

HAIR PROFESSIONAL LIMITED

Company No: 01434821

FINANCIAL STATEMENTS

- for the year ended -

31 MARCH 1997



LOUCA AND COMPANY
Certified Chartered Accountants/
Registered Auditors, 7 Mill Street Maidstone
Kent ME15 6XW

HAIR PROFESSIONAL LIMITED

DIRECTORS

P Papaspyrou
Mrs M Papaspyrou
Mrs M Hall

SECRETARY

Miss A Papaspyrou

BUSINESS ADDRESS

86 King Street
Maidstone
Kent
ME14 1BH

REGISTERED OFFICE

86 King Street
Maidstone
Kent
ME14 1BH

ACCOUNTANTS

Louca and Company
Certified Chartered Accountants/
Registered Auditors
7 Mill Street Maidstone
Kent ME15 6XW

HAIR PROFESSIONAL LIMITED

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HAIR PROFESSIONAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of Hairdressers.

The results for the year have been encouraging and the directors are confident for the future.

DIVIDEND AND TRANSFER TO RESERVES

The directors have paid an interim dividend amounting to £13,260, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £235 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1997</u>	<u>1996</u>
P Papaspyrou	Ordinary shares	79	79
Mrs M Papaspyrou	Ordinary shares	1	1
Mrs M Hall	Ordinary shares	10	10

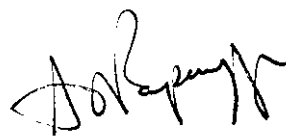
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

By Order of the Board

Date: 13-11-97...

Miss A Papaspyrou
Secretary



HAIR PROFESSIONAL LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF HAIR PROFESSIONAL LIMITED

We have examined, without carrying out an audit, the financial statements for the year ended 31 March 1997 set out on pages 3 to 10.

Respective responsibilities of directors and reporting accountant

As described on the Balance Sheet the company's directors are responsible for the preparation of the financial statements, and they believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, report our opinion, as set out below, to the shareholders.

Basis of opinion

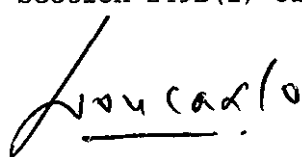
We conducted our examination in accordance with appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

Opinion

In our opinion:

- (a) the financial statements are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Companies Act 1985;
- (c) having regard only to, and on the basis of, the information contained in the accounting records kept by the company under Section 221, the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1) of the Companies Act 1985.


LOUCA AND COMPANY
Certified Chartered Accountants/
Registered Auditors
7 Mill Street Maidstone
Kent ME15 6XW

Date: ...13-11-97.....

HAIR PROFESSIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
TURNOVER		113,739	98,236
Cost of sales		(22,681)	(23,121)
GROSS PROFIT		91,058	75,115
Administrative expenses		(71,539)	(59,568)
OPERATING PROFIT	2	19,519	15,547
Interest payable	3	(1,540)	(135)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,979	15,412
Tax on profit on ordinary activities	5	(4,484)	(3,046)
PROFIT FOR THE FINANCIAL YEAR		13,495	12,366
Dividends	6	(13,260)	(15,600)
RETAINED PROFIT FOR THE YEAR	14	235	(3,234)

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements.

HAIR PROFESSIONAL LIMITED**BALANCE SHEET AT 31 MARCH 1997**

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		24,045		28,134
CURRENT ASSETS					
Stocks	8	5,714		4,496	
Debtors	9	2,052		7,419	
Cash at bank and in hand		71		4,275	
		<u>7,837</u>		<u>16,190</u>	
CREDITORS: Amounts falling due within one year	10	<u>(21,154)</u>		<u>(23,963)</u>	
NET CURRENT LIABILITIES			<u>(13,317)</u>		<u>(7,773)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,728		20,361
CREDITORS: Amounts falling due after more than one year	11		<u>(13,632)</u>		<u>(23,500)</u>
			<u>(2,904)</u>		<u>(3,139)</u>
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account	14		<u>(3,004)</u>		<u>(3,239)</u>
			<u>(2,904)</u>		<u>(3,139)</u>

The statements required to be made by the company's directors and the signatures required by the Companies Act 1985 are given on the following page.

The notes on pages 6 to 10 form part of these financial statements.

HAIR PROFESSIONAL LIMITED

BALANCE SHEET AT 31 MARCH 1997 (Continued)

The directors have taken advantage of the exemption conferred by section 249A(2) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 March 1997 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

The financial statements were approved
by the board on ...1.5.11.97.. and
signed on its behalf by

P Papaspyrou

Mrs M Hall

) Directors

The notes on pages 6 to 10 form part of these financial statements.

HAIR PROFESSIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	25% Reducing balance
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1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

2. OPERATING PROFIT

1997

1996

£

£

The operating profit is stated after charging:-

Depreciation

5,220

1,533

Hire of equipment

150

-

3. INTEREST PAYABLE

1997

1996

£

£

On bank loans and overdrafts and on loans repayable in full within five years

1,535

135

On overdue tax

5

-

1,540

135

HAIR PROFESSIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

4.	DIRECTORS AND EMPLOYEES	1997 £	1996 £
	Staff costs:-		
	Wages and salaries	38,047	31,281
	Social security costs	681	702
		<u>38,728</u>	<u>31,983</u>
	The average weekly number of employees during the year was made up as follows:	Number	Number
	Management	3	3
	Hairdressers	4	4
		<u>7</u>	<u>7</u>
		£	£
	Directors' emoluments:-		
	Remuneration for management services	<u>12,663</u>	<u>9,160</u>
5.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1997 £	1996 £
	The taxation charge based on the profit before tax comprises:-		
	U.K. corporation tax at 24% (1996 - 25%)	<u>4,484</u>	<u>3,046</u>
		<u>4,484</u>	<u>3,046</u>
6.	DIVIDENDS	1997 £	1996 £
	Equity interests		
	Ordinary:-		
	Interim dividend paid during the year	<u>13,260</u>	<u>15,600</u>
		<u>13,260</u>	<u>15,600</u>

HAIR PROFESSIONAL LIMITEDNOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

7. TANGIBLE ASSETS

<u>Cost</u>	Beginning of year £	Additions £	End of year £
Improvements to property	7,562	-	7,562
Fixtures and fittings	25,288	1,131	26,419
	<u>32,850</u>	<u>1,131</u>	<u>33,981</u>
<u>Depreciation</u>	Beginning of year £	Charge for year £	End of year £
Fixtures and fittings	4,716	5,220	9,936
	<u>4,716</u>	<u>5,220</u>	<u>9,936</u>
<u>Total net book values</u>	Beginning of year £		End of year £
	<u>28,134</u>		<u>24,045</u>

8. STOCKS

	1997 £	1996 £
Consumables and goods for resale	5,714	4,496
	<u>5,714</u>	<u>4,496</u>

9. DEBTORS

	1997 £	1996 £
Loans to directors	-	294
Other debtors	-	4,717
Advance corporation tax	1,527	1,948
Prepayments and accrued income	525	460
	<u>2,052</u>	<u>7,419</u>

HAIR PROFESSIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1997 £	1996 £
	Bank loans and overdrafts	6,027	6,000
	Trade creditors	2,921	5,446
	Corporation tax	1,463	1,584
	Other taxes and social security costs	1,151	443
	Directors' current accounts	5,040	-
	Other creditors	2,195	8,424
	Accruals and deferred income	2,357	2,066
		<u>21,154</u>	<u>23,963</u>

11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1997 £	1996 £
	Loans	13,632	23,500
		<u>13,632</u>	<u>23,500</u>

12.	BORROWINGS	1997 £	1996 £
	<u>The company's borrowings are repayable as follows:</u>		
	In one year or less, or on demand	6,027	13,211
	Between two and five years	13,632	23,500
		<u>19,659</u>	<u>36,711</u>

Details of security:

The company's borrowings are secured on the property at 86 King Street, Maidstone. A property which is owned by P Papaspyrou.

13.	SHARE CAPITAL	1997 £	1996 £
	<u>Authorised</u>		
	Equity interests:		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>Allotted, called up and fully paid</u>		
	Equity interests:		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

HAIR PROFESSIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

14. PROFIT AND LOSS ACCOUNT

	1997 £	1996 £
Accumulated losses at 1 April 1996	(3,239)	(5)
Retained profit for the year	235	(3,234)
Accumulated losses at 31 March 1997	(3,004)	(3,239)

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	13,495	12,366
Dividends	(13,260)	(15,600)
	235	(3,234)
Shareholders' funds at 1 April 1996	(3,139)	95
Shareholders' funds at 31 March 1997	(2,904)	(3,139)
Represented by:-		
Equity interests	(2,904)	(3,139)
	(2,904)	(3,139)