

Tangle Teezer Limited

Report and Financial Statements

Year Ended

31 March 2015

Company Number 05396577



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Tangle Teezer Limited

Report and financial statements for the year ended 31 March 2015

Contents

Page:

1	Strategic report
4	Report of the directors
6	Independent auditor's report
8	Consolidated profit and loss account
9	Consolidated balance sheet
10	Company balance sheet
11	Consolidated cash flow statement
12	Notes forming part of the financial statements

Directors

S Pulfrey
M Lumb

Company Secretary

M Lumb

Registered office

143 Acre Lane, London, SW2 5UA

Company number

05396577

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Tangle Teezer Limited

Strategic report for the year ended 31 March 2015

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2015.

Results

The consolidated profit and loss account is set out on page 8 and shows the profit for the year.

The company paid an interim dividend of £6,500,000 (2014 - £Nil).

Principal activity

The principal activity of the group in the year under review was that of design and distribution of specialist hair brushes and their associated products. All products are manufactured in the UK.

Business review

The Directors are pleased to report that once again year on year revenues continued to increase. During the period sales increased 61% to £23,176,108 (2014 - £14,413,388). For the second consecutive year the Company featured on the Sunday Times Fast Track 100 League Table, this time ranking as the 35th fastest growing privately owned company in the UK.

Ever expanding export sales played a large part in the increase in overall revenues. During the year overseas sales made up 80% (2014 - 71.4%) of total revenues with established distribution now in 70 countries across every continent. Tangle Teezer also retained its "Cool Brand™" status for 2014/15, one of just 71 brands selected from around the globe and this being the third consecutive year to achieve the status. The business also won "Growth Company of the Year" at the 2014 National Business Awards as well as securing "Best SME" at the 2014 European Supply Chain Excellence Awards. Both awards were a great achievement as the business model is now widely recognised as a proven, established and sustainable one.

Profit Before Tax (PBT) increased 69% to £7,261,000 (2014 - £4,287,978) and PBT margins increased ever so slightly to 31% (2014 - 30%).

The continued growth of the company is of utmost importance to both the Directors and the management team. Through a combination of deeper penetration within existing markets and continuing to bring more innovative products to market, we firmly believe we can continue to build on our undeniably solid foundations. The Company invested in a state-of-the-art 40,000 square foot distribution centre during the period which has had a significant impact on how quickly the business can continue to scale.

The long term strategy is for us to build on the reputation the brand has for being a global leader in the category of Detangling Hairbrushes. Yet more focus was placed on increasing our UK manufacturing capacity and many more orders for additional tooling were placed during the year in order to continue to satisfy the global demand for our product range.

In an effort to gain much more control around multiple sales channels in the USA and have a more hands-on approach Tangle Teezer Inc. was set up in February 2015 and is the only subsidiary of Tangle Teezer Limited to date.

Principal risks and uncertainties

It is the responsibility of the group directors' to fully understand and control all risks and uncertainties that the group may be affected by, and to assist in providing accurate responses and processes to ensure risks are kept to a minimum.

Tangle Teezer Limited

Strategic report for the year ended 31 March 2015 (continued)

Principal risks and uncertainties (continued)

Credit Risk

Over the recent years the group's exposure to bad debt has been minimal. However, the group aim to set up preventative measures to reduce the chance of this happening in the future. This will be controlled through credit insurance policies and rigorous company credit checks prior to offering credit terms.

Foreign Exchange Risk

Exposure to foreign exchange risks remain minimal over the years due to the group solely invoicing in GBP. Therefore risks exposed to are limited to costs incurred in US dollar, Euro and Chinese Yuan.

The group holds bank accounts in all four currencies and future plans are to mitigate any risk through limiting the number of sales being invoiced in these currencies.

Commercial risks and developments

As with any successful brand, sooner or later imitation was going to be an inevitable downside. Counterfeits and cheap imitation products slowly, but surely, have increased in both numbers and frequency resulting in the appointment of a fulltime, in-house, Brand Protection Executive in 2013. The new position works closely with customs officials, both home and abroad, and a 'zero tolerance' approach is taken with anyone found manufacturing or distributing non-genuine product.

Another risk identified during 2013, was that increased storage space was required, especially in the lead up to the busiest periods of the year when the building of more stock would have helped ease order lead times significantly. A newly renovated 40,000 square foot warehousing facility was found during the period and has been let since August 2014 which mitigates this risk and provides adequate growth capacity for the business.

Future developments

One of the existing products in the range, the Magic Flower Pot, will have its design tweaked slightly and be reintroduced in 2015/16.

More significantly, Tangle Teezer launched a new range of styling brushes in Q1, 2015. This helps diversify the range as we add the styling range to our existing, firmly established, detangling range of brushes. The aim is to make this range of products stand out from the crowd by displaying the same innovation and success factor as the very first Tangle Teezer Original brush did.

Financial KPIs

Continuous revenue growth is planned through deeper market penetration and new product diversification over the next twelve to eighteen months. In line with this, costs such as marketing, research & development and staff costs will increase due to the additional resources required to assist in taking the company forward to the next level.

Our financial KPI's for the next 12 months will focus on:

- Exports to exceed 90% of total sales
- To maintain a gross profit margin of 51%
- To increase our PBT margin to a minimum of 32% for the year

Tangle Teezer Limited

Strategic report
for the year ended 31 March 2015 (*continued*)

On behalf of the Board

M Lumb



Director

Date

26 OCTOBER 2015

Tangle Teezer Limited

Report of the directors for the year ended 31 March 2015

The directors present their report together with the strategic report and the audited financial statements for the year ended 31 March 2015

Directors

The directors of the company during the year were:

S Pulfrey
M Lumb

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 group and company 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 group and company and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Tangle Teezer Limited

Report of the directors for the year ended 31 March 2015 (*continued*)

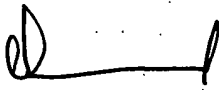
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

M Lumb



Director

Date

26 OCTOBER 2015

Tangle Teezer Limited

Independent auditor's report

TO THE MEMBERS OF TANGLE TEEZER LIMITED

We have audited the financial statements of Tangle Teezer Limited for the year ended 31 March 2015 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Tangle Teezer Limited

Independent auditor's report (*continued*)

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 by the parent company, 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.

BDO LLP

*Ian Clayden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

Date 2 November 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Tangle Teezer Limited

Consolidated profit and loss account for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Turnover	2	23,176	14,413
Cost of sales		11,212	7,072
Gross profit		11,964	7,341
Administrative expenses		4,705	3,055
Operating profit	3	7,259	4,286
Interest receivable and similar income		2	2
Profit on ordinary activities before taxation		7,261	4,288
Taxation on profit from ordinary activities	6	1,135	707
Profit for the financial year	16,17	6,126	3,581

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 12 to 22 form part of these financial statements.

Tangle Teezer Limited

Consolidated balance sheet at 31 March 2015

Company number 05396577	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Intangible assets	8		306		290
Tangible assets	9		981		442
			<u>1,287</u>		<u>732</u>
Current assets					
Stocks	11	2,173		1,577	
Debtors due within one year	12	6,422		3,959	
Debtors due after one year	12	64		166	
		6,486		4,125	
Cash at bank and in hand		3,975		2,452	
		<u>12,634</u>		<u>8,154</u>	
Creditors due within one year	13	4,007		2,411	
Net current assets			<u>8,627</u>		<u>5,743</u>
Total assets less current liabilities			<u>9,914</u>		<u>6,475</u>
Creditors due after one year	13		3,755		
Provisions for liabilities	14		113		55
			<u>3,868</u>		<u>60</u>
Net assets			<u>6,046</u>		<u>6,420</u>
Capital and reserves					
Called up share capital	15		-		-
Capital redemption reserve	16		-		-
Profit and loss account	16		6,046		6,420
			<u>6,046</u>		<u>6,420</u>
Shareholders' funds	17		<u>6,046</u>		<u>6,420</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 OCTOBER 2015


M Lumb
Director

The notes on pages 12 to 22 form part of these financial statements.

Tangle Teezer Limited

Company balance sheet at 31 March 2015

Company number 05396577	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Investment	10		1		-
Intangible assets	8		306		290
Tangible assets	9		981		442
			1,288		732
Current assets					
Stocks	11	2,002		1,577	
Debtors due within one year	12	6,860		3,959	
Debtors due after one year	12	64		166	
		6,924		4,125	
Cash at bank and in hand		3,841		2,452	
		12,767		8,154	
Creditors due within one year	13	3,994		2,411	
Net current assets			8,773		5,743
Total assets less current liabilities			10,061		6,475
Creditors due after one year	13		3,755		-
Provisions for liabilities	14		113		55
Net assets			6,193		6,420
Capital and reserves					
Called up share capital	15		-		-
Capital redemption reserve	16		-		-
Profit and loss account	16		6,193		6,420
Shareholders' funds	17		6,193		6,420

The financial statements were approved by the Board of Directors and authorised for issue on 26 October 2015



M Lumb
Director

The notes on pages 12 to 22 form part of these financial statements.

Tangle Teezer Limited

Consolidated cash flow statement for the year ended 31 March 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Net cash inflow from operating activities	18		4,724		2,894
Returns on investments and servicing of finance					
Interest received			2		2
Taxation					
UK corporation tax paid			(917)		(1,072)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(778)		(258)	
Purchase of intangible fixed assets		(60)		(79)	
Decrease / Increase in other loans receivable		102		(267)	
			<u>(736)</u>		<u>(604)</u>
			3,073		1,220
Equity dividends paid			(6,500)		-
Cash inflow before use of liquid resources and financing			(3,427)		1,220
Financing					
Bank Loan		4,950		-	-
			<u>4,950</u>		<u>-</u>
Increase in cash	19		1,523		1,220

The notes on pages 12 to 22 form part of these financial statements.

Tangle Teezer Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with the applicable accounting standards.

In preparing these financial statements the group has applied the following principal accounting policies:

Basis of consolidation

The consolidated financial statements incorporate the results of Tangle Teezer Limited and its subsidiary undertaking Tangle Teezer Inc. as at 31 March 2015, using the acquisition method of accounting. Under the acquisition method, the results of subsidiary undertakings are included from the date of acquisition.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own profit and loss account. The company made a profit of £6,126,000 for the year (2014 - £3,581,000).

Turnover

Turnover represents invoiced and accrued sales of goods, excluding value added tax and is recognised when the risks and rewards are transferred to the customer on despatch from the warehouse.

Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding ten years, commencing in the year the group starts to benefit from the expenditure.

Patents and licences are stated at cost less amortisation. Amortisation is provided at 10% per annum in order to write off each asset over its estimated useful life.

Fixed assets

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

- Plant & Machinery - 25% straight line

Investments

Investments are stated at cost less any provision for impairment.

Stocks

Stock comprises wholly of finished goods, packaging and inserts and is valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Tangle Teezer Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

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, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable available taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to the profit and loss account in the year in which they become payable.

Operating leases

Annual rents are charged to the profit and loss account on a straight-line basis over the term of the lease.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when authorised by the directors.

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

Transactions of foreign denominated subsidiaries

Foreign denominated subsidiaries are translated into sterling using the net investment method. Accordingly, the balance sheet is translated at the closing rate and the results for the year are translated at the average rate. The exchange differences which arise from the translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

Finance Costs

Finance costs of debt are initially capitalised and are then amortised to the profit and loss account over the term of the instrument at a constant rate on the carrying amount.

Liquid resources

For the purpose of the cash flow statement, liquid resources are defined as short term deposits.

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

2 Turnover

	2015 £	2014 £
Analysis of turnover by country of destination		
UK	4,521	4,127
Europe	13,400	7,169
Rest of the world	5,255	3,117
	<u>23,176</u>	<u>14,413</u>

3 Operating profit

	2015 £,000	2014 £,000
This is arrived at after charging:		
Depreciation - owned assets	239	115
Amortisation:		
- Patents and licences	37	30
- Development costs	7	7
Operating lease rentals - land and buildings	299	93
Auditors remuneration:		
- audit services	21	16
- taxation services	8	6
- other services	36	36
Foreign exchange	17	31
Research and Development	177	87
	<u></u>	<u></u>

4 Employees

	2015 £'000	2014 £'000
Staff costs (including directors) consist of:		
Wages and salaries	1,440	1,071
Social security costs	171	124
Pension costs	140	97
	<u>1,751</u>	<u>1,292</u>

The average number of employees (including directors) during the year was 22 (2014 - 15).

5 Directors' remuneration

	2015 £'000	2014 £'000
Director's remuneration and other benefits	531	467
Pension costs	67	63
	<u></u>	<u></u>

There were 2 directors in the company's defined contribution pension scheme during the year (2014 - 2).

The total amount payable to the highest paid director in respect of emoluments was £296,192 (2014 - £226,000). Company pension contributions of £15,625 (2014 - £50,000) were made on his behalf.

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

6 Taxation on profit from ordinary activities

	2015 £'000	2014 £'000
Analysis of the tax charge		
The tax charge on the profit on ordinary activities for the year was as follows:		
<i>Current tax:</i>		
UK corporation tax on profits of the year	1,079	688
Adjustments in respect of previous years	(2)	9
Total current tax	1,077	697
<i>Deferred tax</i>		
Current year charge	58	10
Movement on opening balance due to changing rates	-	-
Total deferred tax	58	10
Taxation on profit on ordinary activities	1,135	707

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax.

	2015 £'000	2014 £'000
The differences are explained below:		
Profit on ordinary activities before tax	7,261	4,288
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.00% (2014 - 23.00%)	1,525	986
Effects of:		
Expenses not deductible for tax purposes	61	7
Income not taxable for tax purposes	(6)	-
Capital allowances in (excess) of depreciation	(72)	(39)
Short term timing differences	6	-
Fixed asset differences	-	7
Additional deduction for R&D Expenditure	(94)	(77)
Patent box additional deduction	(341)	(196)
Adjustments to tax charge in respect of previous periods	(2)	9
Current tax charge:	1,077	697

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

7 Dividends

	2015 £'000	2014 £'000
Final (£Nil per share; 2014 - £Nil per share)	-	-
Interim (£36,111 per share; 2014 - £Nil per share)	6,500	-
	<u>6,500</u>	<u>-</u>

8 Intangible assets

Group and company	Development costs £'000	Patents and licences £'000	Total £'000
<i>Cost</i>			
At 1 April 2014	73	341	414
Additions	-	60	60
	<u>73</u>	<u>401</u>	<u>474</u>
At 31 March 2015	<u>73</u>	<u>401</u>	<u>474</u>
<i>Amortisation</i>			
At 1 April 2014	15	109	124
Amortisation for year	7	37	44
	<u>22</u>	<u>146</u>	<u>168</u>
At 31 March 2015	<u>22</u>	<u>146</u>	<u>168</u>
<i>Net book value</i>			
At 31 March 2015	<u>51</u>	<u>255</u>	<u>306</u>
At 31 March 2014	<u>58</u>	<u>232</u>	<u>290</u>

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

9 Tangible assets

Group and Company	Motor vehicles £'000	Plant and machinery £'000	Total £'000
<i>Cost</i>			
At 1 April 2014	3	634	637
Additions	14	764	778
At 31 March 2015	17	1,398	1,415
<i>Depreciation</i>			
At 1 April 2014	-	195	195
Depreciation for year	2	237	239
At 31 March 2015	2	432	434
<i>Net book value</i>			
At 31 March 2015	15	966	981
At 31 March 2014	3	439	442

10 Investments

	£'000
<i>Cost</i>	-
Additions	1
At 31 March 2015	1

Subsidiary undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Tangle Teezer Inc	USA	100%	Distribution of specialist hair brushes

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

11 Stock

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Raw Materials	636	908	636	908
Finished Goods	1,537	669	1,366	669
	<u>2,173</u>	<u>1,577</u>	<u>2,002</u>	<u>1,577</u>

There is no material difference between replacement cost of stock and the amounts stated above.

12 Debtors: amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Trade debtors	4,574	3,307	4,441	3,307
Other debtors and prepayments	1,161	147	1,161	147
Tax and social security	587	405	587	405
Other Loans Receivable	100	100	100	100
Amounts due from group undertakings	-	-	571	-
	<u>6,422</u>	<u>3,959</u>	<u>6,860</u>	<u>3,959</u>

Debtors: amounts due after one year

Other Loans Receivable	<u>64</u>	<u>166</u>	<u>64</u>	<u>166</u>
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Interest is charged on the loan at 1.5% and is due for repayment within the next two years. This is a commercial loan to a third party whereby the company have invested in its supply chain.

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

13 Creditors: amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Bank Loan	1,195	-	1,195	-
Trade creditors	1,864	1,948	1,854	1,948
Taxation and social security	47	39	47	39
Other creditors	347	139	347	139
Corporation tax	370	210	367	210
Director's current account	184	75	184	75
	<u>4,007</u>	<u>2,411</u>	<u>3,994</u>	<u>2,411</u>

Creditors: amounts due after one year

Bank Loan	<u>3,755</u>	<u>-</u>	<u>3,755</u>	<u>-</u>
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The bank loans are shown net of finance costs of £50,000 (2014 - £nil) which have been capitalised in accordance with Financial Reporting Standard 4. During the period a charge of £nil (2014 - £nil) for amortisation of these finance costs was made.

The loan is repayable over 4 years.

14 Provisions for liabilities

		Deferred taxation £'000
At 1 April 2014		55
Charge for the year (note 6)		58
		<u>113</u>
At 31 March 2015		
	2015 £'000	2014 £'000
Accelerated capital allowances	<u>113</u>	<u>55</u>

15 Share capital

	2015 Number	Allotted, issued and fully paid 2014 Number	2015 £	2014 £
Ordinary shares of £1 each	<u>180</u>	<u>180</u>	<u>180</u>	<u>180</u>

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

16 Reserves

	Group Profit and loss account £'000	Group Capital redemption reserve £'000	Company Profit and loss account £'000	Company Capital redemption reserve £'000
At 1 April 2014	6,420	-	6,420	-
Profit for the year	6,126	-	6,273	-
Dividend	(6,500)	-	(6,500)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	6,046	-	6,193	-
	<hr/>	<hr/>	<hr/>	<hr/>

Balance on the capital redemption reserve is £20.

17 Reconciliation of movements in shareholders' funds

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Profit for the year	6,126	3,581	6,273	3,581
Dividends (note 6)	(6,500)	-	(6,500)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net addition to shareholders' funds	(374)	3,581	(227)	3,581
Opening shareholders' funds	6,420	2,839	6,420	2,839
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	6,046	6,420	6,193	6,420
	<hr/>	<hr/>	<hr/>	<hr/>

18 Reconciliation of operating profit to net cash inflow from operating activities

	2015 £'000	2014 £'000
Operating profit	7,259	4,286
Depreciation and amortisation	283	153
Increase in stocks	(596)	(930)
Increase in debtors	(2,465)	(2,089)
Increase in creditors	243	1,474
	<hr/>	<hr/>
Net cash inflow from operating activities	4,724	2,894
	<hr/>	<hr/>

Tangle Teezer Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (continued)

19 Reconciliation of net cash inflow to movement in net funds

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Increase in cash in the year	1,523		1,220	
Cash outflow from changes in debt	(4,950)		-	
Change in net funds resulting from cash flows		(3,427)		1,220
Movement in net funds in the year		(3,427)		1,220
Opening net funds		2,452		1,232
Closing net (debt)/funds		(975)		2,452

20 Analysis of net funds

	At 1 April 2014 £'000	Cash flow £'000	At 31 March 2015 £'000
Cash in hand and at bank	2,452	1,523	3,975
Debt due within one year	-	(1,195)	(1,195)
Debt due after one year	-	(3,755)	(3,755)
Total	2,452	(3,427)	(975)

21 Commitments under operating leases

As at 31 March 2015, the group and company had annual commitments under non-cancellable operating leases as set out below:

	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Operating leases which expire:				
Within one year	350	209	350	209

Tangle Teezer Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

22 Pensions

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund of £140,000 (2014 - £97,000). The amount outstanding to the fund at the balance sheet date was £45,000 (2014 - £16,000).

23 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with wholly owned members of the group headed by Tangle Teezer Limited.

During the year, £6,500,000 dividends (2014 - £Nil) were paid to Mr S Pulfrey, a company director.

During the year, royalties of £2,316,000 (2014 - £1,438,000) were paid to Mr S Pulfrey, a company director.

At 31 March 2015, there was a liability of £184,000 (2014 - £75,000) held in the directors current account. No interest is charged on this balance which is due to be repaid within one year.

24 Ultimate controlling party

The company is under the control and ultimate control of Mr S Pulfrey.

The page which follows does not
form part of the statutory
financial statements of the company

Tangle Teezer Limited

Detailed profit and loss account for the year ended 31 March 2015

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Sales		23,471		14,413
Cost of sales				
Purchases	9,000		5,647	
Sales commission	44		(12)	
Royalties	2,316		1,437	
		11,360		7,072
Gross profit		12,111		7,341
Other income				
Interest Received		2		2
		12,113		7,343
Expenditure				
Rent	299		93	
Rates and water	95		9	
Insurance	56		34	
Directors' salaries	531		468	
Directors' pension	67		63	
Wages	1,080		687	
Telephone	42		21	
Post and stationery	(6)		49	
Advertising and marketing	525		380	
Research and development	199		87	
Motor and travelling	303		105	
Repairs and renewals	7		-	
Subscriptions	21		20	
Sundry expenses	686		374	
Accountancy	65		51	
Professional fees	380		218	
Training	12		13	
Technology expenses	60		41	
Amortisation of intangible assets	44		38	
Bad debts	(50)		126	
Depreciation of tangible assets	238		115	
Profit on disposals	-		-	
		4,654		2,992
		7,459		4,351
Finance costs				
Bank charges	31		32	
Exchange difference	23		31	
		54		63
Profit on ordinary activities before taxation		7,405		4,288