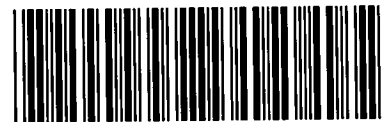


ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

FOR

PROFESSIONAL BEAUTY SYSTEMS LIMITED

THURSDAY



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PROFESSIONAL BEAUTY SYSTEMS LIMITED
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FOR THE YEAR ENDED 30 SEPTEMBER 2015

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PROFESSIONAL BEAUTY SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

DIRECTORS:

B Aitken
G P Hegarty
S J Macdonough
S McPartland
Mrs C F MacDonough
Mrs S J Cunniffe

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 2015

The directors present their strategic report for the year ended 30 September 2015.

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 3.75% and profits before tax decreased by 0.73%.

At the year end the Company had shareholders funds of £14,416,081 including distributable profits of £14,415,981. The directors therefore believe the Company's position to be satisfactory especially as the Company's current assets exceed its current liabilities by £11,507,477.

PRINCIPAL RISKS AND UNCERTAINTIES

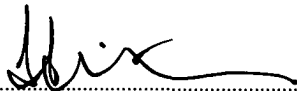
The directors have assessed the main risk facing the Company as being from the increased costs of raw materials, energy costs and competition from other manufacturers in similar operations.

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.

FINANCIAL RISK MANAGEMENT

The Company finances its day-to-day operations through cash reserves and surplus cash generated through the Company's operations. Overall the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is minimal and therefore not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

ON BEHALF OF THE BOARD:



B Aitken - Secretary

Date: 24.10.15

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

The directors present their report and the financial statements of the company for the year ended 30 September 2015.

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 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2014 to the date of this report.

B Aitken
G P Hegarty
S J Macdonough
S McPartland

Other changes in directors holding office are as follows:

Mrs C F MacDonough - appointed 19 June 2015
Mrs S J Cunniffe - appointed 19 June 2015

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

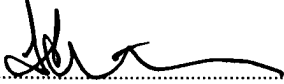
PROFESSIONAL BEAUTY SYSTEMS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

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: 29.6.16

**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 six to fifteen, together with the full financial statements of Professional Beauty Systems Limited for the year ended 30 September 2015 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: 30/6/16

PROFESSIONAL BEAUTY SYSTEMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 £	2014 £
TURNOVER	2	15,074,378	14,529,657
Cost of sales		(8,512,853)	(7,962,467)
		<u>6,561,525</u>	<u>6,567,190</u>
Administrative expenses		<u>3,863,806</u>	<u>3,850,698</u>
OPERATING PROFIT	5	2,697,719	2,716,492
Interest receivable and similar income	6	37,818	41,466
Interest payable and similar charges	7	-	(2,394)
		<u>2,735,537</u>	<u>2,755,564</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,735,537	2,755,564
Tax on profit on ordinary activities	8	<u>565,045</u>	<u>594,753</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,170,492</u></u>	<u><u>2,160,811</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.

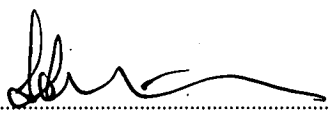
The notes form part of these abbreviated accounts

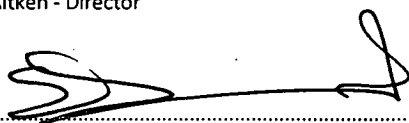
ABBREVIATED BALANCE SHEET
30 SEPTEMBER 2015

		2015	2014
	Notes	£	£
FIXED ASSETS			
Tangible assets	9	3,036,291	2,862,295
CURRENT ASSETS			
Stocks	10	2,805,680	2,927,681
Debtors	11	9,929,691	3,785,536
Investments	12	6,906	106,602
Cash at bank		1,235,302	4,996,633
		<u>13,977,579</u>	<u>11,816,452</u>
CREDITORS			
Amounts falling due within one year	13	<u>2,470,102</u>	<u>2,337,962</u>
NET CURRENT ASSETS		<u>11,507,477</u>	<u>9,478,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,543,768</u>	<u>12,340,785</u>
PROVISIONS FOR LIABILITIES	15	<u>127,687</u>	<u>95,196</u>
NET ASSETS		<u><u>14,416,081</u></u>	<u><u>12,245,589</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Profit and loss account	17	<u>14,415,981</u>	<u>12,245,489</u>
SHAREHOLDERS' FUNDS	21	<u><u>14,416,081</u></u>	<u><u>12,245,589</u></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 29th June 2016 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 2015

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.

Depreciation is not charged on buildings included within land and buildings as it is the opinion of the directors that the residual value of the property is sufficiently high to make any depreciation charge immaterial. In accordance with Financial Reporting Standard 15 an impairment review is carried out under Financial Reporting Standard 11 on that property.

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 2015

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. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	10,175,052	10,069,276
Europe	3,028,708	2,788,125
Rest of World	1,870,618	1,672,256
	<u>15,074,378</u>	<u>14,529,657</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	3,432,188	3,136,490
Social security costs	251,546	266,548
Other pension costs	106,361	145,717
	<u>3,790,095</u>	<u>3,548,755</u>

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

	2015	2014
Production staff	76	69
Administrative staff	50	47
	<u>126</u>	<u>116</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

4. DIRECTORS' EMOLUMENTS

	2015	2014
	£	£
Directors' remuneration	417,060	572,081
Directors' pension contributions to money purchase schemes	60,385	84,188
	<u> </u>	<u> </u>

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

Money purchase schemes	5	3
	<u> </u>	<u> </u>

Information regarding the highest paid director is as follows:

	2015	2014
	£	£
Emoluments etc	118,160	245,703
Pension contributions to money purchase schemes	3,545	42,456
	<u> </u>	<u> </u>

5. OPERATING PROFIT

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

	2015	2014
	£	£
Depreciation - owned assets	165,454	145,122
Profit on disposal of fixed assets	-	(20,250)
Auditors' remuneration	12,000	12,000
Foreign exchange differences	(2,389)	22,545
Operating lease costs - other	293,278	288,285
	<u> </u>	<u> </u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£	£
Deposit account interest	11,538	20,230
Loan interest receivable	11,630	21,236
Gain on disposal of current asset investment	14,650	-
	<u> </u>	<u> </u>
	37,818	41,466
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest payable	-	2,394
	<u> </u>	<u> </u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

8. TAXATION

Analysis of the tax charge

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

	2015 £	2014 £
Current tax:		
UK corporation tax	534,476	591,256
Over provision in prior year	(1,922)	(8,794)
Total current tax	532,554	582,462
Deferred tax	32,491	12,291
Tax on profit on ordinary activities	565,045	594,753

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:

	2015 £	2014 £
Profit on ordinary activities before tax	2,735,537	2,755,564
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	574,463	633,780
Effects of:		
Expenses not deductible for tax purposes	11,962	8,981
Income not taxable for tax purposes	-	(15,750)
Capital allowances in excess of depreciation	(38,876)	(8,803)
Adjustments to tax charge in respect of previous periods	(1,922)	(8,794)
Tax chargeable at lower rates	(13,073)	(26,952)
Current tax charge	532,554	582,462

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 October 2014	2,059,668	629,145	1,454,880	125,045	4,268,738
Additions	-	-	304,994	34,456	339,450
Disposals	-	-	(35,776)	-	(35,776)
At 30 September 2015	2,059,668	629,145	1,724,098	159,501	4,572,412
DEPRECIATION					
At 1 October 2014	-	501,338	878,770	26,335	1,406,443
Charge for year	-	-	129,273	36,181	165,454
Eliminated on disposal	-	-	(35,776)	-	(35,776)
At 30 September 2015	-	501,338	972,267	62,516	1,536,121
NET BOOK VALUE					
At 30 September 2015	2,059,668	127,807	751,831	96,985	3,036,291
At 30 September 2014	2,059,668	127,807	576,110	98,710	2,862,295

Included in cost of land and buildings is freehold land of £186,668 (2014 - £186,668) which is not depreciated.

10. STOCKS

	2015 £	2014 £
Raw materials	1,720,539	1,858,421
Finished goods	1,085,141	1,069,260
	<u>2,805,680</u>	<u>2,927,681</u>

11. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	3,980,735	3,090,363
Amounts owed by group undertakings	945,164	839
Other debtors	152,129	136,194
Tax	212,707	-
Prepayments and accrued income	70,106	74,609
	<u>5,360,841</u>	<u>3,302,005</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	4,568,850	-
Other debtors	-	483,531
	<u>4,568,850</u>	<u>483,531</u>
Aggregate amounts	<u>9,929,691</u>	<u>3,785,536</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

12. CURRENT ASSET INVESTMENTS

	2015	2014
	£	£
Unlisted investments	<u>6,906</u>	<u>106,602</u>

The market value of the investment at 30 September 2015 was £25,059 (2014: £128,307).

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	1,363,737	975,088
Tax	-	252,946
Social security and other taxes	76,152	62,188
VAT	175,465	232,643
Other creditors	424,552	31,375
Accruals and deferred income	430,196	783,722
	<u>2,470,102</u>	<u>2,337,962</u>

Included within other creditors above are outstanding pension contributions of £9,929 (2014: £7,375).

14. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other operating leases	
	2015	2014	2015	2014
	£	£	£	£
Expiring:				
Within one year	151,722	150,000	16,727	-
Between one and five years	-	-	13,348	30,075
In more than five years	110,000	110,000	-	-
	<u>261,722</u>	<u>260,000</u>	<u>30,075</u>	<u>30,075</u>

15. PROVISIONS FOR LIABILITIES

	2015	2014
	£	£
Deferred tax		
Accelerated capital allowances	<u>127,687</u>	<u>95,196</u>

	Deferred tax
	£
Balance at 1 October 2014	95,196
Provided during year	<u>32,491</u>
Balance at 30 September 2015	<u>127,687</u>

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
100	Ordinary	£1	100	100

17. RESERVES

	Profit and loss account £
At 1 October 2014	12,245,489
Profit for the year	2,170,492
At 30 September 2015	14,415,981

18. ULTIMATE PARENT COMPANY

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

19. RELATED PARTY DISCLOSURES

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with other group Companies on the grounds that it is a wholly owned subsidiaries and is included in the consolidated financial statements of Professional Beauty Systems (Holdings) Limited.

Copies of the consolidated financial statements are available from the Registrar of Companies, Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

Nilsine Property Limited

The companies are connected by common directors.

The Company rented a property from Nilsine Property Limited for £150,000 (2014: £150,000). During the year Nilsine Property Limited also advanced the Company £414,763. At the year end the amount due to Nilsine Property Limited was £414,763 (2014: £nil), which is included in other creditors falling due within one year.

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 £nil (2014: £458,031). Interest of £11,630 (2014: £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.

PROFESSIONAL BEAUTY SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2015

19. 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 £4,514 (2014: £4,457). The balance outstanding at the year end, included in trade debtors is £383 (2014: £542). In addition the Company operated a loan account during the year with Beauty Solutions Limited and included in other debtors is £5,500 (2014: £5,500) outstanding at the year end.

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

20. 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.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	2,170,492	2,160,811
Net addition to shareholders' funds	2,170,492	2,160,811
Opening shareholders' funds	12,245,589	10,084,778
Closing shareholders' funds	14,416,081	12,245,589