

LAVENDER COSMETICS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2006

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COMPANIES HOUSE

LAVENDER COSMETICS LIMITED

CONTENTS

	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 - 5

LAVENDER COSMETICS LIMITED

INDEPENDENT AUDITORS' REPORT TO LAVENDER COSMETICS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Lavender Cosmetics Limited for the year ended 31 August 2006 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

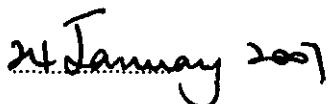
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.


Hazlewoods LLP

Chartered Accountants and Registered Auditors



Windsor House, Bayshill Road
Cheltenham
Glos
GL50 3AT

LAVENDER COSMETICS LIMITED

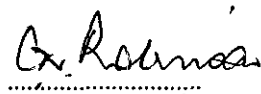
ABBREVIATED BALANCE SHEET

as at 31 August 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	2	23,339		12,587	
Investments	2	3,092,339		3,092,339	
		<u>3,115,678</u>		<u>3,104,926</u>	
Current assets					
Debtors		91,114		76,989	
		<u>91,114</u>		<u>76,989</u>	
Creditors: amounts falling due within one year		<u>(478,202)</u>		<u>(389,861)</u>	
Net current liabilities		<u>(387,088)</u>		<u>(312,872)</u>	
Total assets less current liabilities		<u>2,728,590</u>		<u>2,792,054</u>	
Creditors: amounts falling due after more than one year	3	<u>(1,612,769)</u>		<u>(1,793,288)</u>	
		<u>1,115,821</u>		<u>998,766</u>	
Capital and reserves					
Called up share capital	4	35,295		35,295	
Profit and loss account		<u>1,080,526</u>		<u>963,471</u>	
Shareholders' funds		<u>1,115,821</u>		<u>998,766</u>	

These abbreviated accounts 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 23 January 2007



G Robinson

Director

LAVENDER COSMETICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 August 2006

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for management services supplied and the sale of licence fees.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group financial statements.

1.6 Finance costs

All finance costs in connection with borrowings are allocated to the profit and loss account at a constant rate on the carrying amount shown in the balance sheet. Accrued finance costs are included in accruals to the extent that they will be paid in cash in the next accounting period, but otherwise are added to the carrying amount of the borrowings.

1.7 Product development and trade mark costs

Product development costs and trade mark costs are capitalised and amortised over a period of four years.

LAVENDER COSMETICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 August 2006

2 Fixed assets

	Intangible assets £	Investments £	Total £
Cost			
At 1 September 2005	16,782	3,092,339	3,109,121
Additions	19,930	-	19,930
At 31 August 2006	36,712	3,092,339	3,129,051
Depreciation			
At 1 September 2005	4,195	-	4,195
Charge for the year	9,178	-	9,178
At 31 August 2006	13,373	-	13,373
Net book value			
At 31 August 2006	23,339	3,092,339	3,115,678
At 31 August 2005	12,587	3,092,339	3,104,926

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Susan Molyneux Cosmetics Limited	England and Wales	Ordinary A & B £1	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2006 £	Profit for the year 2006 £
Susan Molyneux Cosmetics Limited	330,440	33,772

3 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Analysis of loans repayable in more than five years		
Not wholly repayable within five years by instalments	200,000	100,000

The aggregate amount of creditors for which security has been given amounted to £1,282,094 (2005 - £1,421,223).

LAVENDER COSMETICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 August 2006

4	Share capital	2006 £	2005 £
	Authorised		
	40,000 Ordinary shares of £1 each	40,000	40,000
		<hr/>	<hr/>
	Allotted, called up and fully paid		
	35,295 Ordinary shares of £1 each	35,295	35,295
		<hr/>	<hr/>

5 Transactions with directors

The following amounts were owed to the directors at 31 August 2006: £130,335 (2005: £130,335) to G Robinson, £44,000 (2005: £44,000) to L Van Bekkum and £48,670 (2005: £48,670) to J Seymour-Williams.