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DANIEL GALVIN PRODUCT DIVISION LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1993

Registered number: 1478971



DANIEL GALVIN PRODUCT DIVISION LIMITED
COMPANY INFORMATION

Directors	D.W.J. Galvin M.L. Galvin S. Nurse R.A. Sheargold
Secretary	R.A. Sheargold
Company number	1478971
Registered office	3 Well Lane Clare Suffolk CO10 8NH
Business address	42-44 George Street London W1H 5RE
Auditors	H. W. Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Barclays Bank Plc 39 High Street Haverhill Suffolk CB9 8AE

DANIEL GALVIN PRODUCT DIVISION LIMITED
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DANIEL GALVIN PRODUCT DIVISION LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1993.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of wholesaling and retailing hairdressing products.

RESULTS AND DIVIDENDS

The trading loss for the year after taxation amounted to £8,362. The directors recommend that this amount be set against reserves.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 1993 and their interests in the share capital of the company were:

	31 December 1993	1 January 1993
D.W.J. Galvin	95	99
M.L. Galvin	1	1
S. Nurse (Appointed 21 January 1993)	18	-
R.A. Sheargold (Appointed 29 October 1993)	6	-

FIXED ASSETS

Details of movements in fixed assets during the year are set out in note 6 to the accounts.

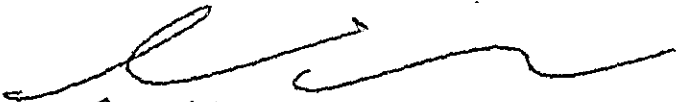
AUDITORS

A resolution proposing the re-appointment of H. W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board

D.W.J. Galvin
Director

Dated:


21 October 1994

DANIEL GALVIN PRODUCT DIVISION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which 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 accounts 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 accounts on a 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 company and to enable them to ensure that the accounts 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.

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
DANIEL GALVIN PRODUCT DIVISION LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H. W. Fiske & Company

H. W. FISKE & COMPANY

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London NW1 3ER

Dated: *22 October 1994*

DANIEL GALVIN PRODUCT DIVISION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1993

	Notes	1993 £	1992 £
TURNOVER	2	188,100	263,538
Cost of sales		<u>(114,813)</u>	<u>(157,251)</u>
GROSS PROFIT		73,287	106,287
Distribution costs		(23,155)	(67,413)
Administrative expenses		<u>(11,431)</u>	<u>(40,666)</u>
OPERATING PROFIT/(LOSS)	3	38,701	(1,792)
Exceptional item		<u>(36,971)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		1,730	(1,792)
Interest payable and similar charges	4	<u>(10,092)</u>	<u>(13,995)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,362)	(15,787)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(8,362)	(15,787)
Accumulated loss brought forward		<u>(175,741)</u>	<u>(159,954)</u>
ACCUMULATED LOSS CARRIED FORWARD		<u>(184,103)</u>	<u>(175,741)</u>

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

DANIEL GALVIN PRODUCT DIVISION LIMITED

BALANCE SHEET

AT 31 DECEMBER 1993

	Notes	£	1993	£	1992	£
FIXED ASSETS						
Tangible assets	6		2,437		2,867	
CURRENT ASSETS						
Debtors	7	43,628		32,406		
Cash at bank and in hand		-		250		
		<u>43,628</u>		<u>32,656</u>		
CREDITORS - Amounts falling due within one year	8	<u>(193,702)</u>		<u>(184,812)</u>		
NET CURRENT LIABILITIES			<u>(150,074)</u>		<u>(152,156)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(147,637)</u>		<u>(149,289)</u>	
CREDITORS - Amounts falling due after more than one year	9		<u>(26,352)</u>		<u>(26,352)</u>	
			<u>(173,989)</u>		<u>(175,641)</u>	
CAPITAL AND RESERVES						
Called up share capital	10		120		100	
Share premium account	11		9,994		-	
Profit and loss account			<u>(184,103)</u>		<u>(175,741)</u>	
SHAREHOLDERS' FUNDS	12		<u>(173,989)</u>		<u>(175,641)</u>	

D.W.J. Galvin

Director

Approved by the board on:

21 October 1994

DANIEL GALVIN PRODUCT DIVISION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1993

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and on a going concern basis the validity of which is dependent on the continuing support of the company's bankers.

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 Tangible fixed assets

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

	% per annum	Method
Fixtures and fittings	15	Reducing balance

1.3 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

2. TURNOVER

Turnover represents the invoiced value of goods sold and services provided excluding VAT.

3. OPERATING PROFIT/(LOSS)

	1993 £	1992 £
Operating profit/(loss) is stated after charging:		
Depreciation of owned tangible fixed assets	430	506
Auditors' remuneration	5,395	3,000
	<u>5,825</u>	<u>3,506</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1993 £	1992 £
Interest payable on:		
Bank overdraft	10,092	13,995
	<u>10,092</u>	<u>13,995</u>

DANIEL GALVIN PRODUCT DIVISION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1993

5. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no corporation charge for the year because the company has tax losses to carry forward against future trading profits.

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
1 January 1993 and 31 December 1993	8,407
Depreciation	
1 January 1993	5,540
Charge for year	430
31 December 1993	5,970
Net book values	
31 December 1993	2,437
31 December 1992	2,867

7. DEBTORS

	1993 £	1992 £
Trade debtors	32,989	30,541
Amounts owed by companies under common control	5,616	870
Called up share capital not paid	14	-
Prepayments and accrued income	5,009	995
	43,628	32,406

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £	1992 £
Bank overdraft	96,024	110,133
Trade creditors	81,054	62,562
Taxes and social security costs	2,396	311
Accruals and deferred income	14,228	11,806
	193,702	184,812

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

DANIEL GALVIN PRODUCT DIVISION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1993

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1993 £	1992 £
Amounts owed to companies under common control	21,251	21,251
Directors' current accounts	5,101	5,101
	<u>26,352</u>	<u>26,352</u>

10. SHARE CAPITAL	1993 £	1992 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>

The authorised share capital of the company was increased to 1000 Ordinary shares of £1 each on 22 September 1993.

Allotted, called up and fully paid		
120 Ordinary shares of £1 each	<u>120</u>	<u>100</u>

On 22 September 1993, an additional 20 Ordinary shares of £1 each were allotted. 14 shares were issued at par and 6 shares were issued at a premium of £1665.67 per share.

11. SHARE PREMIUM ACCOUNT	£
1 January 1993	-
Premium on shares issued during the year	9,994
31 December 1993	<u>9,994</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1993 £	1992 £
Loss for the financial year	(8,362)	(15,787)
New share capital subscribed	10,014	-
Net addition to/(reduction of) shareholders' funds	<u>1,652</u>	<u>(15,787)</u>
Opening shareholders' funds	(175,641)	(159,854)
Closing shareholders' funds	<u>(173,989)</u>	<u>(175,641)</u>

DANIEL GALVIN PRODUCT DIVISION LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1993

13. DIRECTORS' INTEREST IN CONTRACTS

The company trades in the ordinary course of business on an arms length basis with Hair Colour Consultants Limited, a company in which D.W.J. Galvin and M.L. Galvin have material beneficial interests.