

Company No 3053799

THE LONDON COLLEGE OF BEAUTY THERAPY LIMITED

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 1996**



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COMPANIES HOUSE 10/03/97
COMPANIES HOUSE 27/02/97

Bell Dinwiddie & Co
Chartered Accountants

THE LONDON COLLEGE OF BEAUTY THERAPY LIMITED
DIRECTORS' REPORT

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The Director submits her report and financial statements for the period from 5 May 1995 (date of incorporation) to 31 May 1996.

Principal activity

The principal activity of the company during the period was operating a beauty therapy college.

State of affairs

The company's first student intake was in September 1995 and the short trading period, together with substantial initial start up costs, resulted in a loss for the period. This result was expected by the director and costs have now reduced and student numbers have expanded rapidly. The director is confident that the company is now trading profitably.

The company has changed its year end to 31 August so as to correspond with the academic year.

Directors

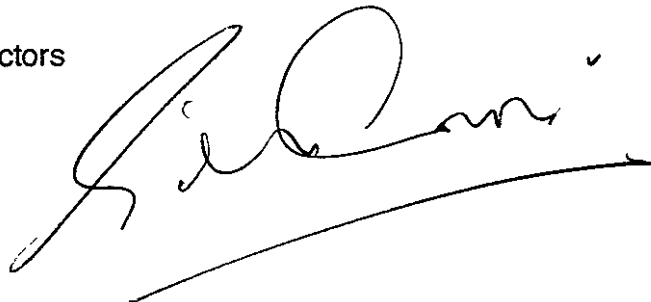
The Director who served during the period and her interest in the share capital of the company was as follows:

	At 31 May 1996	At 5 May 1995
	Ordinary shares	
E. Taylor - Cavalier (appointed 5 May 1995)	1	1

This report was approved by the board on 24 February 1997, taking advantage of the special exemptions available to small companies.

Signed on behalf of the board of directors

E Taylor - Cavalier
Director



**Accountants' Report to the shareholders on the
unaudited accounts of The London College of Beauty Therapy Limited**

We report on the accounts for the period ended 31 May 1996 set out on pages 3 to 7.

Respective responsibilities of director and reporting accountants

As described on page 4 the company director is responsible for the preparation of accounts and she considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Acts 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (1) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (2) the company satisfied the conditions for exemption from an audit of the financial statements for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Bell Dinwiddie & Co

Bell Dinwiddie & Co
Reporting Accountants

27 FEBRUARY 1997

Patrick J. Bell Ian M. Dinwiddie

Glenavon House, 39 Common Road, Claygate, Surrey KT10 0HG.

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THE LONDON COLLEGE OF BEAUTY THERAPY LIMITED

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**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MAY 1996**

	Note	Period 5/5/1995 to 31/5/1996 £
Turnover	2	166,269
Cost of sales		(81,829)
Gross profit		<u>84,440</u>
Administration and selling expenses		(117,512)
Operating loss	3	<u>(33,072)</u>
Interest paid		(7,825)
Operating loss before tax		<u>(40,897)</u>
Tax on profit on ordinary activities	4	-
Retained loss carried forward		<u><u>(40,897)</u></u> =====

There were no recognised gains and losses other than those recognised in the
profit and loss account

The notes on pages 5 to 7 form part of these financial statements

THE LONDON COLLEGE OF BEAUTY THERAPY LIMITED

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BALANCE SHEET AT 31 MAY 1996

	Note	£	1996 £
TANGIBLE FIXED ASSETS	5		36,229
CURRENT ASSETS			
Debtors	6	81,295	
Stock		2,500	
Cash at bank		5,493	
		<u>89,288</u>	
CREDITORS: amounts falling due within one year	7	96,970	
		<u></u>	
NET CURRENT LIABILITIES			(7,682)
			<u>28,547</u>
CREDITORS: amounts falling due within one year	8		(69,442)
			<u>(40,895)</u>
			=====
CAPITAL AND RESERVES			
Called up share capital	9		2
Profit and loss account deficit			(40,897)
Deficit on shareholders funds			<u>(40,895)</u>
			=====

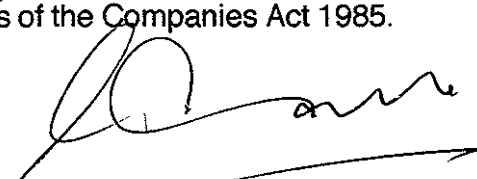
Approved by the board of directors on 24 February 1997 and signed on its behalf. The director has relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.

The exemption conferred by section 249A(2) not to have these accounts audited applies to the company and the Directors confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The director acknowledges her responsibility for:

- (1) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- (2) for preparing accounts that give a true and fair view and which otherwise comply with the requirements of the Companies Act 1985.

E.Taylor - Cavalier - Director



The notes on pages 5 to 7 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 1996**

1. Accounting policies

Basis of preparation of the financial statements

The accounts are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

Depreciation

Depreciation is provided on all tangible assets at rates calculated to write off the cost of each asset over its estimated useful life in equal instalments at the following rates

Leasehold improvements	10 % (over period of lease)
Equipment	20 %

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the near future.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to profit and loss as incurred

2. Turnover

Turnover represents the invoiced amount of services during the year net of Value Added Tax, together with the proportion of public sector funding applicable to the period.

3. Operating result

	1996 £
This is stated after charging:	
Directors' remuneration	2,275
Depreciation	5,806
Hire of equipment	13,010
	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 1996**4. Taxation**

No Corporation Tax is payable due to the loss incurred in the period.

5. Tangible fixed assets

	Leasehold improvements	Equipment	Total
Cost			
Additions in the period	25,394	16,641	42,035
At 31 May 1996	<u>25,394</u>	<u>16,641</u>	<u>42,035</u>
Depreciation			
For the period	2,537	3,269	5,806
At 31 May 1996	<u>2,537</u>	<u>3,269</u>	<u>5,806</u>
Net book value at 31 May 1996	<u>22,857</u>	<u>13,372</u>	<u>36,229</u>

6. Debtors

	1996 £
Due within one year	
Funding due from public sector	50,546
Other debtors and prepayments	9,746
Due after more than one year	
Rent deposit	21,003
	<u>81,295</u>

7. Creditors: amounts falling due within one year

	1996 £
Bank loan (secured)	32,751
Trade creditors	25,651
Taxation and social security	7,000
Fees received in advance	11,000
Other creditors	17,568
Accruals	3,000
	<u>96,970</u>

The bank loan is repayable in equal instalments starting in June 1996 and bears interest at 3 % above bank base rate per annum. The loan is covered by the Department of Trade and Industry Small Firm's Guarantee Scheme and is additionally secured by debenture over the company's assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 1996

8. Creditors: amounts falling due within more than one year

Bank loan (secured)	£ 69,442
	=====

The bank loan is repayable by instalments and is wholly repayable between two and five years

9. Share capital

	1996
Ordinary shares of £1 each	£
Authorised	100
	=====
Allotted, Issued and fully paid	2
	=====

10. Reconciliation of movement in shareholders funds

	1996
	£
Share capital issued	2
Loss for the period	(40,897)
Deficit on shareholders funds at 31 May 1996	(40,895)
	=====

11. Other commitments

At 31 May 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	Other
Expiry date		
Within one year	-	16,320
Between two and five years	-	15,800
In more than five years	35,750	-