

**Company Registration No. 04424299**

**Molton Brown Spas Limited**

**Report and financial statements**

**Year ended 31 December 2011**



# **Molton Brown Spas Limited**

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# **Molton Brown Spas Limited**

## **Officers and professional advisors**

### **Directors**

M Natsusaka  
T Saito

### **Secretary**

H Thomas

### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Cambridge, UK

### **Registered office**

The Terrace  
28 Jamestown Road  
London  
NW1 7AP

# **Molton Brown Spas Limited**

## **Directors' report**

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2011

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

### **Principal activity**

The principal activity of the Company is to act as an agent for its parent company Molton Brown Limited in a lease agreement. This is expected to continue for the duration of the lease term.

### **Directors**

The directors, who served throughout the year and subsequently were as follows

M Natsusaka

T Saito

### **Going Concern**

At the end of 2011, Molton Brown Limited took the decision to close the retail outlet for which the Company holds the lease. Molton Brown Limited, the immediate parent company, previously made use of the property which is the subject of the lease. Molton Brown Limited therefore paid the rent obligations relating to this lease in full, direct to the landlord, consistent with the treatment in previous years. Molton Brown Limited will continue to pay the lease obligations and will not request in the foreseeable future, recompense for these payments from the Company. Opportunities to exit the lease early if possible are being investigated.

Due to this arrangement, Molton Brown Spas Limited does not recognise a liability for lease commitments since no invoices are received by the Company, and no cash payments are made.

Management expects this arrangement to continue for at least the foreseeable future, and as such, is satisfied with the continued preparation of the financial statements on the going concern basis.

# **Molton Brown Spas Limited**

## **Directors' report (continued)**

### **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 ought to have taken as a director to make himself 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 indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board and signed on its behalf by



M Natsusaka

Director

Date 2 May 2012

# **Molton Brown Spas Limited**

## **Directors' responsibilities statement**

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 accounting 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 Molton Brown Spas Limited**

We have audited the financial statements of Molton Brown Spas Limited for the year ended 31 December 2011 which comprise the Balance Sheet and the related notes 1 to 8. 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 the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 2011 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.

### **Opinion on other matter prescribed by the Companies Act 2006**


In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of  
Molton Brown Spas Limited  
(continued)**

**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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



Richard Knights (Senior Statutory Auditor)  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
Cambridge, United Kingdom  
Date

28. May 2012



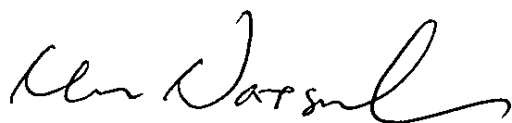
## Molton Brown Spas Limited

### Balance sheet 31 December 2011

|  | Notes | 2011<br>£        | 2010<br>£        |
|--|-------|------------------|------------------|
| <b>Total assets less current liabilities, being net assets</b> |       | <u>-</u>         | <u>-</u>         |
| <b>Capital and reserves</b>                                    |       |                  |                  |
| Called-up share capital  | 5     | 2                | 2                |
| Capital contribution reserve                                   | 6     | 314,443          | 314,443          |
| Profit and loss account  | 6     | <u>(314,445)</u> | <u>(314,445)</u> |
| <b>Shareholders' funds</b>                                     |       | <u>-</u>         | <u>-</u>         |

There were no gains or losses in the current or preceding year. Therefore a profit and loss account and a statement of total recognised gains and losses has not been included in the financial statements.

The financial statements of Molton Brown Spas Limited (registered number 04424299) were approved by the board of directors and authorised for issue on 2 May 2012. They were signed on its behalf by:



M Natsusaka  
Director

2/5/2012

# **Molton Brown Spas Limited**

## **Notes to the financial statements for the year ended 31 December 2011**

### **1 Accounting policies**

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

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Molton Brown Spas Limited has a lease for a retail outlet. The Company's immediate parent company, Molton Brown Limited, made use of the property which is the subject of this lease in 2011 and paid the rent obligations. At the end of 2011, Molton Brown Limited took the decision to close the retail outlet for which the Company holds the lease. Molton Brown Limited will continue to pay the lease obligations and will not request in the foreseeable future, recompense for these payments from the Company. This does not result in any entry to the profit and loss account as the Company is an agent only.

#### **Cashflow Statement**

The directors have taken advantage of the exemption under Financial Reporting Standard 1 (Revised 1996) and has not prepared a cash flow statement because the ultimate parent undertaking prepares publicly available consolidated financial statements which include the Company.

#### **Going concern**

At the end of 2011, Molton Brown Limited took the decision to close the retail outlet for which the Company holds the lease. Molton Brown Limited, the immediate parent company, previously made use of the property which is the subject of the lease. Molton Brown Limited therefore paid the rent obligations relating to this lease in full, direct to the landlord, consistent with the treatment in previous years. Molton Brown Limited will continue to pay the lease obligations and will not request in the foreseeable future, recompense for these payments from the Company. Opportunities to exit the lease early if possible are being investigated.

Due to this arrangement, Molton Brown Spas Limited does not recognise a liability for lease commitments since no invoices are received by the Company, and no cash payments are made.

Management expects this arrangement to continue for at least the foreseeable future, and as such, is satisfied with the continued preparation of the financial statements on the going concern basis.

### **2 Information regarding directors**

None of the directors of the Company received emoluments in the year (2010: £nil) for their services to this Company.

# Molton Brown Spas Limited

## Notes to the financial statements for the year ended 31 December 2011

### 3. Staff Costs

The average weekly number of employees including directors during the year was as follows

| 2011<br>No | 2010<br>No |
|------------|------------|
| <u>2</u>   | <u>2</u>   |

The above employees are directors (note 2)

### 4. Operating profit

The fees payable for the Company's audit (2011 £3,550, 2010 £3,550) are borne by the Company's immediate parent company

### 5. Called-up share capital

|   | 2011<br>£ | 2010<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up, and fully paid:</b> |           |           |
| 2 Ordinary shares of £1 each                | <u>2</u>  | <u>2</u>  |

### 6. Reconciliation of shareholders' funds and movement on reserves

|  | <b>Called-up<br/>share<br/>capital<br/>£</b> | <b>Capital<br/>contribution<br/>reserve<br/>£</b> | <b>Profit<br/>and loss<br/>account<br/>£</b> | <b>Total<br/>£</b> |
|--|--|---|--|--------------------|
| At 31 December 2010 and 31 December 2011 | <u>2</u>                                     | <u>314,443</u>                                    | <u>(314,445)</u>                             | <u>-</u>           |

# Molton Brown Spas Limited

## Notes to the financial statements for the year ended 31 December 2011

### 7. Financial commitments

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows

|                    | Land and<br>buildings<br>2011<br>£ | Land and<br>buildings<br>2010<br>£ |
|--------------------|------------------------------------|------------------------------------|
| Expiry date        |                                    |                                    |
| In over five years | 40,000                             | 40,000                             |

The above commitment relates to the lease of one retail outlet. The retail outlet was used by the Company's immediate parent, Molton Brown Limited in 2011. As outlined in the directors' report at the end of 2011, Molton Brown Limited took the decision to close the retail outlet to which this lease relates. There is no lease expense in the profit and loss account for Molton Brown Spas Limited as all lease obligations are paid directly by Molton Brown Limited for whom Molton Brown Spas Limited acts as an agent. Molton Brown Limited will continue to pay the lease obligations on behalf of Molton Brown Spas Limited. Accordingly, an onerous lease and dilapidations provision of £488,000 has been recognised in the financial statements of Molton Brown Limited for the year ended 31 December 2011.

### 8. Ultimate parent company

The Company is a wholly owned subsidiary of Molton Brown Limited, which is regarded as the immediate controlling party. Kao Prestige Limited heads the smallest group preparing consolidated accounts which include Molton Brown Spas Limited.

Copies of these consolidated financial statements can be obtained from Companies House at Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.

The directors consider Kao Corporation, which is incorporated in Japan, as the Company's ultimate parent company and controlling party. It has included the Company in its group financial statements, being the largest group within which the results of the Company are consolidated.

Copies of its consolidated financial statements are available from the following address: Kao Corporation, 14-10 Nihonbashi, Kayabacho 1-Chrome, Chuo-ku, Tokyo 103/8210, Japan.