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Company Registration No. 03922046

Benefit Cosmetics Limited

Report and Financial Statements

31 December 2013

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Benefit Cosmetics Limited

Report and financial statements 2013

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Benefit Cosmetics Limited

Report and financial statements 2013

Officers and professional advisers

Directors

Hugues Dusseaux
Jean-Andre Rougeot
Andrea Lansbury

Registered Office

Greenwood House
91-99 New London Road
Chelmsford
Essex
CM2 0PP

Bankers

National Westminster Bank PLC
City of London Office
1 Princess Street
London
EC2R 8PA

Solicitors

Birketts LLP
Brierly Place
New London Road
Chelmsford
Essex
CM2 0AP

Auditor

Deloitte LLP
Chartered Accountants and Registered Auditor
London

Benefit Cosmetics Limited

Strategic report

To the members of Benefit Cosmetics Limited

The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Financial results and future prospects

The Company's results for the year are set out in the profit and loss account on page 7. The profit before taxation for the year was £5,384,723 (2012: £3,948,869).

As shown in the Company's profit and loss account on page 7, the Company's revenue has increased in the year by 7%, primarily due to an increase in sales. Profit after tax increased by 36% due to a largely stable cost base.

The Company's balance sheet on page 8 of the financial statements shows the Company's net asset position at £22.4m at the end of the period.

Average staff numbers have increased from 378 in 2012 to 435 in 2013.

The Company plans to continue to introduce strong new product lines and expand both its wholesale and retail operations in 2014. The Company will increase the number of counters in large department stores by extending its offering of brow bar services. The Company will also reinvigorate and focus on marketing and digital media strategies to increase brand awareness and market share.

Principal risks and uncertainties

The key commercial risks relate to the strength of other brands in the market place and the condition of the retail market, with interest rates and fiscal drivers influencing consumer spending.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Going concern

The Directors expect the Company to continue to generate positive cash flows on its own account. On the basis of assessment of the Company's forecasted financial position the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future, thus continue to adopt the going concern basis of accounting in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policy note.

Approval

This report was approved by the Board of Directors on ~~27 Aug~~ 2014 and signed on its behalf by:



Andrea Lansbury

Director

Benefit Cosmetics Limited

Directors' report (continued)

The Directors present their report and financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £4,129,546 (2012: profit £3,039,966). The Directors recommended and paid an interim dividend of £739,283 (2012: nil) and a final ordinary dividend during the year of £1,584,000 (2012: £nil).

Principal activities and review of the business

The principal activity of the Company during the year was the wholesale and distribution of cosmetic, skincare and fragrance products in the United Kingdom.

The Company's key financial and other performance indicators during the year were as follows:

	2013 £'000	2012 £'000	Change %
Turnover	67,431	63,038	+7%
Operating profit	5,316	3,940	+35%
Profit before tax	5,384	3,949	+36%
Equity shareholders' funds	22,474	20,669	+9%
Current assets as % of current liabilities	215%	291%	-26%
Average number of employees	435	378	+15%

Directors of the Company

The current Directors are shown on page 1.

Charitable donations

During the year the Company made charitable donations of £22,713 (2012: £24,923). £16,540 (2012: £20,000) of this was donated to the national charity Refuge, the balance to local charities serving the communities in which the Company operates.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

Regular meetings are held between local management and employees to allow a free flow of information and ideas. These meetings also provide employees with an opportunity to give feedback or inquire about any topics of concern.

Benefit Cosmetics Limited

Directors' report (continued)

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board on ~~27 AUGUST~~ 2014



Andrea Lansbury
Director

Benefit Cosmetics Limited

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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.

Independent auditor's report to the members of Benefit Cosmetics Limited

We have audited the financial statements of Benefit Cosmetics Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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 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 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 December 2013 and of its profit 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 matters prescribed by the Companies Act 2006

In our opinion the information in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Georgina Robb FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

9 Sept 2014

Benefit Cosmetics Limited

Profit and loss account Year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	67,430,955	63,037,592
Cost of sales		(35,212,734)	(34,173,334)
Gross profit		<u>32,218,221</u>	<u>28,864,258</u>
Distribution costs		(1,978,857)	(1,564,976)
Administrative expenses		(24,923,231)	(23,359,176)
Operating profit	3	<u>5,316,133</u>	<u>3,940,106</u>
Interest receivable and similar income	6	72,408	12,128
Interest payable and similar charges	7	(3,818)	(3,365)
Profit on ordinary activities before taxation		<u>5,384,723</u>	<u>3,948,869</u>
Tax charge on profit on ordinary activities	8	(1,255,177)	(908,903)
Profit retained for the financial year	17	<u><u>4,129,546</u></u>	<u><u>3,039,966</u></u>

The above profit is from continuing operations.

There are no recognised gains or losses other than as shown above.

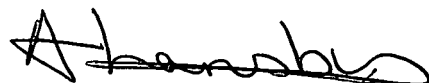
Benefit Cosmetics Limited

Balance sheet 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	9	3,002,936	2,794,398
Investments	10	1	1
		<u>3,002,937</u>	<u>2,794,399</u>
Current assets			
Stocks	11	532,911	10,365,212
Debtors	12	35,758,986	16,799,905
Cash at bank		85,347	81,713
		<u>36,377,244</u>	<u>27,246,830</u>
Creditors: amounts falling due within one year	13	<u>(16,905,197)</u>	<u>(9,372,508)</u>
Net current assets		<u>19,472,047</u>	<u>17,874,322</u>
Total assets less current liabilities		<u>22,474,984</u>	<u>20,668,721</u>
Capital and reserves			
Called up share capital	16	2,000,100	2,000,100
Profit and loss account	17	20,474,884	18,668,621
		<u>22,474,984</u>	<u>20,668,721</u>
Shareholders' funds	17	<u>22,474,984</u>	<u>20,668,721</u>

The financial statements of Benefit Cosmetics Limited, registered number 03922046 were approved by the Board of Directors on 27 August 2014.

Signed on behalf of the Board of Directors



Andrea Lansbury
Director

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies

Basis of preparation

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the Company and the principal risks and uncertainties the Company is exposed to.

The Company is part of the LVMH Group which operates under an "Automatic Short-term Cash-pool system". The various companies of the LVMH Group pool their cash operations in order to rationalise the management of available funds and financial requirements existing within the Group. The effect of the Cash-pool system within the LVMH Group is that Benefit Cosmetics Ltd does not have an external third party cash balance.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the Company is a wholly owned subsidiary and the group financial statements in which the Company is included are publicly available.

Basis of consolidation

In accordance with the exemption allowed by section 400 of the Companies Act 2006, the Company has not presented group financial statements. These financial statements therefore provide information about the Company as an individual undertaking and not about its group.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold improvements	– Over the life of the lease
Store fittings	– 3 to 5 years
Office furniture and equipment	– 3 to 7 years
Motor vehicles	– 3 years

Assets under construction are not depreciated until brought into use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Benefit Cosmetics Limited

Notes to the financial statements **Year ended 31 December 2013**

1. Accounting policies (continued)

Fixed asset investments

The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value less provision for impairment.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to bring the item to completion and/or disposal.

Due to a reorganisation in the group supply chain, the main holding of inventory held for resale was sold back to the parent company Benefit LLC on 1 January 2013. The sale was at its net book value of £10.2m.

Taxation

Current tax, including UK corporation tax, is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 retranslated 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 payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The Company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Returns policy

The Company may accept the return of unsold or outdated products from their customers. Where this practice is applied, revenue and the corresponding trade receivables are reduced by the amount of such returns. The estimated rate of returns is based on statistics of historical returns.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and group undertakings in respect of sales of cosmetics, fragrances and services. All amounts relate to continuing activities and can be analysed as follows:

	United Kingdom		Rest of Europe		Rest of World		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	£	£	£	£	£	£	£	£
Third party	57,223,327	50,342,885	-	82,375	-	-	57,223,327	50,425,260
Group undertakings	-	-	20	12,612,332	10,207,608	-	10,207,628	12,612,332
	<u>57,223,327</u>	<u>50,342,885</u>	<u>20</u>	<u>12,694,707</u>	<u>10,207,608</u>	<u>-</u>	<u>67,430,955</u>	<u>63,037,592</u>

3. Operating profit

This is stated after charging:

	2013	2012
	£	£
Auditor remuneration – audit services	28,500	26,400
– non audit services (tax services)	-	-
Depreciation of owned fixed assets	1,346,700	1,316,349
Foreign exchange (gain)/loss	(61,250)	90,421
Loss on disposal of fixed assets	93,432	337,816
Operating lease rentals – land and buildings	848,975	707,735
– plant and machinery	338,940	307,105
	<u>1,346,700</u>	<u>1,316,349</u>

4. Directors' emoluments

	2013	2012
	£	£
Aggregate remuneration in respect of qualifying services	<u>118,989</u>	<u>144,324</u>

During 2013, £nil (2012: £18,750) was payable to one Director as compensation for loss of office.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

5. Staff costs

	2013 £	2012 £
Wages and salaries	8,731,704	7,570,437
Social security costs	783,915	682,176
Staff pension contributions (note 14)	114,040	93,734
	<u>9,629,659</u>	<u>8,346,347</u>

The monthly average number of employees during the year was as follows:

	2013 £	2012 £
Administrative staff	52	51
Sales staff	382	327
	<u>434</u>	<u>378</u>

6. Interest receivable and similar income

	2013 £	2012 £
Interest receivable from group undertakings	72,408	10,197
Interest receivable on overpayment of corporation tax	-	1,931
Other interest receivable	-	-
	<u>72,408</u>	<u>12,128</u>

7. Interest payable and similar charges

	2013 £	2012 £
Interest payable on underpayment of corporation tax	3,818	-
Interest payable to group undertakings	-	3,242
Other interest payable	-	123
	<u>3,818</u>	<u>3,365</u>

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax	1,469,281	1,096,095
Adjustments in respect of previous periods	(18,884)	(142,924)
Total current tax (note 8(b))	1,450,397	953,171
Deferred tax:		
Origination and reversal of timing differences (note 8 (c))	(152,429)	(73,558)
Adjustment in respect of previous periods (note 8 (c))	(42,791)	29,290
Total deferred tax (note 8 (c))	(195,220)	(44,268)
Tax on profit on ordinary activities	1,255,177	908,903

(b) Factors affecting current tax charge

The differences are reconciled below:

	2013 £	2012 £
Profit on ordinary activities before taxation	5,384,846	3,948,869
Profit on ordinary activities for the year multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.50%)	1,251,791	967,473
Disallowed expenses and non-taxable income	40,316	38,092
Capital allowances in arrears of depreciation	187,267	81,354
Adjustments in respect of previous periods	(18,884)	(142,923)
Other timing differences	(10,093)	9,175
Total current tax (note 8(a))	1,450,397	953,171

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

8. Tax (continued)

(c) Deferred tax

	2013 £	2012 £
Capital allowances in arrears of depreciation	407,362	202,539
Other timing differences	5,668	15,271
Deferred tax asset (note 12)	<u>413,030</u>	<u>217,810</u>
		£
At 31 December 2012		217,810
Profit and loss account (note 8 (a))		152,429
Adjustments in respect of prior years (note 8 (a))		<u>42,791</u>
At 31 December 2013		<u>413,030</u>

Budget announcements

Within the UK 2013 Budget on the 20th March 2013 it was announced that the UK corporation tax rate would reduce to 20% by 2015.

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1st April 2014) and 20% (effective from 1st April 2015) were substantively enacted on 2nd July 2013.

The deferred tax liability reported at 31 December 2013 has been calculated based on the 20% tax rate substantively enacted at the balance sheet date.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

9. Tangible fixed assets

	Leasehold improvements £	Store fittings £	Office furniture and equipment £	Assets under construction £	Total £
Cost					
At 1 January 2013	431,035	5,233,514	397,324	-	6,061,873
Additions	444,342	1,113,544	77,790	12,994	1,648,670
Disposals	(81,549)	(192,511)	(10,648)	-	(284,708)
Transfers	-	-	-	-	-
At 31 December 2013	793,828	6,154,547	464,466	12,994	7,425,835
Depreciation					
At 1 January 2013	287,766	2,718,034	261,675	-	3,267,475
Provided during the year	87,115	1,174,391	85,194	-	1,346,700
Disposals	(37,254)	(143,766)	(10,256)	-	(191,276)
At 31 December 2013	337,627	3,748,659	336,613	-	4,422,899
Net book value					
At 31 December 2013	456,201	2,405,888	127,853	12,994	3,002,936
At 31 December 2012	143,269	2,515,480	135,649	-	2,794,398

10. Fixed asset investments

	£
At 1 January 2013 and 31 December 2013	1

The above investment represents 100% of the issued ordinary share capital of Benefit Cosmetics Ireland Limited, a company registered in Ireland. Benefit Cosmetics Ireland's principal activity is the wholesale and distribution of cosmetics and skincare products within Ireland.

11. Stocks

	2013 £	2012 £
Finished goods	532,911	10,365,212

The difference between purchase price of stocks and their replacement cost is not material.

Due to a reorganisation in the group supply chain, the main holding of inventory held for resale was sold back to the parent company Benefit LLC on 1 January 2013. The sale was at its net book value of £10.2m.

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

12. Debtors

	2013 £	2012 £
Trade debtors	12,597,219	8,156,917
Amounts owed by group undertakings	21,940,569	7,730,452
Other debtors	808,168	694,726
Deferred tax asset (note 8(c))	413,030	217,810
	<u>35,758,986</u>	<u>16,799,905</u>

13. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	389,350	265,461
Amounts owed to group undertakings	7,707,773	5,025,956
Corporation tax	765,863	638,590
Other taxation and social security	2,917,537	272,036
Other creditors	4,464,860	2,533,727
Accruals and deferred income	659,814	636,738
	<u>16,905,197</u>	<u>9,372,508</u>

14. Pensions

The Company operates a defined contribution pension scheme for its Directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The unpaid contributions outstanding at the year end, included in 'Other creditors' (note 13), are £8,768 (2012: £9,885).

15. Commitments under operating leases

At 31 December 2013 the Company had annual commitments under non-cancellable operating leases as set out below:

	2013		2012	
	Land and buildings £	Plant and machinery (other) £	Land and buildings £	Plant and machinery (other) £
Operating leases which expire:				
Within one year	147,116	42,941	-	30,606
In two to five years	817,650	307,836	419,766	220,231
In over five years	94,500	-	185,350	-
	<u>1,059,266</u>	<u>350,777</u>	<u>605,116</u>	<u>250,837</u>

Benefit Cosmetics Limited

Notes to the financial statements Year ended 31 December 2013

16. Issued share capital

	2013 £	2012 £
Allotted, called up and fully paid		
2,000,100 ordinary shares of £1 each	2,000,100	2,000,100

17. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 31 December 2011	2,000,100	15,628,655	17,628,755
Profit for the year	-	3,039,966	3,039,966
At 31 December 2012	2,000,100	18,668,621	20,668,721
Profit for the year	-	4,129,546	4,129,546
Dividend paid	-	(2,323,283)	(2,323,283)
At 31 December 2013	2,000,100	20,474,884	22,474,984

18. Ultimate parent undertaking and controlling party

The Directors regard LVMH Moët Hennessy-Louis Vuitton SA, a company incorporated in France, as the ultimate parent undertaking and controlling party. In preparation of these financial statements advantage has been taken of the exemption in paragraph 3(c) of FRS 8 not to disclose transactions with other members of the wholly owned group.

Benefit Cosmetics LLC, a company incorporated in the USA is the parent of the smallest group of which the Company is a member and for which group financial statements are prepared. Copies of these financial statements can be obtained from 225 Bush Street, 20th Floor, San Francisco, CA 94104.

LVMH Moët Hennessy-Louis Vuitton SA is the parent undertaking of the largest group of which Benefit Cosmetics Limited is a member and for which group financial statements are drawn up. Copies of these group financial statements are available from 22 Avenue Montaigne, 75008 Paris, France.