

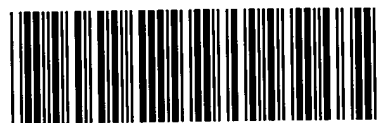
Company Registration No. 03922046

Benefit Cosmetics Limited

Report and Financial Statements

31 December 2014

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Benefit Cosmetics Limited

Report and financial statements 2014

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Benefit Cosmetics Limited

Report and financial statements 2014

Officers and professional advisers

Directors

Hugues Dusseaux
Jean-Andre Rougeot
Andrea Lansbury
Sarah Harbon (appointed 28 November 2014)

Registered Office

Marconi Building
New Street
Chelmsford
Essex
CM1 1PH

Bankers

National Westminster Bank PLC
City of London Office
1 Princess Street
London
EC2R 8PA

Solicitors

Birketts LLP
Brierly Place
New London Road
Chelmsford
Essex
CM2 0AP

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Benefit Cosmetics Limited

Strategic report

The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Financial results and future prospects

The Company's results for the year are set out in the profit and loss account on page 7. The profit before taxation for the year was £7,971,766 (2013: £5,384,723).

As shown in the Company's profit and loss account on page 7, the Company's revenue has increased in the year by 4%, primarily due to the effect of having the Carnaby Street boutique open for a full year and the strong performance of new launches. Profit after tax increased by 50% due to a largely stable cost base and a reduction in cost of sales.

The Company's balance sheet on page 8 of the financial statements shows the Company's net asset position at £28.7m at the end of the period.

Average staff numbers have increased from 434 in 2013 to 447 in 2014.

The Company plans to continue to introduce strong new product lines and expand both its wholesale and retail operations in 2015. The Company will increase the number of counters in large department stores by extending its offering of brow bar services. The Company will also reinvigorate and focus on marketing and digital media strategies to increase brand awareness and market share.

Key Performance Indicators

The Company's key financial and other performance indicators during the year were as follows:

	2014 £'000	2013 £'000	Change %
Turnover	70,445	67,431	4%
Operating profit	7,820	5,316	47%
Profit before tax	7,972	5,384	48%
Equity shareholders' funds	28,684	22,474	28%
Current assets as % of current liabilities	234%	215%	9%
Average number of employees	447	434	3%

Principal risks and uncertainties

The key commercial risks relate to the strength of other brands in the market place and the condition of the retail market, with interest rates and fiscal drivers influencing consumer spending.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Going concern

The Directors expect the Company to continue to generate positive cash flows on its own account. On the basis of assessment of the Company's forecasted financial position the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, thus continue to adopt the going concern basis of accounting in preparing the financial statements.


Further details regarding the adoption of the going concern basis can be found in the accounting policy note.

Benefit Cosmetics Limited

Strategic report

Approval

This report was approved by the Board of Directors on 16th September 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A. Lansbury', with a horizontal line drawn through the end of the signature.

Andrea Lansbury

Director

Benefit Cosmetics Limited

Directors' report (continued)

The directors present their report and financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £6,209,175 (2013: profit £4,129,546). The Directors did not recommend any interim dividend (2013: £739,283) nor a final ordinary dividend during the year (2013: £1,584,000).

Principal activities and review of the business

The principal activity of the Company during the year was the wholesale and distribution of cosmetic, skincare and fragrance products in the United Kingdom.

Directors of the Company

The current Directors are shown on page 1.

Sarah Harbon was appointed 28 November 2014

Charitable donations

During the year the Company made charitable donations of £1,700 (2013: £22,713). £891 (2013: £16,540) of this was donated to the national charity Refuge, the balance to local charities serving the communities in which the Company operates.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

Regular meetings are held between local management and employees to allow a free flow of information and ideas. These meetings also provide employees with an opportunity to give feedback or inquire about any topics of concern.

Auditor

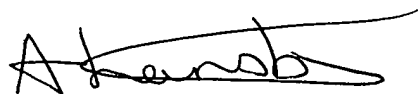
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 16 September 2015 and signed on behalf of the Board by:



Andrea Lansbury
Director

Benefit Cosmetics Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

Independent auditor's report to the members of Benefit Cosmetics Limited

We have audited the financial statements of Benefit Cosmetics Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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.

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 December 2014 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.

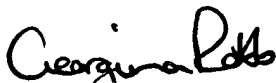
Opinion on matters prescribed by the Companies Act 2006

In our opinion the information in the Strategic Report and 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.



Georgina Robb FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

18 Sept 2015

Benefit Cosmetics Limited

Profit and loss account Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	70,445,488	67,430,955
Cost of sales		(31,108,502)	(35,212,734)
Gross profit		<u>39,336,986</u>	<u>32,218,221</u>
Distribution costs		(1,852,908)	(1,978,857)
Administrative expenses		(29,664,148)	(24,923,231)
Operating profit	3	<u>7,819,930</u>	<u>5,316,133</u>
Interest receivable and similar income	6	152,095	72,408
Interest payable and similar charges	7	(259)	(3,818)
Profit on ordinary activities before taxation		<u>7,971,766</u>	<u>5,384,723</u>
Tax charge on profit on ordinary activities	8	(1,762,591)	(1,255,177)
Profit retained for the financial year	17	<u><u>6,209,175</u></u>	<u><u>4,129,546</u></u>

The above profit is from continuing operations.

There are no recognised gains or losses other than as shown above. Accordingly no statement of total recognised gains and losses is presented.

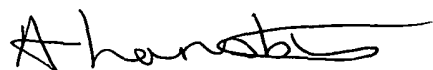
Benefit Cosmetics Limited

Balance sheet 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	1,945,390	3,002,936
Investments	10	1	1
		<u>1,945,391</u>	<u>3,002,937</u>
Current assets			
Stocks	11	452,629	532,911
Debtors	12	46,131,714	35,758,986
Cash at bank		80,629	85,347
		<u>46,664,972</u>	<u>36,377,244</u>
Creditors: amounts falling due within one year	13	(19,926,204)	(16,905,197)
Net current assets		<u>26,738,768</u>	<u>19,472,047</u>
Total assets less current liabilities		<u>28,684,159</u>	<u>22,474,984</u>
Capital and reserves			
Called up share capital	16	2,000,100	2,000,100
Profit and loss account	17	26,684,059	20,474,884
Shareholders' funds	17	<u>28,684,159</u>	<u>22,474,984</u>

The financial statements of Benefit Cosmetics Limited, registered number 03922046 were approved by the Board of Directors on 16th September 2015.

Signed on behalf of the Board of Directors



Andrea Lansbury
Director

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

Basis of preparation

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors' report also describes the financial position of the company and the principal risks and uncertainties the company is exposed to.

The company is part of the LVMH Group which operates under an "Automatic Short-term Cash-pool system". The various companies of the LVMH Group pool their cash operations in order to rationalise the management of available funds and financial requirements existing within the Group. The effect of the Cash-pool system within the LVMH Group is that Benefit Cosmetics Ltd does not have an external third party cash balance.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is a wholly owned subsidiary and the group financial statements in which the company is included are publicly available.

Basis of consolidation

In accordance with the exemption allowed by section 400 of the Companies Act 2006, the company has not presented group financial statements. These financial statements therefore provide information about the company as an individual undertaking and not about its group.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold improvements	– Over the life of the lease
Store fittings	– 3 years
Office furniture and equipment	– 3 years
Motor vehicles	– 3 years

Assets under construction are not depreciated until brought into use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies (continued)

Fixed asset investments

The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value less provision for impairment.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to bring the item to completion and/or disposal.

Taxation

Current tax, including UK corporation tax, is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies (continued)

Returns policy

The company may accept the return of unsold or outdated products from their customers. Where this practice is applied, revenue and the corresponding trade receivables are reduced by the amount of such returns. The estimated rate of returns is based on statistics of historical returns.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and group undertakings in respect of sales of cosmetics, fragrances and services. All amounts relate to continuing activities and can be analysed as follows:

	United Kingdom		Rest of Europe		Rest of World		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£	£	£
Third party	70,241,522	57,158,784	203,966	64,543	-	-	70,445,488	57,223,327
Group undertakings	-	-	-	20	-	10,207,608	-	10,207,628
	<u>70,241,522</u>	<u>57,158,784</u>	<u>203,966</u>	<u>64,563</u>	<u>-</u>	<u>10,207,608</u>	<u>70,445,488</u>	<u>67,430,955</u>

3. Operating profit

This is stated after charging:

	2014	2013
	£	£
Auditor remuneration – audit services	29,000	28,500
– non audit services (tax services)	-	-
Depreciation of owned fixed assets	2,005,764	1,346,700
Foreign exchange (gain)/loss	46,708	(61,250)
Loss on disposal of fixed assets	26,530	93,432
Operating lease rentals – land and buildings	917,562	848,975
– plant and machinery	352,042	338,940
	<u>2,005,764</u>	<u>1,346,700</u>

4. Directors' emoluments

	2014	2013
	£	£
Aggregate remuneration in respect of qualifying services	<u>297,784</u>	<u>118,989</u>

The remuneration in respect of the highest paid director for qualifying services for the year ending 31st December 2014 was £159,580.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

5. Staff costs

	2014 £	2013 £
Wages and salaries	9,763,912	8,731,704
Social security costs	877,947	783,915
Staff pension contributions (note 14)	153,433	114,040
	<u>10,795,292</u>	<u>9,629,659</u>

The monthly average number of employees during the year was as follows:

	2014 £	2013 £
Administrative staff	68	52
Sales staff	379	382
	<u>447</u>	<u>434</u>

6. Interest receivable and similar income

	2014 £	2013 £
Interest receivable from group undertakings	150,967	72,408
Interest receivable on overpayment of corporation tax	1,128	-
	<u>152,095</u>	<u>72,408</u>

7. Interest payable and similar charges

	2014 £	2013 £
Interest payable on underpayment of corporation tax	257	3,818
Other interest payable	2	-
	<u>259</u>	<u>3,818</u>

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £	2013 £
Current tax:		
UK corporation tax	2,066,572	1,469,281
Adjustments in respect of previous periods	7,251	(18,884)
Total current tax (note 8(b))	2,073,823	1,450,397
Deferred tax:		
Origination and reversal of timing differences (note 8 (c))	(304,861)	(152,429)
Adjustment in respect of previous periods (note 8 (c))	(6,371)	(42,791)
Total deferred tax (note 8 (c))	(311,232)	(195,220)
Tax on profit on ordinary activities	1,762,591	1,255,177

(b) Factors affecting current tax charge

The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before taxation	7,971,766	5,384,823
Profit on ordinary activities for the year multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	1,713,411	1,251,791
Disallowed expenses and non-taxable income	25,539	40,316
Capital allowances in arrears of depreciation	325,983	187,267
Adjustments in respect of previous periods	7,251	(18,884)
Other timing differences	1,639	(10,093)
Total current tax (note 8(a))	2,073,823	1,450,397

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

8. Tax (continued)

(c) Deferred tax

	2014 £	2013 £
Capital allowances in arrears of depreciation	710,894	407,362
Other timing differences	13,368	5,668
	<u>724,262</u>	<u>413,030</u>
	£	£
At 31 December 2013		413,030
Profit and loss account (note 8 (a))		304,861
Adjustments in respect of prior years (note 8 (a))		6,371
		<u>724,262</u>
At 31 December 2014		

Budget announcements

The standard rate of corporation tax reduced from 23% to 21% from 1 April 2014 and then was reduced further to 20% from 1 April 2015 in accordance with Finance Act 2013. It was announced on 8 July 2015 that the Finance Bill 2015 would further reduce the standard rate of corporation tax to 19% from 1 April 2017 and to 18% effective from 1 April 2020, however this has not yet been substantively enacted.

The deferred tax asset reported at 31 December 2014 has been calculated based on the 20% tax rate substantively enacted at the balance sheet date.

9. Tangible fixed assets

	Leasehold improvements £	Store fittings £	Office furniture and equipment £	Assets under construction £	Total £
Cost					
At 1 January 2014	793,828	6,154,547	464,466	12,994	7,425,835
Additions	-	960,466	-	25,954	986,420
Disposals	(258,081)	(224,848)	(172,397)	(8,663)	(663,989)
Transfers	-	2,166	-	(2,166)	-
At 31 December 2014	<u>535,747</u>	<u>6,892,331</u>	<u>292,069</u>	<u>28,119</u>	<u>7,748,266</u>
Depreciation					
At 1 January 2014	337,627	3,748,659	336,613	-	4,422,899
Provided during the year	199,186	1,729,888	76,690	-	2,005,764
Disposals	(251,971)	(203,068)	(170,748)	-	(625,787)
At 31 December 2014	<u>284,842</u>	<u>5,275,479</u>	<u>242,555</u>	<u>-</u>	<u>5,802,876</u>
Net book value					
At 31 December 2014	<u>250,905</u>	<u>1,616,852</u>	<u>49,514</u>	<u>28,119</u>	<u>1,945,390</u>
At 31 December 2013	<u>456,201</u>	<u>2,405,888</u>	<u>127,853</u>	<u>12,994</u>	<u>3,002,936</u>

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

10. Fixed asset investments

	£
At 1 January 2014 and 31 December 2014	1

The above investment represents 100% of the issued ordinary share capital of Benefit Cosmetics Ireland Limited, a company registered in Ireland. Benefit Cosmetics Ireland's principal activity is the wholesale of cosmetics and skincare products within Ireland.

11. Stocks

	2014 £	2013 £
Finished goods	452,629	532,911

The difference between purchase price of stocks and their replacement cost is not material.

12. Debtors

	2014 £	2013 £
Trade debtors	15,101,965	12,597,219
Amounts owed by group undertakings	29,588,335	21,940,569
Other debtors	717,152	808,168
Deferred tax asset (note 8(c))	724,262	413,030
	<u>46,131,714</u>	<u>35,758,986</u>

13. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,232,033	389,350
Amounts owed to group undertakings	9,215,950	7,707,773
Corporation tax	1,366,500	765,863
Other taxation and social security	2,652,327	2,917,537
Other creditors	3,361,503	4,464,860
Accruals and deferred income	2,097,891	659,814
	<u>19,926,204</u>	<u>16,905,197</u>

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

14. Pensions

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The unpaid contributions outstanding at the year end, included in 'Other creditors' (note 13), are £16,507 (2013: £8,768).

15. Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	2014		2013	
	Land and buildings £	Plant and machinery (other) £	Land and buildings £	Plant and machinery (other) £
Operating leases which expire:				
Within one year	80,000	47,095	147,116	42,941
In two to five years	796,116	274,265	817,650	307,836
In over five years	20,000	-	94,500	-
	<u>896,116</u>	<u>321,360</u>	<u>1,059,266</u>	<u>350,777</u>

16. Issued share capital

	2014 £	2013 £
Allotted, called up and fully paid		
2,000,100 ordinary shares of £1 each	<u>2,000,100</u>	<u>2,000,100</u>

17. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 31 December 2012	2,000,100	18,668,621	20,668,721
Profit for the year	-	4,129,546	4,129,546
Dividends paid	-	(2,323,283)	(2,323,283)
At 31 December 2013	<u>2,000,100</u>	<u>20,474,884</u>	<u>22,474,984</u>
Profit for the year	-	6,209,175	6,209,175
Dividends paid	-	-	-
At 31 December 2014	<u>2,000,100</u>	<u>26,684,059</u>	<u>28,684,159</u>

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2014

18. Ultimate parent undertaking and controlling party

The directors regard LVMH Moët Hennessy-Louis Vuitton SA, a company incorporated in France, as the ultimate parent undertaking and controlling party. In preparation of these financial statements advantage has been taken of the exemption in paragraph 3(c) of FRS 8 not to disclose transactions with other members of the wholly owned group.

Benefit Cosmetics LLC, a company incorporated in the USA is the parent of the smallest group of which the company is a member and for which group financial statements are prepared. Copies of these financial statements can be obtained from 225 Bush Street, 20th Floor, San Francisco, CA 94104.

LVMH Moët Hennessy-Louis Vuitton SA is the parent undertaking of the largest group of which Benefit Cosmetics Limited is a member and for which group financial statements are drawn up. Copies of these group financial statements are available from 22 Avenue Montaigne, 75008 Paris, France.