

REGISTERED NUMBER: SC080712 (Scotland)

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017
FOR
PROFESSIONAL BEAUTY SYSTEMS LIMITED**

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Page
Company Information	1
Strategic Report	2
Directors' Report	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

DIRECTORS:

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

SECRETARY:

B Aitken

REGISTERED OFFICE:

3 Newmains Avenue
Inchinnan Business Park
Renfrew
PA4 9RR

REGISTERED NUMBER:

SC080712 (Scotland)

AUDITORS:

Consilium Audit Limited (Statutory Auditor)
169 West George Street
Glasgow
G2 2LB

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

The directors present their strategic report for the year ended 30 September 2017.

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 13.9% and profit before tax decreased by 10.5%.

At the year end the Company had shareholders funds of £18,599,195 including distributable profits of £18,582,691. The directors therefore believe the Company's position to be satisfactory especially as the Company's current assets exceed its current liabilities by £13,594,277.

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:

S McLaughlin - Director

28 June 2018

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

The directors present their report and the financial statements of the company for the year ended 30 September 2017.

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

Details of dividends paid are included in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2016 to the date of this report.

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

Other changes in directors holding office are as follows:

S McLaughlin - appointed 4 January 2017

CHARITABLE DONATIONS AND EXPENDITURE

During the year the Company made donations of £10,000 (2016: £nil) to local charities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

AUDITORS

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

ON BEHALF OF THE BOARD:

S McLaughlin - Director

28 June 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PROFESSIONAL BEAUTY SYSTEMS LIMITED

Opinion

We have audited the financial statements of Professional Beauty Systems Limited (the 'Company') for the year ended 30 September 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
PROFESSIONAL BEAUTY SYSTEMS LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

28 June 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017

		2017	2016
	Notes	£	£
TURNOVER	3	20,527,286	18,020,480
Cost of sales		<u>11,791,610</u>	<u>9,814,374</u>
GROSS PROFIT		8,735,676	8,206,106
Administrative expenses		<u>6,053,508</u>	<u>5,149,410</u>
		2,682,168	3,056,696
Other operating income	4	<u>260,078</u>	<u>252,548</u>
OPERATING PROFIT	7	2,942,246	3,309,244
Interest receivable and similar income	8	<u>98,274</u>	<u>88,710</u>
PROFIT BEFORE TAXATION		3,040,520	3,397,954
Tax on profit	9	<u>605,414</u>	<u>668,099</u>
PROFIT FOR THE FINANCIAL YEAR		2,435,106	2,729,855
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,435,106</u>	<u>2,729,855</u>

The notes form part of these financial statements

BALANCE SHEET
30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	11		5,134,558		3,325,024
CURRENT ASSETS					
Stocks	12	4,049,472		3,572,870	
Debtors	13	9,359,019		9,588,207	
Investments	14	23,310		31,592	
Cash at bank and in hand		<u>4,366,449</u>		<u>3,815,175</u>	
		17,798,250		17,007,844	
CREDITORS					
Amounts falling due within one year	15	<u>4,203,973</u>		<u>4,074,636</u>	
NET CURRENT ASSETS			<u>13,594,277</u>		<u>12,933,208</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,728,835</u>		<u>16,258,232</u>
PROVISIONS FOR LIABILITIES	17		<u>129,640</u>		<u>94,143</u>
NET ASSETS			<u><u>18,599,195</u></u>		<u><u>16,164,089</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		100		100
Other reserves	19		16,404		24,686
Retained earnings	19		<u>18,582,691</u>		<u>16,139,303</u>
SHAREHOLDERS' FUNDS			<u><u>18,599,195</u></u>		<u><u>16,164,089</u></u>

The financial statements were approved by the Board of Directors on 28 June 2018 and were signed on its behalf by:

S McLaughlin - Director

S J Macdonough - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 October 2015	100	14,415,981	18,153	14,434,234
Changes in equity				
Dividends	-	(1,000,000)	-	(1,000,000)
Total comprehensive income	-	2,729,855	-	2,729,855
Transfer to other reserves	-	(6,533)	6,533	-
Balance at 30 September 2016	<u>100</u>	<u>16,139,303</u>	<u>24,686</u>	<u>16,164,089</u>
Changes in equity				
Total comprehensive income	-	2,435,106	-	2,435,106
Transfer to other reserves	-	8,282	(8,282)	-
Balance at 30 September 2017	<u>100</u>	<u>18,582,691</u>	<u>16,404</u>	<u>18,599,195</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. **STATUTORY INFORMATION**

Professional Beauty Systems Limited is a private company, limited by shares, registered in Scotland. The Company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. In preparing the financial statements the directors have made the following judgements:

- Determine whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Determine whether any bad debt provision is required via review of trade debtors, with debts provided for on a specific basis. Factors considered include customer payment history and agreed credit terms.
- Determine whether any stock provision is required via comparison of cost and net realisable value of stock on an item by item basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

The turnover shown in the Statement of Comprehensive Income 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 the cost less estimated residual value of 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 higher than the cost value. An impairment review is carried out on that property.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. **ACCOUNTING POLICIES - continued**

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.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of 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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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. 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 Statement of Comprehensive Income in the year in which they relate.

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 their market value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 20173. **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:

	2017 £	2016 £
United Kingdom	14,805,737	11,923,541
Europe	4,284,011	4,008,676
Rest of World	1,437,538	2,088,263
	<u>20,527,286</u>	<u>18,020,480</u>

4. **OTHER OPERATING INCOME**

	2017 £	2016 £
Management charge income	<u>260,078</u>	<u>252,548</u>

5. **EMPLOYEES AND DIRECTORS**

	2017 £	2016 £
Wages and salaries	5,407,593	4,668,736
Social security costs	447,065	374,503
Other pension costs	198,744	231,314
	<u>6,053,402</u>	<u>5,274,553</u>

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

	2017	2016
Production staff	96	90
Administrative staff	<u>62</u>	<u>50</u>
	<u>158</u>	<u>140</u>

6. **DIRECTORS' EMOLUMENTS**

	2017 £	2016 £
Directors' remuneration	1,112,874	1,133,109
Directors' pension contributions to money purchase schemes	<u>110,299</u>	<u>182,076</u>

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

Money purchase schemes	<u>7</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	409,726	484,202
Pension contributions to money purchase schemes	<u>24,400</u>	<u>13,200</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

6. DIRECTORS' EMOLUMENTS - continued

The Company considers key management to be the directors of the Company. The key management remuneration for the year is as disclosed above.

7. OPERATING PROFIT

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

	2017	2016
	£	£
Depreciation - owned assets	285,809	225,195
Loss on disposal of fixed assets	-	10,955
Auditors' remuneration	12,000	12,000
Foreign exchange differences	(6,237)	43,338
Operating lease costs - other	<u>49,446</u>	<u>184,238</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
Deposit account interest	18,274	1,866
Loan interest receivable	80,000	80,311
Change in fair value of investments	-	6,533
	<u>98,274</u>	<u>88,710</u>

9. TAXATION**Analysis of the tax charge**

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	580,663	701,643
Over provision in prior year	<u>(10,746)</u>	<u>-</u>
Total current tax	569,917	701,643
Deferred tax	<u>35,497</u>	<u>(33,544)</u>
Tax on profit	<u>605,414</u>	<u>668,099</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>3,040,520</u>	<u>3,397,954</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	577,699	679,591
Effects of:		
Expenses not deductible for tax purposes	7,698	1,371
Tax chargeable at higher/(lower) rates	14,849	(12,863)
Non-qualifying depreciation	2,891	-
Deferred tax at lower rate	13,038	-
Overprovision in prior year	(10,746)	-
Group relief	(15)	-
Total tax charge	<u>605,414</u>	<u>668,099</u>

10. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Paid in year	<u>-</u>	<u>1,000,000</u>

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Improvements to property £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 October 2016	2,059,668	629,145	2,200,854	161,093	5,050,760
Additions	<u>1,429,960</u>	<u>-</u>	<u>665,383</u>	<u>-</u>	<u>2,095,343</u>
At 30 September 2017	<u>3,489,628</u>	<u>629,145</u>	<u>2,866,237</u>	<u>161,093</u>	<u>7,146,103</u>
DEPRECIATION					
At 1 October 2016	-	501,338	1,121,829	102,569	1,725,736
Charge for year	<u>-</u>	<u>-</u>	<u>247,480</u>	<u>38,329</u>	<u>285,809</u>
At 30 September 2017	<u>-</u>	<u>501,338</u>	<u>1,369,309</u>	<u>140,898</u>	<u>2,011,545</u>
NET BOOK VALUE					
At 30 September 2017	<u>3,489,628</u>	<u>127,807</u>	<u>1,496,928</u>	<u>20,195</u>	<u>5,134,558</u>
At 30 September 2016	<u>2,059,668</u>	<u>127,807</u>	<u>1,079,025</u>	<u>58,524</u>	<u>3,325,024</u>

Included in cost of land and buildings is freehold land of £ 186,668 (2016 - £ 186,668) which is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. STOCKS

	2017	2016
	£	£
Raw materials	2,709,857	2,151,611
Finished goods	1,339,615	1,421,259
	<u>4,049,472</u>	<u>3,572,870</u>

13. DEBTORS

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	4,482,437	3,704,445
Amounts owed by group undertakings	1,337,633	584,267
Other debtors	459,642	583,485
Prepayments and accrued income	251,420	79,375
	<u>6,531,132</u>	<u>4,951,572</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>2,827,887</u>	<u>4,636,635</u>
Aggregate amounts	<u>9,359,019</u>	<u>9,588,207</u>

14. CURRENT ASSET INVESTMENTS

	2017	2016
	£	£
Unlisted investments	<u>23,310</u>	<u>31,592</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	2,176,566	1,410,633
Amounts owed to group undertakings	-	507,798
Tax	345,049	597,746
Social security and other taxes	106,435	87,114
VAT	188,318	231,075
Other creditors	144,907	118,291
Accruals and deferred income	1,242,698	1,121,979
	<u>4,203,973</u>	<u>4,074,636</u>

Included within other creditors above are outstanding pension contributions of £44,046 (2016: £17,739).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year	122,500	157,968
Between one and five years	440,000	467,712
In more than five years	119,167	229,167
	<u>681,667</u>	<u>854,847</u>

17. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax		
Accelerated capital allowances	146,865	119,571
Other timing differences	(17,225)	(25,428)
	<u>129,640</u>	<u>94,143</u>

Deferred
tax

	£
Balance at 1 October 2016	94,143
Provided during year	35,497
Balance at 30 September 2017	<u>129,640</u>

18. CALLED UP SHARE CAPITAL

Allotted, Issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

19. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 October 2016	16,139,303	24,686	16,163,989
Profit for the year	2,435,106	-	2,435,106
Transfer to other reserves	8,282	(8,282)	-
At 30 September 2017	<u>18,582,691</u>	<u>16,404</u>	<u>18,599,095</u>

20. ULTIMATE PARENT COMPANY

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2017

21. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The Company rented a property from a company connected by common directors for £19,543 (2016: £150,000). The Company made sales to companies connected by common directors amounting to £4,870 (2016: £4,791). At the balance sheet date the total amount due from companies connected by common directors was £46,404 (2016: £45,383).

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

22. **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.

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.