

LILAC ROOM LIMITED

FINANCIAL STATEMENTS

30TH NOVEMBER 1996

Company Registration Number SC080557

W D HALL & CO

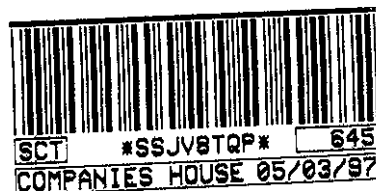
Chartered Accountants

117 Crow Road

Partick

Glasgow

G11 7SQ



LILAC ROOM LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 1996

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LILAC ROOM LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30TH NOVEMBER 1996

The directors present their report and the unaudited financial statements of the company for the year ended 30th November 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was Ladies Hairdressers

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1.00 each	
	At 30 Nov 96	At 1 Dec 95
M O'Donnell	20	20
CD O'Donnell	20	20
JC Kane	20	20

REPORTING ACCOUNTANTS

Messrs W D Hall & Co will continue in office as reporting accountants for the ensuing year.

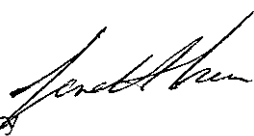
SMALL COMPANY EXEMPTIONS

In preparing their report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Registered office:
 2 Porterfield Road
 Renfrew

Signed on behalf of the directors

Mrs J Kane
 Company secretary



Approved by the directors on 17th February 1997

LILAC ROOM LIMITED
ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30TH NOVEMBER 1996

We report on the unaudited accounts for the year ended 30th November 1996 set out on pages 3 to 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE REPORTING ACCOUNTANTS As described on page 5 the directors of the company are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures 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 we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

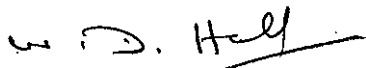
OPINION

In our opinion:

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

117 Crow Road
Partick
Glasgow
G11 7SQ

27th February 1997


W D HALL & CO
Chartered Accountants

LILAC ROOM LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH NOVEMBER 1996

	Note	1996 £	1995 £
TURNOVER		39,251	36,705
OPERATING COSTS:			
Raw materials and consumables		(4,312)	(4,558)
Staff costs		(23,463)	(20,292)
Depreciation written off fixed assets		(26)	(34)
Other operating charges		(8,661)	(9,798)
OPERATING PROFIT		<u>2,789</u>	<u>2,023</u>
Tax on profit on ordinary activities	3	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,789</u>	<u>2,023</u>
Balance brought forward		(3,441)	(5,464)
BALANCE CARRIED FORWARD		<u>(652)</u>	<u>(3,441)</u>

The company has no recognised gains or losses other than the results for the
year as set out above.

LILAC ROOM LIMITED

BALANCE SHEET

30TH NOVEMBER 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	4	3,278	3,304
CURRENT ASSETS			
Stocks		461	490
Debtors	5	795	-
Cash at bank and in hand		3,714	2,548
		<u>4,970</u>	<u>3,038</u>
CREDITORS: Amounts falling due within one year	6	<u>(8,800)</u>	<u>(9,683)</u>
NET CURRENT LIABILITIES		(3,830)	(6,645)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(552)</u>	<u>(3,341)</u>
CAPITAL AND RESERVES			
Equity share capital	7	100	100
Profit and loss account		<u>(652)</u>	<u>(3,441)</u>
DEFICIENCY	8	<u>(552)</u>	<u>(3,341)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(2), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

In preparing these accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

The balance sheet continues on the following page.

The notes on pages 6 to 8 form part of these financial statements.

LILAC ROOM LIMITED

BALANCE SHEET *(continued)*

30TH NOVEMBER 1996

These financial statements were approved by the directors on the 17th February 1997 and are signed on their behalf by:

M O'DONNELL

M. McKee
(NEE O'Donnell)

JC KANE



LILAC ROOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 1996

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings 25%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1996 £	1995 £
Directors' emoluments	13,880	12,173
Depreciation	26	34
	<u> </u>	<u> </u>

3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
Corporation tax based on the results for the year at 24% (1995 - 25%)	<u> </u>	<u> </u>

LILAC ROOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 1996

4. FIXED ASSETS

	Brought forward 1 Dec 95 £		Carried forward 30 Nov 96 £
COST			
Freehold Property	3,200		3,200
Fixtures & Fittings	1,080		1,080
	<u>4,280</u>		<u>4,280</u>
	Brought forward 1 Dec 95 £	Charge £	Carried forward 30 Nov 96 £
DEPRECIATION			
Freehold Property	-	-	-
Fixtures & Fittings	976	26	1,002
	<u>976</u>	<u>26</u>	<u>1,002</u>
		Brought forward 1 Dec 95 £	Carried forward 30 Nov 96 £
NET BOOK VALUE			
Freehold Property		3,200	3,200
Fixtures & Fittings		104	78
		<u>3,304</u>	<u>3,278</u>

5. DEBTORS

	1996 £	1995 £
Other debtors	<u>795</u>	<u>-</u>

LILAC ROOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 1996

6. CREDITORS: Amounts falling due within one year

	1996		1995
	£	£	£
Trade creditors		323	-
PAYE and social security	339		288
Other creditors	-		826
Directors current accounts	<u>7,139</u>		<u>7,199</u>
		7,478	8,313
Accruals and deferred income		999	1,370
		<u>8,800</u>	<u>9,683</u>

7. SHARE CAPITAL

Authorised share capital:

	1996	1995
	£	£
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1996	1995
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the financial year	2,789	2,023
Opening shareholders' equity funds	<u>(3,341)</u>	<u>(5,364)</u>
Closing shareholders' equity funds	<u>(552)</u>	<u>(3,341)</u>

LILAC ROOM LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH NOVEMBER 1996

	1996		1995
	£	£	£
Sales	39,251		36,705
COST OF SALES			
Purchases (adjusted for stock movements)	4,312		4,558
GROSS PROFIT	<u>34,939</u>		<u>32,147</u>
EXPENSES			
Wages and salaries	8,940		7,385
Staff NIC	643		734
Rent, rates and water	3,716		3,643
Light and heat	1,291		1,092
Insurance	290		366
Insurance Claim	(633)		-
Repairs and maintenance	282		-
Motor expenses	932		938
Telephone	341		281
Equipment repairs and renewals	-		939
Sundry expenses	155		249
Donations	-		27
Advertising	93		98
Legal and professional fees	1,085		1,036
Accountancy fees	705		729
Directors salaries	13,880		12,173
Depreciation	26		34
Bank charges	404		400
	<u>32,150</u>		<u>30,124</u>
NET PROFIT FOR THE YEAR	<u>2,789</u>		<u>2,023</u>