/(loss) for the financial year | -            | (2,122)      |
| Closing shareholders' funds          | 115          | 115          |

11. 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 2015 was £5.0 million (2014 - £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 2015 was £201.5 million (2014 - £118.5 million).

12. 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.

13. CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of The Sanctuary Spa Group 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).

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2015**

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**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Company is a wholly-owned subsidiary of The Sanctuary Spa Group Limited. PZ Cussons Plc is the 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.