

Company Registration No. 3380406

FRAGRANCE CONCEPTS INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

17687-b-2001

Registered Office
Suite 23, Park Royal House
23 Park Royal Road
London



FRAGRANCE CONCEPTS INTERNATIONAL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The director presents his report and financial statements for the year ended 31 December 2001.

Principal activities and review of the business

The principal activity of the company is to exploit intellectual property rights.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 January 2001:

W.R. Hawes	(Resigned 2 July 2002)
C.F. Mellegard	(Resigned 2 January 2001)
T. Lane	(Appointed 2 January 2001)
S A M Hirst	(Resigned 2 January 2001)

The directors have no interest in the issued share capital of the company.

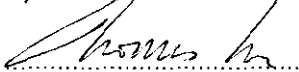
Director's responsibilities

Company law requires the director 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 those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



T. Lane (Director)

Date : 30.11.02

MATTHEW EDWARDS & CO
CHARTERED ACCOUNTANTS

Clinch's House, Lord Street, Douglas, Isle of Man IM99 1RZ
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**ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE
ACCOUNTS OF FRAGRANCE CONCEPTS INTERNATIONAL LIMITED**

We report on the accounts for the year ended 31 December 2001.

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2001, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

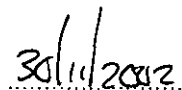
Our procedures consisted of comparing the accounts with the accounting records kept by the company and making such enquiries of the officers and other officials of the company as we considered necessary for the purposes of this report.

In our opinion the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.



Matthew Edwards & Co.

Chartered Accountants



Clinch's House, Lord Street
Douglas
Isle of Man
IM99 1RZ

FRAGRANCE CONCEPTS INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 €	2000 as restated €
Turnover	2	54,290	45,475
Cost of sales		(51,576)	(43,202)
Gross profit		<u>2,714</u>	<u>2,273</u>
Administrative expenses		(12,445)	(6,087)
Operating loss	3	(9,731)	(3,814)
Other interest receivable and similar income	4	7	3
Interest payable and similar charges	5	-	(237)
Loss on ordinary activities before taxation		<u>(9,724)</u>	<u>(4,048)</u>
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	9	(9,724)	(4,048)
Loss brought forward at 1 January 2001		(21,588)	(17,540)
Loss carried forward at 31 December 2001		<u>(31,312)</u>	<u>(21,588)</u>

All of the company's activities are derived from continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FRAGRANCE CONCEPTS INTERNATIONAL LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2001

		2001		2000 as restated	
	Notes	€	€	€	€
Current assets					
Cash at bank and in hand		793		2,420	
Creditors: amounts falling due within one year	7	<u>(30,514)</u>		<u>(22,417)</u>	
Total assets less current liabilities			<u>(29,721)</u>		<u>(19,997)</u>
Capital and reserves					
Called up share capital	8		1,591		1,591
Profit and loss account	9		<u>(31,312)</u>		<u>(21,588)</u>
Shareholders' funds - equity interests	10		<u>(29,721)</u>		<u>(19,997)</u>

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board on 30.11.02



T. Lane
Director

FRAGRANCE CONCEPTS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis. This is considered appropriate as the ultimate beneficial shareholders will continue to provide financial support to the company for the foreseeable future.

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

1.2 Foreign currency translation

The company's accounting records are maintained in Euro.

Transactions in other currencies are converted at the rate ruling at the date of the transaction. Current assets and liabilities are converted at the rate of exchange ruling at the balance sheet date. Any material gains or losses resulting from the conversion are taken to the profit and loss account.

1.3 Comparatives

The currency the financial statements have been prepared in has been adjusted from Sterling to Euro. There has been no material effect on the profit and loss or balance sheet from this adjustment.

2 Turnover

Turnover represents income derived from the company's principal activity.

3 Operating loss	2001	2000
	€	€
Operating loss is stated after charging:		
Accountancy	1,732	1,114
	<u> </u>	<u> </u>
4 Other interest receivable and similar income	2001	2000
	€	€
Bank interest received	2	3
Profit on foreign exchange	5	-
	<u> </u>	<u> </u>
	7	3
	<u> </u>	<u> </u>
5 Interest payable and similar expenses	2001	2000
	€	€
Loss on foreign exchange	-	237
	<u> </u>	<u> </u>
	-	237
	<u> </u>	<u> </u>

FRAGRANCE CONCEPTS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2001

6	Taxation	2001 €	2000 €
	Domestic current year tax		
	Corporation tax at 30.00% (2000 - 30.00%)	-	-
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(9,724)	(4,048)
	Loss on ordinary activities before taxation multiplied by standard rate of U.K. corporation tax of 30.00% (2000 : 30.00%)	(2,917)	(1,214)
	Effects of:		
	Losses not recognised for accounting purposes	2,917	1,214
		2,917	1,214
	Current tax charge	-	-

On the basis of these financial statements no provision has been made for corporation tax.

7	Creditors: amounts falling due within one year	2001 €	2000 €
	Trade creditors	8,483	-
	Other creditors	18,550	18,880
	Accruals and deferred income	3,481	3,537
		30,514	22,417

8 Share Capital

The authorised share capital of the Company comprises 10000 Ordinary £1 shares of which 1000 have been issued and are fully paid up (2000 - 1000).

9 Statement of movements on profit and loss account

	Profit and loss account €
Balance at 1 January 2001	(21,588)
Retained loss for the year	(9,724)
Balance at 31 December 2001	(31,312)