

FELIX & OSCAR LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD FROM 26TH JUNE 2003 TO
31ST AUGUST 2004

RUSSELL & CALLANDER LIMITED

Chartered Accountants
4 Royal Crescent
Glasgow
G3 7SL



FELIX & OSCAR LIMITED

ABBREVIATED ACCOUNTS

PERIOD FROM 26TH JUNE 2003 TO 31ST AUGUST 2004

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FELIX & OSCAR LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF FELIX & OSCAR
LIMITED**

PERIOD FROM 26TH JUNE 2003 TO 31ST AUGUST 2004

As described on the balance sheet, the directors of the company are responsible for the preparation of the abbreviated accounts for the period ended 31st August 2004, set out on pages 2 to 4. You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited abbreviated accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in black ink, appearing to read 'Russell & Callander Ltd.', is written over the printed name of the firm.

RUSSELL & CALLANDER LIMITED
Chartered Accountants

4 Royal Crescent
Glasgow
G3 7SL

25th April 2005

FELIX & OSCAR LIMITED**ABBREVIATED BALANCE SHEET****31ST AUGUST 2004**

	Note	£	31 Aug 04 £
FIXED ASSETS	2		
Intangible assets			92,700
Tangible assets			19,547
			<u>112,247</u>
CURRENT ASSETS			
Stocks		137,106	
Debtors		20,159	
Cash at bank and in hand		6,085	
		<u>163,350</u>	
CREDITORS: Amounts falling due within one year		<u>273,763</u>	
NET CURRENT LIABILITIES			(110,413)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,834</u>
PROVISIONS FOR LIABILITIES AND CHARGES			256
			<u>1,578</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4		100
Profit and loss account			1,478
SHAREHOLDERS' FUNDS			<u>1,578</u>

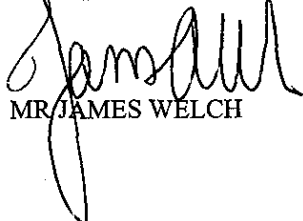
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the period by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) 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 financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period 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 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 25th April 2005 and are signed on their behalf by:


MR JAMES WELCH


MRS SANDRA WELCH

FELIX & OSCAR LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****PERIOD FROM 26TH JUNE 2003 TO 31ST AUGUST 2004****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 received from customers during the period, exclusive of Value Added Tax.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It has been capitalised and is being written off in equal monthly instalments over its estimated economic life of 10 years.

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	- 10% straight line
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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
Fixtures & Fittings	- 25% straight line
Equipment	- 25% 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.

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 arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more tax, or a right to pay less tax, at a future date at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

FELIX & OSCAR LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****PERIOD FROM 26TH JUNE 2003 TO 31ST AUGUST 2004****2. FIXED ASSETS**

	Intangible Assets £	Tangible Assets £	Total £
COST			
Additions	103,000	23,297	126,297
At 31st August 2004	<u>103,000</u>	<u>23,297</u>	<u>126,297</u>
DEPRECIATION			
Charge for period	10,300	3,750	14,050
At 31st August 2004	<u>10,300</u>	<u>3,750</u>	<u>14,050</u>
NET BOOK VALUE			
At 31st August 2004	<u>92,700</u>	<u>19,547</u>	<u>112,247</u>

3. TRANSACTIONS WITH THE DIRECTORS

a) On the 1st September, 2003 the company acquired the trade, goodwill and all assets of the businesses of Felix & Oscar and Payne & Inc. Felix & Oscar was owned by Sandra Welch and Payne & Inc was owned by James and Sandra Welch. The assets and liabilities of both businesses were transferred at book value and the goodwill arising was valued at £19,500 for Felix & Oscar and £83,500 for Payne & Inc.

b) Included in creditors falling due within one year are amounts owed to Sandra Welch and James Welch of £92,291 and £40,855 respectively. There was no interest charged on these accounts during the period.

c) Mr J Welch and Mrs S Welch each own 50% of the ordinary share capital in Felix & Oscar Limited.

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

	31 Aug 04 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>