

Registered number
3790925

**REGISTRAR OF
COMPANIES**

Leasetime Limited

Report and Accounts

28 February 2004



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 28 February 2004.

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 £193,617 (2003 - £194,214). The directors do not recommend payment of a dividend.

Directors

The directors who served during the period were as follows:

A S N Murray (resigned 13 June 2003)
J A Kett
P B Saunders (appointed 13 June 2003)

At 28 February 2004 none of the directors had any interest in the share capital of the company.
At 28 February 2004 J A Kett had 656,777 (2003 - 634,355) share options in the company's ultimate parent company, The Body Shop International Plc.

A S N Murray and P B Saunders were directors of the ultimate parent company during the period and their interests in the shares of that company are disclosed in that company's directors' report.

Directors' responsibilities

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.

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.

Auditors

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to re-appoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

Signed on behalf of the Board



J A Kett
Director

Date:

17/12/2004

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LEASETIME LIMITED

We have audited the financial statements of Leasetime Limited for the 52 weeks ended 28 February 2004 on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

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 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 United Kingdom Auditing Standards.

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 on 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.

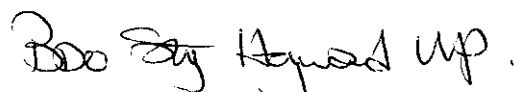
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the company's affairs as at 28 February 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

Chartered Accountants and Registered Auditors
London

Date:

17/12/2004

Leasetime Limited
Profit and Loss Account
for the period from 2 March 2003 to 28 February 2004

| | Notes | 2004 £ | 2003 £ |
|--------------------------------------------------------------|--------------|-------------------------|-------------------------|
| Turnover | 2 | 2,978,650 | 3,693,692 |
| Cost of sales | | (1,563,791) | (2,164,624) |
| Gross profit | | 1,414,859 | 1,529,068 |
| Administrative expenses | | (1,679,678) | (1,785,383) |
| Operating loss on ordinary activities before taxation | 3 | (264,819) | (256,315) |
| Tax on loss on ordinary activities | 5 | 71,202 | 62,101 |
| Retained loss for the period | 10 | <u>(193,617)</u> | <u>(194,214)</u> |

Continuing operations

All amounts relate to continuing activities.

Statement of total recognised gains and losses

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

Leasetime Limited
Balance Sheet
as at 28 February 2004

| | Notes | 2004 £ | 2004 £ | 2003 £ | 2003 £ |
|-------------------------------------------------------|-------|-----------|------------------|-----------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 121,558 | | 159,104 |
| Current assets | | | | | |
| Debtors | 7 | 71,202 | | 65,101 | |
| Creditors: amounts falling due within one year | 8 | (557,093) | | (394,921) | |
| Net current liabilities | | | (485,891) | | (329,820) |
| | | | <u>(364,333)</u> | | <u>(170,716)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 50,006 | | 50,006 |
| Profit and loss account | 10 | | (414,339) | | (220,722) |
| Shareholder's funds: equity | 11 | | <u>(364,333)</u> | | <u>(170,716)</u> |

Signed on behalf of the Board



J A Kett
Director

Date of Approval: 17/12/2004

Leasetime Limited
Notes to the Accounts
for the period from 2 March 2003 to 28 February 2004

| 5 Taxation | 2004 | 2003 |
|---------------------------------------------|-----------------|-----------------|
| | £ | £ |
| Analysis of charge in period | | |
| Current tax: | | |
| UK corporation tax on profits of the period | (71,202) | (65,101) |
| Adjustments in respect of previous periods | - | 3,000 |
| Tax on loss on ordinary activities | <u>(71,202)</u> | <u>(62,101)</u> |

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:

| | 2004 | 2003 |
|----------------------------------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Loss on ordinary activities before tax | <u>(264,819)</u> | <u>(256,315)</u> |
| Standard rate of corporation tax in the UK | 30% | 30% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | (79,446) | (76,895) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 8,244 | 11,794 |
| Adjustments to tax charge in respect of previous periods | - | 3,000 |
| Current tax charge for period | <u>(71,202)</u> | <u>(62,101)</u> |

6 Tangible fixed assets

| | |
|-----------------------|-------------------------------------------|
| | Short leasehold land and buildings |
| | £ |
| Cost | |
| At 2 March 2003 | 288,794 |
| Disposals | <u>(34,238)</u> |
| At 28 February 2004 | <u>254,556</u> |
| Depreciation | |
| At 2 March 2003 | 129,690 |
| Charge for the period | 27,479 |
| On disposals | <u>(24,171)</u> |
| At 28 February 2004 | <u>132,998</u> |
| Net book value | |
| At 28 February 2004 | <u>121,558</u> |
| At 1 March 2003 | <u>159,104</u> |

Leasetime Limited
Notes to the Accounts
for the period from 2 March 2003 to 28 February 2004

| | | | | |
|-------------------------------------------------------------|---------------|---------------|------------------|------------------|
| 7 Debtors | | | 2004 | 2003 |
| | | | £ | £ |
| Corporation tax recoverable | | | <u>71,202</u> | <u>65,101</u> |
| 8 Creditors: amounts falling due within one year | | | 2004 | 2003 |
| | | | £ | £ |
| Amounts owed to group undertakings | | | <u>557,093</u> | <u>394,921</u> |
| 9 Share capital | | | 2004 | 2003 |
| | | | £ | £ |
| Authorised: | | | | |
| Ordinary shares of US\$0.01 each | | | 1,000 | 1,000 |
| Deferred Shares of £1 each | | | <u>150,000</u> | <u>150,000</u> |
| | | | <u>151,000</u> | <u>151,000</u> |
| | 2004 | 2003 | 2004 | 2003 |
| | 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 | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> |
| | <u>51,000</u> | <u>51,000</u> | <u>50,006</u> | <u>50,006</u> |
| 10 Profit and loss account | | | 2004 | 2003 |
| | | | £ | £ |
| At 2 March 2003 | | | (220,722) | (26,508) |
| Retained loss | | | <u>(193,617)</u> | <u>(194,214)</u> |
| At 28 February 2004 | | | <u>(414,339)</u> | <u>(220,722)</u> |
| 11 Reconciliation of movement in shareholder's funds | | | 2004 | 2003 |
| | | | £ | £ |
| At 2 March 2003 | | | (170,716) | 23,498 |
| Loss for the financial period | | | <u>(193,617)</u> | <u>(194,214)</u> |
| At 28 February 2004 | | | <u>(364,333)</u> | <u>(170,716)</u> |

Leasetime Limited
Notes to the Accounts
for the period from 2 March 2003 to 28 February 2004

12 Other financial commitments

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

| | Land and buildings 2004 £ | Land and buildings 2003 £ |
|--------------------------------|------------------------------------|------------------------------------|
| Operating leases which expire: | | |
| within one year | 3,284 | - |
| within two to five years | - | 249,950 |
| in over five years | 495,000 | 277,500 |
| | <u>498,284</u> | <u>527,450</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 28 February 2004 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.