

Registered number: 02480670

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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 2016**



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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

<b>Directors</b>	B H Leigh J D Lang
<b>Company secretary</b>	M J Campbell
<b>Registered number</b>	02480670
<b>Registered office</b>	Manchester Business Park 3500 Aviator Way Manchester M22 5TG
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square 29 Wellington Street Leeds LS1 4DL

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2016

The Directors present their report and the audited financial statements for the year ended 31 May 2016.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Company has also 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.

#### Principal Activities

The Company is a limited company which does not trade, its sole activity is to hold an intercompany balance.

#### Results and dividends

There are no results for the year as the Company is not trading in the current or prior year.

The Directors do not recommend payment of a final dividend (2015 - £nil).

#### Directors

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

#### 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 the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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 independent 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 2016

#### 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 22 February 2017 and signed on its behalf by



**J D Lang**  
Director

## ***Independent auditors' report to the members of The Sanctuary at Covent Garden Limited***

### **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 2016 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.
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#### **What we have audited**

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

- the balance sheet as at 31 May 2016;
- the statement of changes in equity for the year then 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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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### **Opinion on other 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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#### **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.

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#### **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.

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## THE SANCTUARY AT COVENT GARDEN LIMITED

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### 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, 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 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

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.

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  
Leeds  
22 February 2017

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

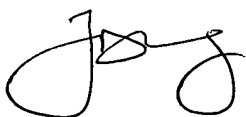
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**BALANCE SHEET  
AS AT 31 MAY 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>CURRENT ASSETS</b>					
Debtors	7	115		1,180	
<b>CREDITORS:</b> amounts falling due within one year	8	-		(1,065)	
<b>NET CURRENT ASSETS</b>			115		115
<b>NET ASSETS</b>			<u>115</u>		<u>115</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		-		-
Profit and loss account			<u>115</u>		<u>115</u>
<b>TOTAL EQUITY</b>			<u>115</u>		<u>115</u>

The notes on pages 10 to 13 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 February 2017 by



**J D Lang**

Director

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**THE SANCTUARY AT COVENT GARDEN LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2016**

	<b>Called up share capital £000</b>	<b>Total equity £000</b>
<b>As at 1 June 2014</b>	-	115
<b>As at 31 May 2015</b>	-	115
<b>As at 1 June 2015</b>	-	115
<b>As at 31 May 2016</b>	-	<b>115</b>

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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 2016

#### 1. GENERAL INFORMATION

The Sanctuary at Covent Garden Limited ('the Company') does not trade, its sole activity is to hold an intercompany balance

The Company is a limited company, incorporated and domiciled in UK. The address of its registered office is Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG.

#### 2. BASIS OF PREPARATION

The Company financial statements of The Sanctuary at Covent Garden Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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

The Company had no profit and loss impacting transactions for the current or prior years, therefore no statement of comprehensive income has been presented.

The entity satisfies the criteria of being a qualifying entity as defined in FRS 101. Its Financial Statements are consolidated into the Group Financial Statements of PZ Cussons Plc which are publicly available consolidated Group financial statements prepared in accordance with IFRS and can be obtained from [www.pzcussons.com](http://www.pzcussons.com).

These are the first set of financial statements prepared under FRS 101. The Company's date of transition to FRS 101 was 1 June 2014 and the last financial statements prepared under UK GAAP were for the year ended 31 May 2015. The impact of this has been assessed within the note 12 to the financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 and include impairment of receivables.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements. In accordance with FRS 101, the shareholders of the Company have been notified and have not objected to the use of the following exemptions:

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

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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 2016

#### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Impairment of receivables**

The Company makes an estimate of the recoverable value of receivables. When assessing impairment of receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and the historical experience. See note 7 for the net carrying amount of the receivables.

#### 4. ACCOUNTING POLICIES

##### 4.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates which is Pounds Sterling ('the functional currency'). The Company financial statements are presented in Pounds Sterling, which is the Company's presentation currency. All numbers presented in these financial statements have been rounded to the nearest thousand pounds.

##### 4.2 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables and is measured as the difference between carrying value and present value of estimated future cash flows. Subsequent recoveries of previously impaired trade receivables are recognised as a credit to profit.

##### 4.3 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

##### **Financial assets**

The Company classifies all of its financial assets as loans and receivables.

##### 4.4 Financial instruments

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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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 2016

#### 4. ACCOUNTING POLICIES (continued)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

#### Financial Liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

#### 4.5 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 5. AUDITORS REMUNERATION

Audit fees were borne by another group company and no recharge was made in the current or prior year.

#### 6. EMPLOYEES

The Company has no employees other than the Directors, who did not receive any remuneration (2015: £nil) for services provided to the Company.

#### 7. DEBTORS

	2016 £000	2015 £000
Amounts owed by group undertakings	115	796
Other debtors	-	384
	<u>115</u>	<u>1,180</u>

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

The Directors consider the carrying amount of trade and other debtors approximates to their fair value due to their short-term nature.

#### 8. CREDITORS

Amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts	-	1,065
	<u>-</u>	<u>1,065</u>

The Directors consider the carrying amount of trade and other creditors approximates to their fair value due to their short-term nature.

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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 2016**

**9. FINANCIAL INSTRUMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets that are loans and receivables	<b>115</b>	1,180
	<b>115</b>	1,180
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	-	(1,065)
	-	(1,065)

**10. CALLED UP SHARE CAPITAL**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised, allotted, called up and fully paid</b>		
100 (2015: 100) ordinary shares of £1 each	-	-

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

The Company is controlled by its voting members. PZ Cussons Plc which is incorporated in Great Britain and registered in England and Wales, is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. PZ Cussons Plc is considered to be the ultimate controlling party. 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.

**12. FIRST TIME ADOPTION OF FRS 101**

This is the first year that the company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 May 2015. The date of transition to FRS 101 was 1 June 2014. No transition accounting adjustments are required and there is no change to the result for the financial year ended 31 May 2015 and the total equity as at 1 June 2014 and 31 May 2015 between UK GAAP as previously reported and FRS 101.