

Company Registration No. 03150196 (England and Wales)

INTERNATIONAL HAIR COSMETICS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

tc accounts · tax · legal · financial planning

3 Acorn Business Centre
Northarbour Road
Cosham
Portsmouth
United Kingdom
PO6 3TH



INTERNATIONAL HAIR COSMETICS LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 9
Profit and loss account	10
Statement of comprehensive income	11
Group balance sheet	12 - 13
Company balance sheet	14
Group statement of changes in equity	15 - 16
Company statement of changes in equity	17
Group statement of cash flows	18 - 19
Notes to the financial statements	20 - 44

INTERNATIONAL HAIR COSMETICS LIMITED

COMPANY INFORMATION

Directors	Mr. E Bailey Mr. N Summer Mr. D Bailey Mr. T Pattison Ms. C Bailey
Secretary	Mr. E Bailey
Company number	03150196
Registered office	3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH
Auditor	TC Group 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire United Kingdom PO6 3TH
Business address	The Quadrangle Premier Way Abbey Park Romsey Hampshire United Kingdom SO51 9DL

INTERNATIONAL HAIR COSMETICS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Review of the business

International Hair Cosmetics Limited's (IHCL) headline performance in 2020-21 shows an increase in turnover of 5.2% for the group, representing the impact of several factors and underlying performance remains robust across the board despite the unprecedented situation during the year. The business remains well-positioned to manage the significant market and environmental risks going forward.

At company level, management focus is on turnover and margin generated in each market segment and business unit. On this basis, IHCL's performance in 2020-21 was broadly in line with expectations, and far above IHCL's worst-case emergency planning at the start of the COVID pandemic. Operating Profit has increased significantly as a result of robust demand in global markets, strong cost control, the impact of significant investments in automation, and government support schemes.

IHCL considers four main business segments: The three salon-professional-branded segments of the Home market (UK & Ireland), Export market, and intercompany sales; and non-IHCL branded private-label, regardless of geography. The three professional markets were all impacted significantly by COVID, where lockdowns shut salons across the world at different times. The home market contracted by 30% and the export market by 20%, reflected softer COVID restrictions. All markets have rebounded quickly and strongly to the lifting of restrictions. Conversely, private label is focussed mainly on the retail market as the end user and saw significant growth at the start of the pandemic as a result of the switch to home hair-care and colouring.

Taken together, distribution costs and administrative expenses have reduced by 17% driven primarily by short-term COVID impacts and the long-term effects of prior investment in staff, systems, and processes. Government support schemes have been netted against costs, travel costs have largely disappeared, and all non-critical discretionary spend was suspended.

Commentary on principal risks and uncertainties affecting the business

The impact of COVID19 is extremely significant, with the uncertainty around the duration, scale of disruption, and financial result of the pandemic requiring constant management focus. IHCL remains committed to supporting its staff, suppliers and customers through the crisis, whilst ensuring that cash reserves are actively managed to ensure it is well-positioned to adapt to challenges as they arrive and to thrive in the post-COVID19 environment.

Continuing challenges exist around the post-Brexit landscape, particularly regarding moving goods across borders from our UK and Italian logistics bases. Supply chain disruption continues around the world with raw-material shortages, price increase, lengthening lead-times, and international shipping difficulties.

Low-priced competitors continue to enter the market and offer a substitute to consumers. IHCL defends its position through regular product launches and developments, industry-leading technical support for the Salon professional and high-quality customer services and operations.

INTERNATIONAL HAIR COSMETICS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Commentary on future developments affecting the business

The impact of COVID19 remains the largest medium-term risk. At the end of 2020-21 the UK and other major export markets has largely exited regional and national lockdowns. However, some significant restrictions do remain, and it is possible that restrictions will be reinstated in some jurisdictions in the future, in particular over the winter and in case of any new variants. UK government support schemes taper and close throughout the coming year, with no prospect of extension. IHCL's cost-focus puts it in a good position to retain some of the COVID cost-savings, and cash reserves remain robust.

The post-Brexit landscape means that the Italian logistics warehouse will become continually more important to the business and will handle a greater proportion of IHCL's sales than at present.

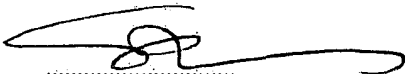
Performance of overseas associates and subsidiaries

ASPI continues to grow turnover and profitability. Significant investment in senior staff has occurred, which should accelerate this growth in to future years.

ASPP has had a challenging year with strong low-price substitute competition increasing in that market.

A decision has been made to close ASPA post year-end, with IHCL dealing directly with the remaining customers, which will speed and simplify its processes.

On behalf of the board



Mr. E Bailey
Director

Date: 11.11.2021

INTERNATIONAL HAIR COSMETICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £486,759. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr. E Bailey
Mr. N Summer
Mr. D Bailey
Mr. T Pattison
Ms. C Bailey

Strategic report

In accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Directors have set out in the company's Strategic Report, such information as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Auditor

The auditor, TC Group, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
Mr. E Bailey
Director

Date: 11.11.2021

INTERNATIONAL HAIR COSMETICS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERNATIONAL HAIR COSMETICS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTERNATIONAL HAIR COSMETICS LIMITED

Opinion

We have audited the financial statements of International Hair Cosmetics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INTERNATIONAL HAIR COSMETICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERNATIONAL HAIR COSMETICS LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INTERNATIONAL HAIR COSMETICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERNATIONAL HAIR COSMETICS LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

INTERNATIONAL HAIR COSMETICS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTERNATIONAL HAIR COSMETICS LIMITED

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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.



James Blake FCA (Senior Statutory Auditor)
for and on behalf of TC Group

Statutory Auditor

Date: 2 December 2021

Office: Portsmouth

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	10,601,340	10,079,564
Cost of sales		(6,988,509)	(5,393,347)
Gross profit		3,612,831	4,686,217
Distribution costs		(1,644,477)	(2,500,009)
Administrative expenses		(2,122,305)	(2,031,369)
Other operating income		546,210	-
Operating profit	5	392,259	154,839
Share of results of associates and joint ventures		108,059	42,607
Interest receivable and similar income	8	6,343	5,368
Interest payable and similar expenses	9	(19,612)	(18,829)
Profit/(loss) on investments	10	399,454	90,472
Profit before taxation		886,503	274,457
Taxation	11	45,400	37,603
Profit for the financial year		931,903	312,060
Profit for the financial year is attributable to:			
- Owners of the parent company		858,074	325,357
- Non-controlling interests		73,829	(13,297)
		931,903	312,060

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£	£
Profit for the year	931,903	312,060
Other comprehensive income		
Currency translation differences	(61,102)	26,191
Total comprehensive income for the year	870,801	338,251
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	796,972	351,548
- Non-controlling interests	73,829	(13,297)
	870,801	338,251

The notes on pages 20 to 44 form part of these financial statements.

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	12		232,541		235,418
Tangible assets	14		69,156		176,911
Investments	16		-		377,949
			<u>301,697</u>		<u>790,278</u>
Current assets					
Stocks	18	2,326,448		2,718,600	
Debtors	19	1,880,498		1,926,365	
Cash at bank and in hand		362,588		596,936	
		<u>4,569,534</u>		<u>5,241,901</u>	
Creditors: amounts falling due within one year	20	<u>(2,100,692)</u>		<u>(3,504,574)</u>	
Net current assets			<u>2,468,842</u>		<u>1,737,327</u>
Total assets less current liabilities			<u>2,770,539</u>		<u>2,527,605</u>
Creditors: amounts falling due after more than one year	21		(66,516)		(190,213)
Provisions for liabilities	23		(59,501)		(76,912)
Net assets			<u><u>2,644,522</u></u>		<u><u>2,260,480</u></u>

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Capital and reserves					
Called up share capital	27	97		97	
Share premium account		5,238		5,238	
Other reserves		4,186		65,288	
Capital redemption reserve		46,748		46,748	
Profit and loss reserves		2,360,920		1,989,605	
Equity attributable to owners of the parent company		2,417,189		2,106,976	
Non-controlling interests		227,333		153,504	
		2,644,522		2,260,480	

The financial statements were approved by the board of directors and authorised for issue on 11.11.2021 and are signed on its behalf by:



Mr. E Bailey
Director

INTERNATIONAL HAIR COSMETICS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12	232,541		235,418	
Tangible assets	14	69,156		176,911	
Investments	16	8,073		145,489	
			309,770		557,818
Current assets					
Stocks	18	1,753,918		1,987,836	
Debtors	19	1,846,480		1,985,006	
Cash at bank and in hand		158,962		538,157	
			3,759,360		4,510,999
Creditors: amounts falling due within one year	20	(2,045,487)		(3,290,923)	
Net current assets			1,713,873		1,220,076
Total assets less current liabilities			2,023,643		1,777,894
Creditors: amounts falling due after more than one year	21		(66,516)		(179,691)
Net assets			1,957,127		1,598,203
Capital and reserves					
Called up share capital	27	97		97	
Share premium account		5,238		5,238	
Capital redemption reserve		46,748		46,748	
Profit and loss reserves		1,905,044		1,546,120	
Total equity			1,957,127		1,598,203

The financial statements were approved by the board of directors and authorised for issue on 11/11/2021 and are signed on its behalf by:



Mr. E Bailey
Director

Company Registration No. 03150196

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£	£
Balance at 1 April 2019	97	4,498	46,748	39,097	2,107,736	2,198,177	166,801	2,364,978
Year ended 31 March 2020:								
Profit for the year	-	-	-	-	325,356	325,356	(13,297)	312,059
Other comprehensive income:								
Currency translation differences	-	-	-	26,191	-	26,191	-	26,191
Total comprehensive income for the year	-	-	-	26,191	325,356	351,547	(13,297)	338,250
Issue of share capital	-	740	-	-	-	740	-	740
Dividends	13	-	-	-	(443,486)	(443,486)	-	(443,486)
Balance at 31 March 2020	97	5,238	46,748	65,288	1,989,605	2,106,976	153,504	2,260,480

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£	£
Year ended 31 March 2021:								
Profit for the year	-	-	-	-	858,073	858,073	73,829	931,902
Other comprehensive income:								
Currency translation differences on overseas subsidiaries	-	-	-	(61,102)	-	(61,102)	-	(61,102)
Total comprehensive income for the year	-	-	-	(61,102)	858,073	796,971	73,829	870,800
Dividends	13	-	-	-	(486,759)	(486,759)	-	(486,759)
Balance at 31 March 2021	97	5,238	46,748	4,186	2,360,920	2,417,189	227,333	2,644,522

INTERNATIONAL HAIR COSMETICS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		97	4,498	46,748	1,778,956	1,830,300
Year ended 31 March 2020:						
Profit and total comprehensive income for the year		-	-	-	210,650	210,650
Issue of share capital		-	740	-	-	740
Dividends	13	-	-	-	(443,486)	(443,486)
Balance at 31 March 2020		97	5,238	46,748	1,546,120	1,598,203
Year ended 31 March 2021:						
Profit and total comprehensive income for the year		-	-	-	845,683	845,683
Dividends	13	-	-	-	(486,759)	(486,759)
Balance at 31 March 2021		97	5,238	46,748	1,905,044	1,957,127

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	30	24,291	613,246
Interest paid		(19,612)	(18,829)
Income taxes refunded/(paid)		19,839	(80,924)
Net cash inflow from operating activities		24,518	513,493
Investing activities			
Purchase of intangible assets		(35,973)	(96,080)
Purchase of tangible fixed assets		(15,178)	(27,331)
Proceeds on disposal of tangible fixed assets		51,800	-
Decrease/(increase) in share of associates and loans		-	251,644
Proceeds on disposal of fixed asset investments		259,134	-
Decrease/(Increase) in other investments and loans		181,838	90,472
Interest received		6,343	5,368
Net cash generated from investing activities		447,964	224,073
Financing activities			
Proceeds from issue of shares		-	740
Increase in/(repayment of) borrowings		-	32,530
Repayment of bank loans		(96,952)	(119,818)
Payment of finance leases obligations		(64,039)	(38,686)
Dividends paid to equity shareholders		(486,759)	(443,486)
Net cash used in financing activities		(647,750)	(568,720)
Net (decrease)/increase in cash and cash equivalents		(175,268)	168,846
Cash and cash equivalents at beginning of year		596,936	401,899
Effect of foreign exchange rates		(61,102)	26,191
Cash and cash equivalents at end of year		360,566	596,936

INTERNATIONAL HAIR COSMETICS LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Relating to:					
Cash at bank and in hand		362,588		596,936	
Bank overdrafts included in creditors payable within one year		(2,022)		-	
		<u>360,566</u>		<u>596,936</u>	

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

International Hair Cosmetics Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 3 Acorn Business Centre, Northharbour Road, Cosham, Portsmouth, PO6 3TH. The business address is The Quadrangle, Premier Way, Abbey Road, Romsey, SO51 9DL.

The group consists of International Hair Cosmetics Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options; how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £845,683 (2020 - £210,650 profit).

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for goods provided in the normal course of business, net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods).

1.5 Intangible fixed assets other than goodwill

Intangible assets are stated at cost less amortisation. Intangibles are amortised to the profit and loss account over their estimated useful economic life. In the event that the trademark application represented by the asset is unsuccessful, the costs that have already been capitalised are treated as a disposal. Amortisation begins when the trademark has been accepted.

Research expenditure is written off against profits in the year in which it is incurred.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks and patents	7% straight line
------------------------	------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	15% straight line
Fixtures and fittings	15% straight line
Computer equipment	25% straight line
Motor vehicles	25% straight line
Equipment	25% straight line

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

In the group financial statements investments in associates are accounted for using the equity method. The group profit and loss account includes the group's share of associates' profits less losses while the group's share of net assets of the associates is shown in the consolidated balance sheet, together with any capitalised loans made to the associate.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all directly attributable costs incurred in getting the stock to its current location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transaction 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. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.19 Foreign exchange

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account.

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's foreign currency translation reserve.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Calculation of stock provisions

The group maintains a stock provision in order to maintain stock at the lower of cost and net realisable value. The provision is reviewed on a regular basis. The group uses specific criteria to calculate stock provisions, but establishing the criteria requires significant judgement. The group estimates the required provision using two methods:

- (a) by reviewing the sales data in the accounting system and comparing the expected annual consumption of the product lines against the stock holding of the product. Where slow-moving products are identified proportional provisions are made based on management judgement
- (b) by providing in full for specific product lines that management assess to be obsolete.

Share-based payments

In accordance with FRS 102 Section 26, the Directors have considered the fair value of the share options granted under the company's Equity Incentive Plan's with reference to the Black-Scholes pricing model, in calculating the expense to be recognised within the financial statements on a straight-line basis over the vesting period. The Directors have judged that the resulting expense is not significant to these financial statements and accordingly have not provided for this expense within these financial statements.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue

Turnover analysed by geographical market	2021 £'000	2020 £'000
UK	3,491	4,981
Europe	1,860	2,470
USA	4,929	2,418
Rest of world	321	211
	<u>10,601</u>	<u>10,080</u>

4 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	<u>10,000</u>	<u>10,000</u>

5 Operating (loss)/profit

	2021 £	2020 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	129,554	4,515
Government grants - Coronavirus Job Retention Scheme	(485,096)	-
Government grants - Other	(61,114)	
Depreciation of owned tangible fixed assets	39,421	60,932
Depreciation of tangible fixed assets held under finance leases and hire purchase agreements	37,562	55,521
Profit on disposal of tangible fixed assets	9,132	117
Amortisation of intangible assets	23,867	23,434
Operating lease charges	<u>247,053</u>	<u>308,361</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	213,304	219,363
Company pension contributions to defined contribution schemes	15,324	14,516
	<u>228,628</u>	<u>233,879</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	101,164	88,999
Company pension contributions to defined contribution schemes	6,942	6,107
	<u>108,106</u>	<u>95,106</u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administrative	18	18	14	14
Export	1	1	1	1
Marketing	5	5	5	5
Procurement	3	3	3	3
Sales	5	5	5	5
Technical	6	8	6	8
Warehouse	26	21	22	17
	<u>64</u>	<u>61</u>	<u>56</u>	<u>53</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Wages and salaries	1,747,168	1,936,114	1,401,683	1,528,236
Social security costs	176,620	146,892	120,209	79,137
Pension costs	111,290	63,671	111,290	63,671
	<u>2,035,078</u>	<u>2,146,677</u>	<u>1,633,182</u>	<u>1,671,044</u>

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Other interest income	6,343	5,368
	<u>6,343</u>	<u>5,368</u>

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	14,563	11,896
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,647	4,943
Other interest	3,402	1,990
Total finance costs	<u>19,612</u>	<u>18,829</u>

10 Profit/(loss) on investments

	2021	2020
	£	£
Gain on disposal of associated undertaking	399,454	90,472
	<u>399,454</u>	<u>90,472</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	11,896	-
Foreign current tax on profits for the current period	(26,859)	1,188
Share of associate taxation charge	-	763
	<u>(14,963)</u>	<u>1,951</u>
Deferred tax		
Origination and reversal of timing differences	(30,437)	(39,554)
	<u>(45,400)</u>	<u>(37,603)</u>

The actual credit for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	886,503	274,457
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	168,436	52,147
Tax effect of expenses that are not deductible in determining taxable profit	1,283	2,501
Gains not taxable	(75,896)	(15,787)
Change in unrecognised deferred tax assets	(3,898)	(35,722)
Effect of change in corporation tax rate	(1,206)	-
Depreciation on assets not qualifying for tax allowances	-	558
Amortisation on assets not qualifying for tax allowances	417	1,026
Research and development tax credit	(34,515)	(33,033)
Effect of overseas tax rates	(37,250)	(9,293)
Movement on bad debt provisions	(20,531)	-
Utilisation of trading losses	(7,765)	-
Utilisation of trading losses - overseas	(34,475)	-
	<u>(45,400)</u>	<u>(37,603)</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Intangible fixed assets

Group and Company	Trademarks and patents £
Cost	
At 1 April 2020	440,815
Additions - internally developed	35,973
Disposals	(18,047)
At 31 March 2021	458,741
Amortisation and impairment	
At 1 April 2020	205,397
Amortisation charged for the year	23,867
Disposals	(3,064)
At 31 March 2021	226,200
Carrying amount	
At 31 March 2021	232,541
At 31 March 2020	235,418

13 Dividends

	2021 £	2020 £
Dividends paid to the company's shareholders	486,759	443,486

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets.

Group	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 April 2020	71,010	63,421	195,900	188,647	52,284	571,262
Additions	-	298	14,880	-	-	15,178
Disposals	-	(927)	(61,275)	(97,237)	-	(159,439)
Exchange adjustments	-	(2,066)	-	-	-	(2,066)
At 31 March 2021	71,010	60,726	149,505	91,410	52,284	424,935
Depreciation and impairment						
At 1 April 2020	43,467	40,407	156,493	104,146	49,838	394,351
Depreciation charged in the year	10,653	6,052	20,270	37,562	2,446	76,983
Eliminated in respect of disposals	-	(340)	(40,427)	(72,722)	-	(113,489)
Exchange adjustments	-	(2,066)	-	-	-	(2,066)
At 31 March 2021	54,120	44,053	136,336	68,986	52,284	355,779
Carrying amount						
At 31 March 2021	16,890	16,673	13,169	22,424	-	69,156
At 31 March 2020	27,543	23,014	39,407	84,501	2,446	176,911

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

(Continued)

Company	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 April 2020	71,010	42,194	195,900	188,647	52,284	550,035
Additions	-	298	14,880	-	-	15,178
Disposals	-	(927)	(61,275)	(97,237)	-	(159,439)
At 31 March 2021	71,010	41,565	149,505	91,410	52,284	405,774
Depreciation and impairment						
At 1 April 2020	43,467	19,180	156,493	104,146	49,838	373,124
Depreciation charged in the year	10,653	6,052	20,270	37,562	2,446	76,983
Eliminated in respect of disposals	-	(340)	(40,427)	(72,722)	-	(113,489)
At 31 March 2021	54,120	24,892	136,336	68,986	52,284	336,618
Carrying amount						
At 31 March 2021	16,890	16,673	13,169	22,424	-	69,156
At 31 March 2020	27,543	23,014	39,407	84,501	2,446	176,911

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
Motor vehicles	22,423	84,501	22,423	84,501
Depreciation charge for the year in respect of leased assets	37,562	55,521	37,562	55,521

15 Subsidiaries

Details of the company's subsidiary at 31 March 2021 is as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Affinage Salon Professional Inc.	USA	Ordinary	70

16 Fixed asset investments

		Group	2020	Company	2020
	Notes	2021		2021	
		£	£	£	£
Investments in subsidiaries	15	-	-	8,048	8,048
Investments in associates	17	-	377,949	25	137,441
		-	377,949	8,073	145,489

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Fixed asset investments

(Continued)

Group	At 1 April 2020	Additions	Share of total comprehensive income	Disposal	Total
	£	£	£	£	£
Australian Salon Professional Pty Limited ("ASPP")	-	-	-	-	-
Visionhaire S.R.L ("Visionhaire")	377,949	-	-	(377,949)	-
Asia Salon Professional Limited ("ASPL")	-	-	-	-	-
Total	377,949	-	-	(377,949)	-

Company	At 1 April 2020	Additions	Share of total comprehensive income	Disposal	Total
	£	£	£	£	£
Australian Salon Professional Pty Limited ("ASPP")	21	-	-	-	21
Visionhaire S.R.L ("Visionhaire")	137,416	-	-	(137,416)	-
Asia Salon Professional Limited ("ASPL")	4	-	-	-	4
Total	137,441	-	-	(137,416)	25

17 Associates

Details of associates at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
Australian Salon Professional Pty Limited ("ASPP")	Australia	Supply and distribution of quality hair products	Ordinary	35.00
Asia Salon Professional Limited ("ASPL")	Hong Kong	Supply and distribution of quality hair products	Ordinary	50.00

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Finished goods and goods for resale	2,326,448	2,718,600	1,753,918	1,987,836

19 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	857,334	1,472,575	644,705	1,197,727
Amounts due from subsidiary undertakings	-	-	186,622	235,005
Amounts due from associate undertakings	15,610	126,505	15,610	234,564
Other debtors	883,092	147,031	877,710	143,418
Prepayments and accrued income	84,318	160,156	81,689	154,194
	<u>1,840,354</u>	<u>1,906,267</u>	<u>1,806,336</u>	<u>1,964,908</u>
Amounts falling due after one year:				
Deferred tax asset (note 23)	40,144	20,098	40,144	20,098
	<u>1,880,498</u>	<u>1,926,365</u>	<u>1,846,480</u>	<u>1,985,006</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Creditors: amounts falling due within one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	22	75,365	86,438	75,365	71,022
Obligations under finance leases and hire purchase agreements	24	11,882	36,081	11,882	36,081
Commercial finance loan	22	80,169	673,747	80,169	673,747
Trade creditors		370,995	1,105,638	346,452	1,100,326
Amounts due to group undertakings		-	-	-	1,420
Amounts due to undertakings in which the group has a participating interest		-	484,032	-	369,202
Corporation tax payable		11,896	-	11,896	-
Other taxation and social security		73,953	20,392	73,546	20,148
Other creditors		23,477	610,339	16,231	574,216
Accruals and deferred income		1,452,955	487,907	1,429,946	444,761
		<u>2,100,692</u>	<u>3,504,574</u>	<u>2,045,487</u>	<u>3,290,923</u>

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	22	31,207	115,064	31,207	104,542
Obligations under finance leases and hire purchase agreements	24	35,309	75,149	35,309	75,149
		<u>66,516</u>	<u>190,213</u>	<u>66,516</u>	<u>179,691</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans	104,550	201,502	104,550	175,564
Bank overdrafts	2,022	-	2,022	-
Commercial finance loan	80,169	673,747	80,169	673,747
	<u>186,741</u>	<u>875,249</u>	<u>186,741</u>	<u>849,311</u>
Payable within one year	155,534	760,185	155,534	744,769
Payable after one year	<u>31,207</u>	<u>115,064</u>	<u>31,207</u>	<u>104,542</u>

The long-term loans are secured by fixed and floating charges over the company assets.

The commercial finance loan is secured on the trade debtors of the company.

The bank loan is repaid on a monthly basis over a total term of three years and accrues interest at 3.22% fixed rate.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities	Assets	Assets
	2021	2020	2021	2020
	£	£	£	£
Group				
Origination and reversal of timing differences	-	-	40,144	20,098
Timing differences on foreign taxation of subsidiaries	59,501	76,912	-	-
	<u>59,501</u>	<u>76,912</u>	<u>40,144</u>	<u>20,098</u>
	Liabilities	Liabilities	Assets	Assets
	2021	2020	2021	2020
	£	£	£	£
Company				
Origination and reversal of timing differences	-	-	40,144	20,098
	<u>-</u>	<u>-</u>	<u>40,144</u>	<u>20,098</u>

INTERNATIONAL HAIR COSMETICS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****26 Share-based payment transactions****Equity-settled share based payments**

The company has issued share options to certain individuals to subscribe for Ordinary D shares of the company. All of the share options have been granted under the company's 2010, 2015, 2017 and 2020 Equity Incentive Plans. A summary of the share options granted at 31 March 2021 are as follows:

Group and company	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number	2021 £	2020 £
Outstanding at 1 April 2020	50	84	19.60	20.48
Granted	100	-	36.92	-
Exercised	-	(34)	-	21.76
Outstanding at 31 March 2021	<u>150</u>	<u>50</u>	<u>31.15</u>	<u>19.60</u>
Exercisable at 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 March 2021 had an exercise price ranging from £19 to £36.92, and a remaining contractual life of 1 to 4 years.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 Share capital

	Group and company	
	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
5,572 Ordinary A shares of 1p each (2020: 5,572)	56	56
2,000 Ordinary B shares of 1p each (2020: 2,000)	20	20
500 Ordinary C shares of 1p each (2020: 500)	5	5
180 Ordinary D shares of 1p each (2020: 180)	2	1
382 Ordinary E shares of 1p each (2020: 382)	4	4
1,046 Ordinary F shares of 1p each (2020: 1,046)	10	10
	<u>97</u>	<u>97</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

Post balance sheet event

On 20 August 2021 the company re-purchased 40 Ordinary D shares and 382 Ordinary E shares for £200,000.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

28 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	264,724	225,799	264,724	225,799
Between two and five years	854,985	708,184	854,985	708,184
In over five years	831,636	-	831,636	-
	<u>1,951,345</u>	<u>933,983</u>	<u>1,951,345</u>	<u>933,983</u>

29 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2021	2020	2021	2020
	£	£	£	£
Group				
Entities in which the company has a participating interest	170,910	174,873	2,308,238	2,214,122
Entities in which the directors have a participating interest	<u>554,868</u>	<u>378,225</u>	<u>-</u>	<u>-</u>
Company				
Fellow group undertakings	372,178	262,023	-	-
Entities in which the company has a participating interest	170,910	174,873	2,186,813	1,837,542
Entities in which the directors have a participating interest	<u>554,868</u>	<u>378,225</u>	<u>-</u>	<u>-</u>

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Deferred taxation (Continued)

	Group 2021 £	Company 2021 £
Movements in the year:		
Liability/(Asset) at 1 April 2020	56,814	(20,098)
Credit to profit or loss	(37,457)	(20,046)
Liability/(Asset) at 31 March 2021	<u>19,357</u>	<u>(40,144)</u>

24 Finance lease and hire purchase obligations

Future minimum lease payments due under finance leases and hire purchase agreements:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	11,882	36,081	11,882	36,081
In two to five years	35,309	75,149	35,309	75,149
	<u>47,191</u>	<u>111,230</u>	<u>47,191</u>	<u>111,230</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery and vehicles, and the agreements are secured on the assets to which they relate. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

25 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>111,290</u>	<u>63,671</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

29 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2021	2020
	£	£
Group		
Entities in which the company has a participating interest	15,610	126,505
Entities in which the directors have a participating interest	87,458	42,522
	<u> </u>	<u> </u>
Company		
Fellow group undertakings	186,622	235,005
Entities in which the company has a participating interest	15,610	234,564
Entities in which the directors have a participating interest	87,458	42,522
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2021	2020
	£	£
Group		
Entities in which the company has a participating interest	-	484,032
	<u> </u>	<u> </u>
Company		
Entities in which the company has a participating interest	-	369,202
	<u> </u>	<u> </u>

No guarantees have been given or received.

During the year the company provided £243,786 (2020 - £286,655) against amounts receivable from entities in which the company has a participating interest. In the context of the consolidated accounts this impairment is net of historic provisions at a group level, and the effect on the group profit and loss account during the year is £135,737 (2020 - £110,643).

Dividends paid to directors and their immediate families were £486,759 (2020 - £443,486).

INTERNATIONAL HAIR COSMETICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Cash generated from group operations.

	2021	2020
	£	£
Profit for the year after tax	931,903	312,060
Adjustments for:		
Share of results of associates and joint ventures	-	(42,607)
Taxation credited	(45,400)	(37,603)
Finance costs	19,612	18,829
Investment income	(6,343)	(5,368)
Loss on disposal of tangible fixed assets	9,132	117
Amortisation and impairment of intangible assets	23,867	23,434
Depreciation and impairment of tangible fixed assets	76,983	116,453
Gain on sale of investments	(399,454)	-
Amounts written off investments	-	(90,472)
Movements in working capital:		
Decrease/(increase) in stocks	392,152	(635,439)
Decrease in debtors	402,345	130,673
(Decrease)/increase in creditors	(1,380,506)	823,169
Cash generated from operations	24,291	613,246