

REGISTRATION

COPY

Company Registration No. SC296193 (Scotland)

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

**DIRECTOR'S REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2008

SATURDAY



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TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

COMPANY INFORMATION

Director	J Bell
Secretary	R W L Berrow
Company number	SC296193
Registered office	Semple Fraser LLP 123 St. Vincent Street Glasgow G2 5EA
Accountants	HW 30 Camp Road Farnborough Hampshire GU14 6EW

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

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TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2008

The director presents his report and financial statements for the year ended 31 August 2008.

Principal activities

The principal activity of the company was that of hairdressing services.

Director

The following director has held office since 1 September 2007:

J Bell

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary Shares of £1 each	
	31 August 2008	1 September 2007
J Bell	36,000	36,000

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director is 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 director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



R W L Berrow

Secretary

Dated: 17/2/09

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

In accordance with the engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Toni & Guy (Glasgow St Vincent Street) Limited for the year ended 31 August 2008, set out on pages 3 to 11 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 August 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



HW

13 March 2009

Chartered Accountants

30 Camp Road
Farnborough
Hampshire
GU14 6EW

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2008

	Notes	2008 £	2007 £
Turnover		547,379	435,029
Cost of sales		(326,610)	(245,889)
Gross profit		220,769	189,140
Administrative expenses		(213,204)	(179,401)
Other operating income		-	169
Operating profit	2	7,565	9,908
Other interest receivable and similar income	3	573	612
Interest payable and similar charges		(4,801)	(4,165)
Profit on ordinary activities before taxation		3,337	6,355
Tax on profit on ordinary activities	4	(7,775)	(4,816)
(Loss)/profit for the year	12	(4,438)	1,539

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Intangible assets	5	38,001		50,002	
Tangible assets	6	83,016		107,887	
			<u>121,017</u>		<u>157,889</u>
Current assets					
Stocks		3,814		3,814	
Debtors	7	93,232		74,575	
Cash at bank and in hand		23,589		81,960	
			<u>120,635</u>		<u>160,349</u>
Creditors: amounts falling due within one year	8	(116,113)		(146,858)	
Net current assets			<u>4,522</u>		<u>13,491</u>
Total assets less current liabilities			<u>125,539</u>		<u>171,380</u>
Creditors: amounts falling due after more than one year	9	(62,413)		(105,025)	
Provisions for liabilities	10	(6,025)		(4,816)	
			<u>57,101</u>		<u>61,539</u>
Capital and reserves					
Called up share capital	11	60,000		60,000	
Profit and loss account	12	(2,899)		1,539	
Shareholders' funds			<u>57,101</u>		<u>61,539</u>

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2008

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) 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 profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 17/2/09

J Bell
Director

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 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.

1.6 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:

Land and buildings (short leasehold)	20% Straight line
Fixtures, fittings & equipment	20% Straight line

1.7 Leasing

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

1.8 Stock

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

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset is recognised where material and future recoverability is anticipated.

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2008

2	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	12,001	10,001
	Depreciation of tangible assets	25,971	21,052
	Operating lease rentals		
	- Plant and machinery	4,049	5,431
	- Land and buildings	82,000	64,196
	Auditors' remuneration	-	2,600
	Director's emoluments	33,600	25,600
		<u> </u>	<u> </u>
3	Investment income	2008	2007
		£	£
	Bank interest	573	612
		<u> </u>	<u> </u>
		573	612
		<u> </u>	<u> </u>
4	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	6,480	-
	Adjustment for prior years	86	-
		<u> </u>	<u> </u>
	Current tax charge	6,566	-
	Deferred tax		
	Deferred tax charge/credit current year	1,209	4,816
		<u> </u>	<u> </u>
		7,775	4,816
		<u> </u>	<u> </u>

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2008

5 Intangible fixed assets

	Franchise costs £	Goodwill £	Total £
Cost			
At 1 September 2007 & at 31 August 2008	5,003	55,000	60,003
Amortisation			
At 1 September 2007	834	9,167	10,001
Charge for the year	1,001	11,000	12,001
At 31 August 2008	1,835	20,167	22,002
Net book value			
At 31 August 2008	3,168	34,833	38,001
At 31 August 2007	4,169	45,833	50,002

The goodwill arose from the acquisition of the business and assets of Tony & Guy (Glasgow) Limited salon for £100,000 consideration. The fair values of the assets acquired was as follows: £45,000 for fixed assets and £nil for the purchase of stock. The remaining balance of £55,000 has therefore been treated as goodwill. Goodwill is to be written off in equal annual installments over its estimated useful economic life of five years.

6 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 September 2007	30,000	98,939	128,939
Additions	-	1,100	1,100
At 31 August 2008	30,000	100,039	130,039
Depreciation			
At 1 September 2007	5,000	16,052	21,052
Charge for the year	6,000	19,971	25,971
At 31 August 2008	11,000	36,023	47,023
Net book value			
At 31 August 2008	19,000	64,016	83,016
At 31 August 2007	25,000	82,887	107,887

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2008

7 Debtors	2008 £	2007 £
Trade debtors	37,190	17,376
Other debtors	56,042	57,199
	<u>93,232</u>	<u>74,575</u>

Included in trade debtors is £32,269 (2007: £11,616) owed by related companies and included in other debtors is £21,579 (2007: £11,579) owed by related companies.

Included within other debtors is a balance of £220 (Enil: 2007) due from J Bell, director .

8 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	17,492	15,124
Trade creditors	33,930	87,225
Taxation and social security	35,663	13,335
Other creditors	29,028	31,174
	<u>116,113</u>	<u>146,858</u>

Included in trade creditors is £11,206 (2007: £64,642) owed to related companies. Included in other creditors are other loans of £14,028 (2007: £14,028)

The bank loan and overdraft are secured as detailed in note 9.

9 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	32,159	60,743
Other creditors	30,254	44,282
	<u>62,413</u>	<u>105,025</u>

Analysis of loans

Wholly repayable within five years	93,933	134,177
Included in current liabilities	(31,520)	(29,152)
	<u>62,413</u>	<u>105,025</u>

The loan is secured by a fixed and floating charge over the assets of the company.

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2008

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 September 2007	4,816
Profit and loss account	1,209
	<hr/>
Balance at 31 August 2008	6,025
	<hr/>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	6,025	4,816
	<hr/>	<hr/>

11 Share capital

	2008 £	2007 £
Authorised		
60,000 Ordinary Shares of £1 each	60,000	60,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
60,000 Ordinary Shares of £1 each	60,000	60,000
	<hr/>	<hr/>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2007	1,539
Loss for the year	(4,438)
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Balance at 31 August 2008	(2,899)
	<hr/>

TONI & GUY (GLASGOW ST VINCENT STREET) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2008

13 Financial commitments

At 31 August 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2009:

	2008 £	2007 £
Operating leases which expire:		
Between two and five years	85,300	82,000

14 Control

The ultimate controlling party is J Bell, director and majority shareholder.

15 Related party transactions

Mascolo Limited and group companies, Mascolo Group Limited (formerly Innovia Design Limited) and Toni & Guy Limited are considered to be related parties due to holding more than 20% of the share capital.

Included within administrative expenses is £72,628 (2007: £97,069) invoiced by Mascolo Limited and at the year end the outstanding balance owed to Mascolo Limited was £7,171 (2007: £52,662).

Included in cost of sales are amounts of £15,994 and £42,039 (2007: £41,390 and £18,871) invoiced by Mascolo Group Limited and Toni & Guy Limited respectively. At the year end, £3,410 (2007: £1,511) was owed by Mascolo Group Limited and £7,445 (2007: £13,311) was owed to Toni & Guy Limited.

Amounts owed to related parties are included within trade creditors.

Sales of £3,746 (2007: £nil) were invoiced to Mascolo Group Limited and £13,832 of recharges were invoiced to Essensuals (Glasgow) Limited, a company controlled by the director, J Bell. In trade debtors at the year end, £4,401 (2007: £nil) was owed by Mascolo Group Limited and £20,497 (2007: £4,245) owed by Essensuals (Glasgow) Limited. Also included in trade debtors is and £7,371 (2007: £7,371) owed by Mascolo Limited, relating to former salon costs.

Included in other debtors is a £10,000 (2007: £nil) loan payable by Essensuals (Glasgow) Limited and an amount of £11,579 (2007: £11,579) relating to outstanding refurbishments costs owed by Straight Impact Limited.

16 Comparatives

The comparative figures relate for the year from 1 September 2006 to 31 August 2007 and the company commenced to trade on 2 November 2006.