Company Registration No. 3264321 (England and Wales)

STYLE GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2000



JMA
COMPANIES HOUSE
0152
07/12/01

Companies House copy

STYLE GROUP LIMITED

COMPANY INFORMATION

Directors	G K Maqudis	(Appointed 1 September 1999)
	A B Mascolo	
	G T Mascolo	
	Hanovia Style Ltd	(Appointed 1 September 1999)
Secretary	R W L Berrow	
Company number	3264321	
Registered office	19 Doughty Street London WC1N 2PL	
Auditors	Hacker Young St James Building 79 Oxford Street Manchester M1 6HT	
Business address	24 Frodsham Street Chester CH1 3JL	

STYLE GROUP LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 10

STYLE GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2000

The directors present their report and financial statements for the year ended 31 August 2000.

Principal activities
The principal activity of the company continued to be that of providing hairdressing and related services.

Directors
The following directors have held office since 1 September 1999:

G K Maqudis	(Appointed 1 September 1999)
A B Mascolo	
G T Mascolo	
Hanovia Style Ltd	(Appointed 1 September 1999)

Directors' interests
The directors' interests in the shares of the company were as stated below:

	'A' Ordinary Shares of £ 1 each	
	31 August 2000	1 September 1999
A B Mascolo	-	-
G T Mascolo	-	-
G K Maqudis	-	-
Hanovia Style Ltd	-	-

	'B' Ordinary Shares of £ 1 each	
	31 August 2000	1 September 1999
A B Mascolo	-	-
G T Mascolo	-	-
G K Maqudis	5,000	-
Hanovia Style Ltd	-	-

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hacker Young, be reappointed as auditors of the company will be put to the Annual General Meeting.

STYLE GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2000

Directors' responsibilities

Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

T W Sharpe representing Hanovia Style Limited
Director
19 November 2001



STYLE GROUP LIMITED

AUDITORS' REPORT
TO THE SHAREHOLDERS OF STYLE GROUP LIMITED

We have audited the financial statements on pages 4 to 10. These have been prepared in accordance with the basis and the accounting policies set out on page 6 and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Respective responsibilities of directors and auditors
As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty
In forming our opinion, we have considered the adequacy of the disclosure made in Note 1 of the financial statements concerning the continuation of financial support from the parent company. In view of the significance of this uncertainty we consider that it should be brought to your attention but our opinion is not qualified in this respect.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hacker Young 19 November 2001

Chartered Accountants
Registered Auditor

STYLE GROUP LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2000

	Notes	2000 £	1999 £
Turnover		470,619	407,092
Cost of sales		(340,496)	(283,168)
Gross profit		130,123	123,924
Administrative expenses		(153,888)	(125,739)
Operating loss	2	(23,765)	(1,815)
Interest payable and similar charges		(5,510)	(3,810)
Loss on ordinary activities before taxation		(29,275)	(5,625)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	10	(29,275)	(5,625)

STYLE GROUP LIMITED

BALANCE SHEET
AS AT 31 AUGUST 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Intangible assets	4		4,545		7,707
Tangible assets	5		39,290		51,954
			43,835		59,661
Current assets					
Stocks		3,000		3,000	
Debtors	6	25,080		25,308	
Cash at bank and in hand		2,630		746	
		30,710		29,054	
Creditors: amounts falling due within one year	7	(137,212)		(124,225)	
Net current liabilities			(106,502)		(95,171)
Total assets less current liabilities			(62,667)		(35,510)
Creditors: amounts falling due after more than one year	8		(16,314)		(14,196)
			(78,981)		(49,706)
Capital and reserves					
Called up share capital	9		20,000		20,000
Profit and loss account	10		(98,981)		(69,706)
			(78,981)		(49,706)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the board on 19 November 2001

J S Tomkins representing Hanovia Style Limited
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2000

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) using the going concern basis. The going concern basis is thought appropriate because the parent company, Mascolo plc, has undertaken to continue to provide financial support. The directors are confident that the promised support will be forthcoming and therefore the accounts do not contain adjustments that might arise should the promised support be withdrawn.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Franchise costs

Franchise costs are depreciated over the life of the franchise.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25 % reducing balance

2 Operating loss

	2000	1999
	£	£
Operating loss is stated after charging:		
Amortisation of intangible assets	612	612
Depreciation of tangible assets	15,646	19,869
Auditors' remuneration	1,500	1,500
Directors' emoluments	23,657	-

3 Taxation

The company has estimated losses of £88,000 (1999 - £65,000) available for carry forward against future trading profits.

4 Intangible fixed assets

	Franchise costs	Legal costs	Total
	£	£	£
Cost			
At 1 September 1999 & at 31 August 2000	12,750	3,065	15,815
Amortisation			
At 1 September 1999	6,734	1,374	8,108
Charge for year	2,550	612	3,162
At 31 August 2000	9,284	1,986	11,270
Net book value			
At 31 August 2000	3,466	1,079	4,545
At 31 August 1999	6,016	1,691	7,707

5 Tangible fixed assets

	£
Cost	
At 1 September 1999	101,666
Additions	432
At 31 August 2000	102,098
Depreciation	
At 1 September 1999	49,712
Charge for the year	13,096
At 31 August 2000	62,808
Net book value	
At 31 August 2000	39,290
At 31 August 1999	51,954

6 Debtors	2000 £	1999 £
Amounts owed by group undertakings	-	128
Other debtors	25,080	25,180
	25,080	25,308

7 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	22,493	19,863
Trade creditors	30,579	38,900
Amounts owed to group undertakings	54,077	34,005
Taxation and social security	9,150	17,380
Other creditors	20,913	14,077
	137,212	124,225

Bank advances are secured by debenture and guaranteed by Hanovia Style Limited, Mascolo plc, J S Tomkins and T W Sharpe.

Included in trade creditors are amounts due to group companies totalling £15,470 (1999 : £8,622).

8 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	16,314	14,196
Analysis of loans		
Wholly repayable within five years	34,024	33,176
Included in current liabilities	(17,710)	(18,980)
	16,314	14,196

The loan is secured by a guarantee from Mascolo plc.

9 Share capital

	2000	1999
	£	£
Authorised		
6,000 'A' Ordinary Shares of £ 1 each	6,000	6,000
14,000 'B' Ordinary Shares of £ 1 each	14,000	14,000
	20,000	20,000
Allotted, called up and fully paid		
6,000 'A' Ordinary Shares of £ 1 each	6,000	6,000
14,000 'B' Ordinary Shares of £ 1 each	14,000	14,000
	20,000	20,000

10 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 September 1999	(69,706)
Retained loss for the year	(29,275)
Balance at 31 August 2000	(98,981)

11 Financial commitments

At 31 August 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	£	£
Expiry date:		
Between two and five years	42,000	42,000

12 Control

The directors regard Mascolo Brothers Limited, a company incorporated in England, as the company's ultimate parent company, by virtue of the group's influence over the operating activities of the company.

Mascolo Brothers Limited prepares consolidated financial statements which are available from Companies House.

The ultimate controlling parties are the directors and shareholders of that company being A B Mascolo, B Mascolo, G Mascolo and G T Mascolo, who each own 25% of the share capital,.

13 Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 from the requirement to make disclosures concerning related parties on the grounds that the company is a subsidiary undertaking.