

Registered number  
3790925

Leasetime Limited  
Report and Accounts  
Period ending  
25 February 2006



**Leasetime Limited**  
**Report and accounts**  
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**Leasetime Limited**  
**Company Information**

**Directors**

P B Saunders  
J A Kett

**Secretary**

I F Rubli

**Auditors**

BDO Stoy Hayward LLP  
8 Baker Street  
London  
W1U 3LL

**Registered office**

Watersmead  
Littlehampton  
West Sussex  
BN17 6LS

**Registered number**

3790925

## **Leasetime Limited**

### **Directors' Report**

The directors present their report and accounts for the 52 weeks ended 25 February 2006.

#### **Principal activities and review of the business**

The company's principal activity during the period continued to be the retail supply of skin and hair care products.

Trading results for the period were in line with expectations. The company is expected to trade in its current form for the foreseeable future.

#### **Results and dividends**

The loss for the period, after taxation, amounted to £148,982 (2005 - £342,825 ). The directors do not recommend payment of a dividend (2005 - nil).

#### **Directors**

The directors who served during the period were as follows:

J A Kett  
P B Saunders

At 25 February 2006 none of the directors had any interest in the share capital of the company.

At 25 February 2006 J A Kett had 223,651 (2005 - 702,699) share options and 5,933 (2005 - nil) performance shares in the company's ultimate parent company, The Body Shop International PLC.

P B Saunders was also a director of the ultimate parent company during the period and his interests in the shares of that company are disclosed in that company's directors' report.

#### **Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

**Leasetime Limited**  
**Directors' Report**

**Elective Resolutions**

On 29th January 2001 the company passed an elective resolution to dispense with the holding of annual general meetings, the laying of accounts and reports before the company in general meetings, and the obligation to appoint auditors annually.

Signed on behalf of the Board



J A Kett  
Director

Date:

28/11/2006

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEASETIME LIMITED**

We have audited the financial statements of Leasetime Limited for the 52 weeks ended 25 February 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 25 February 2006 and of its loss for the 52 weeks then ended and the financial statements have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

Chartered Accountants and Registered Auditors  
London

Date: 20/12/2006

**Leasetime Limited**  
**Profit and Loss Account**  
for the period from 27 February 2005 to 25 February 2006

	Notes	2006 £	2005 £
<b>Turnover</b>	2	2,954,581	2,943,996
Cost of sales		(1,193,651)	(1,545,598)
<b>Gross profit</b>		<u>1,760,930</u>	<u>1,398,398</u>
Administrative expenses		(1,907,628)	(1,826,180)
<b>Operating loss</b>	3	<u>(146,698)</u>	<u>(427,782)</u>
Interest payable		(56,244)	(47,098)
<b>Operating loss on ordinary activities before taxation</b>		<u>(202,942)</u>	<u>(474,880)</u>
Tax on loss on ordinary activities	5	53,960	132,055
<b>Retained loss for the period</b>	10	<u>(148,982)</u>	<u>(342,825)</u>

**Continuing operations**

All amounts relate to continuing activities.

The company has no recognised gains or losses other than the loss for the above two periods.

The notes on pages 7-10 form part of the financial statements

**Leasetime Limited**  
**Balance Sheet**  
**as at 25 February 2006**

	Notes	2006 £	2006 £	2005 £	2005 £
<b>Fixed assets</b>					
Tangible assets	6		81,765		96,928
<b>Current assets</b>					
Debtors	7	53,960		135,075	
<b>Creditors: amounts falling due within one year</b>	8	(991,865)		(939,161)	
<b>Net current liabilities</b>			(937,905)		(804,086)
			(856,140)		(707,158)
<b>Capital and reserves</b>					
Called up share capital	9		50,006		50,006
Profit and loss account	10		(906,146)		(757,164)
<b>Shareholder's deficit</b>	11		(856,140)		(707,158)

The notes on pages 7-10 form part of the financial statements

The financial statements were approved on behalf of the board of directors and authorised for issue on .....28/4/2006

Signed on behalf of the Board



J A Kett  
Director



**Leasetime Limited**  
**Notes to the Accounts**  
**for the period from 27 February 2005 to 25 February 2006**

**1 Accounting policies**

***Accounting convention***

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
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***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 translated 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 applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charges to the profit and loss account on a straight line basis over the term of the lease.

**2 Turnover**

Turnover represents the total amount receivable in the ordinary course of business for goods sold and services provided and excludes value added tax.

Turnover is wholly attributable to the principal activity and arises solely within the United Kingdom.

**3 Operating loss**

2006	2005
£	£

This is stated after charging:

Depreciation of owned fixed assets	23,073	24,630
Operating lease rentals - land and buildings	556,560	539,170

The auditors' remuneration was borne by the ultimate parent company

**4 Directors' emoluments**

No remuneration was received from the company by the directors during the financial period (2005: £nil).

P B Saunders was also a director of the ultimate parent company during the period and his emoluments in respect of services to the group are disclosed in the ultimate parent company's financial statements.

**Leasetime Limited**  
**Notes to the Accounts**  
**for the period from 27 February 2005 to 25 February 2006**

<b>5 Taxation</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>

**Analysis of credit in period**

Current tax:

UK corporation tax on loss of the period	<u>(53,960)</u>	<u>(132,055)</u>
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**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(202,942)</u>	<u>(474,880)</u>
Standard rate of corporation tax in the UK	30%	30%
	<b>£</b>	<b>£</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(60,883)	(142,464)
Effects of:		
Expenses not deductible for tax purposes	<u>6,923</u>	<u>10,409</u>
Current tax charge for period	<u>(53,960)</u>	<u>(132,055)</u>

**6 Tangible fixed assets**

	<b>Short leasehold land and buildings</b>
	<b>£</b>
<b>Cost</b>	
At 27 February 2005	254,556
Additions	7,910
At 25 February 2006	<u>262,466</u>
<b>Depreciation</b>	
At 27 February 2005	157,628
Charge for the period	<u>23,073</u>
At 25 February 2006	<u>180,701</u>
<b>Net book value</b>	
At 25 February 2006	<u>81,765</u>
At 26 February 2005	<u>96,928</u>

**Leasetime Limited**  
**Notes to the Accounts**  
**for the period from 27 February 2005 to 25 February 2006**

<b>7 Debtors</b>			<b>2006</b>	<b>2005</b>
			£	£
Corporation tax recoverable			53,960	135,075
All amounts shown under debtors fall due for payment within one year				
<b>8 Creditors: amounts falling due within one year</b>			<b>2006</b>	<b>2005</b>
			£	£
Amounts owed to group undertakings			991,865	939,161
<b>9 Share capital</b>			<b>2006</b>	<b>2005</b>
			£	£
Authorised:				
Ordinary shares of US\$0.01 each			1,000	1,000
Deferred Shares of £1 each			150,000	150,000
			151,000	151,000
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of US\$0.01 each	1,000	1,000	6	6
Deferred Shares of £1 each	50,000	50,000	50,000	50,000
	51,000	51,000	50,006	50,006
<b>10 Profit and loss account</b>			<b>2006</b>	<b>2005</b>
			£	£
At 27 February 2005			(757,164)	(414,339)
Retained loss			(148,982)	(342,825)
At 25 February 2006			(906,146)	(757,164)
<b>11 Reconciliation of movement in shareholders' funds</b>			<b>2006</b>	<b>2005</b>
			£	£
At 27 February 2005			(707,158)	(364,333)
Loss for the financial period			(148,982)	(342,825)
At 25 February 2006			(856,140)	(707,158)

**Leasetime Limited**  
**Notes to the Accounts**  
**for the period from 27 February 2005 to 25 February 2006**

**12 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and buildings 2006 £</b>	<b>Land and buildings 2005 £</b>
Operating leases which expire:		
within one year	-	-
within two to five years	234,000	234,000
in over five years	384,200	384,250
	<u>618,200</u>	<u>618,250</u>

**13 Going concern**

The financial statements have been prepared on a going concern basis which assumes the continued support of the company's ultimate parent company.

**14 Related parties**

The company has taken advantage of the exemptions laid out in Financial Reporting Standard 8, "Related Party Transactions" not to disclose transactions with entities that are included in the consolidated financial statements of The Body Shop International PLC.

**15 Cash Flow Statement**

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements (Revised 1996)", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

**16 Controlling party**

At 25 February 2006 the company's ultimate parent company and controlling party was The Body Shop International PLC.

Copies of the consolidated financial statements of The Body Shop International PLC are available from Companies House.

Since the year end, a recommended cash offer has been made by L'Oreal S.A to acquire the entire issued share capital of The Body Shop International PLC. On 8th June 2006 the offer to acquire the share capital of The Body Shop International PLC became wholly unconditional.