

REGISTERED NUMBER: SC080712 (Scotland)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

FOR

PROFESSIONAL BEAUTY SYSTEMS LIMITED

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PROFESSIONAL BEAUTY SYSTEMS LIMITED
CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Page
Company Information	1
Strategic Report	2
Directors' Report	3
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Notes to the Abbreviated Accounts	7

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

DIRECTORS:

B Aitken
G P Hegarty
S J Macdonough
S McPartland

SECRETARY:

B Aitken

REGISTERED OFFICE:

3 Newmains Avenue
Inchinnan Business Park
Renfrew
PA4 9RR

REGISTERED NUMBER:

SC080712 (Scotland)

AUDITORS:

Consilium Audit Limited
169 West George Street
Glasgow
G2 2LB

PROFESSIONAL BEAUTY SYSTEMS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their strategic report for the year ended 30 September 2013.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

During the course of the year the company continued to manufacture and sell professional haircare and beauty products to the trade, the turnover of the company increased by 17.6% and profits before tax increased by 27.9%.

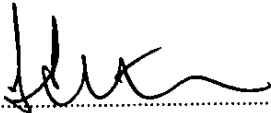
At the year end the company had shareholders funds of £10,084,778 including distributable profits of £10,084,678. The directors therefore believe the company's position to be satisfactory especially as the company's net current assets exceed its current liabilities by £9,272,947.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the main risk facing the company as being from the increased costs of raw materials, energy costs and competition from other manufacturers in similar operations.

The directors believe that the quality of our products and customer service will help mitigate this risk and hope to see continued growth and satisfactory trading results in coming year.

ON BEHALF OF THE BOARD:



.....
B Aitken - Secretary

Date: 25.6.14

PROFESSIONAL BEAUTY SYSTEMS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and the financial statements of the company for the year ended 30 September 2013.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the manufacture and sale of professional haircare and beauty products to the trade.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2012 to the date of this report.

B Aitken
G P Hegarty
S J Macdonough
S McPartland

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

RSM Tenon entered into administration on 22 August 2013 and was subsequently acquired by Baker Tilly. The Company chose to end the relationship with RSM Tenon and Baker Tilly and appointed Consilium Chartered Accountants as auditors to the Company.

ON BEHALF OF THE BOARD:


.....
B Aitken - Secretary

Date: 25.6.14

**REPORT OF THE INDEPENDENT AUDITORS TO
PROFESSIONAL BEAUTY SYSTEMS LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to thirteen, together with the full financial statements of Professional Beauty Systems Limited for the year ended 30 September 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the Company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Consilium Audit Limited

David Holt (Senior Statutory Auditor)
for and on behalf of Consilium Audit Limited
169 West George Street
Glasgow
G2 2LB

Date: 25/6/14

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	Notes	2013 £	2012 £
TURNOVER		13,522,051	11,501,456
Cost of sales		<u>7,276,479</u>	<u>6,582,061</u>
GROSS PROFIT		6,245,572	4,919,395
Administrative expenses		<u>3,579,528</u>	<u>2,847,238</u>
OPERATING PROFIT	4	2,666,044	2,072,157
Interest receivable and similar income	5	41,877	44,619
Interest payable and similar charges	6	<u>(3,593)</u>	<u>(1,909)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,704,328	2,114,867
Tax on profit on ordinary activities	7	<u>654,069</u>	<u>531,803</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,050,259</u></u>	<u><u>1,583,064</u></u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

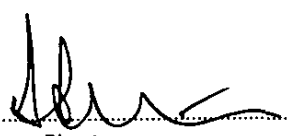
PROFESSIONAL BEAUTY SYSTEMS LIMITED (REGISTERED NUMBER: SC080712)

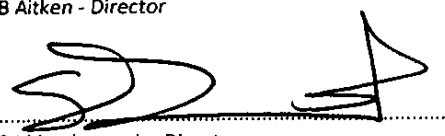
ABBREVIATED BALANCE SHEET
30 SEPTEMBER 2013

		2013	2012
	Notes	£	£
FIXED ASSETS			
Tangible assets	8	894,736	781,747
CURRENT ASSETS			
Stocks	9	2,760,738	2,535,909
Debtors	10	3,983,557	3,904,630
Investments	11	106,602	106,602
Cash at bank and in hand		<u>4,927,574</u>	<u>2,942,148</u>
		11,778,471	9,489,289
CREDITORS			
Amounts falling due within one year	12	<u>2,505,524</u>	<u>2,148,597</u>
NET CURRENT ASSETS		<u>9,272,947</u>	<u>7,340,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,167,683	8,122,439
PROVISIONS FOR LIABILITIES	14	<u>82,905</u>	<u>87,920</u>
NET ASSETS		<u>10,084,778</u>	<u>8,034,519</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	<u>10,084,678</u>	<u>8,034,419</u>
SHAREHOLDERS' FUNDS	19	<u>10,084,778</u>	<u>8,034,519</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 25.6.14 and were signed on its behalf by:


B Aitken - Director


SJ Macdonough - Director

The notes form part of these abbreviated accounts

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods sold during the year, less returns received and services delivered at a selling price exclusive of Value Added Tax. Sales are recognised at the point at which the Company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- not provided
Improvements to property	- 15% on reducing balance
Fixtures, fittings & equipment	- 15% on cost and 15% reducing balance
Motor vehicles	- 25% on cost

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition. Assets are not depreciated until they are brought into use.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost consists of the purchase price of materials and an appropriate proportion of production overheads, where applicable.

Deferred tax

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 tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate difference are charged to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Operating lease costs

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Current asset investments

Current asset investments are held at the lower of cost and net realisable value.

2. STAFF COSTS

	2013 £	2012 £
Wages and salaries	2,805,792	2,441,630
Social security costs	277,494	216,900
Other pension costs	175,771	93,377
	<u>3,259,057</u>	<u>2,751,907</u>

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

	2013	2012
Production staff	66	60
Administrative staff	<u>41</u>	<u>35</u>
	<u>107</u>	<u>95</u>

3. DIRECTORS' EMOLUMENTS

	2013 £	2012 £
Directors' remuneration	470,269	405,110
Directors' pension contributions to money purchase schemes	<u>86,712</u>	<u>41,545</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2013 £	2012 £
Emoluments	153,925	211,092
Pension contributions to money purchase schemes	<u>56,392</u>	<u>11,722</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation - owned assets	129,350	117,468
Auditors' remuneration	7,500	7,200
Foreign exchange differences	4,542	(118,758)
Operating lease costs - land and buildings	260,000	260,000
Operating lease costs - other	<u>31,648</u>	<u>33,926</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Deposit account interest	20,510	20,704
Loan interest receivable	<u>21,367</u>	<u>23,915</u>
	<u>41,877</u>	<u>44,619</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable	<u>3,593</u>	<u>1,909</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2013	2012
	£	£
Current tax:		
UK corporation tax	657,484	535,703
Under provision in prior year	<u>1,600</u>	<u>529</u>
Total current tax	659,084	536,232
Deferred tax	<u>(5,015)</u>	<u>(4,429)</u>
Tax on profit on ordinary activities	<u>654,069</u>	<u>531,803</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

7. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>2,704,328</u>	<u>2,114,867</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 - 24%)	621,995	507,568
Effects of:		
Expenses not deductible for tax purposes	19,333	7,731
Capital allowances in excess of depreciation	-	(1,023)
Depreciation in excess of capital allowances	2,204	-
Adjustments to tax charge in respect of previous periods	1,600	529
Tax chargeable at higher rates	<u>13,952</u>	<u>21,427</u>
Current tax charge	<u>659,084</u>	<u>536,232</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 October 2012	110,500	629,145	1,174,073	47,196	1,960,914
Additions	<u>76,168</u>	<u>-</u>	<u>158,360</u>	<u>7,811</u>	<u>242,339</u>
At 30 September 2013	<u>186,668</u>	<u>629,145</u>	<u>1,332,433</u>	<u>55,007</u>	<u>2,203,253</u>
DEPRECIATION					
At 1 October 2012	-	478,784	666,960	33,423	1,179,167
Charge for year	<u>-</u>	<u>22,554</u>	<u>93,044</u>	<u>13,752</u>	<u>129,350</u>
At 30 September 2013	<u>-</u>	<u>501,338</u>	<u>760,004</u>	<u>47,175</u>	<u>1,308,517</u>
NET BOOK VALUE					
At 30 September 2013	<u>186,668</u>	<u>127,807</u>	<u>572,429</u>	<u>7,832</u>	<u>894,736</u>
At 30 September 2012	<u>110,500</u>	<u>150,361</u>	<u>507,113</u>	<u>13,773</u>	<u>781,747</u>

Included in cost of land and buildings is freehold land of £186,668 (2012 - £110,500) which is not depreciated.

9. STOCKS

	2013 £	2012 £
Raw materials	1,659,386	1,546,904
Finished goods	<u>1,101,352</u>	<u>989,005</u>
	<u>2,760,738</u>	<u>2,535,909</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

10. DEBTORS

	2013 £	2012 £
Amounts falling due within one year:		
Trade debtors	3,268,237	3,312,482
Amounts owed by group undertakings	839	839
Other debtors	175,816	63,853
Prepayments and accrued income	55,134	43,925
	<u>3,500,026</u>	<u>3,421,099</u>
Amounts falling due after more than one year:		
Other debtors	<u>483,531</u>	<u>483,531</u>
Aggregate amounts	<u>3,983,557</u>	<u>3,904,630</u>

11. CURRENT ASSET INVESTMENTS

	2013 £	2012 £
Unlisted investments	<u>106,602</u>	<u>106,602</u>

The market value of the investment at 30 September 2013 was £122,935.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	592,252	909,772
Tax	457,484	535,703
Social security and other taxes	55,090	73,328
VAT	229,760	214,917
Other creditors	24,000	1,823
Accruals and deferred income	<u>1,146,938</u>	<u>413,054</u>
	<u>2,505,524</u>	<u>2,148,597</u>

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring:				
Within one year	150,000	-	9,369	2,001
Between one and five years	-	150,000	16,727	17,074
In more than five years	<u>110,000</u>	<u>110,000</u>	-	-
	<u>260,000</u>	<u>260,000</u>	<u>26,096</u>	<u>19,075</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

14. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	<u>82,905</u>	<u>87,920</u>
		Deferred tax £
Balance at 1 October 2012		87,920
Credit to profit and loss account during year		<u>(5,015)</u>
Balance at 30 September 2013		<u>82,905</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2013	2012
Number:	Class:	Nominal value:	£	£
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

16. RESERVES

	Profit and loss account £
At 1 October 2012	8,034,419
Profit for the year	<u>2,050,259</u>
At 30 September 2013	<u>10,084,678</u>

17. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Professional Beauty Systems (Holdings) Limited.

18. RELATED PARTY DISCLOSURES

Nilsine Property Limited

The companies are connected by common directors.

The company rented a property from Nilsine Property Limited for £150,000 (2012: £150,000). At the year end the amount due to Nilsine was £nil (2012: £nil).

Robust Property Limited

The companies are connected by common directors.

During the year the company operated a loan account with Robust Property Limited. The balance outstanding at the year end, included in other debtors is £458,031 (2012: £458,031). Interest of £21,367 (2012: £23,915) was received during the year.

The company entered into a 10 year lease agreement with Robust Property Limited in a previous year, in relation to a property, which is sub-let to Sally Salon Services Limited. The annual charge per the lease agreement is £110,000.

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2013

18. RELATED PARTY DISCLOSURES - continued

Beauty Solutions Limited

The companies are connected by common directors.

During the year the company made sales to Beauty Solutions Limited amounting to £3,499 (2012: £6,311). The balance outstanding at the year end, included in other debtors is £5,500 (2012: £5,500). Interest of £nil (2012: £nil) was received during the year.

No further transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	<u>2,050,259</u>	<u>1,583,064</u>
Net addition to shareholders' funds	2,050,259	1,583,064
Opening shareholders' funds	<u>8,034,519</u>	<u>6,451,455</u>
Closing shareholders' funds	<u>10,084,778</u>	<u>8,034,519</u>