

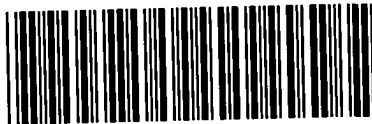
**Salon Services (Hair and Beauty Supplies) Limited**

**Annual report and financial statements**

**Registered number SC049239**

**30 September 2020**

WEDNESDAY



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## **Strategic report**

The Directors present their strategic report and audited financial statements for the year ended 30 September 2020.

## **Principal activity**

Following the disposal of the company's trade and assets in 2010 the company has operated as a lease holding company, managing the leases for the stores through which the company traded.

## **Business review and future developments**

During the period the company traded as a lease holding company, managing the leases for the stores through which another group company traded. The lease rentals have been paid in full by a fellow group entity. As such, there are no trading results of the Company in the Profit and Loss account. As described below, the Directors plan to reassign all leases to Sally Salon Services Limited, a fellow group company.

## **Risks and uncertainties**

The group has assessed the potential risks with Brexit, in particular, concerning people, foreign exchange and import implications and determined these to be sufficiently low, in light of the transactions described above and the decision, post year end, to transfer the leases to another group entity. It will continue to monitor the situation.

The group has assessed the potential risks with COVID 19 and adapted security and health protection measures that allow the Company to securely continue its business.

## **Going concern and events after the balance sheet date**

In previous years, the financial statements have been prepared on a going concern basis. However, on 26 June 2020 the directors took the decision to assign its leases to a Sally Salon Services Limited, a fellow group company, and to wind up the Company subsequently. Accordingly the directors have prepared the financial statements on a basis other than going concern. No adjustments have been necessary in reflection of this change in basis.

## **Key Performance Indicators**

Given the simplicity of the company's operations there are no performance KPI's.

By order of the board

H Van Ocken

Director



**Registered office**  
1 Ruland Court  
Edinburgh  
EH3 8EY

Registered number: SC049239

27 September 2021

#### **Directors' report**

The Directors present their Director's report for the year ended 30 September 2020.

#### **Directors and director's Interests**

The directors who held office during the year were as follows:

W Scarr  
O Badezet  
H Van Ocken

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of any group company incorporated in Great Britain at 30 September 2020.

#### **Proposed dividend**

No company do not recommend a dividend.

#### **Political and charitable contributions**

The company made no political or charitable contributions during the year (2019: £nil).

#### **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**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

H Van Ocken

Director



*Registered office*

1 Ruland Court  
Edinburgh  
EH3 8EY

Registered number: SC049239  
27 September 2021

**Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis..

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

**Profit and Loss Account  
for the year ended 30 September 2020**

	<i>Note</i>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Profit/(Loss)</b>	<b>2</b>	-	-
Income from shares in group undertakings		-	-
<b>Profit before taxation</b>		-	-
Tax on profit	<b>6</b>	-	-
<b>Profit after taxation</b>		-	-

The company has no recognised gains or losses other than the profit for the year, accordingly no statement of other comprehensive income has been presented.

The notes on pages 7 to 9 form part of these financial statements.

On behalf of the board



**H Van Ocken**

*Director*

27 September 2021

**Balance Sheet  
at 30 September 2020**

	<i>Note</i>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Current assets</b>			
Debtors	<b>3</b>	<b><u>6,891</u></b>	<b><u>6,891</u></b>
<b>Net current assets</b>		<b><u>6,891</u></b>	<b><u>6,891</u></b>
<b>Net assets</b>		<b><u>6,891</u></b>	<b><u>6,891</u></b>
<b>Capital and reserves</b>			
Called up share capital	<b>4</b>	<b>5</b>	<b>5</b>
Capital contribution	<b>5</b>	<b>2,460</b>	<b>2,460</b>
Profit and loss account	<b>5</b>	<b><u>4,426</u></b>	<b><u>4,426</u></b>
<b>Shareholders' funds</b>		<b><u>6,891</u></b>	<b><u>6,891</u></b>

The notes on pages 7 to 9 form part of these financial statements

On behalf of the board

  
**H Van Ocken**  
*Director*

27 September 2021

**Statement of changes in Equity  
for the year ended 30 September 2020**

	Share Capital £000	Capital Contributions £000	Profit and loss £000	Total Equity £000
Balance as at 30 September 2018	5	2,460	4,426	6,891
Profit in year	-	-	-	-
Balance as at 30 September 2019	5	2,460	4,426	6,891
Profit in year	-	-	-	-
Balance as at 30 September 2020	5	2,460	4,426	6,891

The notes on pages 7 to 9 form part of these financial statements.



## **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.

The company has not adopted any new accounting standards that have an effect upon the company's profit or net assets.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and under the historical cost convention.

The Company's ultimate parent undertaking, Sally Beauty Holdings, Inc, includes the Company in its consolidated financial statements. The consolidated financial statements of Sally Beauty Holdings, Inc are available to the public and may be obtained from the address in note 12. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation; and
- Group Consolidated Accounts.

#### ***Going concern***

In previous years, the financial statements have been prepared on a going concern basis. However, on 26 June 2020 the directors took the decision to wind up the Company and to assign its obligations under lease agreements to Sally Salon Services Limited, a fellow group company. Accordingly the directors have not prepared the financial statements on a going concern basis. There is no impact of measurement and recognition on the existing assets of the company.

#### ***Financial Instruments***

Financial assets and liabilities are initially recognised at transaction cost and at the end of each reporting period, the company measures each instrument at fair value and recognises changes in fair value in the profit and loss account.

#### ***Judgments and key sources of estimation uncertainty***

In the application of the company'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. In light of the nature of the Company's trading during the period, the directors do not consider there to be any significant judgments or sources of estimation uncertainty.

#### ***Operating leases***

Leases are held as operating leases and the payments made under them are charged to the Profit and Loss on a straight line basis over the term of the lease.

The lease commitments of the company are settled by Sally Salon Services Ltd pursuant to the agreement by which Sally Salon Services Ltd acquired the trade and assets of the company on 1<sup>st</sup> May 2010 (note 9). The charge and recharge in respect of these leases commitments are shown net within Operating costs on account of the direct settlement by Sally Salon Services Ltd.

**Notes***(continued)***2 Remuneration of directors**

None of the directors performed any qualifying services and received no emoluments from the company during the year. All remuneration was paid by associated group companies.

**3 Debtors**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Amounts owed by group undertakings	<b>6,891</b>	<b>6,891</b>

All intercompany balances have no interest terms, and are payable on demand.

**4 Called up share capital**

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<i>Allotted, called up and fully paid</i>		
5,000 ordinary shares of £1 each	<b>5</b>	<b>5</b>

**5 Reserves**

	<b>Capital Contribution £000</b>	<b>Profit and loss account £000</b>
At beginning of year	<b>2,460</b>	<b>4,426</b>
At end of year	<b>2,460</b>	<b>4,426</b>

## Notes

(Continued)

### 6 Taxation

#### Taxation

The company has no taxation charge on account of there being no taxable profits. There are no deferred tax balances, recognised or unrecognised.

### 7 Commitments

Total commitments under non-cancellable operating leases are as follows:

	2020 Land and Buildings £000	2019 Land and Buildings £000
<b>Non-cancellable operating lease rentals payable:</b>		
Less than one year	207	321
Between one and five years	103	335
	<hr/>	<hr/>
	310	656
	<hr/>	<hr/>

The lease commitments of the company are settled on their behalf by Sally Salon Services Ltd pursuant to the agreement by which Sally Salon Services acquired the trade and assets of the company on 1 May 2010.

As part of this agreement, Sally Salon Services Ltd will fully expense the lease rentals with no expectation of increasing debtors or creditors between the two companies.

All leases that are currently held in the company will transfer to Sally Salon Services Ltd on expiry.

### 8 Ultimate parent undertaking

The company is a wholly owned subsidiary of Sally UK Holdings Limited, Inspired, Easthampstead Road, Bracknell, Berkshire, RG12 1YQ.

The largest group in which the company is consolidated is headed by Sally Beauty Holdings Inc, the ultimate parent company, incorporated in the State of Delaware, USA. The consolidated accounts of the group are available to the public and may be obtained from 3001 Colorado Boulevard, Denton, Texas 76210, USA.

### 9 Subsequent event

The Directors of the Company decided to commence a process to assign all lease commitments to Sally Salon Services Limited (an 'affiliate'). Following the completion of this, the Company will be wound up.