
THE SANCTUARY SPA HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2011

WEDNESDAY



A13QIKF4

A47

29/02/2012

#405

COMPANIES HOUSE

THE SANCTUARY SPA HOLDINGS LIMITED

CONTENTS

	Page
Company information page	1
Directors' report	2 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 - 15

THE SANCTUARY SPA HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	P Girven B H Leigh
COMPANY SECRETARY	M J Campbell
COMPANY NUMBER	05475146
REGISTERED OFFICE	Manchester Business Park 3500 Aviator Way Manchester M22 5TG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Lower Mosley Street 101 Barbirolli Square Manchester M2 3PW
SOLICITORS	Addleshaw Goddard LLP 100 Barbirolli Square Manchester M2 3AB

THE SANCTUARY SPA HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

The Directors present their report and the audited financial statements for the year ended 31 May 2011

PRINCIPAL ACTIVITIES

The principal activity of the Company was that of a holding company. The predominant activity of the group is that of the distribution of body care products and the provision of health and leisure services.

BUSINESS REVIEW

KEY PERFORMANCE INDICATORS

The Directors do not consider the use of KPIs necessary. The transactions in the Company are the head office administrative charges.

FINANCIAL RISK MANAGEMENT

Interest rate risk

The Company does not have significant exposure to interest rate risk. The majority of liabilities are now with the ultimate holding company.

Price risk

Expenditure by the Company is authorised by management prior to it being incurred in order to ensure that goods and services are not obtained at a higher price than necessary.

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted. The amount of exposure to any individual counterparty is reassessed annually by the board.

Liquidity risk

The Company is funded internally by the group and therefore has no direct exposure to liquidity or debt market risk.

FUTURE DEVELOPMENTS

The Directors believe the Company is well placed to perform satisfactorily in the future.

RESULTS

The loss for the year, after taxation, amounted to £1,589,000 (2010 - loss £5,000). This loss is stated after exceptional administrative expenses of £1,581,000 in respect of restructuring activities.

The Directors do not recommend a dividend in respect of the year (2010 - nil).

THE SANCTUARY SPA HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

DIRECTORS

The Directors who served during the year were

P Girven
B H Leigh
A Murray (resigned 16 May 2011)

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

PROVISION 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 each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

AUDITORS

The auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed under section 487(2) of the Companies Act 2006

THE SANCTUARY SPA HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

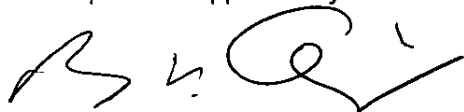
The Directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited 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 audited 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 audited financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 audited 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 audited 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.

This report was approved by the board on 14 February 2012 and signed on its behalf



B H Leigh
Director

THE SANCTUARY SPA HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE SANCTUARY SPA HOLDINGS LIMITED

We have audited the financial statements of The Sanctuary Spa Holdings Limited for the year ended 31 May 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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.

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 The Sanctuary Spa Holdings Limited Directors' report and financial statements 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 May 2011 and of its loss 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.

THE SANCTUARY SPA HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE SANCTUARY SPA HOLDINGS
LIMITED

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 remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jason Leach (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Lower Mosley Street
101 Barbirolli Square
Manchester
M2 3PW

14 February 2012

THE SANCTUARY SPA HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2011**

	Note	2011 £000	2010 £000
TURNOVER	1	1,590	981
Administrative expenses		(1,590)	(981)
Exceptional administrative expenses		(1,581)	-
Total administrative expenses		(3,171)	(981)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(1,581)	-
Tax on loss on ordinary activities	6	(8)	(5)
LOSS FOR THE FINANCIAL YEAR	12	(1,589)	(5)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

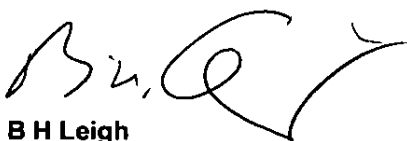
The notes on pages 9 to 15 form part of these financial statements

THE SANCTUARY SPA HOLDINGS LIMITED
REGISTERED NUMBER: 05475146

BALANCE SHEET
AS AT 31 MAY 2011

	Note	£000	2011 £000	£000	2010 £000
FIXED ASSETS					
Tangible assets	7		907		160
Investments	8		18,374		18,374
			<u>19,281</u>		<u>18,534</u>
CURRENT ASSETS					
Debtors	9	814		66	
Cash at bank		-		69	
		<u>814</u>		<u>135</u>	
CREDITORS amounts falling due within one year	10	(23,782)		(20,767)	
NET CURRENT LIABILITIES			<u>(22,968)</u>		<u>(20,632)</u>
NET LIABILITIES			<u>(3,687)</u>		<u>(2,098)</u>
CAPITAL AND RESERVES					
Called up share capital	11		301		301
Share premium account	12		2,709		2,709
Profit and loss account	12		(6,697)		(5,108)
SHAREHOLDERS' DEFICIT	13		<u>(3,687)</u>		<u>(2,098)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 February 2012


B H Leigh
 Director

The notes on pages 9 to 15 form part of these financial statements

THE SANCTUARY SPA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis in accordance with the Companies Act 2006 and applicable United Kingdom law and accounting standards under the historical cost convention. The Directors have used the going concern principle on the basis that although the Company has net current liabilities it has received a letter of support from its ultimate parent company. The principal accounting policies which the Directors have adopted within that convention are set out below. The accounting policies have been applied consistently throughout the current and prior year.

The Company is itself a subsidiary Company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Turnover

Turnover represents inter-company charges and fees which are recognised as they are incurred on the accruals basis.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at the following annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life:

Fixtures, fittings & equipment	-	20% straight line
--------------------------------	---	-------------------

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Operating leases

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

1.6 Pensions

The Company contributes to defined contribution pension policies held individually by Directors and staff. Contributions to these funds are charged to the profit and loss account as and when they fall due.

2. TURNOVER

The whole of the turnover relates solely to inter-company recharges.

All turnover arose within the United Kingdom.

THE SANCTUARY SPA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after charging

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- owned by the Company	80	70
Auditors' remuneration	12	-
Operating lease rentals		
- other operating leases	115	113
Exceptional administrative expenses	1,581	-
	<u> </u>	<u> </u>

The exceptional administrative expenses relate to restructuring and integration costs following the creation of a new PZ Cussons Beauty division

4 STAFF COSTS

Staff costs, including Directors' remuneration, were as follows

	2011 £000	2010 £000
Wages and salaries	814	443
Social security costs	96	51
Other pension costs	56	44
	<u> </u>	<u> </u>
	966	538
	<u> </u>	<u> </u>

The average monthly number of employees, including the Directors, during the year was as follows

	2011 No.	2010 No
Administrative staff	15	5
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	2011 £000	2010 £000
Emoluments	452	391
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 2 Directors (2010 - 2) in respect of defined contribution pension schemes

The highest paid Director received remuneration of £207,000 (2010 - £240,000)

THE SANCTUARY SPA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

6. TAXATION

	2011 £000	2010 £000
UK corporation tax charge on loss for the year	<u>8</u>	<u>5</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - *higher than*) the standard rate of corporation tax in the UK of 27.69% (2010 - 28%). The differences are explained below

	2011 £000	2010 £000
Loss on ordinary activities before tax	<u>(1,581)</u>	<u>-</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.69% (2010 - 28%)	<u>(438)</u>	<u>-</u>
Effects of.		
Group relief not paid for	446	-
Capital allowances for year in excess of depreciation	-	5
Current tax charge for the year	<u><u>8</u></u>	<u><u>5</u></u>

Factors that may affect future tax charges

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% by 1 April 2016. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

THE SANCTUARY SPA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

7. TANGIBLE FIXED ASSETS

	Fixtures & fittings £000
Cost	
At 1 June 2010	429
Additions	827
At 31 May 2011	<u>1,256</u>
Depreciation	
At 1 June 2010	269
Charge for the year	80
At 31 May 2011	<u>349</u>
Net book value	
At 31 May 2011	<u>907</u>
<i>At 31 May 2010</i>	<u>160</u>

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 June 2010 and 31 May 2011	<u>18,374</u>
Net book value	
At 31 May 2011	<u>18,374</u>
<i>At 31 May 2010</i>	<u>18,374</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company

Name	Class of shares	Holding
The Sanctuary Spa Group Limited	Ordinary	100 %
The Sanctuary Connections Limited	Ordinary	100 %

THE SANCTUARY SPA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

8. FIXED ASSET INVESTMENTS (continued)

In the opinion of the Directors, the aggregate value of shares in and amounts owing by its subsidiaries is not less than the aggregate amounts at which they are included in the Company's balance sheet

The Sanctuary Spa Group Limited operates as a holding company, The Sanctuary Connections Limited operates as a distributor of beauty products, and The Sanctuary at Covent Garden Limited operates as a spa

9. DEBTORS

	2011 £000	2010 £000
Due within one year		
Amounts owed by group undertakings	646	-
Other debtors	122	-
Prepayments and accrued income	46	66
	814	66

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

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

	2011 £000	2010 £000
Bank loans and overdrafts	777	-
Trade creditors	267	123
Amounts owed to group undertakings	21,423	20,574
Accruals and deferred income	1,315	70
	23,782	20,767

Amounts owed to Group undertakings are unsecured, non interest bearing and are repayable on demand

11. SHARE CAPITAL

	2011 £000	2010 £000
Allotted, called up and fully paid		
3,010,000 ordinary shares of £0.10 each	301	301

THE SANCTUARY SPA HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2011

12 RESERVES

	Share premium account £000	Profit and loss account £000
At 1 June 2010	2,709	(5,108)
Loss for the year	-	(1,589)
At 31 May 2011	<u>2,709</u>	<u>(6,697)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2011 £000	2010 £000
Opening shareholders' deficit	(2,098)	(2,093)
Loss for the year	(1,589)	(5)
Closing shareholders' deficit	<u>(3,687)</u>	<u>(2,098)</u>

14 OPERATING LEASE COMMITMENTS

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

	Land and buildings 2011 £000	2010 £000
Expiry date.		
Between 2 and 5 years	-	113
After more than 5 years	<u>738</u>	<u>-</u>

15 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

16 CASH FLOW STATEMENT

The Company is a wholly-owned subsidiary of PZ Cussons (Holdings) Limited and is included in the consolidated financial statements of PZ Cussons Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised)

THE SANCTUARY SPA HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2011**

17. POST BALANCE SHEET EVENTS

On 1 June 2011, the Company sold its trade and assets to PZ Cussons Beauty LLP, a fellow group undertaking for an amount equivalent to fair value (which is no less than book value)

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is PZ Cussons (Holdings) Limited. The ultimate parent company and ultimate controlling party is PZ Cussons Plc. Both companies are incorporated in Great Britain and registered in England and Wales. Copies of the group financial statements of PZ Cussons Plc are available from the registered office of this Company, Manchester Business Park, 3500 Aviator Way, Manchester, M22 5TG.