

Company Registration No. 00428213

Coty Manufacturing UK Limited

Annual Report and Financial Statements

30 June 2012

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Coty Manufacturing UK Limited

Annual report and financial statements 2012

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Coty Manufacturing UK Limited

Directors' report

The Directors present their Annual Report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 June 2012

Principal activities

The principal activities of the company comprise the manufacture and inter-company distribution of cosmetics

Business review

Coty Manufacturing UK Ltd is part of the multinational Coty Inc group and as such there is on-going company-wide investment in research and development in global properties across the group. The directors regard this type of investment as a key ingredient towards sustainable business development in the medium to long term.

Coty Manufacturing UK Ltd manufactures finished goods in house as well as managing third party outsourced production requirements. During 2012 volumes grew and in house finished goods units were 129 million (2011: 121 million). The mix of in house produced goods to bought in finished goods remains consistent at 72% (2011: 73%).

The directors are pleased that the full year reported operating profit of £3,078,000 (2011: £3,075,000) represents a satisfactory level of profitability for the contract manufacturing business in the current economic circumstances. The company continues to focus on cost control and reduction programs, capital investment for production efficiencies, quality programs and focus on inventory reporting and reduction.

The future activity of the company will be to continue to manufacture finished goods in house for Coty Inc group companies as well as to manage third party outsourced production requirements.

Going Concern

The directors have a reasonable expectation that the Company and the Coty Inc Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 Accounting policies in the financial statements.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including cash flow risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Other than internal foreign exchange hedges, the company does not use financial derivatives to manage any of these risks nor for speculative purposes.

Credit risk

The company's principal financial asset is intercompany receivables and as such the company considers any credit risk to be minimal.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of short-term debt finance together with medium term intra-group borrowings.

Dividends

There were no interim dividends paid by directors (2010: £nil) during the year. The directors do not propose a final dividend (2010: £nil).

Coty Manufacturing UK Limited

Directors' report (continued)

Directors and their interests

The directors, who served throughout the year except as noted, were as follows

M Brady
A Garotti
D Pettifer

Directors Indemnities

The company has not made any qualifying third party indemnity provisions for the benefit of its directors during the year

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the Coty Inc DVD and magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Auditor


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

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

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

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by


A Garotti
Director
13th December 2012

Eureka Park, Bradfield Road, Ashford, Kent TN25 4AQ

Coty Manufacturing UK Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Coty Manufacturing UK Limited

We have audited the financial statements of Coty Manufacturing UK Limited) for the year ended 30 June 2012 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its 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.

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Neil Harris (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

13 December 2012

Coty Manufacturing UK Limited

Profit and loss account Year ended 30 June 2012

	Note	2012 £'000	2011 £'000
Turnover	2	86,678	85,458
Cost of sales		(62,231)	(63,275)
Gross profit		<u>24,447</u>	<u>22,183</u>
Administrative expenses		(21,369)	(19,108)
Operating profit	3	3,078	3,075
Interest receivable and similar income	5	176	34
Interest payable and similar charges	6	(409)	(672)
Profit on ordinary activities before taxation		<u>2,845</u>	<u>2,437</u>
Tax on profit on ordinary activities	7	(733)	(1,028)
Profit on ordinary activities after taxation	17	<u><u>2,112</u></u>	<u><u>1,409</u></u>

All results are derived from continuing operations

There are no recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account, accordingly no statement of total recognised gains and losses is presented

Coty Manufacturing UK Limited

Balance sheet 30 June 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	8	15,711	16,418
Tangible assets	9	27,765	25,665
		<u>43,476</u>	<u>42,083</u>
Current assets			
Stocks	10	9,289	5,985
Debtors	11	73,992	73,771
		<u>83,281</u>	<u>79,756</u>
Creditors: amounts falling due within one year	12	<u>(52,049)</u>	<u>(49,152)</u>
Net current assets		<u>31,232</u>	<u>30,604</u>
Total assets less current liabilities		<u>74,708</u>	<u>72,687</u>
Creditors: amounts falling due after more than one year	13	<u>(8,642)</u>	<u>(8,767)</u>
		<u>66,066</u>	<u>63,920</u>
Capital and reserves			
Called up share capital	15,17	20,050	20,050
Capital reserve	17	10	10
Profit and loss account	17	46,006	43,860
Shareholders' funds	17	<u>66,066</u>	<u>63,920</u>

These financial statements of Coty Manufacturing UK Limited, registered company number 00428213, were approved by the Board of Directors on 13th December 2012

Signed on behalf of the Board of Directors


A Garotti
Director

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted have been applied consistently in the current and preceding year and are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The directors have reviewed the going concern status of the company by considering the cash and borrowing position of the company at 30 June 2012, its anticipated level of trading activity and the continued availability of the company's existing bank facilities.

Having regard to the above and having sought and received parental comfort in terms of group structure and ongoing continuity of supply from an intermediate parent, Coty Inc., and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further information is provided within the directors' report on pages 1 to 2.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

Revenue is recognised at the point of dispatch from the manufacturing site as Coty Manufacturing UK Limited operate on an 'ex-works' basis.

Goodwill

On the acquisition of a business, fair values are attributed to the company's share of net tangible assets acquired. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised in the balance sheet and amortised over its estimated useful life. The directors have estimated the useful lives of acquired operations at 40 years on the basis of the specialist nature of the business acquired and long-term industry prospects.

The directors test goodwill for potential impairment at least on an annual basis by analysing operating results, trends and prospects of each brand, and considering any other events or circumstances that might indicate potential impairment.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold properties and land	Over the term of the lease
Plant and machinery	10% per annum
Fixtures, fittings, tools and equipment	7% - 33% per annum

No depreciation is provided on assets in the course of construction.

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

1. Accounting policies (continued)

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Taxation

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Share based payments

The company has applied the requirements of FRS 20 'Share-based Payments'. In accordance with the traditional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006.

Certain of the company's employees are issued share options by Coty Inc. As these options are settled through the company's payroll the company accounts for these share-based payments as cash-settled.

Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the services received is recognised at the current fair value determined at each balance sheet date for cash-settled share-based payments.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension contributions

Contributions were made to a defined contribution scheme. Charges to the profit and loss account represent the contributions payable for the accounting period. Any difference between amounts charged to the profit and loss account and contributions paid is included in other debtors or other creditors in the balance sheet.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Cash flow

The company is exempt from preparing a cash flow statement under FRS 1 Cash flow statements (revised 1996), as the group's ultimate parent undertaking, Coty Inc, publishes a consolidated cash flow statement.

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

2. Segmental information

The geographical analysis of turnover by destination (based on the destination of the ultimate external customer) is as follows

	2012 £'000	2011 £'000
United Kingdom	22,079	22,563
Other	64,599	62,895
	<u>86,678</u>	<u>85,458</u>

The directors are of the opinion that the company has one class of business

3. Operating profit

	2012 £'000	2011 £'000
Operating profit is after charging/(crediting):		
Depreciation and amortisation		
Owned assets	4,200	3,655
Amortisation of goodwill	707	707
Rentals under operating leases		
Hire of plant and machinery	123	209
Other	2	6
Loss on disposal of fixed assets	8	58
Foreign exchange gains	(139)	(726)
	<u></u>	<u></u>

The analysis of auditor's remuneration is as follows:

	2012 £'000	2011 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>27</u>	<u>25</u>
Fees payable to the Company's auditor and their associates for other services to the Company		
Tax services	<u>32</u>	<u>21</u>

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

4. Information regarding directors and employees

	2012 £'000	2011 £'000
Directors' emoluments:		
Remuneration	363	209
Pension contributions	17	17
	<u>380</u>	<u>226</u>
The highest paid director received:		
Remuneration	363	209
Pension contributions	17	17
	<u>380</u>	<u>226</u>
	No.	No.
The number of directors who		
Are members of a money purchase pension scheme	1	1
Exercised options in the period	-	-
Received awards under a long term incentive plan	1	1
	<u>1</u>	<u>1</u>
The highest paid director did not exercise any share options in the year, but shares were received by that director in respect of qualifying services under a long term incentive scheme		
Average number of persons employed:	No.	No
Production	303	292
Sales and distribution	2	2
Administration	60	57
	<u>365</u>	<u>351</u>
Staff costs (including directors):	£'000	£'000
Wages and salaries	10,100	9,915
Social security costs	1,066	1,051
Other pension costs	661	603
	<u>11,827</u>	<u>11,569</u>

5 Interest receivable and similar income

	2012 £'000	2011 £'000
Loans to group undertakings	<u>176</u>	<u>34</u>

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

6. Interest payable and similar charges

	2012 £'000	2011 £'000
Loans from group undertakings	27	43
Other interest	382	629
	<u>409</u>	<u>672</u>

7. Tax on profit on ordinary activities

	2012 £'000	2011 £'000
Current tax:		
UK corporation tax charge at 25.5% (2011: 27.5%)	895	772
Prior year adjustments	(250)	84
Total current tax	<u>645</u>	<u>856</u>
Deferred tax – timing differences, origination and reversal	88	172
Tax on profit on ordinary activities	<u>733</u>	<u>1,028</u>

Reconciliation to current tax charge

The average rate of current tax for the year, based on the UK standard rate of corporation tax is 25.5% (2011: 27.5%). The current tax rate for the current and preceding year is higher for the reasons set out in the following reconciliation:

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	2,845	2,437
Tax on profit on ordinary activities at standard rate	725	670
Factors affecting charge		
Disallowed expenses	181	228
Capital allowances	(82)	(176)
Other short term timing differences	(8)	(9)
Fixed asset loss on disposal	25	14
Share-based payments (FRS 20)	54	45
Prior year adjustment	(250)	84
Current tax charge for the year	<u>645</u>	<u>856</u>

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

7. Tax on profit on ordinary activities (continued)

Factors that may affect future tax charge

The Finance Act 2011, which provides for a reduction on the main rate of corporation tax from 26% to 25% effective from 1 April 2012, was substantively enacted on 19 July 2011. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

Subsequently the Government has further reduced the main rate of corporation tax from 25% to 24% effective from 1 April 2012. As this was not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

The Government intends to enact future reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. The future rate changes to 22% would not have a material effect on the deferred tax position. The actual impact will be dependent on the deferred tax position at that time.

8. Intangible fixed assets

	Goodwill £'000
Cost	
At 1 July 2011 and 30 June 2012	28,221
Amortisation	
At 1 July 2011	11,803
Charge for the year	707
At 30 June 2012	12,510
Net book value	
At 30 June 2012	15,711
At 30 June 2011	16,418

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

9. Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 July 2011	15,445	27,415	15,339	5,480	63,679
Additions	-	-	-	6,400	6,400
Transfers	513	7,262	2,292	(10,067)	-
Disposals	-	(229)	(6)	(91)	(326)
At 30 June 2012	15,958	34,448	17,625	1,722	69,753
Accumulated depreciation					
At 1 July 2011	5,919	18,130	13,965	-	38,014
Charge for the year	536	2,370	1,294	-	4,200
Disposals	-	(226)	-	-	(226)
At 30 June 2012	6,455	20,274	15,259	-	41,988
Net book value					
At 30 June 2012	9,503	14,174	2,366	1,722	27,765
At 30 June 2011	9,526	9,285	1,374	5,480	25,665

The net book value of land and buildings comprises

	2012 £'000	2011 £'000
Land	2,895	2,824
Buildings		
Long leasehold	6,608	6,702
	9,503	9,526

10. Stocks

	2012 £'000	2011 £'000
Raw materials and consumables	6,476	4,101
Work-in-progress	245	254
Finished goods and goods for resale	2,568	1,630
	9,289	5,985

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

11. Debtors

	2012 £'000	2011 £'000
Trade debtors	55	96
Amounts owed by group undertakings	72,735	72,453
Other debtors	773	695
Deferred tax (note 14)	283	371
Prepayments and accrued income	146	156
	<u>73,992</u>	<u>73,771</u>

12. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Bank overdraft	-	46
Trade creditors	14,673	14,863
Amounts owed to group undertakings	2,343	2,326
Corporation tax	17,247	17,044
Other taxation and social security	478	473
Other creditors	15,647	12,977
Accruals and deferred income	1,661	1,423
	<u>52,049</u>	<u>49,152</u>

13. Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Amount owed to parent company	8,642	8,642
Amount owed to fellow subsidiary	-	125
	<u>8,642</u>	<u>8,767</u>

The amount owed to the parent undertaking is non-interest bearing. The company has obtained confirmation from the counter-party that they will not seek repayment of the amount within one year of the balance sheet date.

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

14. Deferred taxation

	£'000
Asset at 1 July 2011	371
Deferred tax charge for the year	(88)
Asset at 30 June 2012	<u>283</u>

	2012 £'000	2011 £'000
Share-based payments	158	125
Accelerated capital allowances	125	246
Total asset	<u>283</u>	<u>371</u>

15. Called up share capital

	2012 £'000	2011 £'000
Authorised		
20,100,000 ordinary shares of £1 each	<u>20,100</u>	<u>20,100</u>
Called up, allotted and fully paid		
20,050,000 ordinary shares of £1 each	<u>20,050</u>	<u>20,050</u>

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

16. Share-based payments

Cash-settled share option scheme

Certain of the company's employees are issued share options in the company's intermediate parent company, Coty Inc, under a long term incentive plan. These share options vest generally over 5 years. If the options remain un-exercised after a period of 10 years from the date of grant the options expire. All non-vested options are forfeited if the employee leaves the company before the options vest, except upon retirement where the options are pro-rated.

Details of the share options outstanding during the year are as follows

	2012		2011	
	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of the year	83,500	3.63	15,500	3.72
Stock split	-	-	62,000	3.72
Granted during the year	17,000	0.65	26,000	3.40
Leavers during the year	(5,000)	-	-	-
Transferred to fellow group company	(23,500)	-	(20,000)	-
Outstanding at the end of the year	<u>72,000</u>	<u>2.19</u>	<u>83,500</u>	<u>3.63</u>
Exercisable at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 30 June 2012 had a weighted average remaining contractual life of 6.68 years.

The inputs into the Black-Scholes option pricing model are as follows

	2012	2011
Weighted average exercise price	£5.59	£5.19
Expected life	4.32 years	6.38 years
Expected volatility	32.80%	29.98%
Risk-free rate	0.72%	2.26%
Expected dividend yield	n/a	n/a

Expected volatility

Expected volatility is calculated based on median volatility for peer companies using 7.5 years of daily stock price history.

Expected life

The expected life of the option represents the period of time (years) that options granted are expected to be outstanding, which the company calculates using a formula based on the vesting term and the contractual life of the respective option.

Risk-free interest rate

The risk free rate was based on the implied yield on a US treasury note with a term equal to the expected term of the underlying grants.

Coty Manufacturing UK Limited

Notes to the accounts Year ended 30 June 2012

16. Share-based payments (continued)

Forfeiture rate

The Company uses historical data to estimate pre-vesting option forfeitures, which yields a forfeiture rate of 4.0 percent. The estimate of forfeitures will be adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ, from such estimates.

The company has recorded liabilities of £579,072 relating to share based payments (2011: £471,850) and total charge of £191,668 in 2012 (2011: £144,179).

17. Combined reconciliation of movements in shareholders' funds and statement of movements on reserves

	Share capital £'000	Capital reserve £'000	Profit and loss account £'000	Total 2012 £'000	Total 2011 £'000
Brought forward	20,050	10	43,860	63,920	62,495
Profit retained and transferred to reserves	-	-	2,112	2,112	1,409
Capital contribution	-	-	34	34	16
Carried forward	<u>20,050</u>	<u>10</u>	<u>46,006</u>	<u>66,066</u>	<u>63,920</u>

18. Capital commitments

	2012 £'000	2011 £'000
Contracted for but not provided	<u>1,452</u>	<u>1,967</u>

19. Operating lease commitments

At 30 June 2011, the company was committed to making the following payments during the next year in respect of operating leases that expire:

	2012 Other £'000	2011 Other £'000
Within one year	<u>20</u>	<u>35</u>

Coty Manufacturing UK Limited

Notes to the accounts

Year ended 30 June 2012

20. Ultimate parent company and controlling party

The directors regard Donata Holding SE (a Societas Europea) as the company's ultimate parent and controlling party

Coty Inc is the parent undertaking of the largest and smallest group of which Coty Manufacturing UK Limited is a member and for which group accounts are drawn up. Group accounts are available from 2 Park Avenue, New York, USA

At the balance sheet date the immediate parent company was Coty Brands Group Limited

21. Related party transactions

In accordance with Financial Reporting Standard No. 8 "Related Party Transactions", transactions with other group undertakings within, and investee related parties of, Coty Inc have not been disclosed in these accounts