

BEAUTY CONSULTANT TRAINING COMPANY LIMITED

Company No 1347680

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DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2000

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SHOOTER GREENE & CO

Registered Auditors

9/13 Cursitor Street

London

EC4A 1LL



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BEAUTY CONSULTANT TRAINING COMPANY LIMITED

Company No 1347680

Company Information

Directors
MS A ARNAUD
MR A C FRANCIS
MR D MEASURES

Secretary
M NATHNAGEL

Company Number
1347680

Registered Office
9/13 Cursitor Street
London
EC4A 1LL

Auditors
Shooter Greene & Co
Registered Auditors
9/13 Cursitor Street
London
EC4A 1LL

Bankers
Midland Bank plc
Sloane Square Branch
145 Sloane Square
London SW1X 9BN

BEAUTY CONSULTANT TRAINING COMPANY LIMITED
DIRECTORS REPORT FOR THE YEAR ENDED 30th JUNE 2000

The directors present their report and the financial statements for the year ended 30th June 2000.

Statement of directors responsibilities

Company law requires the directors to prepare financial statements 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Principal activity

The company's principal activity was that of beauty consultant training and promotional consultants. The company ceased trading on 28th May 2000.

The company has taken advantage of exemption from preparing consolidated accounts on the grounds that the company qualifies as a small group by virtue of Section 248 of the Companies Act 1985.

Directors

The directors who served during the year and their beneficial interest in the company's issued ordinary share capital was:

	Number of shares	
	2000	1999
MS A ARNAUD	99	99
MR A C FRANCIS	1	1
MR D MEASURES	-	-

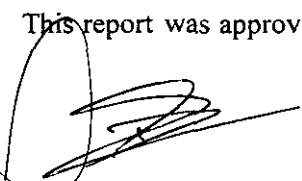
Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Auditors

The auditors, Shooter Greene & Co will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 3rd November 2000



MR D MEASURES
 Director

BEAUTY CONSULTANT TRAINING COMPANY LIMITED**Auditors' Report to the Shareholders of Beauty Consultant Training Company Limited**

We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 financial statements. It also includes an assessment of the significant estimates and judgments 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. However, the evidence available to us was limited and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the existence, ownership and valuation of other investments appearing in the balance sheet at £90,000. Any adjustment to this figure would have a consequential significant effect on the financial statements for the year. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

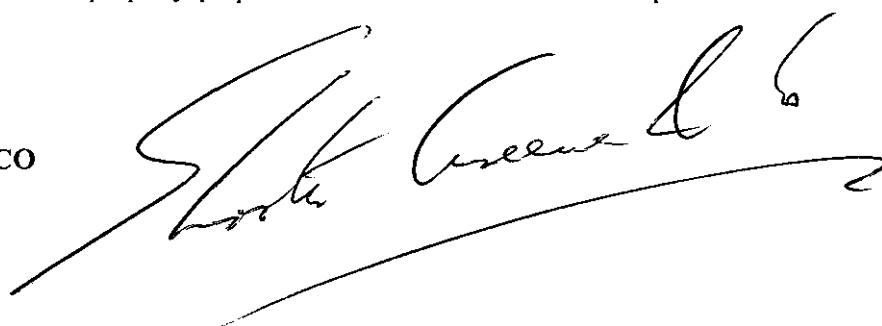
The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. The company incurred a loss after taxation of £5,004 during the year ended 30th June 2000 and at that date its current liabilities exceeded its current assets by £311,267. Our opinion is qualified in this respect as the company is unable to meet the creditors on demand. The company ceased trading on 28 May 2000.

Qualified opinion

In view of the effect of adjustments that might have been found to be necessary had we been able to satisfy ourselves that the company is a going concern and that assets will realise their stated values, in our opinion the financial statements do not give a true and fair view of the state of the company's affairs as at 30th June 2000 and of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

SHOOTER GREENE & CO
Registered Auditors
9/13 Cursitor Street
London EC4A 1LL

3rd November 2000

A large, stylized handwritten signature in black ink, likely belonging to a partner or director of the audit firm, is written over the bottom right portion of the page, partially overlapping the firm's name and the date.

BEAUTY CONSULTANT TRAINING COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 30th June 2000

	Notes	2000	1999
Turnover	1,2	471,576	422,610
Cost of Sales		<u>425,435</u>	<u>382,759</u>
Gross Profit		46,141	39,851
Administrative expenses		<u>49,916</u>	<u>31,021</u>
Operating profit/(loss)	3	(3,775)	8,830
Reduction in value of investments		(25,500)	(25,000)
Loss on disposal of fixed assets		(1,308)	-
Interest receivable		-	-
Interest payable		<u>(4,413)</u>	<u>(8,409)</u>
Profit/(loss) on ordinary activities before taxation		(34,996)	(24,579)
Taxation on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		(34,996)	(24,579)
Dividends	5	<u>-</u>	<u>-</u>
Retained profit/(loss) for the year		(34,996)	(24,579)
Retained profit/(loss) brought forward		<u>(260,936)</u>	<u>(236,357)</u>
Retained profit/(loss) carried forward		<u>£(295,932)</u>	<u>£(260,936)</u>

The notes on pages 5 to 7 form part of these financial statements

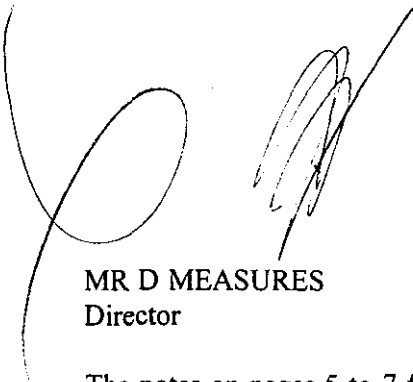
BEAUTY CONSULTANT TRAINING COMPANY LIMITED

BALANCE SHEET

as at 30th June 2000

	Notes	2000	1999
Fixed assets			
Tangible assets	6a	-	1,308
Other Investments	6b	90,000	115,500
Investment in subsidiary	7	<u>2</u>	<u>2</u>
		90,002	116,810
Current assets			
Debtors	8	28,752	27,487
Cash at bank and in hand		<u>200</u>	<u>200</u>
		28,952	27,687
Creditors: amounts falling due within one year	9	<u>370,211</u>	<u>353,813</u>
Net current assets/(liabilities)		(341,259)	(326,126)
Total assets less current liabilities		(251,257)	(209,316)
Creditors: amounts falling due after more than one year	10	<u>44,575</u>	<u>51,520</u>
Net assets/(liabilities)		<u>£(295,832)</u>	<u>£(260,836)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>(295,932)</u>	<u>(260,936)</u>
Shareholders' funds - all equity		<u>£(295,832)</u>	<u>£(260,836)</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board on 3rd November 2000 and signed on its behalf.



MR D MEASURES
Director

The notes on pages 5 to 7 form part of these financial statements

BEAUTY CONSULTANT TRAINING COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

for the period ended 30th June 2000

1. Accounting Policies**1.1 Basis of preparation of financial accounts**

The financial statements are prepared under the historical cost convention.

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

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, fittings, furniture & equipment	15% reducing balance basis
Motor vehicle	25% reducing balance basis

1.4 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. Turnover

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company, beauty consultant training and promotional consultants. A geographical analysis of turnover is as follows:

	2000	1999
United Kingdom	471,576	422,610
Europe	-	-
	<u>471,576</u>	<u>422,610</u>

3. Operating Profit

The operating profit is stated after charging:

Depreciation of tangible fixed assets		
- owned by the company	-	231
Auditors' remuneration	3,000	2,500
Loss on disposal of fixed assets	1,308	-

4. Taxation

UK current year taxation	Nil	Nil
UK corporation tax at 21%	Nil	Nil

BEAUTY CONSULTANT TRAINING COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 30th June 2000

	2000	1999
5. Dividends	Nil	Nil
6a. Tangible fixed assets		
	Fixtures, Fittings Furniture & Equipment	Total
Cost		
At 1.7.1999	7,525	7,525
Additions	-	-
Disposals	<u>(7,525)</u>	<u>(7,525)</u>
At 30.6.2000	-	-
Depreciation		
At 1.7.1999	6,217	6,217
On disposals	<u>(6,217)</u>	<u>(6,217)</u>
Charge for year	-	-
At 30.6.2000	-	-
Net Book Values		
At 30.6.2000	-	-
At 30.6.1999	<u>1,308</u>	<u>1,308</u>
6b. Other Investments - at cost	2000	1999
Antiques, work of arts and other valuables	190,900	190,900
Reduction in value of investments	<u>100,900</u>	<u>75,400</u>
Net cost	<u>90,000</u>	<u>115,500</u>
7. Investment in subsidiary		
The investment of £2 represents holdings of 100% of the nominal share capital of HDM Personnel Limited, a company incorporated in England. The directors have taken advantage of exemptions from preparing consolidated accounts on the grounds that the Company qualifies as a small group by virtue of Section 248 of the Companies Act 1985.		
8. Debtors	2000	1999
Due within one year		
Other debtors	28,752	27,487
9. Creditors Amounts falling due within one year		
Bank overdrafts	3,596	2,590
Corporation tax	3,608	2,637
Social security and other taxes	91,622	87,604
Other creditors	268,385	258,482
Accruals and deferred income	<u>3,000</u>	<u>2,500</u>
	<u>370,211</u>	<u>353,813</u>

The bank overdraft is secured by a fixed charge over book debts and a floating charge over all other assets, dated 6th December 1993.

BEAUTY CONSULTANT TRAINING COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 30th June 2000

	2000	1999
10. Creditors Amounts falling due after more than one year		
Pension Fund	44,575	51,520
11. Called up share capital		
Authorised		
Ordinary shares of £1 each	2,000	2,000
Issued		
Ordinary shares of £1 each	100	100

12. **Related Parties**

The whole of the company's turnover is all sales to its subsidiary company, HDM Personnel Ltd on normal commercial terms to the value of £471,576 (1999 - £422,610) and also received management charges from that company of £35,000 (1999 - £35,000).

At the balance sheet date, an amount of £28,752 (1999 - £27,487) is due to HDM Personnel Ltd.

There is also a loan from HDM Personnel Pension Fund of £51,520 (1999 £51,520) on which interest is payable at 3% over base rate and at the balance sheet date £44,575 was outstanding (1999 £162,533).