

Simple Health & Beauty Group Limited

**Directors' report and financial
statements**

Registered number 4883233

For the year ended 30 September 2011

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Directors and advisors

Directors

AL Pike
N Fletcher
P Dickson
S Jarrold
RC Hazell

Secretary The New Hovema Limited (appointed 31/08/2011)

Independent auditors

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Registered office

Unilever House
100 Victoria Embankment
London
EC4Y 0DY

Bankers

Bank of Scotland
Citymark
150 Fountainbridge
Edinburgh
EH3 9DE

Directors' report

The directors present their directors' report and financial statements for the year ended 30 September 2011

In 2010, and following the acquisition of the company by Alberto-Culver UK Products Ltd on 18 December 2009, the Company changed its year end from 31 December to 30 September in order to align its accounting reference date with its parent undertaking. Consequently, the comparative period is for the 9 months ended 30 September 2010

Principal activities and business review

The principal activity of Simple Health & Beauty Group Limited (the "Company") is to act as a holding company for subsidiaries engaged in the distribution of health and beauty products

On 10 May 2011, Unilever, a worldwide consumer goods company, acquired all the shares of the ultimate parent company, Alberto-Culver Company, a US based organisation

Results and dividends

The loss for the year attributable to shareholders amounts to £6,019,000 (*2010 profit £2,835,000*). The Directors do not recommend a dividend (*2010 £9,000,000*)

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Alberto-Culver UK Products Limited, which include those of the Company, are discussed in the Directors' Report to the Group's annual report which does not form part of this report

Charitable and political contributions

The Company made no charitable or political contributions during the year (*2010 nil*)

Directors

The Directors of the Company at the date of this report are those listed on page 1. The Directors who served during the year were as follows

PJ Hatherly (Resigned 26/10/2010)
AL Pike
D Penn
T Monaghan (resigned 31/08/2011)
R Hynes
R Nicoletti
GP Schmidt
M Halliwell (resigned 31/08/2011)

D Penn, R Hynes, R Nicoletti and GP Schmidt resigned as directors on 17 April 2012, 26 March 2012, 26 March 2012 and 15 July 2011, respectively. P Dickson, N Fletcher, R C Hazell and S Jarrold were all appointed as directors on 10 January 2012, 17 April 2012, 26 March 2012 and 10 January 2012, respectively. G Neath was appointed a director on 10 January 2012 and resigned on 6 February 2012

Directors' report *(continued)*

Disclosure of information to auditor

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

Auditor

Following the acquisition of the company's ultimate parent company by Unilever N V on 10 May 2011, the current auditors are expected to resign. KPMG LLP will therefore continue in office until formal resignation, expected to be following the completion of the financial statements

By order of the board



P Dickson
Director

Unilever House
100 Victoria Embankment
London
EC4Y 0DY

18 May 2012

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

Independent auditor's report to the members of Simple Health & Beauty Group Limited

We have audited the financial statements of Simple Health & Beauty Group Limited for the year ended 30 September 2011 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Simple Health & Beauty Group Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



A C Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

18 May 2012

Profit and loss account
for the year ended 30 September 2011

	<i>Note</i>	12 months 2011 £000	9 months 2010 £000
Interest receivable and similar income	4	-	3
Interest payable and similar charges	5	(8,245)	(6,168)
Dividends received		-	9,000
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	2	(8,245)	2,835
Tax on (loss)/profit on ordinary activities	6	2,226	-
		<hr/>	<hr/>
(Loss)/profit for the financial year	13	(6,019)	2,835
		<hr/>	<hr/>

There are no recognised gains and losses other than those in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 9 to 14 form part of these financial statements

Balance sheet
at 30 September 2011

	<i>Note</i>	30 September 2011 £000	30 September 2010 £000
Fixed assets			
Investments	7	202,494	202,494
		<u>202,494</u>	<u>202,494</u>
Current assets			
Debtors due within one year	8	2,226	45
Cash at bank and in hand		94	47
		<u>2,320</u>	<u>92</u>
Creditors, amounts falling due within one year	9	(179,334)	(1,295)
Net current liabilities		<u>(177,014)</u>	<u>(1,203)</u>
Total assets less current liabilities		25,480	201,291
Creditors: amounts falling due after more than one year	10	-	(169,792)
Net assets		<u>25,480</u>	<u>31,499</u>
Capital and reserves			
Called up share capital	11	54	54
Share premium account	12	500	500
Profit and loss account	13	24,926	30,945
Total shareholders' funds	14	<u>25,480</u>	<u>31,499</u>

The notes on pages 9 to 14 form part of these financial statements

These financial statements were approved by the board of directors on 18 May 2012 and were signed on its behalf by



P Dickson
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements, as it is a wholly owned subsidiary that is included in the accounts of a larger group. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The financial statements are prepared on a going concern basis which the directors believe to be appropriate. The Company is part of the Unilever Group and its funding is provided by the Group. The Company has a net current liabilities position in these financial statements. However, as a non-trading holding company this is a result of the intergroup loans which were established as part of a group reorganisation prior to the acquisition of the Alberto-Culver Group by Unilever in the year. As part of the post-acquisition integration of Simple Health & Beauty Group Ltd, the intention is that another Unilever company will issue a new loan to replace the existing loans on maturity.

Therefore, the Directors, having made appropriate enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to prepare the financial statements on a going concern basis.

Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8, from the requirement to disclose transactions with entities that are part of the group headed by the company's ultimate parent undertaking or investees of that group qualifying as related parties, on the grounds that all of the voting rights in the company are controlled within the group and the company's ultimate parent undertaking includes the company in its own published consolidated financial statements.

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Share capital and dividends

Ordinary share capital is classified as equity if it is non-redeemable by the shareholder and any dividends are discretionary. Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 (Loss)/profit on ordinary activities before taxation

Auditor's remuneration is borne by other group undertakings (2010 £nil)

3 Remuneration of directors

No remuneration (2010 £nil) was received by the Directors from the Company. They are employed as managers by other Unilever group companies and are remunerated by those companies in respect of their services to the group as a whole.

4 Interest receivable and similar income

	12 months 2011 £000	9 months 2010 £000
Bank interest receivable	-	3

5 Interest payable and similar charges

	12 months 2011 £000	9 months 2010 £000
Interest payable to group undertakings	(8,245)	(6,168)

6 Taxation

Analysis of charge in the year/period

	12 months 2011 £000	9 months 2010 £000
Current tax		
UK Corporation tax credit on result of the year/period	2,226	-

There is no recognised or unrecognised deferred tax in either period.

Notes (continued)

6 Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year is equal (2010 lower) than the average standard rate of corporation tax in the UK which is 27% (2010 28%). The differences are explained below

Current tax reconciliation

	12 months 2011 £000	9 months 2010 £000
(Loss)/profit on ordinary activities before taxation	(8,245)	2,835
Multiplied by the standard rate of corporate tax in the UK of 27% (2010 28%)	2,226	794
<i>Effects of</i>		
Group relief	-	1,726
Dividends received	-	(2,520)
Current tax credit/(charge)	2,226	-

The current UK tax rate that has been used for the year is a hybrid rate of 27%. This is on the basis that the tax rate changed from 28% to 26% as of 1 April 2011. In addition, further reductions to the main rate are proposed to reduce the rate to 22% by 1 April 2014. These further changes have not been substantially enacted at the balance sheet date and therefore have not been included in these financial statements.

7 Investments

Shares in subsidiary undertakings

	£000
<i>Cost</i>	
At 1 October 2010	301,494
<i>Provision for impairment</i>	
At 30 September 2011	(99,000)
<i>Net book amount</i>	
At 30 September 2011	202,494

Notes (continued)

7 Investments (continued)

Details of the principal subsidiary companies at the year end are as follows

	Country of registration and incorporation	Nature of business	Proportion of shares held by group %	Type of shares
Accantia Employee Benefits Limited	England and Wales	Trustee	100	£1 ordinary
Accantia Group Holdings	England and Wales	Holding company	100	1p ordinary
Accantia Limited *	England and Wales	Dormant	100	£1 ordinary 0.5p ordinary A
Accantia (Holdings) Limited *	England and Wales	Dormant	100	£1 ordinary
Accantia (Overseas) Limited *	England and Wales	Dormant	100	Limited by guarantee
Accantia Health & Beauty Limited *	England and Wales	Dormant	100	25p ordinary
Simple Toiletries Limited *	England and Wales	Sale of health & beauty products	100	£1 ordinary
Simple Health & Beauty Limited*	England and Wales	Agency company	100	£1 ordinary £1 convertible preferred ordinary £1 cumulative irredeemable preference

* Indirect holdings

The directors consider the value of the investments to be supported by their underlying values

8 Debtors: amounts falling due within one year

	2011 £000	2010 £000
Corporation tax	2,226	45

9 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Other creditors		
Amounts owed to group undertakings	-	(1,295)
Loans from group undertakings	(179,334)	-
Amounts owed to group undertakings	(179,334)	(1,295)

Amounts due to Group undertakings are repayable on demand

Loans from Group undertakings are repayable in full on 31 July 2012. The loans are subject to a 5% per annum interest charge.

Notes (continued)

10 Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
<i>Other creditors</i>		
Loans from group undertakings	-	(169,792)

Loans from Group undertakings are repayable in full on 31 July 2012. The loans are subject to a 5% per annum interest charge.

11 Called up share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid</i>		
5,357,607 Ordinary shares of 1p each	54	54

12 Share premium account

	2011 £000	2010 £000
Balance at beginning of year/period	500	200,388
Reduction during the period	-	(199,888)
Balance at end of year/period	500	500

On 29 December 2010 the Company issued 4,357,607 ordinary shares for a consideration of £199,348,000 giving rise to a share premium of £199,304,000. On 2 September 2010 the Company reduced its share premium account by £199,888,000 and applied this amount to retained earnings reserve to eliminate the deficit on this account.

13 Profit and loss account

	2011 £000	2010 £000
Balance at beginning of year/period	30,945	(162,778)
(Loss)/profit for the financial year/period	(6,019)	2,835
Share premium reduction	-	199,888
Dividends paid	-	(9,000)
Balance at end of year/period	24,926	30,945

Notes (continued)

14 Reconciliation of movement in total shareholders' funds

	2011 £000	2010 £000
(Loss)/profit for the year/period	(6,019)	2,835
Dividends paid	-	(9,000)
Net reduction to shareholders' funds	(6,019)	(6,165)
Opening shareholders' funds	31,499	37,664
Closing shareholders' funds	25,480	31,499

15 Contingent liabilities

There were no contingent liabilities at 30 September 2011 (2010 nil)

16 Immediate parent company and ultimate controlling party

The immediate parent undertaking is Alberto-Culver UK Products Limited, a company registered in England and Wales. The financial statements of Alberto-Culver UK Products Limited are available from the Registrar at Companies House, Crown Way, Cardiff, CF4 3UZ.

The company's previous ultimate controlling party, Alberto-Culver Company, was acquired by Unilever N V on 10 May 2011. From this date the ultimate parent undertaking and controlling party has been Unilever N V, a public limited company registered in the Netherlands. Copies of the group financial statements for Unilever N V can be obtained from Unilever N V, Weena 455, PO Box 760 3000 DK Rotterdam, The Netherlands.