

Babor Cosmetics Limited

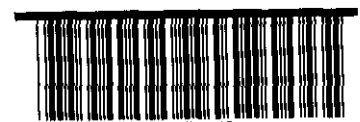
Abbreviated Financial Statements

Year Ended

31 December 2004

BDO

BDO Stoy Hayward
Chartered Accountants



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Directors

M Quast
H Rietfort

Secretary and registered office

H Rietfort, Babor Cosmetics Limited, at Regus House, Herald Way, Pegasus Business Park,
Castle Donington, Derbyshire, DE74 2TZ

Company number

04215478

Auditors

BDO Stoy Hayward LLP, Mander House, Wolverhampton, West Midlands, WV1 3NF

Independent auditors' report to Babor Cosmetics Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of the company for the year ended 31 December 2004 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 3 to 5 are properly prepared in accordance with those provisions.

Other information

Today we reported, as auditors of Babor Cosmetics Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2004 and our audit report included the following statement:

Fundamental uncertainty - going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements, concerning the appropriateness of the going concern basis for the preparation of the financial statements. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
Wolverhampton*

31 March 2005

Babor Cosmetics Limited

Balance sheet at 31 December 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	2		6,103		9,360
Current assets					
Debtors		90,984		95,043	
Cash at bank and in hand		53,775		59,125	
		<u>144,759</u>		<u>154,168</u>	
Creditors: amounts falling due within one year		<u>376,503</u>		<u>239,277</u>	
Net current liabilities			(231,744)		(85,109)
Total assets less current liabilities			<u>(225,641)</u>		<u>(75,749)</u>
Capital and reserves					
Called up share capital	3		150,000		150,000
Profit and loss account			(375,641)		(225,749)
Equity shareholders' funds			<u>(225,641)</u>		<u>(75,749)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 22 March 2005.


H Rietfort
Director


M Quast
Director

The notes on pages 4 to 5 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on a going concern basis. At 31 December 2004 the company had net liabilities of £225,641 and is dependent on the continued support of its parent company.

The parent company has undertaken to provide such financial support as the company requires for its continued operations for a period of not less than one year from the date of approval of these financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Motor vehicles	- 25% reducing balance
Office equipment	- 20% reducing balance
Computer equipment	- 33.3% straight line

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Tangible fixed assets

	Total £
<i>Cost</i>	
At 1 January 2004	20,337
Additions	195
Disposals	(1,180)
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At 31 December 2004	19,352
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<i>Depreciation</i>	
At 1 January 2004	10,977
Provided for the year	2,776
Disposals	(504)
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At 31 December 2004	13,249
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<i>Net book value</i>	
At 31 December 2004	6,103
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At 31 December 2003	9,360
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3 Share capital

	2004 £	Authorised 2003 £	Allotted, called up and fully paid 2004 £	2003 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	150,000	150,000	150,000	150,000
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