Registration number 4108607

Paul's Hair Salons Limited

Director's report and financial statements

for the year ended 31 March 2005



Paul's Hair Salons Limited

Company information

Director	P Polyviou
Secretary	S Polyviou
Company number	4108607
Registered office	Brook Point 1412-1420 High Road London N20 9BH
Accountants	ALG Chartered Certified Accountants Brook Point 1412-1420 High Road London N20 9BH

Paul's Hair Salons Limited

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Paul's Hair Salons Limited

Director's report
for the year ended 31 March 2005

The director presents his report and the financial statements for the year ended 31 March 2005.

Principal activity
The principal activity of the company was that of Hairdressers.

Director and his interest
The director who served during the year and his interest in the company are as stated below:

	Ordinary shares	
	31/03/05	**01/04/04**
P Polyviou	1,000	1,000

This report is 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 1 December 2005 and signed on its behalf by

S Polyviou
Secretary

Paul's Hair Salons Limited

Profit and loss account
for the year ended 31 March 2005

	Notes	2005 £	2004 £
Turnover	2	424,909	439,867
Cost of sales		(26,722)	(28,531)
Gross profit		398,187	411,336
Administrative expenses		(399,730)	(386,064)
Other operating income		9,279	8,925
Operating profit	3	7,736	34,197
Other interest receivable and similar income		500	-
Interest payable and similar charges		(8,490)	(5,468)
(Loss)/profit on ordinary activities before taxation		(254)	28,729
Tax on (loss)/profit on ordinary activities	6	392	(5,866)
Profit on ordinary activities after taxation		138	22,863
Dividends		-	(31,000)
Retained profit/(loss) for the year		138	(8,137)
Retained profit brought forward		14,643	22,780
Retained profit carried forward		14,781	14,643

The notes on pages 5 to 10 form an integral part of these financial statements.

Paul's Hair Salons Limited

Balance sheet
as at 31 March 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Intangible assets	7		103,200		109,600
Tangible assets	8		13,073		15,469
			116,273		125,069
Current assets					
Stocks		5,122		5,034	
Debtors	9	1,928		1,893	
Cash at bank and in hand		4,011		3,536	
		11,061		10,463	
Creditors: amounts falling due within one year	10	(72,644)		(77,087)	
Net current liabilities			(61,583)		(66,624)
Total assets less current liabilities			54,690		58,445
Creditors: amounts falling due after more than one year	11		(37,981)		(41,482)
Provisions for liabilities and charges	12		(928)		(1,320)
Net assets			15,781		15,643
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss account			14,781		14,643
Shareholders' funds			15,781		15,643

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 10 form an integral part of these financial statements.

Balance sheet (continued)

Director's statements required by Section 249B(4) for the year ended 31 March 2005

In approving these financial statements as director of the company I hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2005 and

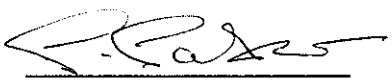
(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 1 December 2005 and signed on its behalf by



P Polyviou
Director

The notes on pages 5 to 10 form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 March 2005

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Short Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	15% reducing balance

1.5. Leasing

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

1.6. Stock

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

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.8. Deferred taxation

Full provision is made for deferred tax, where material, in respect of timing differences that originate during the year but have not been reversed by the balance sheet date.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	6,400	6,400
Depreciation and other amounts written off tangible assets	2,396	2,648

4. Director's emoluments

	2005 £	2004 £
Remuneration and other benefits	30,559	32,745

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

5. Pension costs

The company operates a defined contribution pension scheme in respect of the Director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £2,400 (2004 - £2,400).

6. Tax on (loss)/profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
Current tax		
UK corporation tax	-	5,627
Total current tax charge	-	5,627
Deferred tax		
Timing differences, origination and reversal	(392)	239
Total deferred tax	(392)	239
Tax on (loss)/profit on ordinary activities	(392)	5,866

7. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2004	128,000	128,000
At 31 March 2005	128,000	128,000
Provision for diminution in value		
At 1 April 2004	18,400	18,400
Charge for year	6,400	6,400
At 31 March 2005	24,800	24,800
Net book values		
At 31 March 2005	103,200	103,200
At 31 March 2004	109,600	109,600

8. Tangible fixed assets

	Short leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 April 2004	1,952	19,649	21,601
At 31 March 2005	1,952	19,649	21,601
Depreciation			
At 1 April 2004	223	5,909	6,132
Charge for the year	334	2,062	2,396
At 31 March 2005	557	7,971	8,528
Net book values			
At 31 March 2005	1,395	11,678	13,073
At 31 March 2004	1,729	13,740	15,469

9. Debtors

	2005 £	2004 £
Prepayments and accrued income	1,928	1,893

10. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	14,496	23,018
Bank loan	19,815	17,412
Corporation tax	-	8,005
Other taxes and social security costs	16,213	17,648
Director's accounts	9,047	330
Accruals and deferred income	13,073	10,674
	72,644	77,087

11. Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loan	37,981	41,482

The bank holds a first legal charge over a property owned by the director.

12. Provisions for liabilities and charges

	Deferred taxation (Note 13) £	Total £
At 1 April 2004	1,320	1,320
Movements in the year	(392)	(392)
At 31 March 2005	928	928

13. Provision for deferred taxation

	2005 £	2004 £
Accelerated capital allowances	928	1,320

Provision at 1 April 2004	1,320
Deferred tax charge in profit and loss account	(392)
Provision at 31 March 2005	928

14. Share capital

	2005 £	2004 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

15. Financial commitments

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:

	2005 £	2004 £
Expiry date:		
Within one year	10,000	10,000
Between one and five years	16,202	16,202
In over five years	26,340	26,340
	52,542	52,542

16. Transactions with director

The following director had loans during the year on which interest was charged at a commercial rate. The movements on these loans are as follows:

	Amount owing		Maximum
	2005	2004	in year
	£	£	£
P Polyviou	-	-	25,838

The company occupies rent free a property owned by the director and the company's bankers have a first legal charge over the same property.

The company's bankers also hold guarantees from the director for £25,000, £23,500 and £75,000 dated 9 April 2001, 20 April 2001 and 5 December 2002 respectively.

17. Controlling interest

P Polyviou , the director, controls the company as a result of directly or indirectly controlling 100% of the issued ordinary share capital.