

COMPANY REGISTRATION NUMBER 03150196

INTERNATIONAL HAIR COSMETICS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31st MARCH 2014

 taylorcocks

3 Acorn Business Centre  
Northarbour Road  
Cosham  
Portsmouth  
UNITED KINGDOM  
PO6 3TH

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**INTERNATIONAL HAIR COSMETICS LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED 31st MARCH 2014**

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**INTERNATIONAL HAIR COSMETICS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO INTERNATIONAL HAIR COSMETICS LIMITED**

**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the financial statements of International Hair Cosmetics Limited for the year ended 31st March 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

**OTHER INFORMATION**

On 17/3/15 we reported as auditor to the members of the company on the full financial statements prepared under Section 396 of the Companies Act 2006 and our report is reproduced on pages 2 to 3 of these financial statements.



JAMES BLAKE ACA (Senior Statutory Auditor)

For and on behalf of

 taylorcocks

Statutory Auditor

Office: Portsmouth

Date: 17/3/15

## **INTERNATIONAL HAIR COSMETICS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INTERNATIONAL HAIR COSMETICS LIMITED**

#### **YEAR ENDED 31st MARCH 2014**

We have audited the financial statements of International Hair Cosmetics Limited for the year ended 31st March 2014. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on page 2, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31st March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **EMPHASIS OF MATTER**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure of amounts included within debtors. Included within debtors is a trade debtor of £297,023 owed to the company by a related party, Affinage Salon Professionals Pty Limited. The directors have taken a long term view of the recovery of this debt, via future profits of Affinage Salon Professionals Pty Limited, as it currently has insufficient funds to repay the debt. At the date of signing these financial statements substantially all of this debt remained unrecovered, however the directors remain adamant that the debt will be recovered ultimately. Given the amount of time that has passed there is considered to be some uncertainty as to the recoverability of this debt, for which no provision has been made in these financial statements.

**INTERNATIONAL HAIR COSMETICS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INTERNATIONAL HAIR COSMETICS LIMITED**  
(continued)

**YEAR ENDED 31st MARCH 2014**

**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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

*taylorcocks*

JAMES BLAKE ACA (Senior Statutory Auditor)

For and on behalf of

 **taylorcocks**

Statutory Auditor

Office: Portsmouth

Date: 17/3/15

**INTERNATIONAL HAIR COSMETICS LIMITED**

**ABBREVIATED BALANCE SHEET**

**31st MARCH 2014**

		2014	2013
	Note	£	£
<b>FIXED ASSETS</b>	<b>2</b>		
Intangible assets		144,402	144,284
Tangible assets		162,555	230,730
Investments		145,489	145,485
		<u>452,446</u>	<u>520,499</u>
<b>CURRENT ASSETS</b>			
Stocks		1,027,059	925,572
Debtors		1,837,592	1,987,748
Cash at bank and in hand		51,539	52,085
		<u>2,916,190</u>	<u>2,965,405</u>
<b>CREDITORS: Amounts falling due within one year</b>	<b>3</b>	<u>2,907,150</u>	<u>2,300,828</u>
<b>NET CURRENT ASSETS</b>		<u>9,040</u>	<u>664,577</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>461,486</u>	<u>1,185,076</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	<b>4</b>	147,778	184,943
<b>PROVISIONS FOR LIABILITIES</b>		811	811
		<u>312,897</u>	<u>999,322</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	6	96	96
Share premium account		2,279	2,279
Other reserves		46,748	46,748
Profit and loss account		263,774	950,199
<b>SHAREHOLDERS' FUNDS</b>		<u>312,897</u>	<u>999,322</u>

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These abbreviated accounts were approved by the directors and authorised for issue on 16.3.15, and are signed on their behalf by:

  
MR E.J. BAILEY

Company Registration Number: 03150196

The notes on pages 5 to 8 form part of these abbreviated accounts.

# **INTERNATIONAL HAIR COSMETICS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31st MARCH 2014**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Research and development**

Research and development expenditure is written off in the year in which it is incurred.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Trademarks	7% straight line
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#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and Machinery	25% reducing balance
Fixtures and Fittings	15% reducing balance
Motor Vehicles	25% reducing balance
Equipment	25% reducing balance

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

# **INTERNATIONAL HAIR COSMETICS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31st MARCH 2014**

### **1. ACCOUNTING POLICIES *(continued)***

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.



**INTERNATIONAL HAIR COSMETICS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31st MARCH 2014**

**2. FIXED ASSETS**

	<b>Intangible Assets £</b>	<b>Tangible Assets £</b>	<b>Investments £</b>	<b>Total £</b>
<b>COST</b>				
At 1st April 2013	292,450	565,579	145,485	1,003,514
Additions	13,566	62,980	4	76,550
Disposals	—	(94,759)	—	(94,759)
<b>At 31st March 2014</b>	<b>306,016</b>	<b>533,800</b>	<b>145,489</b>	<b>985,305</b>
<b>DEPRECIATION</b>				
At 1st April 2013	148,166	334,849	—	483,015
Charge for year	13,448	101,350	—	114,798
On disposals	—	(64,954)	—	(64,954)
<b>At 31st March 2014</b>	<b>161,614</b>	<b>371,245</b>	<b>—</b>	<b>532,859</b>
<b>NET BOOK VALUE</b>				
<b>At 31st March 2014</b>	<b>144,402</b>	<b>162,555</b>	<b>145,489</b>	<b>452,446</b>
At 31st March 2013	144,284	230,730	145,485	520,499

**Affinage Salon Professional Inc**

The company owns 70% of the issued share capital of Affinage Salon Professional Inc., a company incorporated in the USA.

As at 31st March 2014, the results of Affinage Salon Professional Inc. were as follows:

Profit/(Loss) for the year to 31st March 2014 \$150,426 (2013 - \$147,779)

Capital and reserves \$364,848 (2013 - \$259,619)

**Affinage Salon Professional Pty Limited**

The company owns 35% of the issued share capital of Affinage Salon Professional Pty Limited, a company incorporated in Australia.

As at 31st March 2014, the results of Affinage Salon Professional Pty Limited were as follows:

(Loss)/Profit for the year to 31st March 2014 AUD\$(143,618) (2013 - AUD\$48,094)

Capital and reserves AUD\$(336,339) (2013 - AUD\$(117,491))

**Visionhaire S.R.L.**

The company owns 50% of the issued share capital of Visionhaire S.R.L., a company incorporated in Italy.

As at 31st December 2013, the results of Visionhaire S.R.L were as follows:

Profit/(Loss) for the year to 31st December 2013 €51,566 (year to 31st December 2012 - €193,519)

Capital and reserves €388,336 (31st December 2012 - €316,769)

**Asia Salon Professional Limited**

The company purchased 50% of the issued share capital of Asia Salon Professional Limited, a company incorporated in Hong Kong.

As at 31st March 2014, the results of Asia Salon Professional Limited were as follows:

(Loss)/Profit for the year to 31st March 2014 (€91,432).

Capital and reserves (€91,433).

# INTERNATIONAL HAIR COSMETICS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st MARCH 2014

### 3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2014	2013
	£	£
Bank loans and overdrafts	376,793	150,560
Other creditors including taxation and social security	549,927	609,974
Hire purchase and finance lease agreements	40,847	39,469
	<u>967,567</u>	<u>800,003</u>

### 4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2014	2013
	£	£
Bank loans and overdrafts	57,640	98,721
Hire purchase and finance lease agreements	90,138	86,222
	<u>147,778</u>	<u>184,943</u>

### 5. TRANSACTIONS WITH THE DIRECTORS

Mr E.J.Bailey maintains a loan account with the company. At the balance sheet date, Mr E.J.Bailey owed the company £122,101 (2013 - Mr E.J.Bailey owed the company £15,281). Interest was charged on the balance owed at 4%, totalling £6,407 (2013 - £3,366). The maximum balance on the account during the year was £122,101 (2013 - £143,960).

### 6. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary A shares of £0.01 each	8,143	81	8,143	81
Ordinary B shares of £0.01 each	475	5	475	5
Ordinary C shares of £0.01 each	500	5	500	5
76 Ordinary D shares (2013 – 57) of £0.01 each	76	1	57	1
382 Ordinary E shares of £0.01 each	382	4	382	4
	<u>9,576</u>	<u>96</u>	<u>9,557</u>	<u>96</u>