

**GRAHAM HAIR AND BEAUTY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**  
**PAGES FOR FILING WITH REGISTRAR**



# GRAHAM HAIR AND BEAUTY LIMITED

## CONTENTS

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	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 8

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# GRAHAM HAIR AND BEAUTY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	3		533,452		549,377
Investment properties	4		125,954		127,947
			<u>659,406</u>		<u>677,324</u>
<b>Current assets</b>					
Stocks		195,520		209,637	
Debtors	6	79,104		87,577	
Cash at bank and in hand		22,959		21,701	
		<u>297,583</u>		<u>318,915</u>	
<b>Creditors: amounts falling due within one year</b>	7	(281,817)		(310,674)	
<b>Net current assets</b>			15,766		8,241
<b>Total assets less current liabilities</b>			<u>675,172</u>		<u>685,565</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(7,382)		(10,405)
<b>Net assets</b>			<u>667,790</u>		<u>675,160</u>
<b>Capital and reserves</b>					
Called up share capital	9	5,000		5,000	
Revaluation reserve		376,327		384,506	
Profit and loss reserves		286,463		285,654	
<b>Total equity</b>			<u>667,790</u>		<u>675,160</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 2017

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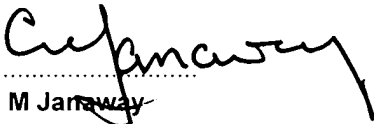
For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 24/09/2018

  
.....  
G M Janaway  
Director

Company Registration No. 02016379

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 2017

### 1 Accounting policies

(Continued)

#### 1.6 Cash at bank and in hand

Cash at bank and in hand 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **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.

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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 the profit and loss account 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.

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1 Accounting policies

(Continued)

##### 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 (2016 - 14).

#### 3 Tangible fixed assets

	Land and buildings freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 January 2017	500,000	181,235	32,298	713,533
Additions	7,287	1,850	-	9,137
Disposals	-	(15,663)	-	(15,663)
	<u>507,287</u>	<u>167,422</u>	<u>32,298</u>	<u>707,007</u>
At 31 December 2017	507,287	167,422	32,298	707,007
<b>Depreciation and impairment</b>				
At 1 January 2017	-	142,170	21,986	164,156
Depreciation charged in the year	10,425	5,630	5,625	21,680
Eliminated in respect of disposals	-	(12,281)	-	(12,281)
	<u>10,425</u>	<u>135,519</u>	<u>27,611</u>	<u>173,555</u>
At 31 December 2017	10,425	135,519	27,611	173,555
<b>Carrying amount</b>				
At 31 December 2017	<u>496,862</u>	<u>31,903</u>	<u>4,687</u>	<u>533,452</u>
At 31 December 2016	<u>500,000</u>	<u>39,065</u>	<u>10,312</u>	<u>549,377</u>

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:

	2017 £	2016 £
Cost	98,860	91,033
Accumulated depreciation	(41,581)	(39,760)
Carrying value	<u>57,279</u>	<u>51,273</u>



# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Investment property

	2017 £
<b>Fair value</b>	
At 1 January 2017	127,947
Net gains or losses through fair value adjustments	(1,993)
	<u>125,954</u>
At 31 December 2017	<u>125,954</u>

Investment property comprises of a property in Spain. The fair value of the investment property has been arrived at on the basis of a valuation carried out 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.

### 5 Fixed asset investments

	2017 £	2016 £
Other investments	22,084	20,641
	<u>22,084</u>	<u>20,641</u>

Included within cash at bank and in hand are investment bonds with a fair value of £22,084 (2016 - £20,641).

### 6 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	57,307	69,909
Other debtors	21,797	17,668
	<u>79,104</u>	<u>87,577</u>

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

	2017 £	2016 £
Bank loans and overdrafts	85,525	97,325
Trade creditors	127,476	142,429
Other taxation and social security	34,369	35,685
Other creditors	34,447	35,235
	<u>281,817</u>	<u>310,674</u>

Bank overdrafts amounting to £85,525 (2016 - £97,325) are secured on freehold land and buildings.

Hire purchase obligations amounting to £3,024 (2016 - £3,024) are secured on the assets acquired.

# GRAHAM HAIR AND BEAUTY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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

	2017 £	2016 £
Other creditors	7,382	10,405

Hire purchase obligations amounting to £7,382 (2016 - £10,405) are secured on the assets acquired.

### 9 Called up share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid 5,000 Ordinary shares of £1 each	5,000	5,000

### 10 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:

	2017 £	2016 £
	6,645	2,152

### 11 Related party transactions

Included within other creditors is a loan of £14,440 (2016 - £16,944) owed to the director.