Skin and Beauty Limited

Annual report and financial statements

Registered number 07686131

For the 13 months ended 31 August 2017

Contents

Officers and professional advisers

Directors	Mr D Grassby (appointed 3 April 2017)
	Mr J Davidson (appointed 3 April 2017, resigned 28 February 2018)
Secretary	Mr J Davidson (appointed 3 April 2017, resigned 28 February 2018)
Registered office	34 Harborne Road Edgbaston Birmingham B15 3AA
Bankers	Santander UK Plc 1 Cornwall Street Birmingham B3 2DX
Solicitors	Shoosmiths 2 Colmore Square 38 Colmore Circus Queensway Birmingham B4 6BJ
Auditors	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Strategic report

Background

On 3 April 2017, Lasercare Clinics (Harrogate) Limited acquired the entire share capital of Skin and Beauty Limited. From that date, all new business has been recorded in the parent company.

Results

The profit for the 13 month period, after taxation, amounted to £73,835 *(year ended 31 July 2016: £67,516).*

Risks and uncertainties

As the Company is not carrying out any business activities, the directors do not consider that any risks or uncertainties are significant.

By order of the Board

D Grassby
Director

3 April 2018

Directors' report

The directors present their annual report and the audited financial statements for the 13 months ended 31 August 2017.

Principal activities

The principal activity of the Company in the period under review was that of medical skin treatments.

Dividends

During the period, the directors recommended the payment of dividends totalling £321,297 *(year ended 31 July 2016: £23,000).*

On 3 April 2017, Lasercare Clinics (Harrogate) Limited acquired the entire share capital of Skin and Beauty Limited. From the date of acquisition, all new business has been recorded in the parent company. In addition, all assets and liabilities have been transferred to the parent company during the period.

Following the change of ownership, the directors changed the Company's year end to 31 August to be coterminous with the rest of the SKN Group.

Directors

The directors who served during the period and since the period end were as follows:

Dr L Eve	(resigned 3 April 2017)
Dr J Eve	(resigned 3 April 2017)
B Griffiths	(resigned 3 April 2017)
Mr D Grassby	(appointed 3 April 2017)
Mr J Davidson	(appointed 3 April 2017, resigned 28 February 2018)

Political and charitable donations

Payments of a charitable nature made during the period amounted to £Nil *(year ended 31 July 2016: £Nil)*. The Company did not make any political contributions or incur any political expenditure during the current period or prior year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

During the period, the directors appointed KPMG LLP as auditor in accordance with Section 485 of the Companies Act 2006. Prior to the change of ownership, the directors were satisfied that the Company was entitled to exemption from the requirement to obtain an audit under Section 477 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the Board

D Grassby
Director

34 Harborne Road
Edgbaston
Birmingham
B15 3AA

3 April 2018

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Skin and Beauty Limited

Disclaimer of opinion

We were engaged to audit the financial statements of Skin and Beauty Limited ("the Company") for the 13 month period ended 31 August 2017 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

We do not express an opinion on the financial statements. Due to the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

The audit evidence available to us was limited because the directors were unable to provide adequate accounting records and/or supporting documentation for the period from 1 August 2016 to 3 April 2017, when the Company's business activities were transferred to the new parent and we were appointed as auditors. As a result of this we have been unable to obtain sufficient appropriate audit evidence over the state of affairs of the Company as at 31 August 2017 and of its profit for the 13 month period then ended.

Strategic report and Directors' report

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matter described in the basis for disclaimer of opinion on financial statements paragraph, and the consequential effect on the related disclosures in the Strategic Report and Directors' Report, although in our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements, we do not express an opinion on the preparation of those report in accordance with the Companies Act 2006 or whether we have identified material misstatements in .those reports.

Other matter – prior period financial statements

In seeking to form an opinion on the financial statements, we note that the prior period financial statements were not audited. Consequently, International Standards of Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not further modified in this respect.

Independent auditor's report to the members of Skin and Beauty Limited *(continued)*

Matters on which we are required to report by exception

As a result of the limitation on our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- adequate accounting records have not been kept; and
- we were unable to determine whether the financial statements are in agreement with the accounting records and returns.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (UK), and to issue an auditor's report. However, due to the significance of the matters described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

The purpose of our audit work and to whom we owe our responsibilities

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.

M Buckingham

Matthew Buckingham (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

3 April 2018

Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Profit and loss account

for the 13 month period ended 31 August 2017

	Note	13 month period ended 31 August 2017 £	Unaudited Year ended 31 July 2016 £
Turnover	*1*	209,576	309,715
Cost of sales		(58,273)	(87,127)
Gross profit		151,303	222,588
Administrative expenses		(58,930)	(139,470)
Operating profit		92,373	83,118
Interest receivable	*5*	65	114
Profit before taxation	*2*	92,438	83,232
Taxation	*6*	(18,603)	(15,716)
Profit and total comprehensive income for the financial period		73,835	67,516

All results are derived from continuing activities in both the current period and preceding year.

The notes on pages 10 to 19 form part of the financial statements.

Balance sheet
at 31 August 2017

	Note	31 August 2017		31 July 2016 - unaudited	
		£	£	£	£
Fixed assets					
Tangible assets	7		-		61,331
Current assets					
Stocks	8	-		27,191	
Debtors	9	143		1,291	
Cash at bank and in hand		6		201,232	
		149		229,714	
Creditors: Amounts falling due within one year	10	(49)		(35,388)	
Net current assets			100		194,326
Total assets less current liabilities			100		255,657
Provisions for liabilities and charges	11		-		(8,095)
Net assets			100		247,562
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account			-		247,462
Shareholders' funds			100		247,562

The notes on pages 10 to 19 form part of the financial statements.

These financial statements were approved by the board of directors on 3 April 2018 and were signed on its behalf by:

D Grassby
Director

Company number: 07686131

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2015 - unaudited	100	202,946	203,046
Total comprehensive income for the period			
Profit for the year - unaudited	-	67,516	67,516
Total comprehensive income for the year - unaudited	-	67,516	67,516
Transactions with owners recorded directly in equity			
Dividend paid – unaudited	-	(23,000)	(23,000)
Balance at 31 July 2016 - unaudited	100	247,462	247,562
Balance at 1 August 2016 - unaudited	100	247,462	247,562
Total comprehensive income for the period			
Profit for the period	-	73,835	73,835
Total comprehensive income for the period	-	73,835	73,835
Transactions with owners recorded directly in equity			
Dividend paid	-	(321,297)	(321,297)
Balance at 31 August 2017	**100**	**-**	**100**

Notes
(forming part of the financial statements)

1 Accounting policies

Skin and Beauty Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2015. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, SKN Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of SKN Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from 34 Harborne Road, Edgbaston, Birmingham, B15 3AA. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of SKN Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements:

1.1 Change in accounting policy/prior period adjustments

There are no accounting policy or prior year adjustments in these financial statements.

1.2 Accounting estimates and judgements

There are no judgements made by the directors in the application of these accounting policies which have significant effect on the financial statements and estimates with a significant risk of material misstatement in the next year.

Critical accounting judgements in applying the Company's accounting policies

There are no critical accounting judgements in applying the Company's accounting policies.

1.3 Measurement convention

The financial statements are prepared on the historical cost basis.

1.4 Going concern

These financial statements have been prepared on a going concern basis.

The going concern basis assumes that the Company will continue to trade since its ultimate parent company SKN Holdings Limited has indicated that it will provide or procure such funds as are necessary to enable the Company to carry out business activities as may be decided by its directors for a period of at least twelve months and enable the Company to pay its debts on this basis.

The nature of the Group's business is such that there can be variation in the timing and extent of cash inflows. In line with its normal management practises the directors have prepared projected cash flow information for the period ending twelve months from the date of the approval of the financial statements and a business plan forecast for the three financial years to 31 August 2020. These projections and forecasts take into account such variations to an extent which they consider to be reasonable, based on the information that is available to them at the time of approval of the financial statements. Notwithstanding the Group's net liabilities as at 31 August 2017, on the basis of this cash flow information, the directors consider that the Company and the Group will be able to continue to operate within the

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Going concern (continued)

facilities currently in place with the support of its stakeholders, if it should be required, for at least the next twelve months from approval of these financial statements. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.5 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements 10 years
- Plant and machinery 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.12 Turnover

Turnover represents amounts derived from the provision of medical treatments and the sale of products, all of which arise in the United Kingdom. The principal activity is performing medical treatments and patients may undergo a single treatment or book a course of treatments in advance. Revenue is recognised at the point at which treatment takes place. Products are mainly offered to supplement treatments and involve typical over-the-counter retail transactions which are recognised at the point of sale. Turnover is stated net of value added tax.

Notes *(continued)*

1 Accounting policies *(continued)*

1.13 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest receivable and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.14 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

1.16 Related party transactions

The Company has taken advantage of the exemption available in FRS 102 not to disclose transactions between the Company and its parent and 100% owned subsidiaries within the SKN Holdings Group.

Notes *(continued)*

2 Notes to the profit and loss account

	13 month period ended 31 August 2017 £	Unaudited Year ended 31 July 2016 £
Profit before taxation is stated after charging		
Depreciation:		
Owned assets	7,636	11,008
Loss on disposal of tangible fixed assets	50	-
Rentals under operating of tangible fixed assets leases:		
Other	3,753	7,667
Auditor's remuneration:		
Audit of these financial statements	-	-
Accounting assistance	1,427	4,936

Amounts receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, SKN Holdings Limited.

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period was as follows:

	Number of employees 13 month period ended 31 August 2017	Unaudited Year ended 31 July 2016
Nurses/therapists	-	1
Administrative	3	3
	3	4

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	25,938	41,782
Social security costs	2,565	4,133
Other pension costs	-	37,000
	28,503	82,915

Since the date of change of ownership, the directors of Skin and Beauty Limited are remunerated at Group level and are disclosed in the financial statements of SKN Limited.

Notes *(continued)*

4 Remuneration of directors

	13 month period ended 31 August 2017 £	Unaudited Year ended 31 July 2016 £
Directors' emoluments	5,408	8,112
Company contributions to money purchase pension scheme	-	37,000
	5,408	45,112

5 Interest receivable

	13 month period ended 31 August 2017 £	Unaudited Year ended 31 July 2016 £
Bank interest receivable	65	114

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	13 month period ended 31 August 2017		Unaudited - Year ended 31 July 2016	
	£	£	£	£
UK corporation tax				
Current tax on income for the period	20,025		17,740	
Adjustments in respect of prior periods	(2,570)		-	
Total current tax		17,455		17,740
Deferred tax (see note 11)				
Origination and reversal of timing differences	1,553		(2,024)	
Change in tax rate on opening balance	(405)		-	
Total deferred tax		1,148		(2,024)
Total tax on profit		18,603		15,716

Notes *(continued)*

6 Taxation *(continued)*

Reconciliation of effective tax charge

	13 month period ended 31 August 2017 £	Unaudited Year ended 31 July 2016 £
Profit for the period	73,835	67,516
Total tax expense	18,603	15,716
Profit before tax	92,438	83,232
Tax using the UK corporation tax rate of 19.62% *(year ended 31 July 2016: 20%)*	18,136	16,646
Expenses not deductible for tax purposes	3,442	(930)
Adjustments to current tax charge in respect of previous periods	(2,570)	-
Effect of change in tax rate	(405)	-
Total tax charge included in profit or loss	18,603	15,716

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

7 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At beginning of period	13,400	121,014	134,414
Disposals	-	(50)	(50)
Transferred to parent undertaking	(13,400)	(120,964)	(134,364)
At end of period	-	-	-
Accumulated depreciation			
At beginning of period	5,395	67,688	73,083
Charge for the period	533	7,103	7,636
Transferred to parent undertaking	(5,928)	(74,791)	(80,719)
At end of period	-	-	-
Net book value			
At 31 August 2017	-	-	-
At 31 July 2016 – unaudited	8,005	53,326	61,331

Notes *(continued)*

8 Stocks

	31 August 2017 £	Unaudited 31 July 2016 £
Medical consumables	-	27,191

Stock recognised in cost of sales during the period as an expense was £58,273 *(31 July 2016: £87,126)*. An impairment loss of £Nil *(31 July 2016: £Nil)* was recognised in cost of sales against stock during the period due to slow moving and obsolete stock.

9 Debtors

	31 August 2017 £	Unaudited 31 July 2016 £
Other debtors and prepayments	143	1,291

10 Creditors: Amounts falling due within one year

	31 August 2017 £	Unaudited 31 July 2016 £
Corporation tax	-	17,729
Amounts owed to group undertakings	49	-
Other taxation and social security	-	6,167
Other creditors	-	5,840
Accruals and deferred income	-	5,652
	49	35,388

Notes *(continued)*

11 Provisions for liabilities and charges

	Deferred tax liability £
At beginning of period – unaudited	8,095
Charge to the profit and loss account for the period	1,148
Transferred to parent undertaking	(9,243)
At end of period	-

The deferred tax liability relates to the following:

	At start of period £	Movement £	At end of period £
Accelerated capital allowances	8,095	(8,095)	-

12 Called up share capital

	31 August 2017 £	Unaudited 31 July 2016 £
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100

As at 31 July 2016, the ordinary share capital was designated as 90 A ordinary shares, 5 B ordinary shares and 5 C ordinary shares, all of which were prescribed voting and dividend rights. On 3 April 2017, the directors passed a special resolution that each of the A, B and C ordinary shares be re-designated as ordinary shares.

13 Operating lease commitments

The Company's future minimum operating lease payments are as follows:

	Land and buildings 31 August 2017 £	Unaudited 31 July 2016 £
Leases which expire:		
Within one year	-	7,250
In the second to fifth year	-	15,708
	-	22,958

Notes *(continued)*

14 Contingent liabilities

The Company has guaranteed the bank loans and overdrafts of SKN Limited, an intermediate parent company. The amount outstanding at the period end was £3,200,000 *(31 July 2016: £Nil)*.

15 Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £Nil *(31 July 2016: £37,000)*.

Contributions amounting to £Nil *(31 July 2016: £Nil)* were payable to the scheme and are included in creditors.

16 Ultimate parent company

The Company's immediate parent company is Lasercare Clinics (Harrogate) Limited.

The Company's ultimate parent company is SKN Holdings Limited, which is registered in England and is the only group within which the results of this company are consolidated. The consolidated financial statements of SKN Holdings Limited are available from 34 Harborne Road, Edgbaston, Birmingham B15 3AA.

17 Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party.

18 Subsequent events

In January 2018, the Group successfully completed a refinancing of senior debt with Santander.