

PROFESSIONAL BEAUTY SYSTEMS LIMITED

COMPANY NUMBER 80712

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

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH SEPTEMBER 2000

CONTENTS	PAGE
Auditors' Report	2
Abbreviated Balance Sheet	3
Notes to the Accounts	4 - 6

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**AUDITORS' REPORT TO PROFESSIONAL BEAUTY SYSTEMS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of Professional Beauty Systems Limited for the year ended 30th September 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

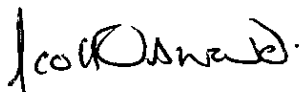
BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 30th September 2000, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



**SCOTT OSWALD
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITOR
FALKIRK**

Dated: 28th March 2001

PROFESSIONAL BEAUTY SYSTEMS LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	2	87,156	99,863
CURRENT ASSETS			
Stocks		238,646	165,360
Debtors		1,128,724	745,496
Cash at bank and in hand		4,528	125,732
		<u>1,371,898</u>	<u>1,036,588</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		<u>(330,000)</u>	<u>(204,525)</u>
NET CURRENT ASSETS		<u>1,041,898</u>	<u>832,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,129,054</u>	<u>931,926</u>
PROVISION FOR LIABILITIES AND CHARGES		<u>(7,798)</u>	<u>(7,798)</u>
NET ASSETS		<u><u>1,121,256</u></u>	<u><u>924,128</u></u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		1,121,156	924,028
SHAREHOLDERS' FUNDS		<u><u>1,121,256</u></u>	<u><u>924,128</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board on 28th March 2001 and signed on its behalf by

GERARD PATRICK HEGARTY
DIRECTOR

BRIAN AITKEN
DIRECTOR

The notes on pages 4 to 6 form an integral part of these accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

1. ACCOUNTING POLICIES

1.1. Accounting convention

The accounts are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. 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:

Fittings & Equipment	-	15% Reducing Balance
Motor Vehicles	-	25% Straight Line
Computer Equipment	-	15% Straight Line

1.4. Stock

Stock is valued at the lower of cost and net realisable value.

1.5. Pensions

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.6. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

2. FIXED ASSETS

	Tangible fixed assets £	Investments £	Total £
Cost or revaluation			
At 1st October 1999	207,900	100	208,000
Additions	6,245	-	6,245
Disposals	(19,250)	-	(19,250)
At 30th September 2000	194,895	100	194,995
Depreciation and Provision for diminution in value			
At 1st October 1999	108,037	100	108,137
On disposals	(19,250)	-	(19,250)
Charge for year	18,952	-	18,952
At 30th September 2000	107,739	100	107,839
Net book values			
At 30th September 2000	87,156	-	87,156
At 30th September 1999	99,863	-	99,863

2.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Description of trade
Subsidiary undertaking		
Salon Services (Franchising) Limited	Scotland	Sale of Hair & Beauty Supplies

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Shares held Class	%	Profit/(Loss) for the year £
Salon Services (Franchising) Limited	(249,458)	Ordinary	100%	19,567

PROFESSIONAL BEAUTY SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

3. SHARE CAPITAL

	2000	1999
	£	£
Authorised equity		
100 Ordinary shares of £1 each	<u><u>100</u></u>	<u><u>100</u></u>
Allotted, called up and fully paid equity		
100 Ordinary shares of £1 each	<u><u>100</u></u>	<u><u>100</u></u>

4. ULTIMATE PARENT UNDERTAKING

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