

FINANCIAL STATEMENTSLILAC ROOM LIMITEDYEAR ENDED 30TH NOVEMBER 1995

W D HALL & COMPANY
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
117 Crow Road
Partick
Glasgow
G11 7SQ



LILAC ROOM LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH NOVEMBER 1995

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26th February 1996

Company Number: SC080557

LILAC ROOM LIMITEDREPORT OF THE DIRECTORSFOR THE YEAR ENDED 30TH NOVEMBER 1995

The Directors present their Report and the Financial Statements for the Year ended 30th November 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company in the year under review was Ladies Hairdressers.

There were no significant developments in the Company's business during the year and no major changes are planned for the coming year.

The profit for the year after taxation and extraordinary items and the manner in which that profit has been dealt with is set out on page 4 of the Financial Statements. In the opinion of the Directors, the company was in a satisfactory position at the year end.

DIVIDENDS

The Directors do not recommend the payment of any dividend.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARES

The Directors and their interests in the Company's shares at the beginning and end of the year were as follows:

	At End Of Year -----	At Beginning Of Year -----
C.D. O'Donnell	20	20
J. Kane	20	20
M. O'Donnell	20	-
	-----	-----
	60	40
	=====	=====

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 financial statements comply with the Companies Act 1985. The directors 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.

CLOSE COMPANY PROVISIONS

In the opinion of the Directors, the Company is a close company within the meaning of S414 Income and Corporation Taxes Act 1988 (as amended).

AUDITORS

A resolution to appoint Messrs. W D Hall & Company as auditors for the ensuing year will be proposed at the Annual General Meeting.

By order of the Board

...  ...

Secretary

Date 5/3/96

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OFLILAC ROOM LIMITED

I have examined, without carrying out an audit, the accounts for the year ended 30th November, 1995 set out on pages 4 to 9.

Respective Responsibilities of Directors and Reporting Accountant

As described on pages 2 and 6 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is my responsibility to examine the accounts and, based on my examination, to report my opinion, as set out below, to the shareholders.

Basis of Opinion

I conducted my examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report.

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

Opinion

In my opinion:

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

W D HALL & COMPANY
Registered Auditors

W D Hall
.....
117 Crow Road
Partick
Glasgow G11 7SQ

26TH FEBRUARY 1996

LILAC ROOM LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH NOVEMBER 1995

		<u>1995</u>	<u>1994</u>
	Note	£	£
TURNOVER	2	36,705	35,657
Change in Stocks of finished goods and work-in progress		30	(35)
		-----	-----
		36,735	35,622
Materials and Consumables		4,588	3,797
		-----	-----
		32,147	31,825
Staff Costs	3	20,292	19,621
Depreciation		34	46
Other Operating Charges		9,798	10,261
		-----	-----
		30,124	29,928
Operating PROFIT	4	2,023	1,897
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,023	1,897
		-----	-----
PROFIT AFTER TAXATION		2,023	1,897
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		2,023	1,897
BALANCE BROUGHT FORWARD		(5,464)	(7,361)
		-----	-----
BALANCE CARRIED FORWARD		(3,441)	(5,464)
		=====	=====

There are no other recognised gains or losses than those stated above.

LILAC ROOM LIMITEDBALANCE SHEET AS AT 30TH NOVEMBER 1995

		<u>1995</u>		<u>1994</u>	
	Note	£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	5		3,304		3,338
<u>CURRENT ASSETS</u>					
Stocks	6	490		460	
Cash at Bank and in Hand		2,548		2,552	
		-----		-----	
		3,038		3,012	
		-----		-----	
<u>Less: CURRENT LIABILITIES</u>					
<u>Creditors: amounts falling due within one year</u>	7	8,857		4,369	
		-----		-----	
		8,857		4,369	
		-----		-----	
<u>NET CURRENT ASSETS/LIABILITIES</u>			(5,819)		(1,357)
			-----		-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			(2,515)		1,981
<u>Creditors: amounts falling due after one year</u>			826		7,345
			-----		-----
<u>NET LIABILITIES</u>			(3,341)		(5,364)
=====			=====		=====
<u>Financed by:</u>					
<u>SHARE CAPITAL</u>	8		100		100
<u>REVENUE RESERVES</u>					
Profit and Loss Account			(3,441)		(5,464)
			-----		-----
			(3,341)		(5,364)
			=====		=====

LILAC ROOM LIMITEDDIRECTORS' STATEMENTThe Directors:

- (1) confirm that for the year ended 30th November, 1995 the company was entitled to the exemption under subsection (1) of Section 249A;
- (2) confirm that no notice requiring an audit had been deposited under subsection (2) of S249B in relation to the accounts for the financial period; and
- (3) acknowledge their responsibility for:
 - (a) ensuring that the company keeps accounting records which comply with Section 221; and
 - (b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, applicable to small companies in the preparation of their accounts, and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

.....*M. O'Donoghue*..... Director*Robert Chen*..... Director

LILAC ROOM LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED30TH NOVEMBER 1995(1) ACCOUNTING POLICIESa) Basis of accounting:

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets.

b) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

c) Tangible fixed assets

Depreciation is provided, after taking account of any grants receivable, to write off each asset over its expected useful life at the following annual rates on cost:-

Fixtures and fittings	25%
-----------------------	-----

No depreciation is provided on freehold land.

d) Stocks

Stock and work in progress is valued at the lower of cost and net realisable value, after allowing for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

(2) TURNOVER

The turnover and profit of £2,023 (1994 profit of £1,897) before taxation is attributable to the principal activity of the company.

(3) DIRECTORS AND EMPLOYEES

	<u>1995</u>	<u>1994</u>
	£	£
Staff Costs		
Wages and Salaries	19,558	18,536
Social Security Costs	734	1,085
	<u>20,292</u>	<u>19,621</u>

The average number of persons employed by the company including Directors was:-

6

5

(4) OPERATING PROFIT

Operating Profit is stated after charging:

	<u>1995</u>	<u>1994</u>
	£	£
Social Security Costs	734	1,085
Staff Costs	7,385	9,324
Directors' Remuneration	12,173	9,212
Auditors Remuneration	1,765	1,628
Depreciation & Amortisation	34	46

(5) FIXED TANGIBLE ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
	£	£	£	£
<u>COST OR VALUATION</u>				
Freehold Property	3,200	-	-	3,200
Fixtures & Fittings	1,080	-	-	1,080
	4,280	-	-	4,280
<u>DEPRECIATION & AMORTISATION</u>				
Fixtures & Fittings	942	34	-	976
	942	34	-	976
<u>NET BOOK VALUE</u>				
Freehold Property	3,200			3,200
Fixtures & Fittings	138			104
	3,338			3,304

(6) STOCKS

	<u>1995</u>	<u>1994</u>
	£	£
Raw materials	490	460
	-----	-----
	490	460
	-----	-----

(7) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Trade creditors	-	310
PAYE & NIC	288	564
Directors' Loan Account	7,199	1,162
Accruals	1,370	2,333
	-----	-----
	8,857	4,369
	-----	-----

(8) CALLED UP SHARE CAPITAL

Authorised

1,000 Ordinary shares of £1.00 each

Allotted, called up and fully paid

100 Ordinary shares of £1.00 each