

4TH FLOOR PRODUCTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2005

REGISTERED NUMBER 4511225

HOWARD AND COMPANY
Chartered Certified Accountants



A36
COMPANIES HOUSE

AURORA

573
18/11/2005

4TH FLOOR PRODUCTS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2005

The board of directors presents its report and the financial statements of the company for the year ended 31 May 2005.

PRINCIPAL ACTIVITIES

The principal activities of the company were those of wholesalers of a wide range of specialist hair treatment products each of which has been developed to the specific formulation of the company.

DIRECTORS

The directors who served during the year and their beneficial interests in the issued ordinary share capital were as follows:

	2005	2004
	No.	No.
R I Stepney	50	50
P Stepney	50	50

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

This report, which has been prepared taking advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the board and signed on their behalf.


.....
R I Stepney

6.1.10 (Date)
..... (Date)

Registered Office:
73a High Street
Egham
Surrey TW20 9HE

Registered No: 4511225

ACCOUNTANTS' REPORT
TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
4TH FLOOR PRODUCTS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 May 2005, set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts from the accounting records, information and explanations supplied to us, in order to assist you to fulfill your statutory responsibilities.

We do not express an opinion on these figures.

Howard and Company

Howard and Company
Chartered Certified Accountants
High Street
Egham
Surrey
TW20 9HE

.....9.11.05..... (Date)

4TH FLOOR PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
TURNOVER	2		
Continuing operations		30,909	31,045
Cost of sales	3	(13,070)	(24,132)
GROSS PROFIT		17,839	6,913
Net operating expenses	3&4	(22,931)	(13,176)
OPERATING LOSS	4		
Continuing operations		(5,092)	(6,263)
Interest payable and similar charges		(2,016)	(300)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,108)	(6,563)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(7,108)	(6,563)
RETAINED LOSS FOR THE FINANCIAL YEAR		(7,108)	(6,563)

The notes on pages 6 to 10 form part of these accounts

4TH FLOOR PRODUCTS LIMITED
BALANCE SHEET
AT 31 MAY 2005

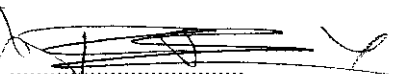
	Note	2005 £	£	2004 £	£
FIXED ASSETS					
Tangible assets	6		1,936		3,075
CURRENT ASSETS					
Stock	7	45,621		29,134	
Debtors	8	1,621		-	
Cash at bank and in hand		5,050		6,693	
		52,292		35,827	
CREDITORS: Amounts falling due within one year	9	90,115		75,044	
NET CURRENT LIABILITIES			(37,823)		(39,217)
NET LIABILITIES			(35,887)		(36,142)
CAPITAL AND RESERVES					
Called up share capital	10		200		200
Profit and loss account	11		(36,087)		(36,342)
TOTAL EQUITY SHAREHOLDERS' FUNDS			(35,887)		(36,142)

In approving these financial statements as directors of the company we hereby confirm:

- a) that for the year in question the company was entitled to exemption under section 249A(1) of the Companies Act 1985,
- b) that no notice has been deposited under section 249B(2) requesting that an audit be conducted for the year ended 31 May 2005; and
- c) that we acknowledge our responsibilities for ensuring that the company keeps accounting records which comply with section 221, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as are applicable to the company.

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

The accounts were approved by the board of directors and signed on its behalf.



P Stepney

6/11/05 (Date)

The notes on pages 6 to 10 form part of these accounts

4TH FLOOR PRODUCTS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 2005

	2005 £	2004 £
Loss for the financial year	(7,108)	(6,563)
Total recognised gains and losses for the year	(7,108)	(6,563)
Prior year adjustment (explained in note 12)	7,363	-
Total recognised gains and losses since last annual report	255	(6,563)

The difference between reported and historical profits and losses is not material.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MAY 2005

	2005 £	2004 £
Loss for the financial year	(7,108)	(6,563)
Net reduction to shareholders' funds	(7,108)	(6,563)
Opening shareholders' funds	(28,779)	(29,579)
Closing shareholders' funds	(35,887)	(36,142)

The notes on pages 6 to 10 form part of these accounts

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2005

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

1b. Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided in order to write each asset down to its estimated residual value over its expected useful life. Depreciation is calculated on cost at the following annual rates:

	2005	2004
	%	%
Equipment	25	25

1c. Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis.

1d. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Provision for made for Deferred Taxation for the timing differences between the treatment of certain items for taxation and accounting purposes. The tax rate used is the average rate expected to apply in the periods when the timing differences are expected to reverse. The amount of all deferred tax at 31 May 2005 was nil.

1e. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

1f. Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company as defined by section 247 of the Companies Act 1985.

2. TURNOVER

Turnover and loss on ordinary activities before taxation are attributable to the supply of specialist hair products.

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2005

3. COST OF SALES AND NET OPERATING EXPENSES

	2005 £	2004 £
Cost of sales	13,070	24,132
Net operating expenses:		
Distribution costs	14,452	3,804
Administrative expenses	7,093	8,047
Depreciation	1,386	1,325
	22,931	13,176

4. OPERATING LOSS

	2005 £	2004 £
Loss on ordinary activities is stated after charging:		
Depreciation and amortisation		
Tangible assets: owned	1,386	1,325
Research and development	1,744	2,751

5. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no liability to taxation on the result on ordinary activities.

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2005

6. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Total £
Cost		
At 1 June 2004	5,300	5,300
Additions	247	247
At 31 May 2005	5,547	5,547
Depreciation		
At 1 June 2004	2,225	2,225
For the year	1,386	1,386
At 31 May 2005	3,611	3,611
Net Book Amounts		
At 31 May 2005	1,936	1,936
At 31 May 2004	3,075	3,075

7. STOCK

	2005 £	2004 £
This comprises:		
Stock of goods for resale	45,621	29,134
	45,621	29,134

8. DEBTORS

	2005 £	2004 £
Trade debtors	1,621	-
	1,621	-

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2005

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Bank loans and overdrafts	22,877	27,940
Social security and other taxes	838	654
Trade creditors	2,788	-
Other creditors	62,377	43,734
Accruals	1,235	2,716
	<u>90,115</u>	<u>75,044</u>

10. CALLED UP SHARE CAPITAL

	2005	2004
	£	£
Authorised:		
1000 Ordinary shares of £1 each	1,000	1,000
1000 Deferred non voting shares of £1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each	100	100
100 Deferred non voting shares of £1 each	100	100
	<u>200</u>	<u>200</u>

Each issued ordinary share has one vote attaching to it, with no votes attaching to any of the 'A' deferred non voting shares. Dividends are payable on each class of share as determined by the ordinary shareholders in general meeting. On a winding-up, after all other liabilities have been paid, the ordinary shareholders are entitled to the repayment of the par value of their shares first, followed by the 'A' deferred non voting shareholders receiving the par value of their shares, with any residue then being paid to the ordinary shareholders.

11. RESERVES

	Profit & loss account £
At 1 June 2004	(36,342)
Prior year adjustment	7,363
At 1 June 2004 as restated	(28,979)
Loss for the year	(7,108)
At 31 May 2005	<u>(36,087)</u>

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2005

12. PRIOR YEAR ADJUSTMENT

The prior year adjustment of £(7,363) arises from the omission from the 2004 accounts of empty bottle stock held in Italy.

13. RELATED PARTY TRANSACTIONS

The company is controlled by its directors whose names and shareholdings are disclosed in the directors' report.

There were no other material transactions during the year between the company and its related parties requiring disclosure by Financial Reporting Standard No 8 other than movements on directors' loan accounts which are not interest bearing and are disclosed below:

Directors' loan accounts included in other creditors

	2004	Movement	2005
	£	in year	£
		£	
Directors current account	43,734	18,643	62,377