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**AMALDIS (2008) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 3 APRIL 2010**

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**AMALDIS (2008) LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

S Zussman  
M Zussman  
A Toms  
J Middleton  
M Wood  
A Meehan

**COMPANY NUMBER**

6545147

**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

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**AMALDIS (2008) LIMITED**

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## **AMALDIS (2008) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 3 APRIL 2010**

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The directors present their report and the financial statements for the year ended 3 April 2010

#### **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, Eylure and Wax - A - Way.

#### **BUSINESS REVIEW**

During the past year despite the adverse economic conditions around the world our overall business has shown an annualised 27% increase in turnover on the previous financial year end, with the UK high street business increasing by 24% and exports by 53%

The increase has come about because of the innovative use of celebrity endorsements in our market sector, as well as the driving of our core brands through product development and additional distribution. More developments and endorsements are planned for 2010/11. The UK business was buoyant, export sales were positive and the professional division was resilient.

Margins were affected by the fall of the value of sterling against other major currencies despite our forward purchase policy which mitigated some of the loss.

Year end stocks are showing an increase to cover the new product launches due in the 1st quarter of the year, and the continued growth of our core business.

Given the straightforward nature of the business, the directors do not think that the use of KPI's is appropriate.

#### **RESULTS**

The profit for the year, after taxation, amounted to £147,721 (2009 - loss of £586,313)

#### **DIRECTORS**

The directors who served during the year were

S Zussman  
M Zussman  
A Toms  
A Meehan  
J Middleton  
M Wood

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## **AMALDIS (2008) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 3 APRIL 2010**

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#### **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 3 April 2010 at an average cost of \$1.58 £1 (31 March 2009 \$1.59 £1) compared to the market rate at 3 April 2010 of \$1.52 £1 (31 March 2009 \$1.42 £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.

#### **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 Consolidated and of the profit or loss of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **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 Consolidated'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 Consolidated's auditors in connection with preparing their report and to establish that the company and the Consolidated's auditors are aware of that information.

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**AMALDIS (2008) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 3 APRIL 2010**

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**AUDITORS**

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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



**S Zussman**  
Director

Date      06   08   ·   10

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## **AMALDIS (2008) LIMITED**

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

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We have audited the Consolidated and parent company financial statements (the "financial statements") of Amaldis (2008) Limited for the year ended 3 April 2010, 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 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 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **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 3 April 2010 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.

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**AMALDIS (2008) LIMITED**

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

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**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 directors' 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 13.8.10



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**AMALDIS (2008) LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 3 APRIL 2010**

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	Note	Year ended 3 April 2010 £	Period ended 31 March 2009 £
<b>TURNOVER</b>	1,2	24,164,062	19,007,586
Cost of sales		(14,688,245)	(10,287,088)
<b>GROSS PROFIT</b>		9,475,817	8,720,498
Administrative expenses		(7,097,582)	(7,087,442)
<b>OPERATING PROFIT</b>	3	2,378,235	1,633,056
Interest receivable		5,156	12,380
Interest payable	7	(2,084,221)	(1,818,416)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		299,170	(172,980)
Tax on profit/(loss) on ordinary activities	8	(151,449)	(413,333)
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>	18	147,721	(586,313)

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

The notes on pages 11 to 27 form part of these financial statements

**AMALDIS (2008) LIMITED**  
**REGISTERED NUMBER: 6545147**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 3 APRIL 2010**

	Note	£	3 April 2010 £	£	31 March 2009 £
<b>FIXED ASSETS</b>					
Intangible fixed assets	9		13,256,584		14,057,451
Tangible fixed assets	10		482,660		614,977
			<u>13,739,244</u>		<u>14,672,428</u>
<b>CURRENT ASSETS</b>					
Stocks	12	4,000,163		2,524,178	
Debtors	13	4,404,112		3,307,555	
Cash at bank		558,493		228,963	
		<u>8,962,768</u>		<u>6,060,696</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(5,386,853)</u>		<u>(3,490,617)</u>	
<b>NET CURRENT ASSETS</b>			<u>3,575,915</u>		<u>2,570,079</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>17,315,159</u>		<u>17,242,507</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(16,229,477)</u>		<u>(16,304,546)</u>
<b>NET ASSETS</b>			<u>1,085,682</u>		<u>937,961</u>
<b>CAPITAL AND RESERVES</b>					
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		<u>(438,592)</u>		<u>(586,313)</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u>1,085,682</u>		<u>937,961</u>

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AMALDIS (2008) LIMITED

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CONSOLIDATED BALANCE SHEET (continued)  
AS AT 3 APRIL 2010

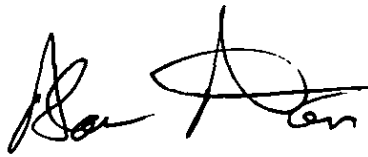
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The financial statements were approved and authorised for issue by the board and were signed on its behalf by

S Zussman  
Director



A Toms  
Director



Date

6/8/10

**AMALDIS (2008) LIMITED**  
**REGISTERED NUMBER: 6545147**

**COMPANY BALANCE SHEET**  
**AS AT 3 APRIL 2010**

	Note	£	3 April 2010 £	£	31 March 2009 £
<b>FIXED ASSETS</b>					
Fixed asset investments	11		8,860,477		6,288,864
<b>CURRENT ASSETS</b>					
Debtors amounts falling due after more than one year	13	8,715,023		10,529,048	
Debtors amounts falling due within one year	13	55,999		-	
		<u>8,771,022</u>		<u>10,529,048</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(1,251,459)</u>		<u>(521,500)</u>	
<b>NET CURRENT ASSETS</b>			<u>7,519,563</u>		<u>10,007,548</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>16,380,040</u>		<u>16,296,412</u>
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(16,229,477)</u>		<u>(16,243,762)</u>
<b>NET ASSETS</b>			<u><u>150,563</u></u>		<u><u>52,650</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		10,000		10,000
Share premium account	18		119,600		119,600
Profit and loss account	18		<u>20,963</u>		<u>(76,950)</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u><u>150,563</u></u>		<u><u>52,650</u></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

6/8/10

**AMALDIS (2008) LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 3 APRIL 2010**

	<b>Note</b>	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
Net cash flow from operating activities	20	2,544,997	3,161,011
Returns on investments and servicing of finance	21	(1,104,632)	(956,483)
Taxation		(344,660)	(576,953)
Capital expenditure and financial investment	21	(229,401)	(149,531)
Acquisitions and disposals	21	-	(1,691,566)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>866,304</b>	<b>(213,522)</b>
Financing	21	(536,774)	781,162
<b>INCREASE IN CASH IN THE YEAR</b>		<b>329,530</b>	<b>567,640</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT  
FOR THE YEAR ENDED 3 APRIL 2010**

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
Increase in cash in the year	329,530	567,640
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	536,774	(661,162)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>866,304</b>	<b>(93,522)</b>
Other non-cash changes	(974,433)	(5,443,762)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(108,129)</b>	<b>(5,537,284)</b>
Net debt at 1 April 2009	(16,612,894)	(11,075,610)
<b>NET DEBT AT 3 APRIL 2010</b>	<b>(16,721,023)</b>	<b>(16,612,894)</b>

The notes on pages 11 to 27 form part of these financial statements

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**AMALDIS (2008) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

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**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 of its subsidiary undertaking, Original Additions (Beauty Products) Limited

The results of subsidiaries sold are included up to the effective date of disposal

**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 fulfilment 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 held as fixed assets are shown at cost less provision for impairment.

**1.7 Leasing and hire purchase**

Assets obtained 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.

Rental payments under operating leases are charged against income on a straight line basis over the lease term.

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AMALDIS (2008) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010

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1 ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Deferred taxation

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

1.10 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.

1.11 Pensions

The group operates a number of money purchase pension schemes for the benefit of the directors and employees. The assets of these schemes are held separately from those of the group. Contributions to these schemes are charged to the profit and loss account as incurred.

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:

	Year ended 3 April 2010 £	Period ended 31 March 2009 £
United Kingdom	20,741,346	16,767,771
Rest of Europe	2,603,667	1,610,856
Rest of World	819,049	628,959
	<u>24,164,062</u>	<u>19,007,586</u>

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AMALDIS (2008) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010

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3. OPERATING PROFIT

The operating profit is stated after charging

	Year ended 3 April 2010 £	Period ended 31 March 2009 £
Amortisation - intangible fixed assets	739,867	739,865
Depreciation of tangible fixed assets		
- owned by the group	241,754	266,330
- held under finance leases	119,964	117,278
Operating lease rentals		
- plant and machinery	70,064	69,632
- other operating leases	300,000	285,000
Loss on disposal of tangible fixed assets	-	1,893
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4. AUDITORS' REMUNERATION

	Year ended 3 April 2010 £	Period ended 31 March 2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	5,000	8,000
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**AMALDIS (2008) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

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**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
Wages and salaries	2,303,308	2,145,591
Social security costs	252,706	239,407
Other pension costs	89,722	89,310
	<u>2,645,736</u>	<u>2,474,308</u>

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

	<b>Year ended 3 April 2010 No.</b>	<b>Period ended 31 March 2009 No</b>
Production and distribution	36	29
Sales and marketing	21	25
Office and administration	7	6
	<u>64</u>	<u>60</u>

**6. DIRECTORS' REMUNERATION**

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
Emoluments	<u>721,423</u>	<u>614,580</u>
Company pension contributions to money purchase pension schemes	<u>59,246</u>	<u>47,241</u>

During the year retirement benefits were accruing to 5 directors (2009 - 5) in respect of money purchase pension schemes

The highest paid director received remuneration of £192,331 (2009 - £187,306)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £14,846 (2009 - £14,588)

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**7. INTEREST PAYABLE**

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
On bank loans and overdrafts	1,094,165	937,938
On finance leases and hire purchase contracts	15,623	15,953
On loan notes	908,000	783,120
Loan issue costs amortised	66,433	66,433
Other interest payable	-	14,972
	<b>2,084,221</b>	<b>1,818,416</b>

**8. TAXATION**

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Analysis of tax charge in the year/period</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit/(loss) for the year/period	421,516	486,042
Adjustments in respect of prior periods	(199,760)	-
<b>Total current tax</b>	<b>221,756</b>	<b>486,042</b>
<b>Deferred tax (see note 16)</b>		
Origination and reversal of timing differences	(70,307)	(72,709)
<b>Tax on profit/(loss) on ordinary activities</b>	<b>151,449</b>	<b>413,333</b>

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**8. TAXATION (continued)**

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2009 - *higher than*) the standard rate of corporation tax in the UK (28%) The differences are explained below

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
Profit/(loss) on ordinary activities before tax	<u>299,170</u>	<u>(172,980)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28.4%)	83,768	(49,126)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	294,498	257,286
Capital allowances for year/period in excess of depreciation	12,596	47,293
Other short term timing differences	30,654	230,589
Adjustments to tax charge in respect of prior periods	<u>(199,760)</u>	<u>-</u>
<b>Current tax charge for the year/period (see note above)</b>	<u><u>221,756</u></u>	<u><u>486,042</u></u>

**9. INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
<b>Consolidated</b>	
<b>Cost</b>	
At 1 April 2009	14,797,316
Disposals	<u>(61,000)</u>
At 3 April 2010	<u>14,736,316</u>
<b>Amortisation</b>	
At 1 April 2009	739,865
Charge for the year	<u>739,867</u>
At 3 April 2010	<u>1,479,732</u>
<b>Net book value</b>	
At 3 April 2010	<u><u>13,256,584</u></u>
At 31 March 2009	<u><u>14,057,451</u></u>

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**10 TANGIBLE FIXED ASSETS**

	Land and buildings £	Furniture, fittings and equipment £	Total £
<b>Consolidated</b>			
<b>Cost</b>			
At 1 April 2009	27,027	1,526,060	1,553,087
Additions	16,520	212,881	229,401
Disposals	(8,337)	(179,332)	(187,669)
	<u>35,210</u>	<u>1,559,609</u>	<u>1,594,819</u>
At 3 April 2010			
<b>Depreciation</b>			
At 1 April 2009	21,451	916,659	938,110
Charge for the year	2,274	359,444	361,718
On disposals	(8,337)	(179,332)	(187,669)
	<u>15,388</u>	<u>1,096,771</u>	<u>1,112,159</u>
At 3 April 2010			
<b>Net book value</b>			
At 3 April 2010	19,822	462,838	482,660
	<u>19,822</u>	<u>462,838</u>	<u>482,660</u>
At 31 March 2009	5,576	609,401	614,977
	<u>5,576</u>	<u>609,401</u>	<u>614,977</u>

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

	3 April 2010 £	31 March 2009 £
<b>Consolidated</b>		
Furniture, fittings and equipment	<u>57,003</u>	<u>176,967</u>

**11. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>Company</b>	
<b>Cost or valuation</b>	
At 1 April 2009	6,288,864
Additions	2,632,613
Disposals	(61,000)
	<u>8,860,477</u>
At 3 April 2010	

Details of the principal subsidiaries can be found under note number 27

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**12. STOCKS**

	<u>Consolidated</u>		<u>Company</u>	
	3 April 2010 £	31 March 2009 £	3 April 2010 £	31 March 2009 £
Raw materials	640,442	323,313	-	-
Goods in transit	638,978	198,573	-	-
Finished goods and goods for resale	2,720,743	2,002,292	-	-
	<u>4,000,163</u>	<u>2,524,178</u>	<u>-</u>	<u>-</u>

**13. DEBTORS**

	<u>Consolidated</u>		<u>Company</u>	
	3 April 2010 £	31 March 2009 £	3 April 2010 £	31 March 2009 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	8,715,023	10,529,048
	<u>-</u>	<u>-</u>	<u>8,715,023</u>	<u>10,529,048</u>
	<u>Consolidated</u>		<u>Company</u>	
	3 April 2010 £	31 March 2009 £	3 April 2010 £	31 March 2009 £
<b>Due within one year</b>				
Trade debtors	3,356,561	2,577,677	-	-
Other debtors	8,584	1,202	-	-
Prepayments and accrued income	924,633	684,649	-	-
Deferred tax asset (see note 16)	114,334	44,027	55,999	-
	<u>4,404,112</u>	<u>3,307,555</u>	<u>55,999</u>	<u>-</u>

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

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

	<u>Consolidated</u>		<u>Company</u>	
	<b>3 April 2010</b>	<b>31 March 2009</b>	<b>3 April 2010</b>	<b>31 March 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	600,000	400,000	600,000	400,000
Loan notes	560,000	-	560,000	-
Net obligations under finance leases and hire purchase contracts	61,321	137,311	-	-
Trade creditors	2,625,957	1,805,219	-	-
Corporation tax	24,162	147,066	-	-
Social security and other taxes	97,135	355,198	-	-
Accruals and deferred income	1,418,278	645,823	91,459	121,500
	<b>5,386,853</b>	<b>3,490,617</b>	<b>1,251,459</b>	<b>521,500</b>

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 3 APRIL 2010**

**15. CREDITORS:**

Amounts falling due after more than one year

	<b>Consolidated</b>		<b>Company</b>	
	<b>3 April 2010 £</b>	<b>31 March 2009 £</b>	<b>3 April 2010 £</b>	<b>31 March 2009 £</b>
Bank loans (less amortised issue costs of £199,300 [2009 £265,733])	10,000,700	10,534,267	10,000,700	10,534,267
Loan notes	6,047,495	5,699,495	6,047,495	5,699,495
Net obligations under finance leases and hire purchase contracts	-	60,784	-	-
Accruals and deferred income	171,282	-	171,282	-
Share capital treated as debt (Note 17)	10,000	10,000	10,000	10,000
	<b>16,229,477</b>	<b>16,304,546</b>	<b>16,229,477</b>	<b>16,243,762</b>

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>3 April 2010 £</b>	<b>31 March 2009 £</b>	<b>3 April 2010 £</b>	<b>31 March 2009 £</b>
<b>Between one and two years</b>				
Bank loans	750,000	600,000	750,000	600,000
Loan notes	560,000	560,000	560,000	560,000
<b>Between two and five years</b>				
Bank loans	9,250,700	9,934,267	9,250,700	9,934,267
Loan notes	5,487,495	5,139,495	5,487,495	5,139,495

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**15. CREDITORS:**

**Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	<u>Consolidated</u>		<u>Company</u>	
	3 April 2010	31 March 2009	3 April 2010	31 March 2009
	£	£	£	£
Between one and five years	-	60,784	-	-

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 3 April 2010.

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

**16. DEFERRED TAXATION**

	<u>Consolidated</u>		<u>Company</u>	
	3 April 2010	31 March 2009	3 April 2010	31 March 2009
	£	£	£	£
At beginning of year/period	44,027	(28,682)	-	-
Profit and loss credit for the year/period	70,307	72,709	55,999	-
At end of year/period	114,334	44,027	55,999	-

The deferred taxation balance is made up as follows

	<u>Consolidated</u>		<u>Company</u>	
	3 April 2010	31 March 2009	3 April 2010	31 March 2009
	£	£	£	£
Accelerated capital allowances	52,440	40,787	-	-
Other short term timing differences	61,894	3,240	55,999	-
	114,334	44,027	55,999	-



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**AMALDIS (2008) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

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**17. SHARE CAPITAL**

	<b>3 April 2010 £</b>	<b>31 March 2009 £</b>
<b>Shares classified as capital</b>		
<b>Allotted, called up and fully paid</b>		
338,000 A Ordinary shares of 1p each	<b>3,380</b>	<b>3,380</b>
570,100 B Ordinary shares of 1p each	<b>5,701</b>	<b>5,701</b>
91,900 C Ordinary shares of 1p each	<b>919</b>	<b>919</b>
	<hr/> <b>10,000</b> <hr/>	<hr/> <b>10,000</b> <hr/>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
10,000 Participating preference shares of £1 each	<hr/> <b>10,000</b> <hr/>	<hr/> <b>10,000</b> <hr/>

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## AMALDIS (2008) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 3 APRIL 2010

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#### 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 17.

#### *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 3 APRIL 2010**

**18. RESERVES**

	Share premium account £	Other reserves £	Profit and loss account £
<b>Consolidated</b>			
At 1 April 2009	119,600	1,394,674	(586,313)
Profit for the year	-	-	147,721
	<u>119,600</u>	<u>1,394,674</u>	<u>(438,592)</u>
At 3 April 2010			
	<u>119,600</u>	<u>1,394,674</u>	<u>(438,592)</u>
		Share premium account £	Profit and loss account £
<b>Company</b>			
At 1 April 2009		119,600	(76,950)
Profit for the year		-	97,913
		<u>119,600</u>	<u>20,963</u>
At 3 April 2010		<u>119,600</u>	<u>20,963</u>

**19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	3 April 2010 £	31 March 2009 £
<b>Consolidated</b>		
Opening shareholders' funds	937,961	-
Profit/(loss) for the year/period	147,721	(586,313)
Shares issued during the year/period	-	10,000
Share premium on shares issued (net of expenses)	-	119,600
Fair value adjustment to share capital	-	1,394,674
	<u>1,085,682</u>	<u>937,961</u>
Closing shareholders' funds		
	<u>1,085,682</u>	<u>937,961</u>
	3 April 2010 £	31 March 2009 £
<b>Company</b>		
Opening shareholders' funds	52,650	-
Profit/(loss) for the year/period	97,913	(76,950)
Shares issued during the period	-	10,000
Share premium on shares issued (net of expenses)	-	119,600
	<u>150,563</u>	<u>52,650</u>
Closing shareholders' funds		
	<u>150,563</u>	<u>52,650</u>

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

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
Operating profit	2,378,235	1,633,056
Amortisation of intangible fixed assets	739,867	739,865
Depreciation of tangible fixed assets	361,718	383,608
Loss on disposal of tangible fixed assets	-	1,893
(Increase)/decrease in stocks	(1,475,985)	469,365
(Increase) in debtors	(1,026,250)	(338,997)
Increase in creditors	1,567,412	272,221
<b>Net cash inflow from operating activities</b>	<b>2,544,997</b>	<b>3,161,011</b>

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

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	5,156	12,380
Interest paid	(1,094,165)	(952,910)
Hire purchase interest	(15,623)	(15,953)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(1,104,632)</b>	<b>(956,483)</b>
	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(229,401)	(151,109)
Sale of tangible fixed assets	-	1,578
<b>Net cash outflow from capital expenditure</b>	<b>(229,401)</b>	<b>(149,531)</b>

**AMALDIS (2008) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

**21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Acquisitions and disposals</b>		
Payment to acquire subsidiary	-	(1,352,889)
Cash acquired with subsidiary	-	(338,677)
<b>Net cash from acquisitions and disposals</b>	<b>-</b>	<b>(1,691,566)</b>
	<b>Year ended 3 April 2010 £</b>	<b>Period ended 31 March 2009 £</b>
<b>Financing</b>		
Issue of equity	-	120,000
Repayment of bank loan	(400,000)	(10,450,000)
Receipt of new long term bank loan	-	11,200,000
Repayment of finance leases	(136,774)	(88,838)
<b>Net cash (outflow)/inflow from financing</b>	<b>(536,774)</b>	<b>781,162</b>

**22. ANALYSIS OF CHANGES IN NET DEBT**

	<b>1 April 2009 £</b>	<b>Cash flow £</b>	<b>Other non-cash changes £</b>	<b>3 April 2010 £</b>
Cash at bank and in hand	228,963	329,530	-	558,493
<b>Debt:</b>				
Finance leases	(198,095)	136,774	-	(61,321)
Debts due within one year	(400,000)	400,000	(1,160,000)	(1,160,000)
Debts falling due after more than one year	(16,243,762)	-	185,567	(16,058,195)
<b>Net debt</b>	<b>(16,612,894)</b>	<b>866,304</b>	<b>(974,433)</b>	<b>(16,721,023)</b>

**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 £89,722 (2009 - £89,310). Contributions totalling £19,734 (2009 - £11,573) were payable to the fund at the balance sheet date and are included in creditors.

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**AMALDIS (2008) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 3 APRIL 2010**

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**24. OPERATING LEASE COMMITMENTS**

At 3 April 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		3 April 2010	Other 31 March 2009
	3 April 2010	31 March 2009		
Consolidated	£	£	£	£
Expiry date:				
Within 1 year	-	-	6,051	-
Between 2 and 5 years	300,000	300,000	66,519	66,652

**25. RELATED PARTY TRANSACTIONS**

During the period, A Meehan, the chairman of the group, provided services to the group amounting to £28,646 (2009 £25,083) through Listercorne Limited a company which he is a director and shareholder. At the year end there was £nil (2009 £8,691) outstanding.

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

**26. CONTROLLING PARTY**

There is deemed to be no ultimate controlling party.

**27. PRINCIPAL SUBSIDIARIES**

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