

Registered number: 05717974

**BULLDOG SKINCARE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**



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**BULLDOG SKINCARE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J N Hill (appointed 1 April 2019) M B lasenza (appointed 1 April 2019)
<b>Registered number</b>	05717974
<b>Registered office</b>	Sword House Totteridge Road High Wycombe Buckinghamshire HP13 6DG
<b>Independent auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

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**BULLDOG SKINCARE LIMITED**

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## **BULLDOG SKINCARE LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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#### **Introduction**

The directors present their Annual Report, consisting of the Strategic Report and the Directors' Report, and the audited financial statements of Bulldog Skincare Limited ("the company") for the year ended 30 September 2018.

#### **Business review**

The principal activity of the company is the creation and sale, distribution and marketing of men's skincare products and other male toiletries. Bulldog is a leading skincare brand for men selling directly to retailers, international distributors and end consumers online. The company's customers include some of the largest retailers in the World.

The primary objective of the Company is to deliver sustainable and profitable sales growth within the men's skincare and toiletries market in order to build shareholder value. The external commercial environment is expected to remain competitive in the next financial year. The company continues to seek opportunities to increase sales, market share, profit levels and future opportunities.

The company has continued to record impressive growth since the sale of the immediate parent company, Bulldog Skincare Holdings Limited, when it was sold to Edgewell Personal Care Holdings UK Limited, a UK subsidiary of a US group headed by Edgewell Personal Care Company on 31 October 2016. In the year ended 30 September 2018 all employees were transferred out of Bulldog Skincare Limited due to the acquisition, resulting to a recharge staff costs instead. In addition to this, International sales and some of European sales were transferred out of the company.

Debtors increased substantially in the year due to an increase in the volume of promotional offers and new development of products for the market. Trade creditors have decreased due to main suppliers being transferred out of Bulldog Skincare Limited following the acquisition.

The 2017/18 financial statements reflect the financial performance of the company over 12 months in comparison to the prior year figures which represent data for 18 months. The company's year-end was realigned to be coterminous with the wider group.

#### **Principal risks and uncertainties**

The company's principal risks for 2017/18, and going forwards, are global economic conditions, competition risk, development risk, supply chain risk, internal infrastructure risk and laws and regulations risk.

##### *Global economic conditions*

Unfavourable economic conditions and uncertainty about future economic prospects could reduce customer demand for our products as a result of a reduction in discretionary spending or a shift of purchasing patterns to lower-cost options. Declining financial performance by our retailer customers could impact their ability to pay us on a timely basis, or at all. Declining economic conditions could harm our sales and profitability.

##### *Competition risk*

Competition may hinder our ability to execute our business strategy, achieve profitability, or maintain relationships with existing customers. The industries in which the company operates are mature and highly competitive. Because of this, our retail customers frequently seek to obtain pricing concessions or better trade terms, resulting in either reduction of our margins or a reduction in our working capital. Competition is based upon brand perceptions, product performance and innovation, customer service and price. If we fail to remain competitive on all these levels, we may lose market share and product awareness to our competitors.

A loss of reputation of our brand or failure of our marketing plans could have an adverse effect on our business. Our operating results could be adversely affected if our brand, or associated brand in the group, suffers damage to its reputation due to real or perceived quality issues. Further, the success of the brand can suffer if our marketing plans or new product offerings do not have the desired impact on our brand's image or ability to attract

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**BULLDOG SKINCARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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and retain customers. Further, a boycott or other campaign critical of one or more of our brands, through social media or otherwise, could negatively impact product sales.

*Development risk*

The skin care industries have been notable for the pace of innovations in product life, product design and applied technology and our success depends on future innovations. New product introductions in categories where we have existing products will likely also reduce the sales of our existing products. If we fail to develop and launch successful new products, or fail to reduce our cost structure to a competitive level, we may be unable to grow our business and compete successfully.

*Supply chain risk*

Physical disruption to our supply chain would impact our ability to supply products. We work with our manufacturing partners to ensure that there are business continuity plans in place in case of disruption.

Pricing and availability of raw materials, energy, shipping and other services needed for our business can be volatile due to general economic conditions, labour costs, production levels, import duties and tariffs and other factors beyond our control. Historically, cost increases have been partially offset by price increases, however there is no certainty that the company will be able to offset future cost increases in this manner.

The company's manufacturing facilities or supply channels may be subject to disruption from events beyond our control

Operations of the third party manufacturing and packaging facilities worldwide may be subject to disruption for a variety of reasons, including availability of raw materials, work stoppages, industrial accidents, disruption in logistics, loss or impairment of key manufacturing sites, product quality or safety issues, trade disputes between countries in which we have operations, such as the U.S. and China, acts of war, terrorism and natural disasters. If major disruption were to occur, it could result in delayed shipments of products to customers or suspension of operations. The company maintains business interruption insurance to potentially mitigate the impact of potential business interruption.

Generally, sales to our top customers are made pursuant to purchase orders and we do not have supply agreements or guarantees of minimum purchases from them. As a result, these customers may cancel their purchase orders or decrease their level of purchases at any time. This potential loss of volume would have a significant impact on our sales and profitability.

*Internal infrastructure*

A failure of a key information technology ("IT") system could adversely impact our ability to conduct business.

We rely extensively on IT systems, including some which are managed by third-party service providers, in order to conduct business. These IT systems could be damaged or cease to function properly due to the poor performance or failure of third-party service providers, catastrophic events, power outages, security breaches, network outages, failed upgrades or other similar events. If our business continuity plans do not effectively resolve such issues on a timely basis, we may suffer interruptions in conducting our business which may adversely impact our operating results.

*Laws and regulations*

The regulations covering cosmetics and skincare products are constantly under review and changes may increase our costs of compliance. The manufacture, packaging, labeling, storage, distribution, advertising and sale of our products are subject to extensive regulation. New or more restrictive regulations could have an adverse impact on our business. Additionally, a finding that we are in violation of, or not in compliance with, applicable laws or regulations could subject us to material civil remedies. Even if a claim is unsuccessful, is not merited or is not fully pursued, the negative publicity surrounding such assertions could jeopardise our reputation and brand image.

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**BULLDOG SKINCARE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**Financial key performance indicators**

The company's financial instruments principally comprise of cash at bank, equity instruments and intercompany finance arrangements. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

The main risks arising from the company's financial statements are liquidity, interest rates, foreign currency and credit risk. The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the Company's performance objectives. The credit risk, liquidity risk and cash flow risk are deemed low due to financing being obtained from group undertakings. These policies have remained unchanged throughout the period.

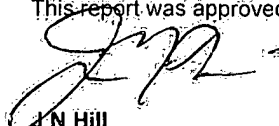
Treasury and financial risk management are conducted at a corporate level and further details can be found in Section 1A of Edgewell Personal Care Co.'s annual report, which does not form part of this report.

**Financial key performance indicators**

The main KPIs used by the directors to assess the performance of the business are Gross Margin percentage (GM%), Days Sales Outstanding (DSO) and Operating Profit percentage (OP%).

	2018 £	2017 £
GM%	45	43
DSO	152	129
OP%	2	7

This report was approved by the board on June 20, 2019 and signed on its behalf.

  
J N Hill  
Director

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**BULLDOG SKINCARE LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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The directors present their report and the financial statements for the year ended 30 September 2018.

**Directors**

The directors who served during the year were

D P Hatfield (resigned 1 March 2019)  
M R Shanbhag (resigned 9 March 2018)  
S J Sheldon (resigned 12 December 2017)  
R R Little (appointed 27 March 2018, resigned 1 April 2019)  
C A Hutchison (appointed 27 March 2018, resigned 1 April 2019)

**Results and dividends**

The profit for the year, after taxation, amounted to £185,100 (2017 - £1,250,536).

The directors do not recommend the payment of a dividend (2017 - £NIL).

The directors have highlighted in the strategic report on pages 1 and 3, a review of the current year results, future outlook expectations, risks and key performance indicators for the company.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- 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 to 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.

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**BULLDOG SKINCARE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**Disclosure of information to auditors**


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on June 20, 2019 and signed on its behalf.



**J N Hill**  
Director



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**BULLDOG SKINCARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BULLDOG SKINCARE LIMITED**

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**Opinion**

We have audited the financial statements of Bulldog Skincare Limited (the 'Company') for the year ended 30 September 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Company's affairs as at 30 September 2018 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.

**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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

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**BULLDOG SKINCARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BULLDOG SKINCARE LIMITED  
(CONTINUED)**

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misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 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.

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**BULLDOG SKINCARE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BULLDOG SKINCARE LIMITED  
(CONTINUED)**

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**Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Broome (Senior Statutory Auditor)

for and on behalf of  
**Haysmacintyre LLP**

Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date:

24 June 2017

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**BULLDOG SKINCARE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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		Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
	Note		
Turnover	4	16,847,259	20,626,949
Cost of sales		(9,234,135)	(11,697,328)
<b>Gross profit</b>		<b>7,613,124</b>	<b>8,929,621</b>
Distribution costs		(3,215,191)	(4,092,632)
Administrative expenses		(4,125,815)	(3,377,508)
<b>Operating profit</b>	5	<b>272,118</b>	<b>1,459,481</b>
Interest receivable and similar income		146	292
Interest payable and expenses		(42,755)	(5,090)
<b>Profit before tax</b>		<b>229,509</b>	<b>1,454,683</b>
Tax on profit	8	(44,409)	(204,147)
<b>Profit for the financial year</b>		<b>185,100</b>	<b>1,250,536</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

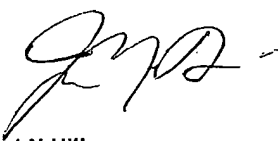
The notes on pages 12 to 22 form part of these financial statements.

**BULLDOG SKINCARE LIMITED**  
**REGISTERED NUMBER: 05717974**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	9	70,677	98,984
<b>Current assets</b>			
Stocks	10	3,104,853	2,879,135
Debtors: amounts falling due within one year	11	7,535,117	5,908,152
Cash at bank and in hand		1,541,971	659,891
		<u>12,181,941</u>	<u>9,447,178</u>
Creditors: amounts falling due within one year	12	(8,353,076)	(5,831,720)
<b>Net current assets</b>		<u>3,828,865</u>	<u>3,615,458</u>
<b>Total assets less current liabilities</b>		<u><u>3,899,542</u></u>	<u><u>3,714,442</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	3,375	3,375
Share premium account		1,548,562	1,548,562
Profit and loss account		2,347,605	2,162,505
		<u><u>3,899,542</u></u>	<u><u>3,714,442</u></u>

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



**J N Hill**  
 Director

**JUNE 20, 2019**

The notes on pages 12 to 22 form part of these financial statements.

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**BULLDOG SKINCARE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 April 2016</b>	3,375	1,548,562	911,969	2,463,906
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	1,250,536	1,250,536
<b>At 1 October 2017</b>	3,375	1,548,562	2,162,505	3,714,442
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	185,100	185,100
<b>At 30 September 2018</b>	3,375	1,548,562	2,347,605	3,899,542

The notes on pages 12 to 22 form part of these financial statements.

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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**1. General information**

Bulldog Skincare Limited is a private company limited by shares, and is incorporated in England and Wales. The address of its registered office is Sword House, Totteridge Road, High Wycombe, Buckinghamshire, HP13 6DG. The principal trading address is Unit G.01 Grand Union Studios, 332 Ladbroke Grove, London, W10 5AD.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Edgewell Personal Care Company as at 30 September 2017 and these financial statements may be obtained from Investor Relations, Edgewell Personal Care Company, 1350 Timberlake Manor Parkway, St Louis, MO 63017, USA.

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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)****2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis.

Plant and machinery	- 25%
Fixtures and fittings	- 25%
Office equipment	- 25%
Computer equipment	- 25%
Other fixed assets	- 20-25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.



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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)****2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is

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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)****2.8 Financial instruments (continued)**

an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)****2.12 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.14 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.15 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. Actual results may differ from these estimates. 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 directors considered there to be no significant areas of judgments or key sources of estimation uncertainty.

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**BULLDOG SKINCARE LIMITED**

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**4. Turnover**

The total turnover of the company for the period has been derived from the sale of goods as per its principal activity.

Analysis of turnover by country of destination

	Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
United Kingdom	12,951,285	13,710,406
Rest of Europe	2,405,173	3,126,852
Rest of the World	1,490,801	3,789,691
	<u>16,847,259</u>	<u>20,626,949</u>

**5. Operating profit**

The operating profit is stated after charging:

	Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
Depreciation of tangible fixed assets	47,974	21,322
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,500	8,500
Foreign exchange loss/(gain)	7,402	(103,296)
Operating lease rentals	<u>128,075</u>	<u>167,158</u>

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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Employees**

Staff costs, including directors' remuneration, were as follows

	Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
Wages and salaries	-	1,668,455
Social security costs	-	199,492
Cost of defined contribution scheme	-	42,184
	-	1,910,131

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

	Year ended 30 September 2018 No.	18 month period ended 30 September 2017 No.
Administrative	-	16

**7. Directors' remuneration**

	Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
Directors' emoluments	-	156,011
Company contributions to defined contribution pension schemes	-	4,200
	-	160,211

During the year retirement benefits were accruing to 0 directors (2017 - 3) in respect of defined contribution pension schemes.

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**BULLDOG SKINCARE LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**8. Taxation**

	Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	52,220	197,951
Adjustments in respect of previous periods	(7,811)	6,196
<b>Total current tax</b>	<b>44,409</b>	<b>204,147</b>

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

The tax assessed for the year/period is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.67%). The differences are explained below

	Year ended 30 September 2018 £	18 month period ended 30 September 2017 £
Profit on ordinary activities before tax	229,509	1,454,683
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.67%)	43,607	286,079
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,275	31,552
Adjustments to tax charge in respect of prior periods	4,027	17,883
Other timing differences leading to a decrease in taxation	(7,062)	(8,457)
Tax rate changes	562	(1,004)
Share scheme deduction	-	(121,906)
<b>Total tax charge for the year/period</b>	<b>44,409</b>	<b>204,147</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**BULLDOG SKINCARE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**9. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
<b>Cost</b>						
At 1 October 2017	6,540	114,771	25,139	10,496	68,632	225,578
Additions	-	7,757	6,883	2,899	2,540	20,079
Disposals	-	(52,114)	(600)	-	-	(52,714)
At 30 September 2018	6,540	70,414	31,422	13,395	71,172	192,943
<b>Depreciation</b>						
At 1 October 2017	3,432	62,211	21,594	3,904	35,452	126,593
Charge for the year on owned assets	1,635	17,604	7,593	3,349	17,793	47,974
Disposals	-	(52,114)	(187)	-	-	(52,301)
At 30 September 2018	5,067	27,701	29,000	7,253	53,245	122,266
<b>Net book value</b>						
At 30 September 2018	1,473	42,713	2,422	6,142	17,927	70,677
At 30 September 2017	3,108	52,560	3,545	6,592	33,180	98,985

**10. Stocks**

	2018 £	2017 £
Finished goods and goods for resale	3,104,853	2,879,135

Stock recognised in cost of sales during the year as an expense was £7,327,827 (2017 - £9,162,702).

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**BULLDOG SKINCARE LIMITED**

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**11. Debtors**

	2018 £	2017 £
Trade debtors	4,193,781	3,225,532
Amounts owed by group undertakings	2,805,756	2,239,122
Other debtors	79,678	196,884
Prepayments and accrued income	394,413	246,614
Corporation tax recoverable	61,489	-
	<u>7,535,117</u>	<u>5,908,152</u>

**12. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	888,252	3,143,323
Amounts owed to group undertakings	7,017,507	1,684,340
Corporation tax payable	-	197,951
Other taxation and social security	186,079	-
Other creditors	39,971	210,330
Accruals and deferred income	221,267	595,777
	<u>8,353,076</u>	<u>5,831,721</u>

**13. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
200,200 Ordinary A shares of £0.01 each	2,002	2,002
112,658 Ordinary B shares of £0.01 each	1,127	1,127
24,640 Ordinary C shares of £0.01 each	246	246
	<u>3,375</u>	<u>3,375</u>

There are three classes of ordinary shares. All shares rank par passu and there are no restrictions on the distribution of dividends and the repayment of capital.



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**14. Commitments under operating leases**

At 30 September 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows

	2018 £	2017 £
Not later than 1 year	72,790	120,090
Later than 1 year and not later than 5 years	950	73,740
	<u>73,740</u>	<u>193,830</u>

**15. Controlling party**

Bulldog Skincare Holdings Limited is considered to be the company's immediate parent undertaking in both the current period and prior year.

The ultimate controlling party is Edgewell Personal Care Company, a US company incorporated in the state of Missouri.

The results of the company are included within the consolidated accounts of Edgewell Personal Care Company which are available to the public and may be obtained from Investor Relations, Edgewell Personal Care Company, 1350 Timberlake Manor Parkway, St Louis, MO 63017, USA.