
SOAP & GLORY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014

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SOAP & GLORY LIMITED

COMPANY INFORMATION

DIRECTORS

M D Kilgore
T P M Boue
J H J de Raaij
B P Fletcher (resigned 30 September 2013)
A C J Franks
G S Zauder
A R Thompson (appointed 1 October 2013)

COMPANY SECRETARY

T P M Boue

REGISTERED NUMBER

06436322

REGISTERED OFFICE

Eighth Floor
6 New Street Square
London
EC4A 3AQ

INDEPENDENT AUDITOR

Rawlinson & Hunter Audit LLP
Chartered Accountants & Statutory Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

SOAP & GLORY LIMITED

CONTENTS

| | Page |
|--|---------------|
| Strategic Report | 1 |
| Directors' Report | 2 - 3 |
| Independent Auditor's Report | 4 - 5 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Cash Flow Statement | 8 |
| Notes to the Financial Statements | 9 - 22 |

SOAP & GLORY LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2014

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company appointed a new CEO with extensive experience in the cosmetics business, most recently in the Far East. The directors are pleased with the continued strong growth of the business and expect the business to continue to expand into new markets either under the license or wholesale model. The brand continues to have a very strong brand recognition which shows from the number of followers on Twitter, Facebook and other social media.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the company's business and the assets and liabilities contained within the balance sheet, the only financial risks the directors consider relevant to this company are working capital management risk and foreign exchange risk.

Working capital management risk

Working capital management is critical to the success of the business as this has a major impact on cash flow. The principal risks to working capital are stock risk and credit risk:

Stock risk

The company's exposure to stock risk is in respect of obsolescence, over-stocking and over-valuation. The directors consider that the company has robust procedures in place, which are regularly reviewed, to mitigate stock risk. Stock levels are monitored against historic sales performance and sales forecasts to identify any stock items that are potentially obsolete, over-stocked or over-valued, with steps taken to mitigate the effect on the company. Where necessary, provision is made to cover excess or over-valued stock.

Credit risk

The company's exposure to credit risk arises in respect of the amounts recoverable from trade debtors and accrued income. During the period under review, the directors have found that the level of bad or doubtful debts has been extremely low due to the low number of customers, the demand for the Soap & Glory product encouraging customers to pay to keep supply flowing and because of credit control processes put in place by the company. The company continues to review credit control processes with a view to mitigating the likelihood of bad debts arising.

Foreign exchange risk

More than 50% of the company's sales and the majority of the company's costs are denominated in Pounds Sterling. As the company continues to expand internationally foreign exchange risks will become more prevalent. The directors will continue to monitor this area and will implement mitigating strategies when deemed necessary.

This report was approved by the board and signed on its behalf.



J H J de Raaij
Director

Date: *November 20, 2014*

SOAP & GLORY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2014

The directors present their report and the financial statements of Soap & Glory Limited ("the company") for the 15 month period ended 31 March 2014. The comparatives present information in respect of the 12 month period ended 31 December 2012.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITIES

The principal activities of the company are the generation of license fee income from the exploitation of intellectual property rights, as well as the direct sale of Soap & Glory branded products to retailers.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £1,075,103 (*year ended 31 December 2012 - £345,779*).

The directors did not recommend the payment of a dividend (*year ended 31 December 2012 - £Nil*).

PRINCIPAL RISKS AND UNCERTAINTIES

Disclosure of the company's principal risks and uncertainties is provided in the Strategic Report.

SOAP & GLORY LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2014**

DIRECTORS

The directors who served during the period were:

M D Kilgore
T P M Boue
J H J de Raaij
B P Fletcher (resigned 30 September 2013)
A C J Franks
G S Zauder
A R Thompson (appointed 1 October 2013)

CHARITABLE CONTRIBUTIONS

The company made charitable donations of £3,757 (*year ended 31 December 2012 - £3,343*) during the period to the following charities:

| | |
|--|----------------|
| | £ |
| Eaves Housing for Women Limited | 2,771 |
| Various other community and healthcare charities | 986 |
| Total | <u>£ 3,757</u> |

DISCLOSURE OF INFORMATION TO AUDITOR


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 auditor is 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 auditor is aware of that information.

AUDITOR

The auditor, Rawlinson & Hunter Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


J H J de Raaij
Director

Date:

November 20 2014

SOAP & GLORY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOAP & GLORY LIMITED

We have audited the financial statements of Soap & Glory Limited ("the company") for the period ended 31 March 2014, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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).

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 and Financial Statements 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.

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 March 2014 and of its profit for the period 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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

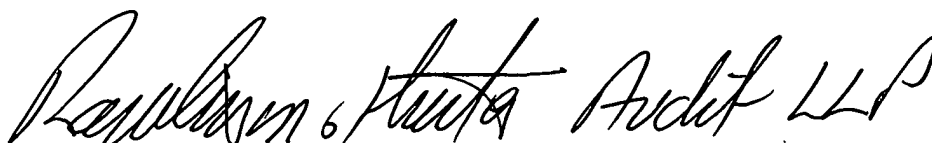
SOAP & GLORY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOAP & GLORY 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Bliss (Senior Statutory Auditor)

for and on behalf of
Rawlinson & Hunter Audit LLP

Chartered Accountants
Statutory Auditor

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date:

20 November 2014.

SOAP & GLORY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2014**

| | Note | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|------|---------------------------------------|--|
| TURNOVER | 1,2 | 13,797,841 | 9,146,470 |
| Cost of sales | | <u>(4,035,870)</u> | <u>(2,728,154)</u> |
| GROSS PROFIT | | 9,761,971 | 6,418,316 |
| Administrative expenses | | <u>(8,317,202)</u> | <u>(5,875,784)</u> |
| OPERATING PROFIT | 3 | 1,444,769 | 542,532 |
| Interest receivable and similar income | 6 | 67,673 | 49 |
| Interest payable and similar charges | 7 | <u>(68,347)</u> | <u>(64,615)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,444,095 | 477,966 |
| Tax on profit on ordinary activities | 8 | <u>(368,992)</u> | <u>(132,187)</u> |
| PROFIT FOR THE FINANCIAL PERIOD | 17 | £ 1,075,103 | £ 345,779 |

All amounts relate to continuing operations.

There were no recognised gains and losses for the period ended 31 March 2014 or the year ended 31 December 2012 other than those included in the Profit and Loss Account.

The notes on pages 9 to 22 form part of these financial statements.

SOAP & GLORY LIMITED
REGISTERED NUMBER: 06436322

BALANCE SHEET
AS AT 31 MARCH 2014

| | Note | £ | 31 March 2014 £ | 31 December 2012 £ |
|---|------|--------------------|---------------------------|---------------------------|
| FIXED ASSETS | | | | |
| Intangible fixed assets | 9 | | 15,882 | 19,394 |
| Tangible fixed assets | 10 | | 199,536 | 153,457 |
| Investments | 11 | | 20,138 | 20,138 |
| | | | <u>235,556</u> | <u>192,989</u> |
| CURRENT ASSETS | | | | |
| Stocks | 12 | 632,869 | | 675,904 |
| Debtors | 13 | 2,973,890 | | 5,137,295 |
| Cash at bank | | 1,869,739 | | 445,629 |
| | | <u>5,476,498</u> | | <u>6,258,828</u> |
| CREDITORS: amounts falling due within one year | 14 | <u>(2,131,268)</u> | | <u>(3,946,134)</u> |
| NET CURRENT ASSETS | | | <u>3,345,230</u> | <u>2,312,694</u> |
| NET ASSETS | | | <u><u>£ 3,580,786</u></u> | <u><u>£ 2,505,683</u></u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 16 | | 1,000 | 1,000 |
| Profit and loss account | 17 | | 3,579,786 | 2,504,683 |
| SHAREHOLDERS' FUNDS - ALL EQUITY | 18 | | <u><u>£ 3,580,786</u></u> | <u><u>£ 2,505,683</u></u> |

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


J H J de Raaij
 Director

Date: *November 20, 2014*

The notes on pages 9 to 22 form part of these financial statements.

SOAP & GLORY LIMITED

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2014**

| | | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|---|------|---------------------------------------|--|
| | Note | | |
| Net cash flow from operating activities | 19 | 3,897,182 | 425,365 |
| Returns on investments and servicing of finance | 20 | (674) | (64,615) |
| Taxation | | (393,230) | (185,000) |
| Capital expenditure and financial investment | 20 | (179,168) | (130,607) |
| Acquisitions and disposals | 20 | - | (20,137) |
| CASH INFLOW BEFORE FINANCING | | 3,324,110 | 25,006 |
| Financing | 20 | (1,900,000) | 150,000 |
| INCREASE IN CASH IN THE PERIOD | | £ 1,424,110 | £ 175,006 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2012 (NOTE 21)**

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---------------------------------------|--|
| Increase in cash in the period | 1,424,110 | 175,006 |
| Cash outflow/(inflow) from decrease/(increase) in debt and lease financing | 1,900,000 | (150,000) |
| MOVEMENT IN NET DEBT IN THE PERIOD | 3,324,110 | 25,006 |
| Net debt at 1 January 2013 | (1,454,371) | (1,479,377) |
| NET FUNDS/(DEBT) AT 31 MARCH 2014 | £ 1,869,739 | £ (1,454,371) |

The notes on pages 9 to 22 form part of these financial statements.

SOAP & GLORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

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 comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of sales taxes and trade discounts, where applicable.

Revenue in respect of license fees receivable is recognised once retail sales have been completed by a licensee.

Revenue in respect of direct sales of goods is recognised when the goods have been dispatched to the customer and substantially all the risks and rewards of ownership have transferred.

1.3 Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation. They are amortised to the Profit and Loss Account over their estimated useful economic life of 10 years.

1.4 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:

| | | |
|------------------------|---|-----------------------|
| Leasehold improvements | - | 3 years straight line |
| Office equipment | - | 3 years straight line |
| Computer equipment | - | 3 years straight line |

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment, if any.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

SOAP & GLORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.10 Pensions

The company contributes to the personal pension plans of employees and the pension charge represents the amounts payable by the company to the pension plans in respect of the year.

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

2. TURNOVER

An analysis of turnover by class of business is as follows:

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|-----------------------------|---|--|
| License fees | 8,062,251 | 6,047,766 |
| Direct sales - external | 3,732,733 | 2,532,268 |
| Direct sales - intercompany | 2,002,857 | 566,436 |
| | <u>£ 13,797,841</u> | <u>£ 9,146,470</u> |

A geographical analysis of turnover is as follows:

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--------------------------|---|--|
| United Kingdom | 7,497,389 | 5,871,366 |
| Rest of European Union | 1,646,418 | 1,676,809 |
| United States of America | 2,002,857 | 566,436 |
| Rest of World | 2,651,177 | 1,031,859 |
| | <u>£ 13,797,841</u> | <u>£ 9,146,470</u> |

3. OPERATING PROFIT

Operating profit is stated after charging:

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---|--|
| Amortisation - intangible fixed assets | 13,382 | 6,001 |
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 123,219 | 65,297 |
| Auditor's remuneration | 14,300 | 14,000 |
| Operating lease rentals: | | |
| - other operating leases | 156,377 | 131,436 |
| Difference on foreign exchange | 128,327 | 63,604 |
| | <u> </u> | <u> </u> |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|-------------------------------|---|--|
| Wages and salaries | 3,635,608 | 2,537,834 |
| Social security costs | 377,670 | 248,976 |
| Other pension costs (Note 23) | 32,195 | 18,806 |
| | £ 4,045,473 | £ 2,805,616 |

The average monthly number of employees, including the directors, during the period was as follows:

| | Period ended 31 March 2014 No. | Year ended 31 December 2012 No. |
|--|---|--|
| Management, administration and operational staff | 51 | 46 |

5. DIRECTORS' REMUNERATION

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|------------|---|--|
| Emoluments | £ 546,329 | £ 103,628 |

6. INTEREST RECEIVABLE

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---|--|
| Interest receivable from group companies | 67,029 | - |
| Other interest receivable | 644 | 49 |
| | £ 67,673 | £ 49 |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|----------------------------------|---------------------------------------|--|
| Other interest payable | 237 | - |
| On loans from group undertakings | 68,110 | 64,615 |
| | <u>£ 68,347</u> | <u>£ 64,615</u> |

8. TAXATION

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|---|---------------------------------------|--|
| Analysis of tax charge in the period/year | | |
| Current tax (see note below) | | |
| UK corporation tax charge on profit for the period/year | 337,793 | 156,592 |
| Adjustments in respect of prior periods | (16,856) | 29,769 |
| Total current tax | <u>320,937</u> | <u>186,361</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 22,958 | (27,530) |
| Effect of decreased tax rate on opening asset/liability | 9,372 | 5,221 |
| Adjustments in respect of prior periods | 15,725 | (31,865) |
| Total deferred tax (see note 15) | <u>48,055</u> | <u>(54,174)</u> |
| Tax on profit on ordinary activities | <u>£ 368,992</u> | <u>£ 132,187</u> |

SOAP & GLORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014

8. TAXATION (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.2% (2012 - 24.5%). The differences are explained below:

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---------------------------------------|--|
| Profit on ordinary activities before tax | £ 1,444,095 | £ 477,966 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.2% (2012 - 24.5%) | 335,030 | 117,102 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 26,284 | 10,167 |
| Difference between capital allowances for year and depreciation | 8,419 | 8,166 |
| Adjustments to tax charge in respect of prior periods | (16,856) | 29,769 |
| Other differences leading to a (decrease)/increase in taxation | (31,940) | 21,157 |
| Current tax charge for the period/year (see note above) | £ 320,937 | £ 186,361 |

Factors that may affect future tax charges

Other than the deferred tax asset shown in note 15, there were no factors that may affect future tax charges.

During the period, the Finance Act 2013 was enacted and included a reduction in the UK main income tax rate from 23% to 21% from 1 April 2014 and a further reduction from 21% to 20% from 1 April 2015. As a result, the deferred tax balance shown in Note 15 has been remeasured.

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

9. INTANGIBLE FIXED ASSETS

| | Patents and trademarks £ |
|-----------------------|---|
| Cost | |
| At 1 January 2013 | 31,421 |
| Additions | 9,870 |
| At 31 March 2014 | <u>41,291</u> |
| Amortisation | |
| At 1 January 2013 | 12,027 |
| Charge for the period | 13,382 |
| At 31 March 2014 | <u>25,409</u> |
| Net book value | |
| At 31 March 2014 | <u>£ 15,882</u> |
| At 31 December 2012 | <u>£ 19,394</u> |

10. TANGIBLE FIXED ASSETS

| | Leasehold improve- ments £ | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|---|-----------------------------------|-------------------------------------|--------------------|
| Cost | | | | |
| At 1 January 2013 | 236,958 | 71,029 | 182,492 | 490,479 |
| Additions | 1,630 | 1,445 | 166,223 | 169,298 |
| At 31 March 2014 | <u>238,588</u> | <u>72,474</u> | <u>348,715</u> | <u>659,777</u> |
| Depreciation | | | | |
| At 1 January 2013 | 182,770 | 69,270 | 84,982 | 337,022 |
| Charge for the period | 26,609 | 3,204 | 93,406 | 123,219 |
| At 31 March 2014 | <u>209,379</u> | <u>72,474</u> | <u>178,388</u> | <u>460,241</u> |
| Net book value | | | | |
| At 31 March 2014 | <u>£ 29,209</u> | <u>£ -</u> | <u>£ 170,327</u> | <u>£ 199,536</u> |
| At 31 December 2012 | <u>£ 54,188</u> | <u>£ 1,759</u> | <u>£ 97,510</u> | <u>£ 153,457</u> |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

11. FIXED ASSET INVESTMENTS

| | Investments in subsidiary undertakings £ |
|-------------------------------------|---|
| Cost | |
| At 1 January 2013 and 31 March 2014 | £ 20,138 |

Subsidiary undertakings

The following were subsidiary undertakings of the company during the year:

| Company name | Country | Percentage Shareholding | Description |
|-------------------------------------|----------------|------------------------------------|------------------------|
| S&G US Holding LLC | USA | 100 % | Non-trading |
| Soap & Glory USA LLC * | USA | 100 % | Wholesale of cosmetics |
| Brandhandling International Limited | BVI | 100 % | Non-trading |
| Soap & Glory GmbH | Germany | 100 % | Marketing support |

* Held indirectly through S&G US Holding LLC.

12. STOCKS

| | 31 March 2014 £ | 31 December 2012 £ |
|-------------------------------------|--------------------------------|-----------------------------------|
| Finished goods and goods for resale | £ 632,869 | £ 675,904 |

13. DEBTORS

| | 31 March 2014 £ | 31 December 2012 £ |
|--|--------------------------------|-----------------------------------|
| Trade debtors | 443,880 | 188,817 |
| Amounts owed by group undertakings (Note 22) | 1,227,632 | 1,211,877 |
| Other debtors | 83,045 | 87,895 |
| Prepayments and accrued income | 1,179,815 | 3,561,133 |
| Deferred tax asset (see note 15) | 39,518 | 87,573 |
| | £ 2,973,890 | £ 5,137,295 |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

14. CREDITORS:

Amounts falling due within one year

| | 31 March 2014 £ | <i>31 December 2012 £</i> |
|--|--------------------------------|-----------------------------------|
| Loans from group undertakings (Note 22) | - | 1,900,000 |
| Trade creditors | 666,282 | 693,116 |
| Amounts owed to group undertakings (Note 22) | 38,572 | 313,561 |
| Corporation tax | 9,245 | 81,538 |
| Other taxation and social security | 731,585 | 119,856 |
| Accruals and deferred income | 685,584 | 838,063 |
| | £ 2,131,268 | <i>£ 3,946,134</i> |

The loans from group undertakings in the prior year represented an amount due to Brand Slam Limited, the immediate parent undertaking. This amount was secured by a fixed and floating charge over the company and all of its assets and bore interest at 3.5% above the Bank of England base rate. The loan was repaid in full in January 2013.

15. DEFERRED TAX ASSET

| | 31 March 2014 £ | <i>31 December 2012 £</i> |
|-------------------------------------|--------------------------------|-----------------------------------|
| At the beginning of the period/year | 87,573 | 33,399 |
| Movement in the period/year | (48,055) | 54,174 |
| At end of period/year | £ 39,518 | <i>£ 87,573</i> |

The deferred tax asset is made up as follows:

| | 31 March 2014 £ | <i>31 December 2012 £</i> |
|--------------------------------|--------------------------------|-----------------------------------|
| Fixed asset timing differences | £ 39,518 | <i>£ 87,573</i> |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

16. SHARE CAPITAL

| | 31 March 2014 £ | <i>31 December 2012 £</i> |
|---|--------------------------------|-----------------------------------|
| Allotted, called up and fully paid | | |
| 700 A shares of £1 each | 700 | <i>700</i> |
| 300 B shares of £1 each | 300 | <i>300</i> |
| | <hr/> | <hr/> |
| | £ 1,000 | <i>£ 1,000</i> |
| | <hr/> | <hr/> |

The A shares and B shares rank pari passu in all respects subject to voting provisions in place to protect the interests of either the A shareholders or the B shareholders in certain circumstances as detailed in the company's articles of association.

17. RESERVES

| | Profit and loss account £ |
|---------------------------------|--|
| At 1 January 2013 | 2,504,683 |
| Profit for the financial period | 1,075,103 |
| | <hr/> |
| At 31 March 2014 | £ 3,579,786 |
| | <hr/> |

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | 31 March 2014 £ | <i>31 December 2012 £</i> |
|--------------------------------------|--------------------------------|-----------------------------------|
| Opening shareholders' funds | 2,505,683 | <i>2,159,904</i> |
| Profit for the financial period/year | 1,075,103 | <i>345,779</i> |
| | <hr/> | <hr/> |
| Closing shareholders' funds | £ 3,580,786 | <i>£ 2,505,683</i> |
| | <hr/> | <hr/> |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---------------------------------------|--|
| Operating profit | 1,444,769 | 542,532 |
| Amortisation of intangible fixed assets | 13,382 | 6,001 |
| Depreciation of tangible fixed assets | 123,219 | 65,297 |
| Decrease/(increase) in stocks | 43,035 | (44,733) |
| Decrease/(increase) in debtors | 2,115,350 | (437,268) |
| Increase in creditors | 157,427 | 293,536 |
| Net cash inflow from operating activities | £ 3,897,182 | £ 425,365 |

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---------------------------------------|--|
| Returns on investments and servicing of finance | | |
| Interest received | 67,673 | - |
| Interest paid | (68,347) | (64,615) |
| Net cash outflow from returns on investments and servicing of finance | £ (674) | £ (64,615) |
| Capital expenditure and financial investment | | |
| Purchase of intangible fixed assets | (9,870) | (5,436) |
| Purchase of tangible fixed assets | (169,298) | (125,171) |
| Net cash outflow from capital expenditure | £ (179,168) | £ (130,607) |
| Acquisitions and disposals | | |
| Purchase of fixed asset investments | £ - | £ (20,137) |

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

| | Period ended 31 March 2014 £ | Year ended 31 December 2012 £ |
|--|---------------------------------------|--|
| Financing | | |
| Repayment of loan from group undertaking | (1,900,000) | (1,750,000) |
| New loan from group companies | £ - | £ 1,900,000 |
| | <u> </u> | <u> </u> |

21. ANALYSIS OF CHANGES IN NET DEBT

| | 1 January 2013 £ | Cash flow £ | Other non-cash changes £ | 31 March 2014 £ |
|---------------------------|------------------------|--------------------|-----------------------------------|-----------------------|
| Cash at bank and in hand | 445,629 | 1,424,110 | - | 1,869,739 |
| Debt: | | | | |
| Debts due within one year | (1,900,000) | 1,900,000 | - | - |
| Net debt | <u>£ (1,454,371)</u> | <u>£ 3,324,110</u> | <u>£ -</u> | <u>£ 1,869,739</u> |

SOAP & GLORY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

22. RELATED PARTY BALANCES AND TRANSACTIONS

At 31 March 2014, the company owed £5,096 (*31 December 2012 - £261,055*) to Brand Slam Limited, the immediate parent undertaking. This amount is unsecured, interest free and repayable on demand.

Also included within loans from group undertakings in creditors at the period end was £Nil (*31 December 2012 - £1,900,000*) owed to Brand Slam Limited. This amount was secured by a fixed and floating charge over the company and all of its assets and bore interest at 3.5% above the Bank of England base rate. Interest of £24,328 (*year ended 31 December 2012 - £32,674*) and commitment fees of £43,781 (*year ended 31 December 2012 - £31,941*) were payable by the company to Brand Slam Limited during the period.

During the period, amounts totalling £19,258 (*year ended 31 December 2012 - £30,070*), including management fees, were recharged by Brand Slam Limited to the company.

At 31 March 2014, £1,227,632 (*31 December 2012 - £1,211,877*) was due from Soap & Glory USA LLC, a subsidiary undertaking. Of this amount, £997,080 (*31 December 2012 - £Nil*) bears interest at 3% above USD LIBOR. Interest of £67,029 (*year ended 31 December 2012 - £Nil*) was payable to the company during the period. The remaining amount is unsecured, interest free and repayable on demand. During the period, sales of £2,002,857 (*year ended 31 December 2012 - £566,436*) were made to Soap & Glory USA LLC.

At 31 March 2014, £2,042 (*31 December 2012 - £12,618*) was owed to FitFlop Limited, a fellow group undertaking. This amount is unsecured, interest free and repayable on demand. During the period, management fees totalling £209,734 (*year ended 31 December 2012 - £166,457*) were charged by FitFlop Limited to the company.

At 31 March 2014, £31,434 (*31 December 2012 - £39,888*) was owed to Soap & Glory GmbH, a subsidiary undertaking. This amount is unsecured, interest free and repayable on demand. During the period costs totalling £351,640 (*year ended 31 December 2012 - £175,229*), including management fees at a mark-up of 5%, were recharged by Soap & Glory GmbH to the company.

During the period, sales of £8,093,372 (*year ended 31 December 2012 - £6,151,278*) were made to S and G Investments Limited, a shareholder in the company, other related undertakings and Boots UK Limited. Included in trade debtors and accrued income at the period end were amounts due from S and G Investments Limited, other related undertakings and Boots UK Limited of £28 (*31 December 2012 - £90,039*) and £1,046,196 (*31 December 2012 - £3,530,253*) respectively.

During the period, stock amounting to £3,555,242 (*year ended 31 December 2012 - £2,499,402*) was purchased from and royalties of £153,164 (*year ended 31 December 2012 - £103,144*) were paid to S and G Investments Limited, other related undertakings and Boots UK Limited. Included in trade creditors and accruals at the period end were amounts due to S and G Investments Limited, other related undertakings and Boots UK Limited of £245,102 (*31 December 2012 - £316,204*) and £24,192 (*31 December 2012 - £44,352*) respectively.

During the period, the company was charged £529,685 (*year ended 31 December 2012 - £103,628*) by Elixir Advisors, a company in which G S Zauder has an interest, in respect of director and consultancy fees. £174,923 (*31 December 2012 - £70,000*) of this amount is included within accruals at the period end.

During the period, the company was charged £16,644 (*year ended 31 December 2012 - £Nil*) by Foia Consultario, a company in which J H J de Raaij has an interest, in respect of director and consultancy fees.

SOAP & GLORY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2014**

23. PENSION COMMITMENTS

The company contributes to the personal pension plans of employees. The assets of the pension plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the pension plans and amounted to £32,195 (*year ended 31 December 2012 - £18,806*). No contributions were payable to the pension plans at the balance sheet date.

24. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | |
|---------------------|---------------------------|-----------------------------|
| | 31 March 2014 | 31 December 2012 |
| | £ | £ |
| Expiry date: | | |
| Within 1 year | 57,173 | 85,854 |

25. PARENT UNDERTAKINGS AND ULTIMATE CONTROLLING PARTY

The immediate parent undertaking at 31 March 2014 was Brand Slam Limited, a company incorporated in England and Wales. Brand Slam Limited was also the parent undertaking of the smallest and largest group for which consolidated financial statements, including the results of the company and its subsidiaries, were prepared. The consolidated financial statements of Brand Slam Limited are available from Companies House.

The ultimate parent undertaking at 31 March 2014 was Hold Firm Limited, a company incorporated in the British Virgin Islands.

The trustees of Ingodwe Trust have a controlling interest in Hold Firm Limited and were therefore considered to be the ultimate controlling party at 31 March 2014.