

REGISTERED NUMBER: 7044347 (England and Wales)

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD
15 OCTOBER 2009 TO 31 DECEMBER 2010
FOR
BEAUTIFUL BRANDS LIMITED**

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BEAUTIFUL BRANDS LIMITED

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FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

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BEAUTIFUL BRANDS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

DIRECTORS:

G Morris
Mrs S Brown

SECRETARY:

G Morris

REGISTERED OFFICE:

43 Bayton Road
Exhall
Coventry
CV7 9EF

REGISTERED NUMBER:

7044347 (England and Wales)

AUDITORS:

Carlton Haines Limited
Statutory Auditors
Chartered Accountants
Carlton House
28/29 Carlton Terrace
Portslade
East Sussex
BN41 1UR

BEAUTIFUL BRANDS LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010

The directors present their report with the financial statements of the company and the group for the period 15 October 2009 to 31 December 2010

INCORPORATION

The group was incorporated on 15 October 2009 and commenced trading on 17 November 2009

PRINCIPAL ACTIVITY

The principal activity of the group in the period under review was that of the retail of beauty and hairdressing products through mail order, online sale and cash and carry wholesale locations

REVIEW OF BUSINESS

The group experienced growth in sales in the year under review due to initiatives taken in recent years. The directors are confident about the future prospects for the group and are seeking opportunities for sales growth and improvements in operating systems and procedures and investing in technology to ensure the group remains competitive

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2010

DIRECTORS

The directors who have held office during the period from 15 October 2009 to the date of this report are as follows

A McGiveron - appointed 13 November 2009 - resigned

Meaujo Incorporations Limited - appointed 13 November 2009 - resigned

G Morris - appointed 13 November 2009

Mrs S Brown - appointed 13 November 2009

Both the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

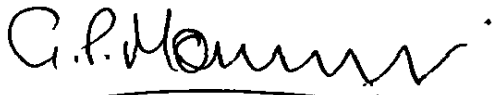
BEAUTIFUL BRANDS LIMITED

**REPORT OF THE DIRECTORS
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

AUDITORS

The auditors, Carlton Haines Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'G. Morris', with a horizontal line drawn underneath it.

G Morris - Secretary

Date 26/5/2011 .

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BEAUTIFUL BRANDS LIMITED

We have audited the financial statements of Beautiful Brands Limited for the period ended 31 December 2010 on pages six to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BEAUTIFUL BRANDS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Carlton Haines Ltd

Simon James (Senior Statutory Auditor)
for and on behalf of Carlton Haines Limited
Statutory Auditors
Chartered Accountants
Carlton House
28/29 Carlton Terrace
Portslade
East Sussex
BN41 1UR

Date

26 May 2011

BEAUTIFUL BRANDS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

	Notes	£
TURNOVER		16,938,948
Cost of sales		<u>11,326,024</u>
GROSS PROFIT		5,612,924
Administrative expenses		<u>5,377,535</u>
		235,389
Other operating income		<u>79,340</u>
OPERATING PROFIT	3	314,729
Interest payable and similar charges	4	<u>51,336</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		263,393
Tax on profit on ordinary activities	5	<u>104,228</u>
PROFIT FOR THE FINANCIAL PERIOD FOR THE GROUP		<u><u>159,165</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current period

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the current period

The notes form part of these financial statements

BEAUTIFUL BRANDS LIMITED

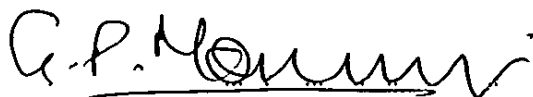
**CONSOLIDATED BALANCE SHEET
31 DECEMBER 2010**

	Notes	£	£
FIXED ASSETS			
Intangible assets	7		345,954
Tangible assets	8		508,892
Investments	9		<u>-</u>
			854,846
CURRENT ASSETS			
Stocks	10	1,324,089	
Debtors	11	1,053,791	
Cash at bank		<u>240,020</u>	
		2,617,900	
CREDITORS			
Amounts falling due within one year	12	<u>2,367,199</u>	
NET CURRENT ASSETS			<u>250,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,105,547
CREDITORS			
Amounts falling due after more than one year	13		(756,567)
PROVISIONS FOR LIABILITIES	17		<u>(46,928)</u>
NET ASSETS			<u><u>302,052</u></u>
CAPITAL AND RESERVES			
Called up share capital	18		10,000
Share premium	19		132,887
Profit and loss account	19		<u>159,165</u>
SHAREHOLDERS' FUNDS	22		<u><u>302,052</u></u>

The financial statements were approved by the Board of Directors on behalf by

26 May 2011

and were signed on its



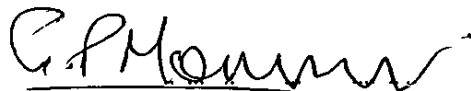
G Morris - Director

The notes form part of these financial statements

BEAUTIFUL BRANDS LIMITED**COMPANY BALANCE SHEET
31 DECEMBER 2010**

	Notes	£	£
FIXED ASSETS			
Intangible assets	7		-
Tangible assets	8		-
Investments	9		1,689,933
			<u>1,689,933</u>
CURRENT ASSETS			
Debtors	11	45,848	
CREDITORS			
Amounts falling due within one year	12	893,118	
NET CURRENT LIABILITIES			<u>(847,270)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			842,663
CREDITORS			
Amounts falling due after more than one year	13		750,500
NET ASSETS			<u>92,163</u>
CAPITAL AND RESERVES			
Called up share capital	18		10,000
Share premium	19		132,887
Profit and loss account	19		(50,724)
SHAREHOLDERS' FUNDS	22		<u>92,163</u>

The financial statements were approved by the Board of Directors on *26 May 2011* and were signed on its behalf by


G Morris - Director

The notes form part of these financial statements

BEAUTIFUL BRANDS LIMITED**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

	Notes	£	£
Net cash outflow from operating activities	1		(127,565)
Returns on investments and servicing of finance	2		(51,336)
Taxation			(664)
Capital expenditure	2		<u>(511,679)</u>
			(691,244)
Financing	2		<u>749,990</u>
Increase in cash in the period			<u>58,746</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		58,746	
Cash inflow from increase in debt and lease financing		<u>(1,008,867)</u>	
Change in net debt resulting from cash flows			<u>(950,121)</u>
Movement in net debt in the period			(950,121)
Net debt at 15 October			<u>-</u>
Net debt at 31 December			<u>(950,121)</u>

The notes form part of these financial statements

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	£
Operating profit	314,729
Depreciation charges	173,783
Increase in provisions	(22,487)
Increase in stocks	(1,324,089)
Increase in debtors	(1,053,791)
Increase in creditors	<u>1,784,290</u>
Net cash outflow from operating activities	<u>(127,565)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Returns on investments and servicing of finance	
Interest paid	(50,729)
Interest element of hire purchase payments	<u>(607)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(51,336)</u>
 Capital expenditure	
Purchase of intangible fixed assets	(364,162)
Purchase of tangible fixed assets	<u>(147,517)</u>
Net cash outflow for capital expenditure	<u>(511,679)</u>
 Financing	
Bank funding received in period	545,491
Capital repayments in year	8,867
Amount introduced by directors	52,775
Amount withdrawn by directors	(30)
Share issue	10,000
Premium on share issue	<u>132,887</u>
Net cash inflow from financing	<u>749,990</u>

The notes form part of these financial statements

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 15 10 09 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank	-	240,020	240,020
Bank overdraft	-	(181,274)	(181,274)
	-	58,746	58,746
Debt			
Hire purchase	-	(8,867)	(8,867)
Debts falling due within one year	-	(249,500)	(249,500)
Debts falling due after one year	-	(750,500)	(750,500)
	-	(1,008,867)	(1,008,867)
Total	-	(950,121)	(950,121)

The notes form part of these financial statements

BEAUTIFUL BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of twenty years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Short leasehold	- 10% on cost
Plant and machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	£
Wages and salaries	2,910,980
Social security costs	260,755
Other pension costs	28,268
	<u>3,200,003</u>

The average monthly number of employees during the period was as follows

Sales and distribution	<u>130</u>
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BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

3 OPERATING PROFIT

The operating profit is stated after charging

	£
Depreciation - owned assets	153,175
Depreciation - assets on hire purchase contracts	2,400
Goodwill amortisation	18,208
Auditors' remuneration	21,828
Auditors' remuneration for non audit work	<u>2,101</u>

Directors' remuneration	260,429
Directors' pension contributions to money purchase schemes	<u>10,504</u>

Information regarding the highest paid director is as follows

	£
Emoluments etc	154,600
Pension contributions to money purchase schemes	<u>6,125</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	£
Bank interest	5
Loan	50,724
Hire purchase	<u>607</u>
	<u>51,336</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	£
Current tax	
UK corporation tax	97,254
Deferred tax	<u>6,974</u>
Tax on profit on ordinary activities	<u>104,228</u>

BEAUTIFUL BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below

Profit on ordinary activities before tax	£ <u>263,393</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.050%	 71,248
Effects of	
Expenses not deductible for tax purposes	6,576
Excess of depreciation over capital allowances	3,374
Effect of elimination of profit on inter company sales	10,165
Adjustment in respect of prior years	966
Amortisation of goodwill	<u>4,925</u>
Current tax charge	<u>97,254</u>

6 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(50,724)

7 INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 15 October 2009	180,702	96,219	276,921
Additions	<u>364,162</u>	<u>-</u>	<u>364,162</u>
At 31 December 2010	<u>544,864</u>	<u>96,219</u>	<u>641,083</u>
AMORTISATION			
At 15 October 2009	180,702	96,219	276,921
Amortisation for period	<u>18,208</u>	<u>-</u>	<u>18,208</u>
At 31 December 2010	<u>198,910</u>	<u>96,219</u>	<u>295,129</u>
NET BOOK VALUE			
At 31 December 2010	<u>345,954</u>	<u>-</u>	<u>345,954</u>
At 14 October 2009	<u>-</u>	<u>-</u>	<u>-</u>

BEAUTIFUL BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010

8 TANGIBLE FIXED ASSETS

Group					
	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 15 October 2009	471,870	730,022	566,317	6,750	1,774,959
Additions	-	75,791	67,381	4,345	147,517
Disposals	-	(2,911)	(70,505)	-	(73,416)
At 31 December 2010	<u>471,870</u>	<u>802,902</u>	<u>563,193</u>	<u>11,095</u>	<u>1,849,060</u>
DEPRECIATION					
At 15 October 2009	278,631	522,098	454,580	2,700	1,258,009
Charge for period	21,886	58,572	73,767	1,350	155,575
Eliminated on disposal	-	(2,911)	(70,505)	-	(73,416)
At 31 December 2010	<u>300,517</u>	<u>577,759</u>	<u>457,842</u>	<u>4,050</u>	<u>1,340,168</u>
NET BOOK VALUE					
At 31 December 2010	<u>171,353</u>	<u>225,143</u>	<u>105,351</u>	<u>7,045</u>	<u>508,892</u>
At 14 October 2009	<u>193,239</u>	<u>207,924</u>	<u>111,737</u>	<u>4,050</u>	<u>516,950</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
COST	
At 15 October 2009 and 31 December 2010	<u>14,000</u>
DEPRECIATION	
At 15 October 2009	2,400
Charge for period	<u>2,400</u>
At 31 December 2010	<u>4,800</u>
NET BOOK VALUE	
At 31 December 2010	<u>9,200</u>
At 14 October 2009	<u>11,600</u>

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

9 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
Additions	<u>1,689,933</u>
At 31 December 2010	<u>1,689,933</u>
NET BOOK VALUE	
At 31 December 2010	<u>1,689,933</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries

Ellisons Holdings Limited

Country of incorporation England
Nature of business Holding company

	% holding	2010 £
Class of shares		
'A' Ordinary	100 00	
Aggregate capital and reserves		<u>566,719</u>

E A Ellison & Co Limited

Country of incorporation England and Wales
Nature of business Retail of hair and beauty products

	% holding	2010 £
Class of shares		
Ordinary	100 00	
Aggregate capital and reserves		1,124,157
Profit for the period		<u>237,237</u>

Supreme Organics Limited

Country of incorporation England and Wales
Nature of business Manufacture of hair & beauty products

	% holding	2010 £
Class of shares		
Ordinary	100 00	
Aggregate capital and reserves		234,364
Profit for the period		<u>28,710</u>

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

9 FIXED ASSET INVESTMENTS - continued

10 STOCKS

	Group £
Stocks	<u>1,324,089</u>

11 DEBTORS

	Group £	Company £
Amounts falling due within one year		
Trade debtors	741,248	-
Other debtors	26,606	2,991
Prepayments and accrued income	<u>243,080</u>	<u>-</u>
	<u>1,010,934</u>	<u>2,991</u>
Amounts falling due after more than one year		
Other debtors	<u>42,857</u>	<u>42,857</u>
Aggregate amounts	<u>1,053,791</u>	<u>45,848</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	Company £
Bank loans and overdrafts (see note 14)	181,274	-
Other loans (see note 14)	249,500	249,500
Hire purchase contracts (see note 15)	2,800	-
Trade creditors	1,392,931	-
Amounts owed to group undertakings	-	587,928
Tax	96,590	-
Social security and other taxes	278,880	-
Other creditors	64,608	2,945
Directors' current accounts	52,745	52,745
Accrued expenses	<u>47,871</u>	<u>-</u>
	<u>2,367,199</u>	<u>893,118</u>

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group £	Company £
Other loans (see note 14)	750,500	750,500
Hire purchase contracts (see note 15)	<u>6,067</u>	<u>-</u>
	<u>756,567</u>	<u>750,500</u>

14 LOANS

An analysis of the maturity of loans is given below

	Group £	Company £
Amounts falling due within one year or on demand		
Bank overdrafts	181,274	-
Vendor loan	125,000	125,000
Pension Fund loan	<u>124,500</u>	<u>124,500</u>
	<u>430,774</u>	<u>249,500</u>
Amounts falling due between one and two years		
Vendor loan - 1-2 years	125,000	125,000
Pension Fund loan - 1-2 years	<u>124,500</u>	<u>124,500</u>
	<u>249,500</u>	<u>249,500</u>
Amounts falling due between two and five years		
Vendor loan - 2-5 years	250,000	250,000
Pension Fund loan - 2-5 years	<u>251,000</u>	<u>251,000</u>
	<u>501,000</u>	<u>501,000</u>

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts £
Net obligations repayable	
Within one year	2,800
Between one and five years	<u>6,067</u>
	<u>8,867</u>

The following operating lease payments are committed to be paid within one year

Group

	Land and buildings £	Other operating leases £
Expiring		
Within one year	-	3,500
Between one and five years	108,000	62,200
In more than five years	<u>144,000</u>	<u>16,400</u>
	<u>252,000</u>	<u>82,100</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	Group £	Company £
Vendor loan	500,000	500,000
Pension Fund loan	<u>500,000</u>	<u>500,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>

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

The Vendor loan is secured by a first fixed charge over the assets of the group Interest is payable at 5% and the loan is repayable in quarterly instalments of £31,250 commencing November 2011

The Pension Fund loan is secured by a first fixed charge over the assets of the group Interest is payable at 4% and the loan is repayable in quarterly instalments of £31,125 commencing February 2011

The hire purchase liabilities are secured on the assets to which they relate

BEAUTIFUL BRANDS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010**

17 PROVISIONS FOR LIABILITIES

	Group £
Deferred tax	
Accelerated capital allowances	<u>25,974</u>
Other provisions	<u>20,954</u>
Aggregate amounts	<u>46,928</u>
Group	
	Deferred tax £
Capital allowances	<u>25,974</u>
Balance at 31 December 2010	<u>25,974</u>

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	£
10,000	Ordinary		<u>10,000</u>

10,000 Ordinary shares of £1 each were allotted as fully paid at a premium of 13 29 per share during the period

19 RESERVES

Group	Profit and loss account £	Share premium £	Totals £
Profit for the period	159,165		159,165
Cash share issue	<u>-</u>	<u>132,887</u>	<u>132,887</u>
At 31 December 2010	<u>159,165</u>	<u>132,887</u>	<u>292,052</u>

BEAUTIFUL BRANDS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010****19 RESERVES - continued****Company**

	Profit and loss account £	Share premium £	Totals £
Deficit for the period	(50,724)		(50,724)
Cash share issue	<u>-</u>	<u>132,887</u>	<u>132,887</u>
At 31 December 2010	<u>(50,724)</u>	<u>132,887</u>	<u>82,163</u>

20 PENSION COMMITMENTS

The group operates a defined benefit contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge comprises contributions due from the company and amounted to £22,381 (2009 £24,998)

21 RELATED PARTY DISCLOSURES

During the year the group paid Ledicote Limited, a company controlled by Mrs S Brown, £7,200 in respect of professional services

During the year the group made purchases of goods for resale from Paris Bijan, a company of which G Morris is a director and shareholder, of £799,667

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	£
Profit for the financial period	159,165
Share capital issued at premium	<u>142,887</u>
Net addition to shareholders' funds	302,052
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>302,052</u>
Equity interests	<u>302,052</u>

BEAUTIFUL BRANDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 15 OCTOBER 2009 TO 31 DECEMBER 2010

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	£
Loss for the financial period	(50,724)
Share capital issued at premium	<u>142,887</u>
Net addition to shareholders' funds	92,163
Opening shareholders' funds	<u>-</u>
Closing shareholders' funds	<u>92,163</u>
 Equity interests	 <u>92,163</u>

This page does not form part of the statutory financial statements