

Country of this report: Australia 

THE GRUNE CO. PTY LTD & ETERNAL GOOD LOOKS PTY LTD T/AS: DA ROTA BEARWOOD & DA ROTA MCPHERSON CIRCLE

REPORT REQUEST

Date Report Created	27 August, 2009				
Report Type	Research	Analytical	Trade	Replus	Riskscore
Delivered To	BCI Inc.				
Name Requested	THE GRUNE CO. PTY LTD & ETERNAL GOOD LOOKS PTY LTD T/AS: DA ROTA BEARWOOD & DA ROTA MCPHERSON CIRCLE				
Your Reference	ST				
Speed Requested	Normal				
Ordered By	Steve Thomson				
Report Status	Final - no further information expected				

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Affiliated Companies	Charges	Defaults	Directors/Principals
History	Identification	Legal Actions	Legal Structure
Location	Operations	Payments	Press
Previous Enquiries	Risk Score	Shareholders	Scoring Guide

BUSINESS OVERVIEW

Currency: AUD\$ (Australian Dollars)
US\$1.00 = AUD\$ 0.98726 as of report date

Year commenced business	2007
Capital (paid)	AUD\$ 15 (combined)
Sales	AUD\$ 1,300,000 (year ended 30 June, 2010 – est.)
Employees	8
Business Trend	Undetermined
Number of Registered Securities	4 (combined)
Legal Actions/Defaults	0
Payments	Prompt

RISK RATING

Rating: C

Comment: The subject is a small franchise business trading for 2 years. The current trade survey indicates satisfactory levels of liquidity. No adverse information was traced during the course of our enquiries.

Maximum Monthly Credit Recommended	US\$ 14,000
Risk Category	Average
Security	Bank sureties of payment advised

RISK RATING GUIDE

Aaa	Safe for open account terms for large credits
Aa	Considered safe for medium to large credits
A	Considered safe for small to medium credits
B	Considered safe for small credits with some supervision advised
→ C	Partially secured terms advised with frequent monitoring
D	Fully secured terms advised after having identified ability to back such securities
E	Extreme caution. Advance payment or bank guarantees only
NR	Not rated due to insufficient data or new business

IDENTIFICATION (THE GRUNE CO. PTY LTD)

Registered Name	THE GRUNE CO. PTY LTD
Additional Trading Names	DA ROTA BEARWOOD
Registered Address	215 The Waterfront Carefree, New South Wales 2999 Australia
Principal Place of Business	Shop 211, Level 1, Eastmeadow Shoppingtown 229 Bearwood Road Bearwood NSW 1234 Australia
Head Office Telephone	+61-2-9900-0000
Head Office Fax	N/a
Email	bearwood@darota.com.au
Web Site	www.darota.com.au
Line of Business	Beauty salons
Key Management	Mr John Faen, Director

LEGAL STRUCTURE (THE GRUNE CO. PTY LTD)

All companies operation in Australia must be registered with, and file returns with The Australian Securities & Investments Commission (ASIC).

ASIC is Australia's corporate, markets and financial services regulator.

ASIC contribute to Australia's economic reputation and wellbeing by ensuring that Australia's financial markets are fair and transparent, supported by confident and informed investors and consumers.

ASIC is an independent Commonwealth Government body set up under and administer the Australian Securities and Investments Commission Act (ASIC Act), and carries out most of its work under the Corporations Act.

Legal Entity	Small, Australian Company, Limited by Shares		
Australian Business Number	21 999 666 999	Date of Registration	30 May 2007
Previous Company Names	Originally THE RED CORP PTY LTD, adopted present title on 15 June, 2007.		

SHARE CAPITAL (THE GRUNE CO. PTY LTD)

Class of Shares	Number Issued	Value of Each Share	Fully/Partially Paid
Ordinary	7	AUD2	Fully

Shareholders

Name:	Number of Shares:
GIMEMAW PTY. LIMITED	3
TESSA SCHNEIDER	2
JOHN FAEN	2

DIRECTORS/PRINCIPALS (THE GRUNE CO. PTY LTD)

Director Name: FAEN, JOHN
 Appointment Date: 30 May 2007
 Date of Birth: 19 Feb 1955
 Gender: Male
 Address: 215 The Waterfront, Carefree, New South Wales 2999 Australia

Secretary

Secretary Name: JOHN FAEN
 Appointment Date: 30 May 2007

IDENTIFICATION (ETERNAL GOOD LOOKS PTY LTD)

Registered Name	ETERNAL GOOD LOOKS PTY LTD
Additional Trading Names	DA ROTA MCPHERSON CIRCLE FLORIDA EIS MCPHERSON CIRCLE
Registered Address	1/57 William Street Stonevale, New South Wales 2908 Australia
Principal Place of Business	Shop L91, Level 2, McPherson Circle Shopping Centre Yellowvale, New South Wales 2988 Australia
Head Office Telephone	+61-2-5677 2722 Cell phone +61 555 744 669
Head Office Fax	N/a
Email	mcperson@darota.com.au
Web Site	www.darota.com.au
Line of Business	Beauty salons
Key Management	Mr Cecil Bazouma, Director Mr Basil Bazouma, Director

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LEGAL STRUCTURE (ETERNAL GOOD LOOKS PTY LTD)

Legal Entity	Small, Australian Company, Limited by Shares		
Australian Business Number	21 199 299 399	Date of Registration	22 April 2002
Previous Company Names	Originally NO DOUGH (AUST) PTY LTD, adopted present title on 15 June, 2007.		

SHARE CAPITAL (ETERNAL GOOD LOOKS PTY LTD)

Class of Shares	Number Issued	Value of Each Share	Fully/Partially Paid
Ordinary	1	AUD\$1	Fully

Shareholders

Name: CECIL BAZOUMA **Number of Shares:** 1

DIRECTORS/PRINCIPALS (ETERNAL GOOD LOOKS PTY LTD)

Director Name: BAZOUMA, BASIL
 Appointment Date: 20 Apr 2008
 Date of Birth: 18 Mar 1977
 Gender: Male
 Address: 22 WINGOOD Avenue MOUNT SELWYN, New South Wales 2910 Australia

Director Name: BAZOUMA, CECIL
 Appointment Date: 22 Apr 2002
 Date of Birth: 02 Feb 1949
 Gender: Male
 Address: 7 RUBY Court GEORGINA COURT, New South Wales 2918 Australia

Secretary

Secretary Name: BAZOUMA, CECIL
 Appointment Date: 20 Apr 2008

Auditors

None recorded

HISTORY

The Grune Co. Pty Ltd and Eternal Good Looks Pty Ltd formed a partnership in June, 2007 to jointly acquire La Rota Beauty franchises in Bearwood and Yellowvale, New South Wales.

The Grune Co. Pty Ltd represents the interests of John Faen and maintains a 50% interest in the Bearwood salon.

John Faen is a practicing solicitor (lawyer) and principal of the law firm Equity Lawyers situated in the south western Sydney suburb of Brownacre. He is also the legal advisor to Ra Broadcasting Service which broadcasts to the Ra Speaking Community in Australia.

Eternal Good Looks Pty Ltd represents the interests of the Bazouma family and maintains a 75% interest in the 2 salons.

The Da Rota business was originally founded in 1999 by Tutan Khamoun and Izzy Manno.

The current franchisor company is Mondial Good Looks International Pty Ltd, the directors and shareholders being Tutan Khamoun and Izzy Manno. The latter company was formed on 17 June, 2005 to acquire the assets, operations and Da Rota trading name from the liquidators of Da Rota Beauty Pty Ltd, the directors and shareholders being Tutan Khamoun and Izzy Manno. The Liquidator of Da Rota Pty Ltd (since renamed BERD International Pty Ltd), Gino Sabatini of Nelsons Chartered Accountants, Level 7, 25 Cook Street, Sydney New South Wales 2000, Tel: +61-2-9999 6666, stated that the wind up action was initiated by Tutan Khamoun in his role as creditor to the company as part of a restructuring of the business whereby assets were transferred to a family trust structure.

OPERATIONS

The subject companies operate two beauty spas and salons trading as Da Rota Beauty operating under a franchise agreement with Mondial Good Looks International Pty Ltd. Services provided include Deluxe Facial, Eyebrow massage, Back Wax, Deluxe Pedicure, etc. The salons also retail a range of beauty products with brands including: Luft Stocking, DBazzled, Nucleor Paris, Dermillogical, Gehwohnt, No I.D. Makeup, Itchsi, Outraceuticals, Madnis Paris, CEO Formulations, D.O.P.I., Proiri, SolaFX, Tfer Tonic, Salgo, Corn Sacks Australia.

The subject operates under a franchise agreement with Mondial Good Looks International Pty Ltd which has franchised a total of 14 Da Rota Beauty salons throughout the Sydney metropolitan area including the 2 outlets which are the object of this enquiry.

There are a total of 18 employees (combined Bearwood and McPherson Circle).

TRADING LOCATIONS

Administration is conducted from the private residence of Cecil Bazouma. The salons are located in popular shopping malls in Bearwood, a near city western suburb of Sydney and Yellowvale, an outer south western suburb of Sydney.

AFFILIATED COMPANIES

None recorded

FINANCIAL STRUCTURE

Following amendment to the Corporations Law by the First Corporate Law Simplification ACT 1995, neither the proprietor companies are not required to lodge annual accounts as they are deemed to be small proprietary companies by meeting 2 of the following criteria:- less than 50 employees, annual sales of less than \$10,000,000 and gross assets of less than \$5,000,000.

The Respondent, Cecil Bazouma, Director of Eternal Good Looks Pty Ltd, claimed that the latter company owns all of the McPherson Circle salon and 50% of the Bearwood salon. He claimed combined revenues of AUD\$ 1,300,000 for both stores with operations profitable. He declined to supply financial statements or more detailed financial estimates as a matter of company policy.

Recent credit enquiries indicate that the subject companies approached Eastpac Banking Corporation for a business loan of AUD\$ 127,000 on 30 September, 2008. It appears that this facility was either declined or not taken up as the most recent Registered Security in favour of Eastpac is dated March, 2008.

BANKING RELATIONS

Principal Transactional Banker	EASTPAC BANKING CORPORATION 244 Plain Rd Wursthill, NSW 2020 Australia Contact: Jennifer Millhouse – Relationship Manager
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It is generally not the policy of local Australian banks to provide credit status information to external parties without the subject's prior written consent. Therefore, interested parties would be advised to consult first with the Subject if banker's references are required.

REGISTERED SECURITIES (THE GRUNE CO. PTY LTD)

Date Registered: 02 Aug 2007
 Chargee Name: 008 456 123 EASTPAC BANKING CORPORATION
 Charge Type: Fixed and floating charge
 ASIC Charge No: 1501058

REGISTERED SECURITIES (ETERNAL GOOD LOOKS PTY LTD)

Date Registered: 27 Mar 2008
 Chargee Name: 008 456 123 EASTPAC BANKING CORPORATION
 Charge Type: Fixed charge
 ASIC Charge No: 1622452

Date Registered: 26 Mar 2008
 Chargee Name: 008 456 123 EASTPAC BANKING CORPORATION
 Charge Type: Fixed charge
 ASIC Charge No: 1622109

Date Registered: 02 Aug 2007
 Chargee Name: 008 456 123 EASTPAC BANKING CORPORATION
 Charge Type: Fixed and floating charge
 ASIC Charge No: 1401060

*** Floating & Fixed Charge defined**

A charge is created over particular assets as security for borrowings or other indebtedness (mortgage, debenture or other security documentation).

There are essentially two types of charge - floating and fixed:

* A floating charge is appropriate to assets and material which is subject to change on a day-to-day basis, such as stock. Individual items move into and out of the charge as they are bought and sold in the ordinary course of events.

* The floating charge crystallises if there is a default or similar event. At that stage the floating charge is converted to a fixed charge over the assets which it covers at that time. A floating charge is not as effective as a fixed charge but is more flexible.

LEGAL ACTIONS

None recorded

DEFAULTS

None recorded

PRESS

No recent articles found in archives. Sources: Newscorp & Fairfax Media (These are the primary news sources for the country of Australia).

PREVIOUS CREDIT INQUIRIES (12 months)

Enquiry Date: 26 Aug 2009
Amount: AUD\$ 0
Credit Enquirer: BUSINESS CREDIT INFORMATION, INC.
Account Type: Search Request
Reference Number: N/A
Role in Credit Enquiry: Principal

Enquiry Date: 30 Sep 2008
Amount: AUD\$ 127,000
Credit Enquirer: EASTPAC BCB ORIGINATIONS
Account Type: Lending Proposal
Reference Number: N/A
Role in Credit Enquiry: Joint

PAYMENT SURVEY

A trade survey conducted in the subject's name traced the following accounts:

Supplier	Merdalogica
Location	Sydney, New South Wales, Australia
Tel:	+61-2-9999 9999
Date of Reference	27 August, 2009
Time Known	2 years
Normal trading terms	30 days from statement
Payments Record	30 – 45 days
Average Sales	Not disclosed (large)
Current Credit Limit	Not disclosed
Supplier Comment	No criticisms

Supplier	Credible Solutions
Location	Sydney, New South Wales, Australia
Tel:	+61-2-8999 1999
Date of Reference	27 August, 2009
Time Known	2 years
Normal trading terms	45 days from statement
Payments Record	45 days
Average Sales	AUD\$ 6,000 – AUD\$ 8,000
Current Credit Limit	Not disclosed
Supplier Comment	No criticisms

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RISK RATING

Rating: C

Comment: The subject is a small franchise business trading for 2 years. The current trade survey indicates satisfactory levels of liquidity. No adverse information was traced during the course of our enquiries.

Maximum Monthly Credit Recommended	US\$ 14,000
Risk Category	Average
Security	Bank sureties of payment advised

POINT SCORING FACTORS

	POINT RANGE	POINTS SCORED
HISTORY – length of time trading	1 to 8	1
PAID CAPITAL – level of commitment by owners, etc.	1 to 8	1
SIZE OF OPERATIONS	1 to 9	3
MANAGEMENT HISTORY AND QUALIFICATIONS	1 to 5	3
FINANCIAL CONDITION	1 to 10	6
PAYMENT HABITS	1 to 20	18
GROUP INVOLVEMENT – backing of large parent, etc.	1 to 7	0
EXPOSURE TO GLOBAL ECONOMIC CRISIS	-3 to -10	0
DEFENSIVE SECURITIES- (NEGATIVE SCORE APPLIES) Evidence of securities or charges by taken out by directors/shareholders over company	-3 to -10	0
LEGAL ACTIONS (NEGATIVE SCORE APPLIES) Evidence of legal action, creditor defaults, collection action, etc.	-1 to -5	0
NON BANK OR HIGH INTEREST FINANCING (NEGATIVE SCORE APPLIES) Use of high interest loans, debt factoring, etc.	-3 to -5	0
TOTAL SCORE	67	32

RISK RATING ANALYSIS

SCORE RANGE	RATING	RATING DEFINITIONS
55 -70	Aaa	Appears to have a very strong financial base with a well above average capability to meet trading commitments
50 - 54	Aa	Appears to possess adequate levels of liquidity and displays a better than average payment history
45-53	A	Displays satisfactory levels of working capital and appears to meet normal commitments
35-44	B	Appears to have average ability to meet trading commitments
20-34	→C	Appears to have limited ability to meet commitments and some degree of caution is recommended
15-19	D	Adverse factors uncovered. A high probability of default is predicted
<15	E	A high degree of credit risk exists. Caution needed to be exercised
NR	NR	Not rated due to absence of financial data and/or credit history or inability to contact principals

End of Report