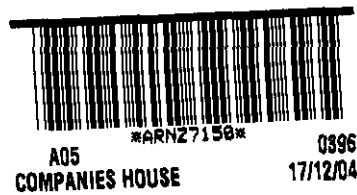


Company Registration No. 04722592 (England and Wales)

**LAVENDER COSMETICS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE PERIOD FROM 3 APRIL 2003 TO 31 AUGUST 2004**



# LAVENDER COSMETICS LIMITED

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# **LAVENDER COSMETICS LIMITED**

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

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We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the company for the period ended 31 August 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditor's report 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**

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 have carried out the procedures we considered 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. 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 financial statements.

### **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 on pages 2 to 5 are properly prepared in accordance with those provisions.

  
Hazelwoods

14 December 2004

### **Chartered Accountants and Registered Auditor**

Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT

# LAVENDER COSMETICS LIMITED

## ABBREVIATED BALANCE SHEET

as at 31 August 2004

	Notes	£	£
<b>Fixed assets</b>			
Investments	2		3,092,339
<b>Current assets</b>			
Debtors		43,371	
Cash at bank and in hand		1,058	
		<u>44,429</u>	
<b>Creditors: amounts falling due within one year</b>	3	<u>(280,198)</u>	
<b>Net current liabilities</b>			<u>(235,769)</u>
<b>Total assets less current liabilities</b>			<u>2,856,570</u>
<b>Creditors: amounts falling due after more than one year</b>	3		<u>(2,076,672)</u>
			<u>779,898</u>
<b>Capital and reserves</b>			
Called up share capital	4		35,295
Profit and loss account			744,603
<b>Shareholders' funds</b>			<u>779,898</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 13 December 2004.

*G. Robinson*

G. Robinson  
Director

# **LAVENDER COSMETICS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS for the period from 3 April 2003 to 31 August 2004**

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### **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 June 2002).

#### **1.2 Turnover**

Turnover represents the amounts excluding value added tax receivable during the year for services supplied.

#### **1.3 Investments**

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

#### **1.4 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.

#### **1.5 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.

# LAVENDER COSMETICS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the period from 3 April 2003 to 31 August 2004

### 2 Fixed assets

	Investments £
<b>Cost</b>	
At 3 April 2003	-
Additions	3,092,339
	<hr/>
At 31 August 2004	3,092,339
	<hr/>

On 27 January 2004, the whole of the issued share capital of Susan Molyneux Cosmetics was acquired. The profit of that company for the period from 1 September 2003 to 27 January 2004 was £244,292. No adjustments were necessary in calculating the fair value of tangible assets acquired. The effect on the financial statements was as follows:

	£
Tangible assets	87,245
Fixed asset investment	1,500
Stock	316,927
Debtors	95,556
Cash	782,492
Creditors due within one year	(266,631)
Provision for deferred taxation	(6,474)
	<hr/>
Net assets acquired	1,010,615
Cash consideration paid on completion	3,030,000
Acquisition costs	62,339
	<hr/>
Goodwill arising	2,081,724
	<hr/>

The aggregate amount of capital and reserves and the results of Susan Molyneux Cosmetics Limited, which is incorporated in England, for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Loss for the year 2004 £
Susan Molyneux Cosmetics Limited	331,743	(434,589)
	<hr/>	<hr/>

### 3 Creditors

Creditors includes bank loans amounting to £1.6 million. The bank loans are secured and include £150,000 which is repayable between 1 March 2009 and 28 February 2010.

# LAVENDER COSMETICS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the period from 3 April 2003 to 31 August 2004

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<b>4</b>	<b>Share capital</b>	<b>2004</b>
		<b>£</b>
	<b>Authorised</b>	
	40,000 Ordinary shares of £1 each	40,000
		<hr/>
	<b>Allotted, called up and fully paid</b>	
	35,295 Ordinary shares of £1 each	35,295
		<hr/>

On 17 November 2003, the authorised share capital of the company was increased from 1,000 to 20,000 Ordinary shares of £1 each. On 27 January 2004, the authorised share capital was further increased from 20,000 to 40,000 Ordinary shares of £1 each. During the period, 35,295 ordinary shares of £1 each were issued at their nominal value for cash consideration.