

PROFESSIONAL BEAUTY SYSTEMS LIMITED

DIRECTORS:

GERARD PATRICK HEGARTY - CHAIRMAN & MANAGING DIRECTOR
BRIAN AITKEN
MARGARET BELL BURNS
GORDON STEWART MACDONOUGH
STEPHEN JAMES MACDONOUGH

80712

COMPANY SECRETARY:

BRIAN AITKEN

REGISTERED OFFICE:

82/90 KELVIN AVENUE
HILLINGTON INDUSTRIAL ESTATE
GLASGOW
G52 4LT

REGISTERED NUMBER:

80712

AUDITORS:

SCOTT OSWALD
CHARTERED ACCOUNTANTS
37 WELLSIDE PLACE
FALKIRK
FK1 5RL

BANKERS:

BANK OF SCOTLAND
LAURIESTON BRANCH
1 BRIDGE STREET
GLASGOW
G5 9JX

SOLICITORS:

MACLAY, MURRAY & SPENS
151 ST VINCENT STREET
GLASGOW
G2 5NJ

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 1995

CONTENTS

Page

Auditors' report
Abbreviated balance sheet
Accounting policies
Notes to the abbreviated accounts

2
3
4
5



**AUDITORS' REPORT TO THE DIRECTORS OF PROFESSIONAL BEAUTY SYSTEMS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 5 together with the full financial statements of Professional Beauty Systems Limited for the year ended 30th September 1995. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under Sections 246 to 247 of the Companies Act 1985 to deliver abbreviated accounts in respect of the year ended 30th September 1995 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with Schedule 8 to that Act.

On 29th April 1996 we reported, as auditors of Professional Beauty Systems Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th September 1995, and our audit report was as follows:

"We have audited the financial statements on pages 4 to 10 which have been prepared on the basis of the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

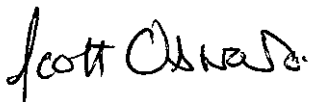
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



**SCOTT OSWALD
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

FALKIRK
29TH APRIL 1996

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**ABBREVIATED BALANCE SHEET
30TH SEPTEMBER 1995**

	Note	£	1995 £	1994 £
FIXED ASSETS				
Tangible assets	1		83,005	40,798
CURRENT ASSETS				
Stocks		134,721		116,699
Debtors		466,371		251,629
Cash at bank and in hand		220		25,456
		<u>601,312</u>		<u>393,784</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	3	<u>263,420</u>		<u>108,949</u>
NET CURRENT ASSETS			<u>337,892</u>	<u>284,835</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>420,897</u>	<u>325,633</u>
PROVISION FOR LIABILITIES AND CHARGES			<u>7,955</u>	<u>5,179</u>
NET ASSETS			<u><u>412,942</u></u>	<u><u>320,454</u></u>
Financed by:				
CAPITAL AND RESERVES				
Called up share capital	4		100	100
Profit and loss account			<u>412,842</u>	<u>320,354</u>
Shareholders' funds			<u><u>412,942</u></u>	<u><u>320,454</u></u>

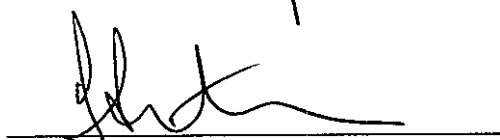
The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company. On the same grounds advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to that Act.

The abbreviated accounts were approved by the Board on 29th April 1996 and signed on its behalf by:

Gerard Patrick Hegarty
Director



Brian Aitken
Director



ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the Companies Act 1985 under the historical cost convention.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation.

Provision is made for the depreciation of office equipment in order to write off the cost of these assets in equal instalments over their expected useful lives. All other assets are depreciated in order to write off the written down values of assets in use at the end of the year over their expected useful lives.

The following annual rates are used:

Fixtures & fittings	15%
Office equipment	15%

INVESTMENTS

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Dividends are included in the profit and loss account as investment income.

STOCKS

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is based on the estimated sale price after allowing for all further costs of completion and disposal.

DEFERRED TAXATION

Provision is made for deferred taxation under the liability method only to the extent to which liabilities will become payable in the foreseeable future.

PENSIONS

The group operates a defined contributions pension scheme. The assets of the scheme are invested and managed independently of the finances of the company. Contributions payable are charged in the profit and loss account.

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30TH SEPTEMBER 1995**

1. TANGIBLE FIXED ASSETS

	TOTAL £
COST OR VALUATION	
At 1st October 1994	61,407
Additions	87,074
Disposals	(33,453)
	<u>115,028</u>
At 30th September 1995	
ACCUMULATED DEPRECIATION	
At 1st October 1994	20,609
Provided for period	11,414
	<u>32,023</u>
At 30th September 1995	
NET BOOK VALUE	
At 30th September 1995	<u>83,005</u>
At 30th September 1994	<u>40,798</u>

2. INVESTMENTS

**SHARES IN GROUP
UNDERTAKINGS
£**

COST OR VALUATION	
At 1st October 1994 and 30th September 1995	<u>100</u>
PROVISIONS	
At 1st October 1994 and 30th September 1995	<u>100</u>
NET BOOK VALUE	
At 30th September 1995	<u>-</u>

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
The company has given security for the following creditors:		
Bank overdraft	<u>53,153</u>	<u>-</u>

4. SHARE CAPITAL

	1995 £	1994 £
Authorised:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

5. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Salon Services (Holdings) Limited, a company which is registered in Scotland.