

REGISTERED NUMBER: SC080712 (Scotland)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

FOR

PROFESSIONAL BEAUTY SYSTEMS LIMITED

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PROFESSIONAL BEAUTY SYSTEMS LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2014

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PROFESSIONAL BEAUTY SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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 2014**

The directors present their strategic report for the year ended 30 September 2014.

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 7.45% and profits before tax increased by 1.89%.

At the year end the Company had shareholders funds of £12,245,589 including distributable profits of £12,245,489. The directors therefore believe the Company's position to be satisfactory especially as the Company's net current assets exceed its current liabilities by £9,478,490.

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: 10.6.15

PROFESSIONAL BEAUTY SYSTEMS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the financial statements of the company for the year ended 30 September 2014.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was 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 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2013 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

The auditors, Consilium Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
B Aitken - Secretary

Date: 12.6.15

**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 2014 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: 11/6/15

PROFESSIONAL BEAUTY SYSTEMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 £	2013 £
TURNOVER		14,529,657	13,522,051
Cost of sales		(7,962,467)	(7,276,479)
GROSS PROFIT		6,567,190	6,245,572
Administrative expenses		3,850,698	3,579,528
OPERATING PROFIT	4	2,716,492	2,666,044
Interest receivable and similar income	5	41,466	41,877
Interest payable and similar charges	6	(2,394)	(3,593)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,755,564	2,704,328
Tax on profit on ordinary activities	7	594,753	654,069
PROFIT FOR THE FINANCIAL YEAR		<u>2,160,811</u>	<u>2,050,259</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.

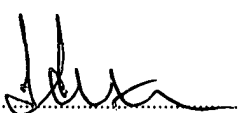
The notes form part of these abbreviated accounts

ABBREVIATED BALANCE SHEET
30 SEPTEMBER 2014

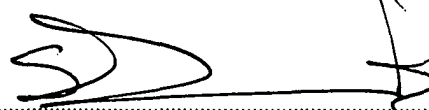
	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	2,862,295	894,736
CURRENT ASSETS			
Stocks	9	2,927,681	2,760,738
Debtors	10	3,785,536	3,983,557
Investments	11	106,602	106,602
Cash at bank and in hand		<u>4,996,633</u>	<u>4,927,574</u>
		11,816,452	11,778,471
CREDITORS			
Amounts falling due within one year	12	<u>2,337,962</u>	<u>2,505,524</u>
NET CURRENT ASSETS		<u>9,478,490</u>	<u>9,272,947</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,340,785	10,167,683
PROVISIONS FOR LIABILITIES	14	<u>95,196</u>	<u>82,905</u>
NET ASSETS		<u>12,245,589</u>	<u>10,084,778</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	<u>12,245,489</u>	<u>10,084,678</u>
SHAREHOLDERS' FUNDS	20	<u>12,245,589</u>	<u>10,084,778</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 10.6.15 and were signed on its behalf by:



 B Aitken - Director



 S J 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 2014

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% 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 2014

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

	2014 £	2013 £
Wages and salaries	3,136,490	2,805,792
Social security costs	266,548	277,494
Other pension costs	145,717	175,771
	<u>3,548,755</u>	<u>3,259,057</u>

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

	2014	2013
Production staff	69	66
Administrative staff	47	41
	<u>116</u>	<u>107</u>

3. DIRECTORS' EMOLUMENTS

	2014 £	2013 £
Directors' remuneration	572,081	470,269
Directors' pension contributions to money purchase schemes	84,188	86,712

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:

	2014 £	2013 £
Emoluments	245,703	153,925
Pension contributions to money purchase schemes	<u>42,456</u>	<u>56,392</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2014

4. OPERATING PROFIT

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

	2014	2013
	£	£
Depreciation - owned assets	145,122	129,350
Profit on disposal of fixed assets	(20,250)	-
Auditors' remuneration	12,000	7,500
Foreign exchange differences	22,545	4,542
Operating lease costs - other	<u>288,285</u>	<u>291,648</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014	2013
	£	£
Deposit account interest	20,230	20,510
Loan interest receivable	<u>21,236</u>	<u>21,367</u>
	<u>41,466</u>	<u>41,877</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable	<u>2,394</u>	<u>3,593</u>

7. TAXATION

Analysis of the tax charge

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

	2014	2013
	£	£
Current tax:		
UK corporation tax	591,256	657,484
(Over)/under provision in prior year	<u>(8,794)</u>	<u>1,600</u>
Total current tax	582,462	659,084
Deferred tax	<u>12,291</u>	<u>(5,015)</u>
Tax on profit on ordinary activities	<u>594,753</u>	<u>654,069</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2014

7. TAXATION (continued)

Factors affecting the tax charge

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

	2014 £	2013 £
Profit on ordinary activities before tax	<u>2,755,564</u>	<u>2,704,328</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 23%)	633,780	621,995
Effects of:		
Expenses not deductible for tax purposes	8,981	19,333
Income not taxable for tax purposes	(15,750)	-
Capital allowances in excess of depreciation	(8,803)	-
Depreciation in excess of capital allowances	-	2,204
Adjustments to tax charge in respect of previous periods	(8,794)	1,600
Tax chargeable at (lower)/higher rates	<u>(26,952)</u>	<u>13,952</u>
Current tax charge	<u>582,462</u>	<u>659,084</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 October 2013	186,668	629,145	1,332,433	55,007	2,203,253
Additions	1,873,000	-	122,447	117,234	2,112,681
Disposals	-	-	-	(47,196)	(47,196)
At 30 September 2014	<u>2,059,668</u>	<u>629,145</u>	<u>1,454,880</u>	<u>125,045</u>	<u>4,268,738</u>
DEPRECIATION					
At 1 October 2013	-	501,338	760,004	47,175	1,308,517
Charge for year	-	-	118,766	26,356	145,122
Eliminated on disposal	-	-	-	(47,196)	(47,196)
At 30 September 2014	-	<u>501,338</u>	<u>878,770</u>	<u>26,335</u>	<u>1,406,443</u>
NET BOOK VALUE					
At 30 September 2014	<u>2,059,668</u>	<u>127,807</u>	<u>576,110</u>	<u>98,710</u>	<u>2,862,295</u>
At 30 September 2013	<u>186,668</u>	<u>127,807</u>	<u>572,429</u>	<u>7,832</u>	<u>894,736</u>

Included in cost of land and buildings is freehold land of £186,668 (2013 - £186,668) which is not depreciated.

Included in cost of land and buildings is £1,873,000 representing a building purchased in the year. This asset has not been depreciated as it has not been brought into use as at 30 September 2014.

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2014

9. STOCKS				
		2014	2013	
		£	£	
Raw materials		1,858,421	1,659,386	
Finished goods		<u>1,069,260</u>	<u>1,101,352</u>	
		<u>2,927,681</u>	<u>2,760,738</u>	
10. DEBTORS				
		2014	2013	
		£	£	
Amounts falling due within one year:				
Trade debtors		3,090,363	3,268,237	
Amounts owed by group undertakings		839	839	
Other debtors		136,194	175,816	
Prepayments and accrued income		<u>74,609</u>	<u>55,134</u>	
		<u>3,302,005</u>	<u>3,500,026</u>	
Amounts falling due after more than one year:				
Other debtors		<u>483,531</u>	<u>483,531</u>	
Aggregate amounts		<u>3,785,536</u>	<u>3,983,557</u>	
11. CURRENT ASSET INVESTMENTS				
		2014	2013	
		£	£	
Unlisted investments at cost		<u>106,602</u>	<u>106,602</u>	
The market value of the investment at 30 September 2014 was £128,307.				
12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
		2014	2013	
		£	£	
Trade creditors		572,055	592,252	
Tax		252,946	457,484	
Social security and other taxes		62,188	55,090	
VAT		232,643	229,760	
Other creditors		31,375	24,000	
Accruals and deferred income		<u>1,186,755</u>	<u>1,146,938</u>	
		<u>2,337,962</u>	<u>2,505,524</u>	
13. OPERATING LEASE COMMITMENTS				
The following operating lease payments are committed to be paid within one year:				
	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	150,000	150,000	-	9,369
Between one and five years	-	-	30,075	16,727
In more than five years	<u>110,000</u>	<u>110,000</u>	<u>-</u>	<u>-</u>
	<u>260,000</u>	<u>260,000</u>	<u>30,075</u>	<u>26,096</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2014

14. PROVISIONS FOR LIABILITIES

	2014 £	2013 £
Deferred tax		
Accelerated capital allowances	<u>95,196</u>	<u>82,905</u>
		Deferred tax £
Balance at 1 October 2013		82,905
Provided during year		<u>12,291</u>
Balance at 30 September 2014		<u>95,196</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

16. RESERVES

	Profit and loss account £
At 1 October 2013	10,084,678
Profit for the year	<u>2,160,811</u>
At 30 September 2014	<u>12,245,489</u>

17. ULTIMATE PARENT COMPANY

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

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2014

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 (2013: £150,000). At the year end the amount due to Nilsine Property Limited was £nil (2013: £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 falling due after more than one year, is £458,031 (2013: £458,031). Interest of £21,236 (2013: £21,367) 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. The annual charge per the lease agreement is £110,000.

Beauty Solutions Limited

The companies are connected by common directors.

During the year the Company made sales to Beauty Solutions Limited amounting to £12,874 (2013: £3,499). The balance outstanding at the year end, included in other debtors is £5,500 (2013: £5,500). Interest of £nil (2013: £nil) was received during the year.

Professional Beauty Systems (Holdings) Limited

Parent company

	2014	2013
	£	£
Amount due from related party at the balance sheet date	839	839
	<u> </u>	<u> </u>

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

19. ULTIMATE CONTROLLING PARTY

The Company was under the control of the shareholders of the ultimate parent company throughout the current and previous years. No individual shareholder has a controlling interest.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	<u>2,160,811</u>	<u>2,050,259</u>
Net addition to shareholders' funds	2,160,811	2,050,259
Opening shareholders' funds	<u>10,084,778</u>	<u>8,034,519</u>
Closing shareholders' funds	<u>12,245,589</u>	<u>10,084,778</u>