

4TH FLOOR PRODUCTS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MAY 2003

REGISTERED NUMBER 4511225

HOWARD AND COMPANY
Chartered Certified Accountants



4TH FLOOR PRODUCTS LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MAY 2003

The board of directors presents its report and the financial statements of the company for the period ended 31 May 2003.

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:

	2003 No.
R I Stepney	50
P Stepney	50

SHARE CAPITAL

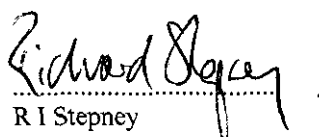
During the period the following shares were issued at par for the purpose of providing working capital:

	2003 No.
Share capital - ordinary shares	100
Share capital - deferred non voting	100

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

4/12/03 (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 period ended 31 May 2003, 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
Chartered Certified Accountants
High Street
Egham
Surrey
TW20 9HE

.....9/10/03..... (Date)

4TH FLOOR PRODUCTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MAY 2003

	Notes	2003 £	£
TURNOVER	2		
Continuing operations			9,354
Cost of sales	3		(7,378)
GROSS PROFIT			1,976
Net operating expenses	3&4		(31,755)
OPERATING LOSS	4		
Continuing operations			(29,779)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(29,779)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION			(29,779)
RETAINED LOSS FOR THE FINANCIAL PERIOD			(29,779)

There were no gains or losses recognised during the year other than those disclosed in the profit and loss account above.

4TH FLOOR PRODUCTS LIMITED
BALANCE SHEET
AT 31 MAY 2003

	Note	2003 £	£
FIXED ASSETS			
Tangible assets	6		2,699
CURRENT ASSETS			
Stock	7	1,376	
Debtors	8	2,639	
Cash at bank and in hand		4,181	
		<hr/>	
		8,196	
CREDITORS: Amounts falling due within one year	9	40,474	
		<hr/>	
NET CURRENT LIABILITIES			(32,278)
NET LIABILITIES			<hr/>
			(29,579)
			<hr/>
CAPITAL AND RESERVES			
Called up share capital	10		200
Profit and loss account	11		(29,779)
			<hr/>
TOTAL EQUITY SHAREHOLDERS' FUNDS			(29,579)
			<hr/>

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


a) that for the period 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 period ended 31 May 2003; 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 period and of its loss for the period 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

9/10/03.....(Date)

4TH FLOOR PRODUCTS LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE PERIOD ENDED 31 MAY 2003

	2003 £
Loss for the financial period	(29,779)
New share capital subscribed	200
	<hr/>
Net reduction to shareholders' funds	(29,579)
	<hr/>
Closing shareholders' funds	(29,579)
	<hr/> <hr/>

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

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MAY 2003

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:

	2003 %
Equipment	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 2003 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 PERIOD ENDED 31 MAY 2003

3. COST OF SALES AND NET OPERATING EXPENSES

	2003 £
Cost of sales	7,378
Net operating expenses:	
Distribution costs	9,501
Administrative expenses	21,354
Depreciation	900
	<u>31,755</u>

4. OPERATING LOSS

	2003 £
Loss on ordinary activities is stated after charging:	
Depreciation and amortisation	
Tangible assets: owned	900
Research and development	<u>18,998</u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

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

6. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Total £
Cost		
Additions	3,599	3,599
At 31 May 2003	<u>3,599</u>	<u>3,599</u>
Depreciation		
For the period	900	900
At 31 May 2003	<u>900</u>	<u>900</u>
Net Book Amounts		
At 31 May 2003	<u>2,699</u>	<u>2,699</u>

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2003

7. STOCK	2003
	£
This comprises:	
Stock of goods for resale	1,376
	<hr/> 1,376 <hr/>
8. DEBTORS	2003
	£
Trade debtors	2,639
	<hr/> 2,639 <hr/>
9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2003
	£
Social security and other taxes	178
Other creditors	37,514
Accruals	2,782
	<hr/> 40,474 <hr/>

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2003

12. 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 period 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

	Movement in period £	2003 £
Directors current account	37,514	37,514

4TH FLOOR PRODUCTS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE PERIOD ENDED 31 MAY 2003

10. CALLED UP SHARE CAPITAL

2003
£

Authorised:

1000 Ordinary shares of £1 each	1,000
1000 Deferred non voting shares of £1 each	1,000
	<hr/> 2,000 <hr/>

Allotted, called up and fully paid:

100 Ordinary shares of £1 each	100
100 Deferred non voting shares of £1 each	100
	<hr/> 200 <hr/>

During the period the following shares were issued at par for the purpose of providing working capital:

2003
No.

Share capital - ordinary shares	100
Share capital - deferred non voting	100

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
£**

Loss for the period	(29,779)
At 31 May 2003	<hr/> (29,779) <hr/>