

KINGHORN BODYSHOP LIMITED
ABBREVIATED ACCOUNTS
FOR
31ST DECEMBER 2003

SIMPSON FORSYTH

Chartered Accountants & Registered Auditors
52 Queen's Road
Aberdeen
AB15 4YE



KINGHORN BODYSHOP LIMITED

ABBREVIATED ACCOUNTS

PERIOD FROM 8TH NOVEMBER 2002 TO 31ST DECEMBER 2003

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KINGHORN BODYSHOP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the period from 8th November 2002 to 31st December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the 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 report our opinion to you.

BASIS OF OPINION

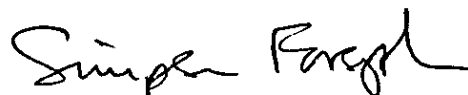
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

52 Queen's Road
Aberdeen
AB15 4YE

30/7/04



SIMPSON FORSYTH
Chartered Accountants
& Registered Auditors

KINGHORN BODYSHOP LIMITED

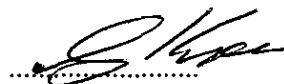
ABBREVIATED BALANCE SHEET

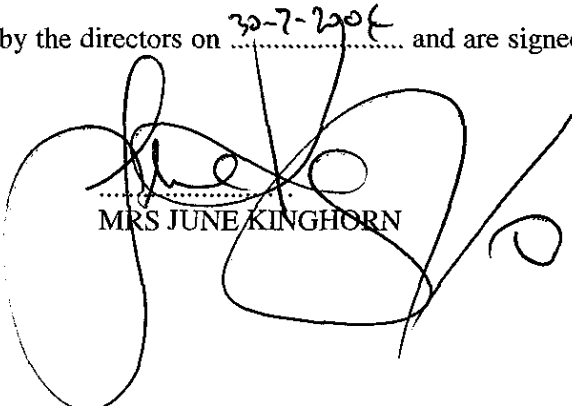
31ST DECEMBER 2003

	Note	£	31 Dec 03 £
FIXED ASSETS	2		
Intangible assets			48,000
Tangible assets			<u>200,897</u>
			248,897
CURRENT ASSETS			
Stocks		23,637	
Debtors		175,954	
Cash at bank and in hand		<u>172</u>	
		199,763	
CREDITORS: Amounts falling due within one year	3	<u>335,921</u>	
NET CURRENT LIABILITIES			(136,158)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>112,739</u>
CREDITORS: Amounts falling due after more than one year	4		49,979
PROVISIONS FOR LIABILITIES AND CHARGES			<u>1,723</u>
			<u>61,037</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6		100
Profit and loss account			<u>60,937</u>
SHAREHOLDERS' FUNDS			<u>61,037</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 30-7-2004 and are signed on their behalf by:


.....
MR GRAHAM KINGHORN


.....
MRS JUNE KINGHORN

The notes on pages 3 to 5 form part of these abbreviated accounts.

KINGHORN BODYSHOP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 8TH NOVEMBER 2002 TO 31ST DECEMBER 2003

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 period, exclusive of Value Added Tax.

Goodwill

Goodwill arising on the purchase of a business is capitalised in the year in which it arises and amortised over its estimated useful life.

Amortisation

Amortisation 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:

Goodwill - 3 years straight line

Fixed assets

All fixed assets are initially recorded at cost.

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:

Leasehold Improvements	- 10% straight line
Plant & Machinery	- 15% reducing balance
Motor Vehicles	- 15% reducing balance
Computer Equipment	- 3 years straight line

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

KINGHORN BODYSHOP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 8TH NOVEMBER 2002 TO 31ST DECEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
COST			
Additions	60,000	240,571	300,571
Disposals	—	(1,049)	(1,049)
At 31st December 2003	<u>60,000</u>	<u>239,522</u>	<u>299,522</u>
DEPRECIATION			
Charge for period	12,000	38,625	50,625
At 31st December 2003	<u>12,000</u>	<u>38,625</u>	<u>50,625</u>
NET BOOK VALUE			
At 31st December 2003	<u>48,000</u>	<u>200,897</u>	<u>248,897</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	31 Dec 03 £
Bank loans and overdrafts	91,021
Hire purchase agreements	23,375
	<u>114,396</u>

KINGHORN BODYSHOP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 8TH NOVEMBER 2002 TO 31ST DECEMBER 2003

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	31 Dec 03
	£
Hire purchase agreements	<u>49,979</u>

5. TRANSACTIONS WITH THE DIRECTORS

On 1 January 2003, the company purchased the goodwill and certain fixed assets of a business run in partnership by Graham Kinghorn and June Kinghorn. During the year the company has paid for costs on behalf of Graham and June Kinghorn and the directors purchased share capital. The net total of these transactions was £104,393.

Rental and dividend income of £102,000 due to Graham and June Kinghorn has been left in the company. There is a balance due by the directors at 31 December 2003 of £2,393.

6. SHARE CAPITAL

Authorised share capital:

	31 Dec 03
	£
50,000 'A' Ordinary shares of £1 each	50,000
50,000 'B' Ordinary shares of £1 each	50,000
	<u>100,000</u>

Allotted, called up and fully paid:

	No	£
'A' Ordinary shares of £1 each	51	51
'B' Ordinary shares of £1 each	49	49
	<u>100</u>	<u>100</u>

On the incorporation of the company 51 'A' Ordinary shares and 49 'B' Ordinary shares were issued at par for cash consideration.