

Registered number
3790926

Lordmark Limited
Report and Accounts
29 December 2007

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Lordmark Limited
Report and Accounts
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Lordmark Limited
Company Information

Directors

S Gasperment
C A Lambert

Secretary

I F Rubli

Auditors

Deloitte & Touche LLP
Southampton
United Kingdom

Bankers

Barclays Bank PLC
Level 11
1 Churchill Place
London
E14 5HP

Solicitors

Baker & McKenzie
100 New Bridge Street
London
EC4V 6JA

Registered office

Watersmead
Littlehampton
West Sussex
BN17 6LS

Registered number

3790926

Lordmark Limited Directors' Report

The directors present their report and accounts for the 52 week period ended 29 December 2007

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) and 246(4)(a) of the Companies Act 1985

Principal activities

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

Directors

The following directors served during the period and to the date of signing

S Gasperment (appointed 12 May 2008)
P B Saunders (resigned 12 May 2008)
J A Kett (resigned 23 November 2007)
C A Lambert (appointed 23 November 2007)

Charitable donations

During the period, the Company made charitable donations totalling £2,014 (2006 Nil)

Statement of directors' responsibilities

The directors are responsible for preparing the report and accounts 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). The financial statements are required by law to 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 estimates that are reasonable and prudent, 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 proper accounting records that 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 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.

Lordmark Limited
Directors' Report

Disclosure of information to auditors

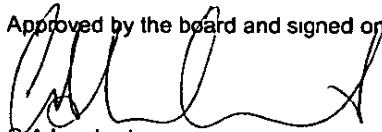
So far as each director at the date of approval of this report is aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting

Approved by the board and signed on its behalf by



C A Lambert
Director
7 October 2008

**Lordmark Limited
Independent Auditors' Report
to the members of Lordmark Limited**

We have audited the financial statements of Lordmark Limited for the 52 week period ended 29 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other 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.

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.

Lordmark Limited
Independent Auditors' Report
to the members of Lordmark Limited

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 29 December 2007 and of its profit for the 52 weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Southampton, United Kingdom

10 October 2008

Lordmark Limited
Profit and Loss Account
for the 52 week period ended 29 December 2007

	Notes	52 week period ended 29/12/07 £	44 week period ended 30/12/06 £
Turnover		613,197	509,319
Cost of sales		(290,042)	(264,846)
Gross profit		<u>323,155</u>	<u>244,473</u>
Administrative expenses		<u>(312,604)</u>	<u>(257,292)</u>
Operating profit/(loss)	2	10,551	(12,819)
Interest receivable	5	18,299	18,031
Profit on ordinary activities before taxation		<u>28,850</u>	<u>5,212</u>
Tax on profit on ordinary activities	6	(8,655)	(2,098)
Profit for the period	11	<u>20,195</u>	<u>3,114</u>

Continuing operations

None of the Company's activities were acquired or discontinued during the above two periods

The Company has no recognised gains or losses other than the profits for the above two periods
Accordingly no statement of total recognised gains and losses has been presented

The notes on pages 8-12 form part of the financial statements

Lordmark Limited
Balance Sheet
as at 29 December 2007

	Notes	29/12/07 £	29/12/07 £	30/12/06 £	30/12/06 £
Fixed assets					
Tangible assets	7		-		8,584
Current assets					
Debtors	8	291,322		280,367	
Creditors amounts falling due within one year	9	(8,655)		(26,479)	
Net current assets			282,667		253,888
Net assets			<u>282,667</u>		<u>262,472</u>
Capital and reserves					
Called up share capital	10		108		108
Profit and loss account	11		282,559		262,364
Shareholders' funds	12		<u>282,667</u>		<u>262,472</u>

Approved by the board and signed on its behalf by



C A Lambert
Director
7 October 2008

Lordmark Limited
Notes to the Financial Statements
for the 52 week period ended 29 December 2007

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Turnover

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

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

Turnover is recognised as follows

Sale of goods

Turnover is recognised when the product is sold to the customer. Sales are usually in cash or by credit card. The recorded turnover is the gross amount of the sale, including credit card fees payable for the transaction

Tangible fixed assets

The tangible fixed assets consisted of short leasehold land and buildings and were shown at cost less depreciation

Depreciation

Up until the date of disposal, depreciation was provided at the following rates in order to write off the assets over their estimated useful lives

Leasehold land and buildings	over the lease term
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Taxation

The charge for current tax is based on the results for the period as adjusted for items which are non taxable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date

Operating lease commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the term of the lease

Pensions

Employees are entitled to participate in the immediate holding company's defined contribution pension scheme. Contributions payable to the scheme are charged to the profit and loss account in the period to which they relate

Lordmark Limited
Notes to the Financial Statements
for the 52 week period ended 29 December 2007

	52 week period ended 29/12/07 £	44 week period ended 30/12/06 £
2 Operating profit/(loss)		
This is stated after charging		
Depreciation of owned fixed assets	1,069	1,781
Operating lease rentals - land and buildings	<u>99,368</u>	<u>70,884</u>

The fee for the audit of the Company's financial statements was £500 (2006: £500) which was borne by the parent company, The Body Shop International PLC

3 Directors' emoluments

None of the directors received any emoluments from the Company during the period. All directors receive remuneration from The Body Shop International PLC as directors or employees of that company and it is not appropriate, because of the non-executive nature of their services, to make an apportionment of their emoluments in respect of the Company.

	52 week period ended 29/12/07 £	44 week period ended 30/12/06 £
4 Staff costs		
Wages and salaries	68,275	49,980
Social security costs	5,126	3,212
Other pension costs	<u>1,240</u>	<u>1,220</u>
	<u>74,641</u>	<u>54,412</u>

	52 week period ended 29/12/07 £	44 week period ended 30/12/06 £
5 Interest receivable		
Interest receivable from group undertakings	<u>18,299</u>	<u>18,031</u>

Lordmark Limited
Notes to the Financial Statements
for the 52 week period ended 29 December 2007

	52 week period ended 29/12/07 £	44 week period ended 30/12/06 £
6 Taxation		
Current tax		
UK corporation tax on profits of the period	8,655	2,098
Tax on profit on ordinary activities	8,655	2,098

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

Profit on ordinary activities before tax	28,850	5,212
Standard rate of corporation tax in the UK	30%	30%
Profit on ordinary activities multiplied by the standard rate of corporation tax	8,655	1,564
Expenses not deductible for tax purposes	-	534
Current tax credit for period	8,655	2,098

7 Tangible fixed assets

	Short leasehold land and buildings £
Cost	
At 31 December 2006	20,992
Transfers*	(20,992)
At 29 December 2007	-
Depreciation	
At 31 December 2006	12,408
Charge for the period	1,069
On transfers*	(13,477)
At 29 December 2007	-
Net book value	
At 29 December 2007	-
At 30 December 2006	8,584

* The transfers during the period consisted of short leasehold land and buildings transferred to the Company's parent company, The Body Shop International PLC, at net book value

Lordmark Limited
Notes to the Financial Statements
for the 52 week period ended 29 December 2007

8 Debtors	29/12/07	30/12/06
	£	£
Amounts owed by group undertakings	<u>291,322</u>	<u>280,367</u>

The above intercompany balance attracts interest at a rate of 6.5% (2006 6.5%)

9 Creditors: amounts falling due within one year	29/12/07	30/12/06
	£	£
Amounts owed to group undertakings	-	24,381
Corporation tax	<u>8,655</u>	<u>2,098</u>
	<u>8,655</u>	<u>26,479</u>

The above intercompany balance attracts interest at a rate of 6.5% (2006 6.5%)

10 Share capital	29/12/07	30/12/06
	£	£
Authorised		
Ordinary 'A' shares of £1 each	500	500
Ordinary 'B' shares of £1 each	<u>500</u>	<u>500</u>
	<u>1,000</u>	<u>1,000</u>

	29/12/07	30/12/06	29/12/07	30/12/06
	No	No	£	£
Allotted, called up and fully paid				
Ordinary 'A' shares of £1 each	54	54	54	54
Ordinary 'B' shares of £1 each	<u>54</u>	<u>54</u>	<u>54</u>	<u>54</u>
			<u>108</u>	<u>108</u>

11 Profit and loss account	29/12/07	30/12/06
	£	£
At beginning of period	262,364	259,250
Profit for the period	<u>20,195</u>	<u>3,114</u>
At end of period	<u>282,559</u>	<u>262,364</u>

12 Reconciliation of movement in shareholders' funds	29/12/07	30/12/06
	£	£
At beginning of period	262,472	259,358
Profit for the period	<u>20,195</u>	<u>3,114</u>
At end of period	<u>282,667</u>	<u>262,472</u>

Lordmark Limited
Notes to the Financial Statements
for the 52 week period ended 29 December 2007

13 Pension commitments

The Company participates in the immediate group defined contribution pension scheme. The assets of the scheme are held separately from those in the group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. The contributions outstanding at the period end are £Nil (2006 £Nil).

14 Other financial commitments

29/12/07	30/12/06
£	£

At the period end the Company had annual commitments under non-cancellable land and building operating leases as set out below

Operating leases which expire
within two to five years

-	79,500
-	79,500

15 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 its ultimate parent company, L'Oreal SA.

16 Controlling party

At 29 December 2007 the Company's immediate parent company is The Body Shop International PLC and the Company's ultimate parent company is L'Oreal SA, a company incorporated in France and listed on the French stock market. L'Oreal SA is the parent of both the smallest and the largest groups in which the Company is a member.

Copies of the consolidated financial statements of L'Oreal SA may be obtained from its registered office at 31 Rue Matre, 92117, Clichy, France.

The controlling party is the immediate parent company The Body Shop International PLC as it has the ability to direct the financial and operating policies of the Company with a view to gaining economic benefits from its activities.

The ultimate controlling party is L'Oreal SA.