

Registered number: 06545147

AMALDIS (2008) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011

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AMALDIS (2008) LIMITED

COMPANY INFORMATION

DIRECTORS

S Zussman
M Zussman
A Toms
J Middleton
M Wood
A Meehan (resigned 16 July 2011)

COMPANY NUMBER

06545147

REGISTERED OFFICE

Ventura House
Bullsbrook Road
Hayes
Middlesex
UB4 0UJ

AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditors
Imperial House
18 - 21 Kings Park Road
Southampton
Hampshire
SO15 2AT

BANKERS

National Westminster Bank plc
250 Regent Street
London
W1A 4RY

SOLICITORS

Taylor Wessing
5 New Street Square
London
EC4Y 0DX

AMALDIS (2008) LIMITED

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AMALDIS (2008) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 2 APRIL 2011

The directors present their report and the financial statements for the year ended 2 April 2011

PRINCIPAL ACTIVITIES

Amaldis (2008) Limited owns the trading subsidiary Original Additions (Beauty Products) Limited

The group's principal activities through its trading subsidiary are the design, production and distribution of beauty products. The group's principal brands are Elegant Touch, Salon Systems and Eylure.

BUSINESS REVIEW

The group has experienced another positive year trading. Sales overall were up on the previous year by 22.1% with the three divisions Consumer, Professional and Export all seeing double digit growth.

The increase in business has been driven by a combination of increased consumer demand, new product introductions and creating new customers both in the UK and Overseas. An exciting development has been our push into the US market with our Eylure false eyelash brand. The first order to a key US retailer called Ulta was shipped in March.

Margins before royalties gradually improved over the year after a period of currency fluctuation that affected the company in the previous year.

Year end stocks finished high due to a combination of new products and additional shipments of core product to meet rebuild for key customers and consumer demand.

Given the straight forward nature of the business, the directors do not believe that the use of KPI's is appropriate.

RESULTS

The profit for the year, after taxation, amounted to £10,610 (2010 - £147,721)

DIRECTORS

The directors who served during the year were

S Zussman
M Zussman
A Toms
J Middleton
M Wood
A Meehan (resigned 16 July 2011)

AMALDIS (2008) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 2 APRIL 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL RISKS AND UNCERTAINTIES

Mitigation of foreign currency risk

An appreciable portion of the group's purchases are made in US dollars, and to protect the value of these purchases against currency fluctuations, dollar purchases are protected by forward foreign exchange contracts. There were forward contracts totalling £5.9 million in place at 02 April 2011 (03 April 2010: £5.9 million) at an average cost of \$1.59 £1 (03 April 2010: \$1.58 £1) compared to the market rate at 02 April 2011 of \$1.6 £1 (03 April 2010 of \$1.52 £1).

Mitigation of interest rate risk

The second measure that the group takes relates to interest cover protection on the Senior Debt Loans from the Royal Bank of Scotland. Interest rate risk is mitigated by the fact that the interest rates are fixed.

EVENTS SINCE THE END OF THE YEAR

On 16 July 2011, Original Additions Topco Limited acquired the entire share capital of Amaldis (2008) Limited. The new parent company was backed by Lloyds Development Capital, allowing Barclays Ventures and Matrix to exit. The management team subscribed for the capital of the company in a similar percentage to that held in Amaldis (2008) Limited. As part of this transaction, the loan notes held in the Company have been redeemed at their par value plus accrued interest, and bank loans have been re-financed with the same provider under a new five year arrangement.

AMALDIS (2008) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 2 APRIL 2011**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company and the Group's auditors in connection with preparing their report and to establish that the Company and the Group's auditors are aware of that information

AUDITORS

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



S Zussman
Director

Date 22/8/11

AMALDIS (2008) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMALDIS (2008) LIMITED

We have audited the financial statements of Amaldis (2008) Limited for the year ended 2 April 2011, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company 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 Auditing Practices Board'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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2 April 2011 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AMALDIS (2008) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AMALDIS (2008) LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 parent Company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nexia Smith & Williamson

Christopher Appleton (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditors

Imperial House
18 - 21 Kings Park Road
Southampton
Hampshire
SO15 2AT
Date 5.9.11

AMALDIS (2008) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 2 APRIL 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	29,492,669	24,164,062
Cost of sales		<u>(18,444,489)</u>	<u>(14,688,245)</u>
GROSS PROFIT		11,048,180	9,475,817
Administrative expenses		<u>(8,259,982)</u>	<u>(7,097,582)</u>
OPERATING PROFIT	3	2,788,198	2,378,235
Interest receivable and similar income		582	5,156
Interest payable and similar charges	7	<u>(2,388,671)</u>	<u>(2,084,221)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		400,109	299,170
Tax on profit on ordinary activities	8	<u>(389,499)</u>	<u>(151,449)</u>
PROFIT FOR THE FINANCIAL PERIOD	18	<u>10,610</u>	<u>147,721</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

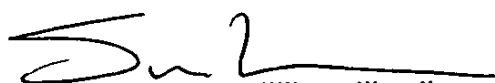
The notes on pages 10 to 25 form part of these financial statements

AMALDIS (2008) LIMITED
REGISTERED NUMBER: 06545147

CONSOLIDATED BALANCE SHEET
AS AT 2 APRIL 2011

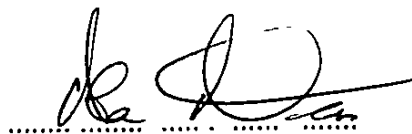
	Note	£	2 April 2011 £	£	3 April 2010 £
FIXED ASSETS					
Intangible assets	9		12,516,717		13,256,584
Tangible assets	10		316,961		482,660
			<u>12,833,678</u>		<u>13,739,244</u>
CURRENT ASSETS					
Stocks	12	4,395,285		4,000,163	
Debtors	13	4,560,860		4,404,112	
Cash at bank		1,272,343		558,493	
		<u>10,228,488</u>		<u>8,962,768</u>	
CREDITORS: amounts falling due within one year	14	(5,271,644)		(5,386,853)	
NET CURRENT ASSETS			<u>4,956,844</u>		<u>3,575,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,790,522</u>		<u>17,315,159</u>
CREDITORS: amounts falling due after more than one year	15		(16,694,230)		(16,229,477)
NET ASSETS			<u><u>1,096,292</u></u>		<u><u>1,085,682</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		10,000		10,000
Share premium account	18		119,600		119,600
Other reserves	18		1,394,674		1,394,674
Profit and loss account	18		(427,982)		(438,592)
SHAREHOLDERS' FUNDS	19		<u><u>1,096,292</u></u>		<u><u>1,085,682</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



S Zussman
Director

Date 22/8/11



A Toms
Director

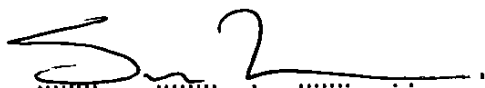
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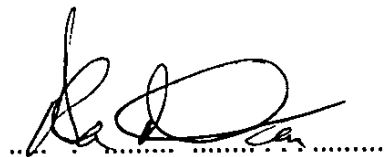
AMALDIS (2008) LIMITED
REGISTERED NUMBER: 06545147

COMPANY BALANCE SHEET
AS AT 2 APRIL 2011

	Note	£	2 April 2011 £	£	3 April 2010 £
FIXED ASSETS					
Investments	11		8,860,477		8,860,477
CURRENT ASSETS					
Debtors amounts falling due after more than one year	13	9,107,095		8,715,023	
Debtors amounts falling due within one year	13	51,430		55,999	
		<u>9,158,525</u>		<u>8,771,022</u>	
CREDITORS: amounts falling due within one year	14	<u>(1,310,000)</u>		<u>(1,251,459)</u>	
NET CURRENT ASSETS			<u>7,848,525</u>		<u>7,519,563</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,709,002</u>		<u>16,380,040</u>
CREDITORS: amounts falling due after more than one year	15		<u>(16,694,230)</u>		<u>(16,229,477)</u>
NET ASSETS			<u>14,772</u>		<u>150,563</u>
CAPITAL AND RESERVES					
Called up share capital	17		10,000		10,000
Share premium account	18		119,600		119,600
Profit and loss account	18		<u>(114,828)</u>		<u>20,963</u>
SHAREHOLDERS' FUNDS	19		<u>14,772</u>		<u>150,563</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


S Zussman
 Director


A Toms
 Director

Date 22/8/11

AMALDIS (2008) LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 2 APRIL 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	20	2,861,951	2,544,997
Returns on investments and servicing of finance	21	(1,173,336)	(1,104,632)
Taxation		(199,049)	(344,660)
Capital expenditure and financial investment	21	(134,563)	(229,401)
CASH INFLOW BEFORE FINANCING		1,355,003	866,304
Financing	21	(661,321)	(536,774)
INCREASE IN CASH IN THE YEAR		693,682	329,530

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 2 APRIL 2011**

	2011 £	2010 £
Increase in cash in the year	693,682	329,530
Cash outflow from decrease in debt and lease financing	661,321	536,774
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	1,355,003	866,304
Other non-cash changes	(1,386,035)	(974,433)
MOVEMENT IN NET DEBT IN THE YEAR	(31,032)	(108,129)
Net debt at 4 April 2010	(16,721,023)	(16,612,894)
NET DEBT AT 2 APRIL 2011	(16,752,055)	(16,721,023)

The notes on pages 10 to 25 form part of these financial statements

AMALDIS (2008) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of Amaldis (2008) Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 Turnover

Turnover is stated net of value added tax and trade discounts, and represents amounts invoiced to third parties for goods and services in the normal course of business. Revenue is recognised on fulfillment of contractual obligations.

1.4 Intangible fixed assets and amortisation

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of twenty years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases.

Leasehold Improvements	-	Over the term of the lease
Plant & machinery	-	25% straight line
Fixtures & fittings	-	25% straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 Leasing and hire purchase

Assets held under hire purchase and finance leases are capitalised in the balance sheet and are depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the contract. The capital element of the future payments is treated as a liability.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

AMALDIS (2008) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2011

1. ACCOUNTING POLICIES (continued)

1.9 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value and are shown net of provisions for slow moving and obsolete stocks. Costs include materials, costs of assembly, freight and duty costs. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.12 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the group as detailed in the directors' report. The directors consider there to be only one class of business.

A geographical analysis of turnover is as follows:

	2011 £	2010 £
United Kingdom	25,252,067	20,741,346
Rest of Europe	2,997,014	2,603,667
Rest of World	1,243,588	819,049
	<u>29,492,669</u>	<u>24,164,062</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2011 £	2010 £
Amortisation - intangible fixed assets	739,867	739,867
Depreciation of tangible fixed assets		
- owned by the group	244,524	241,754
- held under finance leases	57,003	119,964
Operating lease rentals		
- plant and machinery	116,430	70,064
- other operating leases	290,000	290,000
	<u>290,000</u>	<u>290,000</u>

4. AUDITORS' REMUNERATION

	2011 £	2010 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>5,000</u>	<u>5,000</u>

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011	2010
	£	£
Wages and salaries	2,507,235	2,303,308
Social security costs	263,210	252,706
Other pension costs	108,022	89,722
	<u>2,878,467</u>	<u>2,645,736</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011	2010
	No.	No
Production and distribution	34	36
Sales and marketing	23	21
Office and administration	9	7
	<u>66</u>	<u>64</u>

6. DIRECTORS' REMUNERATION

	2011	2010
	£	£
Emoluments	<u>707,173</u>	<u>721,423</u>
Company pension contributions to defined contribution pension schemes	<u>76,655</u>	<u>59,246</u>

During the year retirement benefits were accruing to 5 directors (2010 - 5) in respect of defined contribution pension schemes

The highest paid director received remuneration of £187,538 (2010 - £192,331)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,584 (2010 - £14,846)

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

7. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	1,146,240	1,094,165
On finance leases and hire purchase contracts	6,999	15,623
On loan notes	1,169,000	908,000
Loan issue costs amortised	66,432	66,433
	<u>2,388,671</u>	<u>2,084,221</u>

8 TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	494,097	421,516
Adjustments in respect of prior periods	(140,113)	(199,760)
Total current tax	<u>353,984</u>	<u>221,756</u>
Deferred tax		
Origination and reversal of timing differences	1,234	(70,307)
Deferred tax relating to prior year	34,281	-
Total deferred tax (see note 16)	<u>35,515</u>	<u>(70,307)</u>
Tax on profit on ordinary activities	<u>389,499</u>	<u>151,449</u>

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2010 - higher than)* the standard rate of corporation tax in the UK of 28% *(2010 - 28%)*. The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>400,109</u>	<u>299,170</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% <i>(2010 - 28%)</i>	112,031	83,768
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	377,237	294,498
Capital allowances for year less than depreciation	10,354	12,596
Other short term timing differences	(5,525)	30,654
Adjustments to tax charge in respect of prior periods	(140,113)	(199,760)
Current tax charge for the year (see note above)	<u>353,984</u>	<u>221,756</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 4 April 2010 and 2 April 2011	<u>14,736,316</u>
Amortisation	
At 4 April 2010	1,479,732
Charge for the year	<u>739,867</u>
At 2 April 2011	<u>2,219,599</u>
Net book value	
At 2 April 2011	<u>12,516,717</u>
At 3 April 2010	<u>13,256,584</u>

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

10. TANGIBLE FIXED ASSETS

Group	Leasehold Improvements £	Plant & Machinery, Fixtures, Fittings & Equipment £	Total £
Cost			
At 4 April 2010	35,210	1,559,609	1,594,819
Additions	-	134,563	134,563
Disposals	-	(254,309)	(254,309)
At 2 April 2011	<u>35,210</u>	<u>1,439,863</u>	<u>1,475,073</u>
Depreciation			
At 4 April 2010	15,388	1,096,771	1,112,159
Charge for the year	5,887	292,845	298,732
On disposals	-	(252,779)	(252,779)
At 2 April 2011	<u>21,275</u>	<u>1,136,837</u>	<u>1,158,112</u>
Net book value			
At 2 April 2011	<u>13,935</u>	<u>303,026</u>	<u>316,961</u>
At 3 April 2010	<u>19,822</u>	<u>462,838</u>	<u>482,660</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2 April 2011 £	3 April 2010 £
Furniture, fittings and equipment	<u>-</u>	<u>57,003</u>

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

11. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 4 April 2010 and 2 April 2011	8,860,477
Net book value	
At 2 April 2011	8,860,477
At 3 April 2010	8,860,477

Details of the principal subsidiaries can be found under note number 28

12. STOCKS

	Group		Company	
	2 April 2011	3 April 2010	2 April 2011	3 April 2010
	£	£	£	£
Raw materials	632,324	640,442	-	-
Goods in transit	1,024,410	638,978	-	-
Finished goods and goods for resale	2,738,551	2,720,743	-	-
	4,395,285	4,000,163	-	-

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

13. DEBTORS

	Group		Company	
	2 April 2011 £	3 April 2010 £	2 April 2011 £	3 April 2010 £
Due after more than one year				
Amounts owed by group undertakings	-	-	9,107,095	8,715,023
	4,560,860	4,404,112	51,430	55,999
Due within one year				
Trade debtors	3,694,379	3,356,561	-	-
Other debtors	-	8,584	-	-
Prepayments and accrued income	787,662	924,633	-	-
Deferred tax asset (see note 16)	78,819	114,334	51,430	55,999
	4,560,860	4,404,112	51,430	55,999

**14. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2 April 2011 £	3 April 2010 £	2 April 2011 £	3 April 2010 £
Bank loans and overdrafts	770,168	600,000	750,000	600,000
Loan notes	560,000	560,000	560,000	560,000
Net obligations under finance leases and hire purchase contracts	-	61,321	-	-
Trade creditors	1,598,920	2,625,957	-	-
Corporation tax	179,097	24,162	-	-
Social security and other taxes	247,763	97,135	-	-
Accruals and deferred income	1,915,696	1,418,278	-	91,459
	5,271,644	5,386,853	1,310,000	1,251,459

Net obligations under finance leases and hire purchase contracts are secured by fixed charges on the assets concerned

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

15. CREDITORS
Amounts falling due after more than one year

	Group		Company	
	2 April 2011 £	3 April 2010 £	2 April 2011 £	3 April 2010 £
Bank loans (less amortised issue costs of £132,868 [2010 £199,300])	9,467,735	10,000,700	9,467,735	10,000,700
Loan notes	7,216,495	6,047,495	7,216,495	6,047,495
Accruals and deferred income	-	171,282	-	171,282
Share capital treated as debt (Note 17)	10,000	10,000	10,000	10,000
	16,694,230	16,229,477	16,694,230	16,229,477

Disclosure of the terms and conditions attached to the non-equity shares is made in note 17

Included within the above are amounts falling due as follows

	Group		Company	
	2 April 2011 £	3 April 2010 £	2 April 2011 £	3 April 2010 £
Between one and two years				
Bank loans	9,467,735	750,000	9,467,735	750,000
Loan notes	7,216,495	560,000	7,216,495	560,000
Between two and five years				
Bank loans	-	9,250,700	-	9,250,700
Loan notes	-	5,487,495	-	5,487,495

The loan notes are included in the accounts at their fair value at the date of acquisition. The loan notes have a 10% coupon attached and have been discounted at an appropriate discount rate of 15.9%, which represents the equivalent interest rate that would have been obtained from a third party for a loan of the same value and term.

The amount shown in creditors reflects both the principal amount of £4,916,375 plus the accrued interest charged up to 02 April 2011.

The bank loan has interest charged at an interest rate of 5.5% plus a varying margin of between 4% and 12%.

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

16. DEFERRED TAX ASSET

	<u>Group</u>		<u>Company</u>	
	2 April 2011	<i>3 April 2010</i>	2 April 2011	<i>3 April 2010</i>
	£	£	£	£
At beginning of year	88,334	44,027	29,999	-
(Charge for)/released during the year	(9,515)	70,307	21,431	55,999
At end of year	78,819	114,334	51,430	55,999

The deferred tax asset is made up as follows

	<u>Group</u>		<u>Company</u>	
	2 April 2011	<i>3 April 2010</i>	2 April 2011	<i>3 April 2010</i>
	£	£	£	£
Accelerated capital allowances	25,132	52,440	51,430	-
Other short term timing differences	53,687	61,894	-	55,999
	78,819	114,334	51,430	55,999

17. SHARE CAPITAL

	2 April 2011	<i>3 April 2010</i>
	£	£
Shares classified as capital		
Allotted, called up and fully paid		
338,000 A Ordinary shares of £0.01 each	3,380	3,380
570,100 B Ordinary shares of £0.01 each	5,701	5,701
91,900 C Ordinary shares of £0.01 each	919	919
	10,000	10,000
Shares classified as debt		
Allotted, called up and fully paid		
10,000 Participating preference shares of £1 each	10,000	10,000

AMALDIS (2008) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2011

17. SHARE CAPITAL (continued)

On 09 April 2008, 338,000 A shares, 530,100 B shares, 91,900 C shares and 10,000 Preference shares were issued as part of the consideration to acquire Amaldis Limited. The shares have been recorded at nominal value rather than at their fair value.

On 09 April 2008, 20,000 B shares were issued at £3 a share. On 01 July 2008 a further 20,000 B shares were issued at £3 a share. The share premium arising from these transactions is shown in note 18.

Voting rights

Holders of Participating Preference shares are entitled to attend and to speak but not to vote at general meetings. Ordinary shareholders of any class are entitled to attend, speak and vote at general meetings. In aggregate the holders of the A and C Ordinary shares shall be entitled to cast votes equating to the lower of (i) 49.9% of all votes capable of being cast and (ii) such percentage of votes capable of being cast as a proportion of the aggregate number of equity shares in issue.

Distribution rights

In respect of accounting periods ending on and after 31 December 2013 the holders of the A Ordinary shares shall be entitled to a cumulative dividend, the Participating dividend, equal to 15.74% of the adjusted profits; holders of Participating Preference shares shall be entitled to a cumulative dividend equal to 4.26% of the adjusted profits. Adjusted profits are as defined in the Articles of Association.

After payment of the Participating dividend, the company may pay dividends to the holders of the B Ordinary shares a maximum amount equal to the total Participating dividend paid; the Non-Cumulative dividend.

After payment of the Participating and Non-Cumulative dividends, the company may pay dividends to the holders of the A, B and C Ordinary shares as so determined.

On winding up of the company, preference shares take precedence for repayment (at par) ahead of ordinary shareholders. Ordinary shares are treated as one class and rank equally in respect of the distribution on wind up of any surplus assets and retained profits.

Share capital accounted for as a liability

Under FRS25, financial instruments are accounted for as either equity or a liability in accordance with their substance as opposed to their legal form. The impact of this is to reclassify the preference shares in issue to long term liabilities. The impact of this is to reduce equity by £10,000 and increase long term debt by the same amount. Given the company's strategy, the directors have concluded that the A, B and C shares are classified as equity rather than debt.

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

18. RESERVES

Group	Share premium account £	Other reserves £	Profit and loss account £
At 4 April 2010	119,600	1,394,674	(438,592)
Profit for the year	-	-	10,610
	<u>119,600</u>	<u>1,394,674</u>	<u>(427,982)</u>
At 2 April 2011			

Company	Share premium account £	Profit and loss account £
At 4 April 2010	119,600	20,963
Loss for the year	-	(135,791)
	<u>119,600</u>	<u>(114,828)</u>
At 2 April 2011		

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2 April 2011 £	3 April 2010 £
Opening shareholders' funds	1,085,682	937,961
Profit for the year	10,610	147,721
	<u>1,096,292</u>	<u>1,085,682</u>
Closing shareholders' funds		

Company	2 April 2011 £	3 April 2010 £
Opening shareholders' funds	150,563	52,650
(Loss)/profit for the year	(135,791)	97,913
	<u>14,772</u>	<u>150,563</u>
Closing shareholders' funds		

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account

The (loss)/profit for the year dealt with in the accounts of the Company was £135,791 (2010 - £97,913)

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 2 APRIL 2011**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	2,788,198	2,378,235
Amortisation of intangible fixed assets	739,867	739,867
Depreciation of tangible fixed assets	301,527	361,718
Loss on disposal of tangible fixed assets	1,528	-
Increase in stocks	(395,122)	(1,475,985)
Increase in debtors	(192,263)	(1,026,250)
(Decrease)/increase in creditors	(381,784)	1,567,412
Net cash inflow from operating activities	2,861,951	2,544,997

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	582	5,156
Interest paid	(1,166,919)	(1,094,165)
Hire purchase interest	(6,999)	(15,623)
Net cash outflow from returns on investments and servicing of finance	(1,173,336)	(1,104,632)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(134,563)	(229,401)
	2011 £	2010 £
Financing		
Repayment of loans	(600,000)	(400,000)
Repayment of finance leases	(61,321)	(136,774)
Net cash outflow from financing	(661,321)	(536,774)

AMALDIS (2008) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CHANGES IN NET DEBT

	4 April 2010 £	Cash flow £	Other non-cash changes £	2 April 2011 £
Cash at bank and in hand	558,493	713,850	-	1,272,343
Bank overdraft	-	(20,168)	-	(20,168)
	<u>558,493</u>	<u>693,682</u>	<u>-</u>	<u>1,252,175</u>
Debt:				
Finance leases	(61,321)	61,321	-	-
Debts due within one year	(1,160,000)	600,000	(750,000)	(1,310,000)
Debts falling due after more than one year	(16,058,195)	-	(636,035)	(16,694,230)
Net debt	<u>(16,721,023)</u>	<u>1,355,003</u>	<u>(1,386,035)</u>	<u>(16,752,055)</u>

23. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £108,022 (2010 - £89,722). Contributions totalling £15,825 (2010 - £19,734) were payable to the fund at the balance sheet date and are included in creditors.

24. OPERATING LEASE COMMITMENTS

At 2 April 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2 April 2011 £	3 April 2010 £	2 April 2011 £	Other 3 April 2010 £
Group				
Expiry date:				
Within 1 year	145,000	-	33,977	6,051
Between 2 and 5 years	-	290,000	7,884	66,519

25. RELATED PARTY TRANSACTIONS

During the period, A Meehan, the chairman of the group, provided services to the group amounting to £33,350 (2010 £28,646) through Listercorne Limited a company which he is a director and shareholder. At the year end there was £nil (2010 £nil) outstanding.

The company is claiming the exemption conferred by Financial Reporting Standard No. 8 from making related party disclosures in respect of group transactions.

AMALDIS (2008) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2 APRIL 2011

26. CONTROLLING PARTY

There is deemed to be no ultimate controlling party

27. POST BALANCE SHEET EVENTS

On 16 July 2011, Original Additions Topco Limited acquired the entire share capital of Amaldis (2008) Limited. The new parent company was backed by Lloyds Development Capital allowing Barclays Ventures and Matrix to exit. The management team subscribed for the capital of the company in a similar percentage to that held in Amaldis (2008) Limited. As part of this transaction, the loan notes held in the Company have been redeemed at their par value plus accrued interest, and bank loans have been re-financed with the same provider under a new five year arrangement.

28. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Original Additions (Beauty Products) Limited	United Kingdom	100	Beauty Products