

Registered number
3264321

STYLE GROUP LIMITED

Report and Accounts

31 August 2002



STYLE GROUP LIMITED
Company Information

Directors

G T MASCOLO
G K MAUDIS
HANOVIA STYLE LIMITED

Secretary

RWL BERROW
J MURPHY

Auditors

Andrew Jones
Lockwood Fold
Buxton Road
STOCKPORT
SK2 6LS

Registered office

Lockwood Fold
Buxton Road
Stockport
SK2 6TL

Registered number

3264321

STYLE GROUP LIMITED

Directors' Report

The directors present their report and accounts for the year ended 31 August 2002.

Principal activities

The company's principal activity during the year continued to be that of retail hairdressing.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

		A £1 Ordinary shares	
		2002	2001
A B MASCOLO	Resigned 31/10/2002	-	-
G T MASCOLO		-	-
G K MAUDIS		-	-
HANOVIA STYLE LIMITED		-	-

		B £1 Ordinary shares	
		2002	2001
A B MASCOLO	Resigned 31/10/2002	-	-
G T MASCOLO		-	-
G K MAUDIS		5,000	5,000
HANOVIA STYLE LIMITED		9,000	9,000

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

Auditors

A resolution to reappoint Andrew Jones as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

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

This report was approved by the board on 26th June 2003.



S TOMKINS
Director

STYLE GROUP LIMITED

Independent auditors' report to the shareholders of STYLE GROUP LIMITED

We have audited the accounts of Style Group Limited for the year ended 31st August 2002 which comprise pages 5 to 12. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

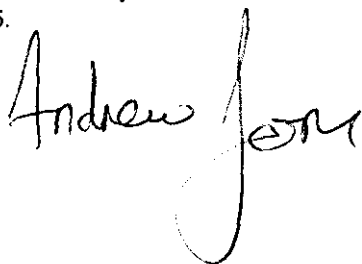
Fundamental Uncertainty

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

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Andrew Jones
Registered auditors



Lockwood Fold
Buxton Road
Stockport
SK2 6LS

26th June 2003

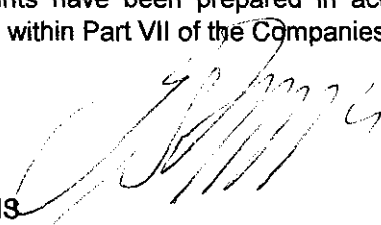
STYLE GROUP LIMITED
Profit and Loss Account
for the year ended 31 August 2002

	Notes	2002 £	2001 £
Turnover		661,845	534,766
Cost of sales		(461,852)	(343,321)
Gross profit		<u>199,993</u>	<u>191,445</u>
Administrative expenses		(175,102)	(168,837)
Operating profit	2	<u>24,891</u>	<u>22,608</u>
Interest payable		-	(142)
Profit on ordinary activities before taxation		<u>24,891</u>	<u>22,466</u>
Tax on profit on ordinary activities	3	3,100	-
Profit for the financial year		<u>27,991</u>	<u>22,466</u>
Retained profit for the financial year	12	<u>27,991</u>	<u>22,466</u>

STYLE GROUP LIMITED
Balance Sheet
as at 31 August 2002

	Notes	2002 £	2001 £
Fixed assets			
Intangible assets	4	-	1,383
Tangible assets	5	55,622	29,420
		<u>55,622</u>	<u>30,803</u>
Current assets			
Stocks		5,000	3,000
Debtors	6	26,133	25,268
Cash at bank and in hand		2,118	23,568
		<u>33,251</u>	<u>51,836</u>
Creditors: amounts falling due within one year	7	(111,260)	(137,449)
Net current liabilities		<u>(78,009)</u>	<u>(85,613)</u>
Total assets less current liabilities		<u>(22,387)</u>	<u>(54,810)</u>
Creditors: amounts falling due after more than one year	8	(13,337)	(1,705)
Provisions for liabilities and charges	10	7,200	-
Net liabilities		<u>(28,524)</u>	<u>(56,515)</u>
Capital and reserves			
Called up share capital	11	20,000	20,000
Profit and loss account	12	(48,524)	(76,515)
Shareholders' funds		<u>(28,524)</u>	<u>(56,515)</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.


S TOMKINS

Director

Approved by the board on 26th June 2003

STYLE GROUP LIMITED
Notes to the Accounts
for the year ended 31 August 2002

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The going concern basis is thought appropriate because the parent company Mascolo Plc, have undertaken to provide financial support. The directors are confident that the continuing support promised will be forthcoming and therefore the accounts do not contain adjustments that might arise should the promised support be withdrawn.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	20% straight line
Motor vehicles	25% straight line

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

STYLE GROUP LIMITED
Notes to the Accounts
for the year ended 31 August 2002

2 Operating profit	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	9,083	9,870
Amortisation of goodwill	1,383	3,162
Directors' remuneration	40,594	34,350
Pension costs	3,132	1,938
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>
3 Taxation	2002	2001
	£	£
UK corporation tax	4,100	-
Deferred tax	<u>(7,200)</u>	<u>-</u>
	<u>(3,100)</u>	<u>-</u>
4 Intangible fixed assets		£
Franchise Fee:		
Cost		
At 1 September 2001		<u>15,815</u>
At 31 August 2002		<u>15,815</u>
Amortisation		
At 1 September 2001		14,432
Provided during the year		<u>1,383</u>
At 31 August 2002		<u>15,815</u>
Net book value		
At 31 August 2002		<u>-</u>
At 31 August 2001		<u>1,383</u>
5 Tangible fixed assets		Plant and machinery
		£
Cost		
At 1 September 2001		102,098
Additions		<u>35,285</u>
At 31 August 2002		<u>137,383</u>
Depreciation		
At 1 September 2001		72,678
Charge for the year		<u>9,083</u>
At 31 August 2002		<u>81,761</u>
Net book value		
At 31 August 2002		<u>55,622</u>
At 31 August 2001		<u>29,420</u>

STYLE GROUP LIMITED
Notes to the Accounts
for the year ended 31 August 2002

6 Debtors	2002	2001
	£	£
Other debtors	<u>26,133</u>	<u>25,268</u>
7 Creditors: amounts falling due within one year	2002	2001
	£	£
Bank loans and overdrafts	25,173	16,441
Trade creditors	21,673	11,621
Amounts owed to group undertakings and undertakings in which the company has a participating interest	37,077	54,077
Corporation tax	4,100	-
Other taxes and social security costs	11,879	13,022
Other creditors	<u>11,358</u>	<u>42,288</u>
	<u>111,260</u>	<u>137,449</u>
8 Creditors: amounts falling due after one year	2002	2001
	£	£
Bank loans	-	1,705
Other creditors	<u>13,337</u>	<u>-</u>
	<u>13,337</u>	<u>1,705</u>
9 Loans	2002	2001
	£	£
Creditors include:		
Secured bank loans	<u>25,173</u>	<u>18,146</u>
All bank borrowings are secured by debenture and guaranteed by Hanovia Style Limited, JS Tomkins and TW Sharpe		
10 Provisions for liabilities and charges		
Deferred taxation:	2002	2001
	£	£
Transferred to Profit and Loss Account	(7,200)	-
At 31 August	<u>(7,200)</u>	<u>-</u>

Deferred taxation provided in the accounts is as follows:

	Provided 2002 £	Movement in year £	Provided 2001 £
Capital allowances in advance of depreciation	2,800	2,800	-
Tax losses carried forward	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
	<u>(7,200)</u>	<u>(7,200)</u>	<u>-</u>

STYLE GROUP LIMITED
Notes to the Accounts
for the year ended 31 August 2002

11 Share capital

			2002	2001
			£	£
Authorised:				
A' Ordinary shares of £1 each			6,000	6,000
B' Ordinary shares of £1 each			14,000	14,000
			<u>20,000</u>	<u>20,000</u>
	2002	2001	2002	2001
	No	No	£	£
Allotted, called up and fully paid:				
A' Ordinary shares of £1 each	6,000	6,000	6,000	6,000
B' Ordinary shares of £1 each	-	-	14,000	14,000
			<u>20,000</u>	<u>20,000</u>

12 Profit and loss account

	2002	2001
	£	£
At 1 September	(76,515)	(98,981)
Retained profit	27,991	22,466
	<u>(48,524)</u>	<u>(76,515)</u>
At 31 August		

13 Other financial commitments

	2002	2001
	£	£
At the year end the company has annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
in over five years	<u>45,000</u>	<u>45,000</u>

14 Related parties

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 ground that the company is a subsidiary undertaking

15 Controlling party

The directors regard Toni UK Investments Limited, a company registered in England, as the company's ultimate parent company, by virtue of the group's influence over the operating activities of the company.

Toni UK Investments Limited and previously 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 B Mascolo, G T Mascolo.