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**BEAUTY CONSULTANT TRAINING COMPANY LIMITED**

**Company No 1347680**

**DIRECTORS REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 30th JUNE 1999**

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**SHOOTER GREENE & CO**

Registered Auditors  
9/13 Cursitor Street  
London  
EC4A 1LL



**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 1999**

The directors present their report and the financial statements for the year ended 30th June 1999.

**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 continues to be that of beauty consultant training and promotional consultants.

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	
	1999	1998
MS A ARNAUD	99	99
MR A C FRANCIS	1	1
MR D MEASURES	-	-

**Year 2000 Issue**

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond.

The directors have analysed the impact of the year 2000 issue on the business and have developed plans to mitigate the effects identified by this analysis at a cost of no more than £500.

**Small company rules**

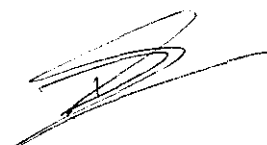
These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

**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 22nd December 1999

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 £115,500. 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 £24,579 during the year ended 30th June 1999 and at that date its current liabilities exceeded its current assets by £326,126. Our opinion is qualified in this respect as the company is unable to meet the creditors on demand.

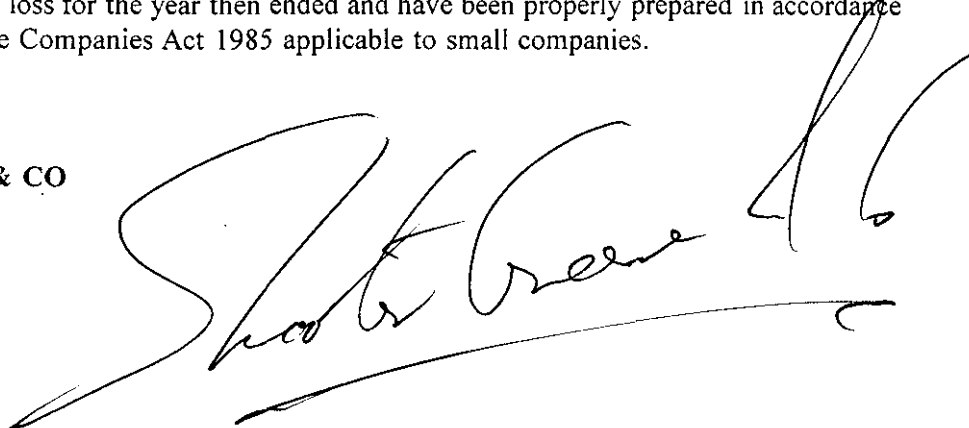
**Qualified opinion**

Except for any 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 give a true and fair view of the state of the company's affairs as at 30th June 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**SHOOTER GREENE & CO**

Registered Auditors  
9/13 Cursitor Street  
London EC4A 1LL

22nd December 1999

A large, stylized handwritten signature in black ink, appearing to read 'Shooter Greene', is written over a horizontal line.

## BEAUTY CONSULTANT TRAINING COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 30th June 1999

	Notes	1999	1998
Turnover	1,2	422,610	711,597
Cost of Sales		<u>382,759</u>	<u>650,998</u>
Gross Profit		39,851	60,599
Administrative expenses		<u>31,021</u>	<u>31,979</u>
Operating profit/(loss)	3	8,830	28,620
Reduction in value of investments		(25,000)	(50,400)
Interest receivable		-	-
Interest payable		<u>(8,409)</u>	<u>(5,152)</u>
Profit/(loss) on ordinary activities before taxation		(24,579)	(26,932)
Taxation on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		(24,579)	(26,932)
Dividends	5	<u>-</u>	<u>-</u>
Retained profit/(loss) for the year		(24,579)	(26,932)
Retained profit/(loss) brought forward		<u>(236,357)</u>	<u>(209,425)</u>
Retained profit/(loss) carried forward		<u>£(260,936)</u>	<u>£(236,357)</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 1999

	Notes	1999	1998
Fixed assets			
Tangible assets	6a	1,308	1,539
Other Investments	6b	115,500	140,500
Investment in subsidiary	7	<u>2</u>	<u>2</u>
		116,810	142,041
Current assets			
Debtors	8	27,487	-
Cash at bank and in hand		<u>200</u>	<u>222</u>
		27,687	222
Creditors: amounts falling due within one year	9	<u>353,813</u>	<u>378,520</u>
Net current assets/(liabilities)		(326,126)	(378,298)
Total assets less current liabilities		(209,316)	(236,257)
Creditors: amounts falling due after more than one year	10	<u>51,520</u>	-
Net assets/(liabilities)		<u>£(260,836)</u>	<u>£(236,257)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>(260,936)</u>	<u>(236,357)</u>
Shareholders' funds - all equity		<u>£(260,836)</u>	<u>£(236,257)</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 22nd December 1999 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 1999

**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:

	1999	1998
United Kingdom	422,610	711,597
Europe	-	-
	<u>422,610</u>	<u>711,597</u>

**3. Operating Profit**

The operating profit is stated after charging:

Depreciation of tangible fixed assets		
- owned by the company	231	271
Auditors' remuneration	2,500	2,000

**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 1999

5.	<b>Dividends</b>	1999 Nil	1998 Nil
6a.	<b>Tangible fixed assets</b>		
		Fixtures, Fittings Furniture & Equipment	Total
	Cost		
	At 1.7.1998	7,525	7,525
	Additions	-	-
	Disposals	-	-
	At 30.6.1999	<u>7,525</u>	<u>7,525</u>
	Depreciation		
	At 1.7.1998	5,986	5,986
	On disposals	-	-
	Charge for year	<u>231</u>	<u>231</u>
	At 30.6.1999	<u>6,217</u>	<u>6,217</u>
	Net Book Values		
	At 30.6.1999	<u>1,308</u>	<u>1,308</u>
	At 30.6.1998	<u>1,539</u>	<u>1,539</u>
6b.	<b>Other Investments - at cost</b>	1999	1998
	Antiques, work of arts and other valuables	190,900	190,900
	Reduction in value of investments	<u>75,400</u>	<u>50,400</u>
	Net cost	<u>115,500</u>	<u>140,500</u>
7.	<b>Investment in subsidiary</b>		
	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.	<b>Debtors</b>	1999	1998
	Due within one year		
	Other debtors	27,487	Nil
9.	<b>Creditors</b> Amounts falling due within one year		
	Bank overdrafts	2,590	3,610
	Corporation tax	2,637	1,288
	Social security and other taxes	87,604	68,001
	Other creditors	258,482	303,621
	Accruals and deferred income	<u>2,500</u>	<u>2,000</u>
		<u>353,813</u>	<u>378,520</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. Included in other creditors is an amount due to subsidiary of £Nil (1998 - £96,385).



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

for the year ended 30th June 1999

	1999	1998
10. <b>Creditors</b> Amounts falling due after more than one year	Nil	Nil
11. <b>Called up share capital</b>		
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 £422,610 (1998 - £711,597) and also received management charges from that company of £35,000 (1998 - £35,000).

At the balance sheet date, an amount of £27,487 (1998 - £96,385 due to) is due from HDM Personnel Ltd.

There is also a loan from HDM Personnel Pension Fund of £51,520 (1998-£51,520) on which interest is payable at 3% over base rate and at the balance sheet date, £162,533 was outstanding (1998-£66,272).