

Registration number 4108607

Paul's Hair Salons Limited

Director's report and financial statements

for the year ended 31 March 2007

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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 2007**

The director presents his report and the financial statements for the year ended 31 March 2007

Principal activity

The principal activity of the company was that of Hairdressers

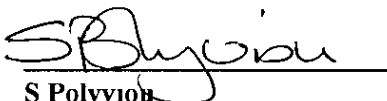
Director and his interest

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

	Class of share	31/03/07	01/04/06
P Polyviou	Ordinary shares	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 25 September 2007 and signed on its behalf by


S Polyviou
Secretary

Paul's Hair Salons Limited

**Profit and loss account
for the year ended 31 March 2007**

		2007	2006
	Notes	£	£
Turnover	2	399,792	411,997
Cost of sales		(17,578)	(20,096)
Gross profit		382,214	391,901
Administrative expenses		(375,175)	(388,075)
Other operating income		8,830	7,890
Operating profit	3	15,869	11,716
Other interest receivable and similar income		1,700	225
Interest payable and similar charges		(18,877)	(7,925)
(Loss)/profit on ordinary activities before taxation		(1,308)	4,016
Tax on (loss)/profit on ordinary activities	6	(13,758)	(4,815)
Loss for the year	15	(15,066)	(799)

The notes on pages 5 to 11 form an integral part of these financial statements.

Paul's Hair Salons Limited

**Balance sheet
as at 31 March 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		90,400		96,800
Tangible assets	8		248,681		10,987
			<u>339,081</u>		<u>107,787</u>
Current assets					
Stocks		5,220		4,780	
Debtors	9	62,113		25,579	
Cash at bank and in hand		3,358		2,589	
		<u>70,691</u>		<u>32,948</u>	
Creditors: amounts falling due within one year	10	<u>(117,171)</u>		<u>(71,699)</u>	
Net current liabilities			<u>(46,480)</u>		<u>(38,751)</u>
Total assets less current liabilities			292,601		69,036
Creditors: amounts falling due after more than one year	11		(303,567)		(65,126)
Provisions for liabilities	12		(1,118)		(928)
Net (liabilities)/assets			<u>(12,084)</u>		<u>2,982</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Profit and loss account	15		<u>(13,084)</u>		<u>1,982</u>
Shareholders' funds	16		<u>(12,084)</u>		<u>2,982</u>

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 11 form an integral part of these financial statements.

Paul's Hair Salons Limited

Balance sheet (continued)

**Director's statements required by Section 249B(4)
for the year ended 31 March 2007**

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 2007 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 accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The financial statements were approved by the Board on 25 September 2007 and signed on its behalf by



P Polyviou
Director

The notes on pages 5 to 11 form an integral part of these financial statements.

Paul's Hair Salons Limited

Notes to the financial statements for the year ended 31 March 2007

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 January 2005)

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

Long leasehold	-	Straight line over 50 years
Short leasehold	-	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 taxation, where material, to take account of timing differences that originate during the year but have not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that they will be recovered against the reversal of deferred taxation liabilities or other future taxable profits

1.9. Going concern

The financial statements have been prepared on a going concern basis. The company is dependent on the continued support of its bankers. The director is satisfied that at the time of approval of these financial statements the company will continue in existence for the foreseeable future.

Paul's Hair Salons Limited

**Notes to the financial statements
for the year ended 31 March 2007**

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

	2007	2006
	£	£
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	7,193	2,086
	<u>7,193</u>	<u>2,086</u>

4 Director's emoluments

	2007	2006
	£	£
Remuneration and other benefits	21,414	26,233
	<u>21,414</u>	<u>26,233</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1
	<u>1</u>	<u>1</u>

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 (2006 - £2,400)

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

Analysis of charge in period	2007	2006
	£	£
UK corporation tax	1,652	2,053
Section 419 Tax	11,916	2,762
	<u>13,568</u>	<u>4,815</u>
Total current tax charge	13,568	4,815
Deferred tax		
Timing differences, origination and reversal	190	-
Tax on (loss)/profit on ordinary activities	<u>13,758</u>	<u>4,815</u>

Paul's Hair Salons Limited

**Notes to the financial statements
for the year ended 31 March 2007**

7. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2006 & 31 March 2007	<u>128,000</u>	<u>128,000</u>
Provision for diminution in value		
At 1 April 2006	31,200	31,200
Charge for year	<u>6,400</u>	<u>6,400</u>
At 31 March 2007	<u>37,600</u>	<u>37,600</u>
Net book values		
At 31 March 2007	<u>90,400</u>	<u>90,400</u>
At 31 March 2006	<u>96,800</u>	<u>96,800</u>

8. Tangible fixed assets

	Short leasehold property £	Long leasehold property £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2006	1,952	-	19,649	21,601
Additions	<u>61,347</u>	<u>179,910</u>	<u>3,630</u>	<u>244,887</u>
At 31 March 2007	<u>63,299</u>	<u>179,910</u>	<u>23,279</u>	<u>266,488</u>
Depreciation				
At 1 April 2006	891	-	9,723	10,614
Charge for the year	<u>1,561</u>	<u>3,598</u>	<u>2,034</u>	<u>7,193</u>
At 31 March 2007	<u>2,452</u>	<u>3,598</u>	<u>11,757</u>	<u>17,807</u>
Net book values				
At 31 March 2007	<u>60,847</u>	<u>176,312</u>	<u>11,522</u>	<u>248,681</u>
At 31 March 2006	<u>1,061</u>	<u>-</u>	<u>9,926</u>	<u>10,987</u>

Paul's Hair Salons Limited

**Notes to the financial statements
for the year ended 31 March 2007**

9. Debtors	2007	2006
	£	£
Director's current account	58,712	11,048
Other debtors	1,800	12,350
Prepayments and accrued income	1,601	2,181
	<u>62,113</u>	<u>25,579</u>
 10. Creditors: amounts falling due within one year	 2007	 2006
	£	£
Bank overdraft	53,392	29,035
Bank loan	20,661	5,664
Corporation tax	15,173	4,815
Other taxes and social security costs	15,623	15,442
Other creditors	1,300	-
Accruals and deferred income	11,022	16,743
	<u>117,171</u>	<u>71,699</u>
 11. Creditors: amounts falling due after more than one year	 2007	 2006
	£	£
Bank loan	<u>303,567</u>	<u>65,126</u>
 Loans		
Repayable in five years or more	<u>220,920</u>	<u>42,480</u>

The bank overdraft and loans are secured

Paul's Hair Salons Limited

**Notes to the financial statements
for the year ended 31 March 2007**

12. Provisions for liabilities

	Deferred taxation (Note 13) £	Total £
At 1 April 2006	928	928
Movements in the year	190	190
At 31 March 2007	<u>1,118</u>	<u>1,118</u>

13. Provision for deferred taxation

	2007 £	2006 £
Accelerated capital allowances	<u>1,118</u>	<u>928</u>
Provision at 1 April 2006	928	
Deferred tax charge in profit and loss account	190	
Provision at 31 March 2007	<u>1,118</u>	

14. Share capital

	2007 £	2006 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Equity Shares		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Paul's Hair Salons Limited

**Notes to the financial statements
for the year ended 31 March 2007**

15. Reserves	Profit and loss account £	Total £
At 1 April 2006	1,982	1,982
Loss for the year	(15,066)	(15,066)
Equity Dividends	-	-
At 31 March 2007	<u>(13,084)</u>	<u>(13,084)</u>
 16. Reconciliation of movements in shareholders' funds	 2007 £	 2006 £
Loss for the year	(15,066)	(799)
Dividends	-	(12,000)
	<u>(15,066)</u>	<u>(12,799)</u>
Opening shareholders' funds	2,982	15,781
Closing shareholders' funds	<u>(12,084)</u>	<u>2,982</u>
 17. Financial commitments		
At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows		
	2007 £	2006 £
Expiry date:		
Between one and five years	19,600	16,202
In over five years	24,600	36,340
	<u>44,200</u>	<u>52,542</u>

Paul's Hair Salons Limited

**Notes to the financial statements
for the year ended 31 March 2007**

18. Transactions with director

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

	Amount owing		Maximum in year
	2007 £	2006 £	
P Polyviou	<u>58,712</u>	<u>11,048</u>	<u>58,712</u>

The director had a debit balance on his loan account at the year end which was in contravention of Section 330 of the Companies Act 1985. Section 419 tax has been charged on this balance.

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 the limited personal guarantees of the director.

19. Controlling interest

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