Company Registration No. 03783921 (England and Wales)

BEAUTY WHOLESALE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

BEAUTY WHOLESALE LIMITED

COMPANY INFORMATION

Director	Mr G Nasser
Secretary	Mrs F Nasser
Company number	03783921
Registered office	FLS Accounting Solutions Limited T/A SP Vinshaw UCB House 3 George Street Watford Hertfordshire England WD18 0BX
Auditor	FLS Accounting Solutions Limited T/A SP Vinshaw UCB House 3 George Street Watford Hertfordshire England WD18 0BX
Business address	Mamado House 8 Parr Road Stanmore HA7 1NP

BEAUTY WHOLESALE LIMITED

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BEAUTY WHOLESALE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his annual report and financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the company continued to be that of import, export and distribution of the hair and beauty products in UK, European and other overseas markets.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr G Nasser

Results and dividends
No dividends is proposed for the year

Financial instruments
Financial assets, such as trade debtors and trade creditors, arise directly from the company's operating activities and expose the company to credit and cash flow risk. The company is also exposed to price risk in relation to stock purchases and exchange risk associated with foreign currency purchases and sales. The company enters into forward exchange contracts to help mitigate this risk.

Future developments
The director is continually looking at ways to improve the company's focus on customer service. Changes in IT designed to improve efficiency and better means of communication are key to making added value changes to the company.

Improvements in the whole aspect of the supply chain are key factors in adding to the future success and growth of the company. The director is keen to control, in this uncertain future market with rising costs, customer service, efficiency, and added value products which are perceived to be key to future growth.

The future of the company will depend on achieving the aforementioned key points of IT, communication, customer service, efficiency, quality and availability of product. The company's strategy is to maintain and grow within the industry and establish virgin markets in Europe and Africa.

Auditor
The auditor, FLS Accounting Solutions Limited T/A SP Vinshaw, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities
The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.
On behalf of the board

Mr G Nasser
Director
29 September 2017

BEAUTY WHOLESALE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	**5**		998,650		961,106
Current assets					
Stocks	**7**	5,282,064		3,685,139	
Debtors	**8**	2,643,225		2,557,051	
Cash at bank and in hand		449,407		680,184	
		8,374,696		6,922,374	
Creditors: amounts falling due within one year	**9**	(7,353,477)		(5,985,121)	
Net current assets			1,021,219		937,253
Total assets less current liabilities			2,019,869		1,898,359
Creditors: amounts falling due after more than one year	**10**		(102,626)		(53,460)
Provisions for liabilities	**11**		(178,729)		(171,221)
Net assets			1,738,514		1,673,678
Capital and reserves					
Called up share capital	**12**		1		1
Profit and loss reserves			1,738,513		1,673,677
Total equity			1,738,514		1,673,678

BEAUTY WHOLESALE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 29 September 2017

Mr G Nasser
Director

Company Registration No. 03783921

1 Accounting policies

Company information

Beauty Wholesale Limited is a company limited by shares incorporated in England and Wales. The registered office is UCB House, 3 George Street, Watford, Hertfordshire, England, WD18 0BX.

1.1 Accounting convention

These financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Information on the impact first-time adoption of FRS 102 is given in note 23

The following principal accounting policies have been applied:

These financial statements for the year ended 31 December 2016 are the first financial statements of Beauty Wholesale Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 Accounting policies **(Continued)**

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	10% - 25% reducing balance method
Fixtures, fittings & equipment	25% reducing balance method
Delivery Vans	25% reducing balance method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management

1 Accounting policies **(Continued)**

1.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2 Judgements and key sources of estimation uncertainty

In preparing these financial statements the directors have made the following judgements:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock

Stocks are valued at the lower of cost or net realisable value. In order to establish an appropriate cost of the stock, the cumulative value of the last purchase price, the cost of duty, commission and shipping are taken into account. These costs are re-assessed on an annual basis. Net realisable value is resale price less any further sales costs and discounts.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Finance and management	4	4
Administrative and sales staff	11	9
Warehouse operatives	14	13
	29	26

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	646,629	363,749
Social security costs	28,917	24,417
	675,546	388,166

4 Director's remuneration

	2016 £	2015 £
Remuneration for qualifying services	48,000	48,000

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Delivery Vans	Total
	£	£	£	£
Cost				
At 1 January 2016	975,147	210,054	302,509	1,487,710
Additions	82,278	69,888	20,347	172,513
At 31 December 2016	1,057,425	279,942	322,856	1,660,223
Depreciation and impairment				
At 1 January 2016	277,776	176,047	72,781	526,604
Depreciation charged in the year	71,484	25,974	37,511	134,969
At 31 December 2016	349,260	202,021	110,292	661,573
Carrying amount				
At 31 December 2016	708,165	77,921	212,564	998,650
At 31 December 2015	697,371	34,007	229,728	961,106

6 Financial instruments

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,550,211	2,353,213
Financial liabilities		
Financial liabilities measured at amortised cost	7,407,197	5,990,640

7 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	5,282,064	3,685,139

8 Debtors

	2016	2015
Amounts falling due within one year:	£	£
Trade debtors	2,550,211	2,353,213
Other debtors	59,686	170,510
Prepayments and accrued income	33,328	33,328
	2,643,225	2,557,051

9 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases		55,214	55,214
Trade creditors		5,042,619	3,743,878
Amounts due to group undertakings		1,548,123	1,399,623
Corporation tax		48,906	47,941
Other creditors		594,230	674,080
Accruals and deferred income		64,385	64,385
		7,353,477	5,985,121

10 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases		102,626	53,460

11 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities		178,729	171,221
		178,729	171,221

12 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary shares of £1 each	1	1

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Sadikali Gulamabbas Premji FCCA.
The auditor was FLS Accounting Solutions Limited T/A SP Vinshaw.

14 Contingent liabilities

The company has given guarantees and charges over its assets in favour of other group companies in support of certain borrowings of those companies. At the balance sheet date the amount outstanding under these borrowings was approximately £2.92 million.

15 Related party transactions

The company has taken advantage of exemption under section 33.1A of FRS 102, from the requirement to disclose transactions with wholly owned members of the group.

Included within other creditors is an amount of £594,230 (2015: £674,080) owed to G Nasser, a director of the company.

16 Controlling party

The company's ultimate parent undertaking is KMS Holdings Limited, a company incorporated in England and Wales under company registration number 06276544

The ultimate controlling party is Mr G Nasser, by the virtue of holding the entire issued share capital KMS Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.