

Company Registration No. 02016379 (England and Wales)

**GRAHAM HAIR AND BEAUTY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**PAGES FOR FILING WITH REGISTRAR**

# GRAHAM HAIR AND BEAUTY LIMITED

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# GRAHAM HAIR AND BEAUTY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018	2017
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	4	514,021	533,452
Investment properties	5	-	125,954
		<u>514,021</u>	<u>659,406</u>
<b>Current assets</b>			
Stocks		177,768	195,520
Debtors	7	97,481	79,104
Cash at bank and in hand		121,297	22,959
		<u>396,546</u>	<u>297,583</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(256,207)</u>	<u>(281,817)</u>
<b>Net current assets</b>		<u>140,339</u>	<u>15,766</u>
<b>Total assets less current liabilities</b>		<u>654,360</u>	<u>675,172</u>
<b>Creditors: amounts falling due after more than one year</b>	9	-	(7,382)
<b>Net assets</b>		<u><u>654,360</u></u>	<u><u>667,790</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	5,000	5,000
Revaluation reserve		368,304	376,327
Profit and loss reserves		281,056	286,463
<b>Total equity</b>		<u><u>654,360</u></u>	<u><u>667,790</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

# **GRAHAM HAIR AND BEAUTY LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2018**

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For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 23 September 2019

**G M Janaway**  
**Director**

**Company Registration No. 02016379**

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

##### Company information

Graham Hair and Beauty Limited is a private company limited by shares incorporated in England and Wales. The registered office is MacGregor House, Station Road, Seaton Delaval, Tyne and Wear, NE25 0PT.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised when goods are delivered.

Turnover is attributable to the continuing principal activity of the company and arose wholly within the United Kingdom.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	2% and 10% on cost
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

#### 1.5 Stocks

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

Net realisable value is based on estimating the selling price less further costs to completion and disposal.

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

(Continued)

##### 1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.11 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2017 - 13).

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	104	-
Adjustments in respect of prior periods	-	(645)
Total current tax	104	(645)

#### 4 Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	507,287	167,422	32,298	707,007
Additions	-	975	-	975
Disposals	-	(1,165)	-	(1,165)
At 31 December 2018	507,287	167,232	32,298	706,817
<b>Depreciation and impairment</b>				
At 1 January 2018	10,425	135,519	27,611	173,555
Depreciation charged in the year	10,728	4,724	4,687	20,139
Eliminated in respect of disposals	-	(898)	-	(898)
At 31 December 2018	21,153	139,345	32,298	192,796
<b>Carrying amount</b>				
At 31 December 2018	486,134	27,887	-	514,021
At 31 December 2017	496,862	31,903	4,687	533,452

On 1 December 2016 freehold land and buildings were revalued on an open market basis by McGillivrays Chartered Surveyors at £500,000. The resulting surplus on revaluation was transferred to the revaluation reserve.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	98,860	98,860
Accumulated depreciation	(43,559)	(41,581)
Carrying value	55,301	57,279



# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Investment property

	2018 £
<b>Fair value</b>	
At 1 January 2018	125,954
Disposals	(125,954)
	<u>          </u>
At 31 December 2018	<u>          </u> -

Investment property comprises of a property in Spain which was disposed of during the year. The fair value of the investment property was arrived at on the basis of a valuation carried out by the local estate agents, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

### 6 Fixed asset investments

	2018 £	2017 £
Other investments	119,854	22,084
	<u>          </u>	<u>          </u>

Included within cash at bank and in hand are investment bonds with a fair value of £119,854 (2017 - £22,084).

### 7 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	69,573	57,307
Other debtors	27,908	21,797
	<u>          </u>	<u>          </u>
	<u>97,481</u>	<u>79,104</u>

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	77,235	85,525
Trade creditors	124,058	127,476
Corporation tax	104	-
Other taxation and social security	37,205	34,369
Other creditors	17,605	34,447
	<u>256,207</u>	<u>281,817</u>

Bank overdrafts amounting to £77,235 (2017 - £85,525) are secured on freehold land and buildings.

Hire purchase obligations amounting to £7,382 (2017 - £3,024) are secured on the assets acquired.

### 9 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	-	7,382
	<u>-</u>	<u>7,382</u>

Hire purchase obligations amounting to £nil (2017 - £7,382) are secured on the assets acquired.

### 10 Called up share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
5,000 Ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

### 11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	10,090	6,645
	<u>10,090</u>	<u>6,645</u>

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Directors loan	-	(14,440)	20,717	6,277
		<u>(14,440)</u>	<u>20,717</u>	<u>6,277</u>
		<u><u>(14,440)</u></u>	<u><u>20,717</u></u>	<u><u>6,277</u></u>

There are no terms as repayment of this balance and no interest accrued thereon.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.