

**REGISTRAR'S  
COPY**

Company Registration No SC281401 (Scotland)

**TONI & GUY (GLASGOW WEST END) LIMITED**

**DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2007**

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# TONI & GUY (GLASGOW WEST END) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D D Ferrans B Somerville R W L Berrow G T Mascolo
<b>Secretary</b>	D D Ferrans
<b>Company number</b>	SC281101
<b>Registered office</b>	130 St Vincent St Glasgow Lanarkshire G2 5HF
<b>Auditors</b>	HW 30 Camp Road Farnborough Hampshire GU14 6EW
<b>Business address</b>	683 Great Western Road West End Glasgow Lanarkshire G12 8RA
<b>Bankers</b>	The Royal Bank of Scotland 62/63 Threadneedle Street PO Box 412 London Great Britain EC2R 8LA

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# TONI & GUY (GLASGOW WEST END) LIMITED

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# TONI & GUY (GLASGOW WEST END) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2007

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The directors present their report and financial statements for the year ended 31 August 2007

#### Principal activities and review of the business

The principal activity of the company continued to be that of hairdressing services

The results for the year and the financial position at the year end were considered satisfactory by the directors

#### Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

#### Directors

The following directors have held office since 1 September 2006

D D Ferrans  
B Somerville  
R W L Berrow  
G T Mascolo

#### Directors' interests

The directors' interests in the shares of the company were as stated below

Ordinary 'A' shares of £1 each  
31 August 2007    1 September 2006

D D Ferrans  
B Somerville  
R W L Berrow  
G T Mascolo

Ordinary 'B' shares of £1 each  
31 August 2007    1 September 2006

D D Ferrans  
B Somerville  
R W L Berrow  
G T Mascolo

15,000                  15,000  
15,000                  15,000

Toni & Guy International Limited through its subsidiaries, holds 100% of the 'A' ordinary shares in the company. G T Mascolo has beneficial interests in Toni & Guy International limited of which are disclosed in the financial statements of that company. The directors regard Mascolo Limited as the company's immediate parent company.

#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HW be reappointed as auditors of the company will be put to the Annual General Meeting

# TONI & GUY (GLASGOW WEST END) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2007**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

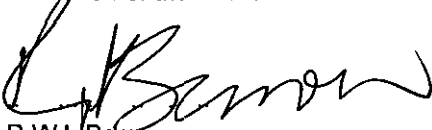
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R W L Berrow

Director

23/11/08

# **TONI & GUY (GLASGOW WEST END) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF TONI & GUY (GLASGOW WEST END) LIMITED**

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We have audited the financial statements of Toni & Guy (Glasgow West End) Limited for the year ended 31 August 2007 set out on pages 5 to 14. These financial statements have been prepared under 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 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 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 the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 company's circumstances, 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.

# **TONI & GUY (GLASGOW WEST END) LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE SHAREHOLDERS OF TONI & GUY (GLASGOW WEST END) LIMITED**

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#### **Opinion**

##### **In our opinion**

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the directors' report is consistent with the financial statements



**HW**

23 May 2008

**Registered Auditors and  
Chartered Accountants**

30 Camp Road  
Farnborough  
Hampshire  
GU14 6EW

# TONI & GUY (GLASGOW WEST END) LIMITED

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 AUGUST 2007*

	Notes	2007 £	2006 £
Turnover	2	242,742	166,151
Cost of sales		(159,588)	(136,660)
<b>Gross profit</b>		83,154	29,491
Administrative expenses		(106,692)	(106,868)
Other operating income		2,001	
<b>Operating loss</b>	3	(21,537)	(77,377)
Other interest receivable and similar income	4	15	770
Interest payable and similar charges	5	(5,886)	(6,518)
<b>Loss on ordinary activities before taxation</b>		(27,408)	(83,125)
Tax on loss on ordinary activities	6		
<b>Loss for the year</b>	14	(27,408)	(83,125)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# TONI & GUY (GLASGOW WEST END) LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Intangible assets	7	10,200		13,600	
Tangible assets	8	96,471		128,024	
		<u>106,671</u>		<u>141,624</u>	
<b>Current assets</b>					
Stocks	9	5,742		4,667	
Debtors	10	14,651		6,651	
Cash at bank and in hand		3,759		1,950	
		<u>24,152</u>		<u>13,268</u>	
<b>Creditors' amounts falling due within one year</b>	11	<u>(121,351)</u>		<u>(88,014)</u>	
<b>Net current liabilities</b>			<u>(97,199)</u>		<u>(74,746)</u>
<b>Total assets less current liabilities</b>			9,472		66,878
<b>Creditors' amounts falling due after more than one year</b>	12		<u>(60,005)</u>		<u>(90,003)</u>
			<u>(50,533)</u>		<u>(23,125)</u>
<b>Capital and reserves</b>					
Called up share capital	13	60,000		60,000	
Profit and loss account	14	(110,533)		(83,125)	
<b>Shareholders' funds</b>	15	<u>(50,533)</u>		<u>(23,125)</u>	

Approved by the Board and authorised for issue on

23/1/08.

As per 2

B Somerville

B Somerville  
Director

D D Ferrans  
Director

# **TONI & GUY (GLASGOW WEST END) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The company meets its day to day working capital requirements through an overdraft facility and medium term loans. The overdraft facility is repayable on demand. The directors consider that it is appropriate to prepare the financial statements on a going concern basis as they expect the company to continue to trade within the facilities made available.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Franchise costs**

Franchise costs are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20% per annum
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#### **1.6 Leasing**

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against the profit and loss account on a straight line basis over the lease term.

#### **1.7 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.8 Deferred taxation**

A provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

### **2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.



# TONI & GUY (GLASGOW WEST END) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

<b>3</b>	<b>Operating loss</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging		
	Amortisation of intangible assets	3,400	3,400
	Depreciation of tangible assets	31,553	29,741
	Operating lease rentals		
	Plant and machinery	3,561	4,202
	Land and buildings	27,000	20,485
	Auditors' remuneration	2,600	2,600
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Bank interest	15	770
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	349	866
	On other loans wholly repayable within five years	5,537	5,652
		<u>          </u>	<u>          </u>
		<u>5,886</u>	<u>6,518</u>

# TONI & GUY (GLASGOW WEST END) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

6	Taxation	2007	2006
	Current tax charge		
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	(27,408)	(83,125)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006: 19.00%)	(5,208)	(15,794)
	Effects of		
	Non deductible expenses	128	1,361
	Depreciation add back	5,995	5,651
	Capital allowances	(3,802)	(10,137)
	Tax losses carried forward	2,887	18,919
		5,208	15,794
	<b>Current tax charge</b>		

The company has estimated losses of £115,166 (2006: £60,635) available for carry forward against future trading profits

At 31 August 2007 the unprovided deferred taxation asset amounted to £17,748 (2006: £13,608)

7	Intangible fixed assets	Franchise costs £
	<b>Cost</b>	
	At 1 September 2006 & at 31 August 2007	17,000
	<b>Amortisation</b>	
	At 1 September 2006	3,400
	Charge for the year	3,400
	At 31 August 2007	6,800
	<b>Net book value</b>	
	At 31 August 2007	10,200
	At 31 August 2006	13,600

# TONI & GUY (GLASGOW WEST END) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

### 8 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 September 2006 & at 31 August 2007	157,765
<b>Depreciation</b>	
At 1 September 2006	29,741
Charge for the year	31,553
At 31 August 2007	61,294
<b>Net book value</b>	
At 31 August 2007	96,471
At 31 August 2006	128,024

### 9 Stocks

	2007 £	2006 £
Finished goods and goods for resale	5,742	4,667

### 10 Debtors

	2007 £	2006 £
Other debtors	215	4,260
Prepayments and accrued income	14,436	2,391
	14,651	6,651

# TONI & GUY (GLASGOW WEST END) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

11 Creditors amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	22,871	32,188
Trade creditors	70,273	33,502
Taxes and social security costs	7,841	2,331
Directors' current accounts	1,358	1,358
Other creditors	10,000	10,000
Accruals and deferred income	9,008	8,635
	<u>121,351</u>	<u>88,014</u>
Debt due in one year or less	<u>29,998</u>	<u>29,998</u>

Included within directors' current accounts is a loan from the directors, B Somerville and D D Ferrans, amounting to £1,358 (2006 £1,358) Included in other creditors are other loans of £10,000 (2006 £10,000) The amount owed to related parties is £57,828 (2006 £30,030), which is included in trade creditors

The bank loan and overdraft is secured as detailed in note 12

12 Creditors amounts falling due after more than one year	2007 £	2006 £
Bank loans	40,005	60,003
Other loans	20,000	30,000
	<u>60,005</u>	<u>90,003</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	90,003	120,001
	<u>90,003</u>	<u>120,001</u>
Included in current liabilities	(29,998)	(29,998)
	<u>60,005</u>	<u>90,003</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	29,998	29,998
In more than two years but not more than five years	30,007	60,005
	<u>60,005</u>	<u>90,003</u>

The loan is secured by a fixed and floating charge over the assets of the company and a personal guarantee by the directors, D D Ferrans and B Somerville of up to £100,000

# TONI & GUY (GLASGOW WEST END) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

13 Share capital	2007 £	2006 £
<b>Authorised</b>		
100,000 Ordinary 'A' shares of £1 each	100,000	100,000
100,000 Ordinary 'B' shares of £1 each	100,000	100,000
	<u>200,000</u>	<u>200,000</u>
<b>Allotted, called up and fully paid</b>		
30,000 Ordinary 'A' shares of £1 each	30,000	30,000
30,000 Ordinary 'B' shares of £1 each	30,000	30,000
	<u>60,000</u>	<u>60,000</u>

Directors are designated as 'A' directors or 'B' directors. 'A' directors are appointed by the 'A' shareholders. Holders of the 'B' shares and 'B' directors are not entitled to vote in connection with the appointment or removal of an 'A' director. In all other respects the 'B' ordinary shares rank pari passu with the 'A' ordinary shares.

## 14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2006	(83,125)
Loss for the year	(27,408)
	<u>(110,533)</u>
Balance at 31 August 2007	<u>(110,533)</u>

15 Reconciliation of movements in shareholders' funds	2007 £	2006 £
Loss for the financial year	(27,408)	(83,125)
Proceeds from issue of shares		60,000
	<u>(27,408)</u>	<u>(23,125)</u>
Net depletion in shareholders' funds	(23,125)	
Opening shareholders' funds		
	<u>(50,533)</u>	<u>(23,125)</u>
Closing shareholders' funds		

# TONI & GUY (GLASGOW WEST END) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

### 16 Financial commitments

At 31 August 2007 the company was committed to making the following payments under non cancellable operating leases in the year to 31 August 2008

	Land and buildings			
	2007	2006	2007	Other
	£	£	£	2006
				£
Operating leases which expire				
Between two and five years	27,000	27,000	3,856	3,856

### 17 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	38,000	39,754

### 18 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2007	2006
	Number	Number
Hairdressing	7	7
Administration	2	2
	9	9

#### Employment costs

	2007	2006
	£	£
Wages and salaries	109,964	95,872
Social security costs	7,896	6,748
	117,860	102,620



# **TONI & GUY (GLASGOW WEST END) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007**

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### **19 Control**

The directors regard Mascolo Limited as the company's immediate parent company. Mascolo Limited is a 100% subsidiary of Toni & Guy International Limited which prepares consolidated financial statements. Mascolo Limited is incorporated in England and Wales.

The ultimate parent company is Toni & Guy International Limited which is incorporated in England and Wales. The company is controlled by G T Mascolo.

### **20 Related party transactions**

Mascolo Limited, Innovia Design Limited, Straight Impact Limited, Mascolo Support Systems Limited and Toni & Guy Limited are related parties due to these companies being members of the same group.

Included within administrative expenses is £31,474 (2006 £23,446) payable to Mascolo Limited. At the year end the outstanding balance owed to Mascolo Limited was £34,037 (2006 £7,262).

Purchases of fixed assets were made from Straight Impact Limited which amounted to £nil (2006 £134,245) and goods from Innovia Design Limited of £11,618 (2006 £37,682). At the year end, £126 (2006 £3,453) was owed to Straight Impact Limited and £932 (2006 £1,319) to Innovia Design Limited.

Included within cost of sales is £39,830 (2006 £34,849) payable to Toni & Guy Limited. At the year end the outstanding balance owed to Toni & Guy Limited was £21,647 (2006 £17,996).

Included within administrative expenses is £925 (2006 £364) payable to Mascolo Support Systems Limited. At the year end the outstanding balance owed to Mascolo Support Systems Limited was £1,087 (2006 £nil).

### **21 Comparatives**

These are for the period from 4 March 2005 to 31 August 2006 and the company commenced to trade on 23 September 2005.