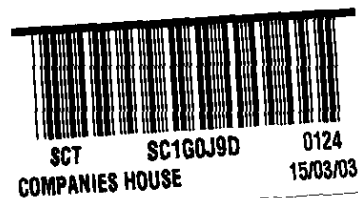


LILAC ROOM LIMITED
FINANCIAL STATEMENTS
FOR
30TH NOVEMBER 2002

Company Registration Number SC080557



W D HALL & CO
Chartered Accountants & Registered Auditors
Suite 2/2 Copland House
Ibrox Stadium
130 Edmiston Drive
Glasgow
G51 2YX

LILAC ROOM LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2002

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LILAC ROOM LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30TH NOVEMBER 2002

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30th November 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was hairdressing.

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 each	
	At 30 November 2002	At 1 December 2001
CD O'Donnell	20	20
JC Kane	20	20

SMALL COMPANY PROVISIONS

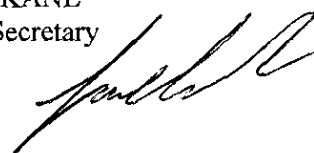
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
 23 Dunlop Street
 Renfrew
 PA4 8PG

Signed by order of the directors

JANETTE KANE
 Company Secretary

Approved by the directors on 10/03/02



LILAC ROOM LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH NOVEMBER 2002

	Note	2002 £	2001 £
TURNOVER		43,378	48,273
OPERATING COSTS:			
Raw materials and consumables		4,967	6,994
Staff costs	2	24,642	25,733
Depreciation written off fixed assets	3	109	28
Other operating charges		13,056	12,408
OPERATING PROFIT	3	604	3,110
Interest receivable		40	5
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		644	3,115
Tax on profit on ordinary activities	4	22	312
RETAINED PROFIT FOR THE FINANCIAL YEAR		622	2,803
Balance brought forward		4,304	1,501
Balance carried forward		<u>4,926</u>	<u>4,304</u>

LILAC ROOM LIMITED

BALANCE SHEET

30TH NOVEMBER 2002

	Note	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	5		325		85
CURRENT ASSETS					
Stocks		980		500	
Debtors	6	5,538		8,882	
Cash at bank and in hand		6,680		4,534	
		<u>13,198</u>		<u>13,916</u>	
CREDITORS: Amounts falling due within one year	7	<u>8,497</u>		<u>9,597</u>	
NET CURRENT ASSETS			<u>4,701</u>		<u>4,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,026</u>		<u>4,404</u>

The balance sheet continues on the following page.
The notes on pages 5 to 7 form part of these financial statements.

LILAC ROOM LIMITED**BALANCE SHEET** *(continued)***30TH NOVEMBER 2002****CAPITAL AND RESERVES**

Called-up equity share capital	10	100	100
Profit and Loss Account		4,926	4,304

SHAREHOLDERS' FUNDS

	5,026	4,404
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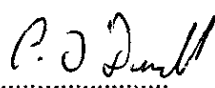
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

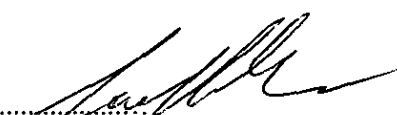
- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance 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.

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

These financial statements were approved by the directors on the 10/01/03 and are signed on their behalf by:



 CD O'DONNELL



 JC KANE

LILAC ROOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2002

1. ACCOUNTING POLICIES**Basis of accounting**

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

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. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	24,126	25,462
Social security costs	516	271
	<u>24,642</u>	<u>25,733</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2002	2001
	£	£
Directors' emoluments	12,340	10,810
Depreciation	<u>109</u>	<u>28</u>

LILAC ROOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2002

4. TAX ON PROFIT ON ORDINARY ACTIVITIES**Taxation**

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 10% (2001 - 10%)	22	312
Total current tax	22	312
Tax on profit on ordinary activities	22	312

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures & Fittings £	Total £
COST			
At 1st December 2001	3,200	1,198	4,398
Additions	—	349	349
At 30th November 2002	3,200	1,547	4,747
DEPRECIATION			
At 1st December 2001	3,200	1,113	4,313
Charge for the year	—	109	109
At 30th November 2002	3,200	1,222	4,422
NET BOOK VALUE			
At 30th November 2002	—	325	325
At 30th November 2001	—	85	85

6. DEBTORS

	2002 £	2001 £
Other debtors	5,538	8,882

LILAC ROOM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH NOVEMBER 2002

7. CREDITORS: Amounts falling due within one year

	2002		2001
	£		£
Trade creditors	660		351
Other creditors including taxation and social security:			
Corporation tax	22	312	
PAYE and social security	574	—	
Directors current accounts	6,524	8,234	
Accruals and deferred income	717	700	
	<u>7,837</u>		<u>9,246</u>
	<u>8,497</u>		<u>9,597</u>

8. DEFERRED TAXATION

There is no provision for deferred tax, as amount is immaterial.

9. RELATED PARTY TRANSACTIONS

The company was under the control of Mrs J Kane throughout the current and previous year. Mrs J Kane is the managing director.

During the year the amount due to directors reduced to £6,524 (2001 £8,234).

10. SHARE CAPITAL**Authorised share capital:**

	2002		2001
	£		£
1,000 Ordinary shares of £1 each	<u>1,000</u>		<u>1,000</u>

Allotted, called up and fully paid:

	2002		2001
	£		£
Ordinary share capital	<u>100</u>		<u>100</u>