

Registered No: 06302477

GHD Group Holdings Limited

Annual Report and Financial Statements

For the year ended 30 June 2018



Annual report and financial statements for the year ended 30 June 2018

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Directors and advisers

Director

M Hewett

Company secretary

M Hewett

Registered office

Bridgewater Place

Water Lane

Leeds

United Kingdom

LS11 5BZ

Independent auditor

Deloitte LLP

Statutory Auditor

Newcastle upon Tyne

United Kingdom

Bankers

Barclays Bank plc

P O Box 190

2nd Floor, 1 Park Row

Leeds

United Kingdom

LS1 5WU

Strategic report

The Director presents his strategic report for the financial year ended 30 June 2018.

Principal activities

The principal activity of the Company is an intermediate holding company.

Acquisition

On 17 October 2016, Lion Capital LLP entered into a sale and purchase agreement with Coty Inc., a NYSE listed beauty company incorporated in the USA, for the sale of the entire issued share capital of Lion/Gloria Topco Limited (the previous ultimate parent undertaking of the Company). The total consideration of the acquisition of the Group was £430m. The acquisition completed on 21st November 2016.

Review of business

The Company is an indirect subsidiary of Coty Inc.

The loss for the year is £nil (2017: loss of €22,783,000), driven in the prior year by interest payable on intercompany loans, and as such nothing has been transferred to the profit and loss account in the current year. At the year end the company had net current liabilities of €306,856,000 (2017: €306,856,000) and net assets of €55,325,000 (2017: €55,325,000). All liabilities are due to fellow group companies.

Due to the nature of operations of the Company, the use of key performance indicators is not considered appropriate by the Director.

Functional and presentational currency

Subsequent to the changes in the currency denomination made to the loans between the Company and other Group Entities, from GBP to EUR, the result of a functional currency review was that the Company would be required to change its functional currency from GBP to EUR from 1 July 2017.

As a direct consequence of the change in functional currency, the Company has also changed its presentation currency from GBP to EUR with effect from 1 July 2017, applied retrospectively with the prior year comparative restated. The retranslation of the comparative opening balance sheet using a combination of closing rate and historical rates has resulted in a foreign exchange reserve of €322,000 being recorded (see note 12).

Principal risks and uncertainties

As an investment holding company the Director does not believe that the company faces any significant risks and has no reason to believe that its material assets, all of which relate to fellow Coty Inc group companies, will not realise their full book value.

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow, credit and liquidity risk

The Company's activities expose it primarily to the financial risks of changes in interest rates.

The Company's principal financial assets are intercompany loans.

The Company's exposure to credit risk is limited to counterparties within the group headed by Coty Inc.

As a letter of support has been provided the risk is considered low.

Debt finance relates to intercompany loans with counterparties within the group headed by Coty Inc, and therefore the liquidity risk is considered to be low.

Future developments

These are detailed in the Director's report.

Approved by the Board of Directors and signed on its behalf:



M Hewett

Director

Date:

4/2/19

Director's report

The Director presents his report and audited financial statements for the year ended 30 June 2018. GHD Group Holdings Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements, unless stated otherwise, were as follows:

M Hewett (Appointed 15 January 2018)
P Georges (Appointed 17 November 2017, resigned 5 July 2018)
P Godden (Resigned 31 October 2017)
D Riley (Resigned 17 November 2017)

Dividends

The Director does not propose a final dividend (2017: £nil).

Going concern

The Company has made no profit or loss in the year and maintains net current assets. The Company is dependent on continuing finance being made available by the parent undertaking to enable it to continue operating and meet its debts as they fall due. The ultimate parent undertaking Coty Inc. has agreed to provide sufficient funds for these purposes and have provided a letter of support which undertakes to provide financial support for a period of at least 12 months from the approval of the financial statements. The Director believes that it is therefore appropriate to prepare the financial statements on a going concern basis. Based on the Group of companies headed by Lion/Gloria Midco Limited and its subsidiaries forecasts and projections, the Board is satisfied that the Company will be able to operate with its current level of resources for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and at the date of approval of these financial statements. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Director.

Future developments

The Company will continue as a financing Company for the foreseeable future.

Financial risk management objectives and policies

The Company's financial risk management objectives and policies have been disclosed in the Strategic report.

Director's report (continued)

Statement of Director's responsibilities

The Director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Under company law the Director 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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.

Independent auditors

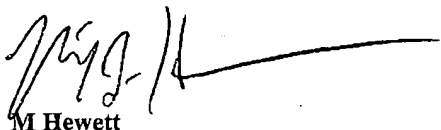
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been deemed re-appointed under section 487 of the 2006 Act.

Approved by the Board of Directors and signed on its behalf:



M Hewett

Director

Date: 4/2/19

Independent auditor's report to the members of GHD Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of GHD Group Holdings Limited, ('the company') which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 are required by ISAs (UK) to report in respect of the following matters where:

- the director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the director has 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.

We have nothing to report in respect of these matters.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of GHD Group Holdings Limited (continued)

Other information (continued)

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

As explained more fully in the director's responsibilities statement, the director is 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 director determines is 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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 auditor's report.

Report on other legal and regulatory requirements

Opinions 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the director's report.

Independent auditor's report to the members of GHD Group Holdings Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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.



Ian Kelsall ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Newcastle upon Tyne, United Kingdom

Date: 5 February 2019

Income statement

for the year ended 30 June 2018

	Note	2018 €000	2017 €000
Interest receivable and similar income	4	-	3,588
Interest payable and similar expenses	4	-	(26,372)
Result/(loss) before taxation	3	-	(22,784)
Tax on result/(loss)	5	-	-
Result/(loss) for the financial year		-	(22,784)

The notes on pages 12 to 18 are an integral part of these financial statements.

There are no other items of comprehensive income and therefore no separate statement of comprehensive income has been presented.

There is no material difference between the loss before taxation and the loss for the financial year stated above and their historical cost equivalents.

All amounts above relate to continuing activities.

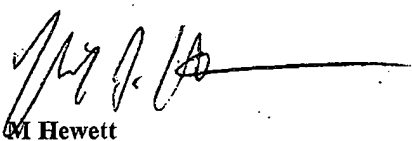
Balance sheet

as at 30 June 2018

	Note	2018 €000	2017 €000
Fixed assets			
Investments	6	362,180	362,180
Current assets			
Debtors	7	17	48,454
Cash at bank and in hand		-	17
		17	48,471
Current liabilities			
Creditors: amounts falling due within one year	8	(306,872)	(355,327)
Net current liabilities		(306,855)	(306,856)
Total assets less current liabilities		55,325	55,325
Net assets		55,325	55,325
Capital and reserves			
Called up share capital	9	856	856
Share premium account	10	455	455
Capital redemption reserve	11	217	217
Foreign exchange reserve	12	322	322
Profit and loss account		53,475	53,475
Total shareholders' funds		55,325	55,325

The notes on pages 12 to 18 are an integral part of these financial statements.

The financial statements on pages 9 to 18 were approved and authorised for issue by the Board of Directors on _____ and signed on its behalf by:



M Hewett

Director

Date 4/2/19.

Statement of changes in equity

for the year ended 30 June 2018

	<i>Called-up share capital €'000</i>	<i>Share premium €'000</i>	<i>Capital redemption reserve €'000</i>	<i>Profit and loss account €'000</i>	<i>Foreign exchange reserve €'000</i>	<i>Total €'000</i>
Balance as at 1 July 2016	856	455	217	76,259	322	78,109
Loss for the financial year	-	-	-	(22,784)	-	(22,784)
Total comprehensive loss for the year	-	-	-	(22,784)	-	(22,784)
Balance as at 30 June 2017	856	455	217	53,475	322	55,325

	<i>Called-up share capital €'000</i>	<i>Share premium €'000</i>	<i>Capital redemption reserve €'000</i>	<i>Profit and loss account €'000</i>	<i>Foreign exchange reserve €'000</i>	<i>Total €'000</i>
Balance as at 1 July 2017	856	455	217	53,475	322	55,325
Result for the financial year	-	-	-	-	-	-
Total comprehensive result for the year	-	-	-	-	-	-
Balance as at 30 June 2018	856	455	217	53,475	322	55,325

The notes on pages 12 to 18 are an integral part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2018

1. Accounting policies and critical accounting estimates/judgements

The principal activity of the Company is an investment holding company. The company is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The financial statements are presented in Euros and all values are rounded to the nearest thousand Euros (€'000) except when otherwise indicated. All of the Company's assets and liabilities are denominated in Euros. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a going concern basis, under the historical cost convention.

Basis of preparation

These financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS. Note 11 gives details of the company's parent and from where its consolidated financial statements may be obtained. The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment'; and
 - (iii) paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The amendments to IFRS which were effective from 1 July 2017 or during the accounting periods do not have a material impact in the financial year and are not expected to have a material impact in future periods.

Notes to the financial statements (continued)

for the year ended 30 June 2018

1. Accounting policies and critical accounting estimates/judgements (continued)

Going concern

The Company has made no profit or loss in the year. The Company is dependent on continuing finance being made available by the parent undertaking to enable it to continue operating and meet its debts as they fall due. The ultimate parent undertaking Coty Inc. has agreed to provide sufficient funds for these purposes and have provided a letter of support which undertakes to provide financial support for a period of at least 12 months from the approval of the financial statements. The Director believes that it is therefore appropriate to prepare the financial statements on a going concern basis. Based on the Group of companies headed by Lion/Gloria Midco Limited and its subsidiaries forecasts and projections, the Board is satisfied that the Company will be able to operate with its current level of resources for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing its financial statements.

Operating result/(loss)

The operating result/(loss) is stated before investment income, foreign exchange and finance costs.

Investments

Investments are accounted for at cost less any provision for impairment. The Director assesses all investments for any indication of impairment on an annual basis.

Current and deferred taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation 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 right to pay less or to receive more tax with following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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 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 years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The only areas of estimate considered by management within these financial statements relates to the recoverability of investments. The Company considers these balances to be supported by the assets within each representative business and therefore there has been no impairment to these balances.

There are no critical judgements made which would materially impact the financial statements.

Notes to the financial statements (continued)

for the year ended 30 June 2018

2. Change in accounting policies

As a result of the changes in the currency denomination of the loans between the Company and other Group Entities, from GBP to EUR, the result of a functional currency review was that the Company would be required to change its functional currency from GBP to EUR from 1 July 2017. In accordance with IAS21:35, when there has been a change in the Company's functional currency the Company applies the translation procedures applicable to the new functional currency prospectively from the date of the change.

IAS 21 permits an entity to present its financial statements in any currency. The Company has chosen to change its presentation currency from GBP to EUR from 1 July 2017. This change has been applied retrospectively and therefore prior year comparatives restated (note 12).

3. Operating profit

The director did not receive any emoluments in respect of their services to the Company in the current year (2017: £nil). These are borne by another group company. The director deems it inappropriate to directly allocate any of their remuneration to this company as the cost would be incidental.

The Company does not have any employees (2017: none).

The cost of the audit of the company financial statements for the year is €3,000 (2017: €3,000). The cost is borne by another group company.

4. Net interest payable and similar expenses

	2018	2017
	€000	€000
Interest payable on intercompany loans	-	(26,372)
Interest payable and similar expenses	-	(26,372)
Interest receivable on intercompany loans	-	3,588
Interest receivable and similar income	-	3,588

5. Tax on Result/(loss)

(a) Factors affecting the current tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 19.8%). The differences are explained below:

	2018	2017
	€000	€000
Result/(loss) before taxation	-	(22,784)
Result/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.8%)	-	(4,500)
Effects of:		
Group relief surrendered for nil payment	-	4,500
Current tax on loss	-	-

Notes to the financial statements (continued)

for the year ended 30 June 2018

5. Tax on Result/(loss) (continued)

There is no tax payable or receivable balance at 30 June 2018 (2017: €nil).

(b) Factors that may affect future tax expenses

The Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6th September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 30 June 2018.

The company has unrecognised deferred tax assets of €6,054,000 (2017: €6,054,000).

6. Investments

*Investments in
subsidiaries*

€000

Cost and net book value at 30 June 2017 and 30 June 2018

362,179

The Company owns directly or indirectly the called up equity share capital of the following companies:

* Direct holding

Name of company	Proportion held	Address of Registered Office
Holding Companies		
GHD Holdings Limited *	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
GHD EBT Company Limited*	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
GHD Group Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Jemella Group (Holdings) Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Jemella Group Limited*	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK

The principal activity of the holding companies is as investment holding companies.

Dormant

Wonderful Life UK Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
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Hair Care Product Distributors

Jemella Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Jemella Australia Pty Limited	100%	3/490 Adelaide Street Brisbane QLD 4000 AUSTRALIA
Good Hair Day South Africa (Proprietary) Limited	100%	Unit 1 Chestnut Grove, 122 Brackenhill Road, Waterfall 3652 SOUTH AFRICA
ghd Professional, North America Inc.	100%	1493 East Bentley Drive, Unit 101, Corona, CA 92879 USA

Notes to the financial statements (continued)

for the year ended 30 June 2018

6. Investments (continued)

Name of company	Proportion held	Address of Registered Office
Jemella New Zealand Limited	100%	BDO Spicers, Level 8, 120 Albert Street, Auckland NEW ZEALAND
GHD France SARL	100%	18 Chemin des Cuers, Le Campus 69570 Dardilly FRANCE
GHD Deutschland GmbH	100%	Leuschnerstr. 43 70176 Stuttgart GERMANY
ghd Hong Kong Limited	100%	9/F Sompoteux Central, 52-54 Wellington St, Central HONG KONG
GHD Scandinavia NFU	100%	Jernbanegata 8 NO-2004 Lillestrøm NORWAY
GHD Spain SL	100%	C/ Santa Lucia, s/n – Building Nescania, Arroyo de la Miel, Benalmadena Malaga SPAIN
GHD Italia S.r.l.	100%	Sede in Piazza M.Ficino N.78 50063 Figline E Incisa Valdarno ITALY
Wonderful Life Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
GHD Scandinavia ApS	100%	Skanderborgvej 234 1 th DK-8260 Viby J DENMARK
Power Promotions Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Power Wizards Limited	100%	Bridgewater Place, Water Lane, Leeds LS11 5BZ, UK
Revolver Distribution Pty Limited	100%	3/490 Adelaide Street Brisbane QLD 4000, AUSTRALIA
GHD Finland Oy	100%	PO Box 141, 00171 Helsinki FINLAND

The principal activity of all trading entities above is the distribution of electrical hair care products.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or future trade.

7. Debtors

	2018	2017
	€000	€000
Amounts owed by subsidiary undertakings	17	48,454

Amounts owed by other ghd group undertakings are unsecured, repayable on demand and do not carry interest (2017: 8%).

Notes to the financial statements (continued)

for the year ended 30 June 2018

8. Creditors: amounts falling due within one year

	2018 €000	2017 €000
Amounts owed to parent undertakings	251,521	251,522
Amounts owed to subsidiary undertakings	55,351	103,805
	<u>306,872</u>	<u>355,327</u>

Amounts owed to other GHD group undertakings are unsecured, repayable on demand and do not carry interest (2017: 8%).

9. Called up share capital

	2018 No.	2018 €000	2017 No.	2017 €000
Authorised, allotted and fully paid				
A ordinary shares of £1 each	364,783	499	364,783	499
C1 ordinary shares of £1 each	232,004	330	232,004	330
C2 ordinary shares of £1 each	19,214	27	19,214	27
C3 ordinary shares of £1 each	1	-	1	-
E ordinary shares of £1 each	1	-	1	-
		<u>856</u>		<u>856</u>

The classes of ordinary shares rank pari passu in all respects.

10. Share premium account

	2018 €000	2017 €000
Premium issued on shares	<u>455</u>	<u>455</u>

The share premium relates to the premiums on shares issued net of costs.

11. Capital redemption reserve

	€000
At 30 June 2017 and 30 June 2018	<u>217</u>

The capital redemption reserve was created on 4 May 2012 due to the reorganisation and designation of the A Ordinary shares and the B ordinary shares.

Notes to the financial statements (continued)

for the year ended 30 June 2018

12. Foreign exchange reserve

The Company changed its functional currency and presentation currency from GBP to EUR on 1 July 2017. For this the Company required a foreign exchange reserve.

The required reserve was calculated by the closing balance sheet for 2017 being translated from GBP to EUR. The exchange rate used for all the assets and liabilities was the 2017 year end rate. The share capital and reserves were translated at the historic rate.

Due to the balance sheet being translated at different exchange rates, a foreign exchange reserve for €322,000 was required.

13. Ultimate parent undertaking and controlling party

The immediate parent is Lion/Gloria BidCo Limited, a company incorporated in the United Kingdom.

The largest and smallest group in which the Company's results are consolidated is Coty Inc., a company incorporated in the United States.

Coty Inc. is the ultimate controlling party. Its registered address is 350 Fifth Ave. New York, NY 10118. The accounts are publicly available and can be obtained from this address.