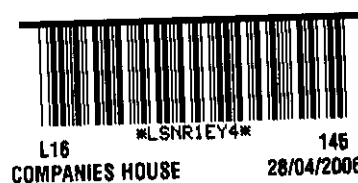


**SUPERCUTS (LAKESIDE) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**  
**25<sup>TH</sup> JUNE 2005**



# SUPERCUTS (LAKESIDE) LIMITED

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**SUPERCUTS (LAKESIDE) LIMITED****REPORT OF THE DIRECTORS**

The directors present their report and financial statements for the period ended 25<sup>th</sup> June 2005.

**Principal activities and review of the business**

The company did not trade during the period.

**Results and dividends**

The results for the period are set out on page 4.

The directors do not recommend the payment of a dividend.

**Directors**

The directors in office and their interests in the shares of the company were as stated below :

	<b>Ordinary shares of £1 each</b>	
	<b>25.6.05</b>	<b>26.6.04</b>
P. D. Finkelstein	-	-
R. D. Duke	-	-
M. S. Haringman	-	-
R. L. Pearce	-	-

The directors interests in the shares of the holding company are shown in that company's report of the directors.

**Statement of Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and the company and of the results of the group, for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Reporting Standard for Smaller Entities (effective June 2002) has been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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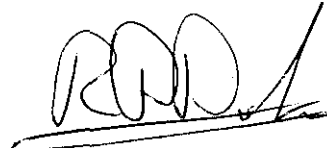
**SUPERCUTS (LAKESIDE) LIMITED**  
**REPORT OF THE DIRECTORS**  
**CONTINUED**

**Auditors**

Messrs. Rhodes & Rhodes were reappointed as auditors and have expressed their willingness to continue in office. A resolution to reappoint Messrs. Rhodes & Rhodes will be proposed at the Annual General Meeting.

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to be 'R. D. Duke', written over a horizontal line.

R. D. Duke  
**DIRECTOR**

Dated this 27<sup>th</sup> day of APRIL 2006

**SUPERCUTS (LAKESIDE) LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SUPERCUTS (LAKESIDE) LIMITED**

We have audited the financial statements of Supercuts (Lakeside) Limited for the period ended 25<sup>th</sup> June 2005 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of the Company and the Group, 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 affairs of the company as at 25<sup>th</sup> June 2005 and have been properly prepared in accordance with the Companies Act 1985.

42 Doughty Street,  
London, WC1N 2LY.

Signed  .....

**Rhodes & Rhodes**  
**Registered Auditor**

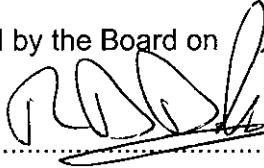
Dated this 27 day of April 2006

**SUPERCUTS (LAKESIDE) LIMITED****BALANCE SHEET AS AT 25<sup>TH</sup> JUNE 2005**

	Note	2005 £	2004 £
<b>Current assets</b>			
Debtors	2	100	100
<b>Total assets less current liabilities</b>		<b>100</b>	<b>100</b>
<b>Capital and reserves</b>			
Called up share capital	3	100	100
<b>Shareholders' funds – equity interests</b>		<b>100</b>	<b>100</b>

These accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 27 April 2006 and signed on their behalf by :



..... R. D. Duke, Director

**SUPERCUTS (LAKESIDE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 25<sup>TH</sup> JUNE 2005****1. ACCOUNTING POLICIES****(a) Accounting convention**

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

**(b) Leasings**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**2. DEBTORS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	100	100
	<hr/>	<hr/>

**3. CALLED UP SHARE CAPITAL**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Authorised :</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>Issued, Called Up and Fully Paid :</b>		
100 Ordinary Share of £1 each	100	100
	<hr/>	<hr/>

**4. CONTROL**

The immediate parent company is RHS Netherlands Holdings BV, a company incorporated in the Netherlands. The ultimate parent company is Regis Corporation, a company incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that of which Regis Corporation is the ultimate parent company. The consolidated accounts of Regis Corporation may be obtained from 7201 Metro Boulevard, Minneapolis 55439.

The smallest such group is that of which Supercuts UK Limited is the parent company, whose consolidated accounts may be obtained from Lynchgate House, Cannon Park Shopping Centre, Canley, Coventry, CV4 7EH.

**SUPERCUTS (LAKESIDE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 25<sup>TH</sup> JUNE 2005****5. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in Financial Standard Number 8 from the requirement to disclose transactions with related party undertakings which are at least 90% owned by the group on the grounds that consolidated financial statements are prepared by the ultimate parent company as disclosed in Note 4.