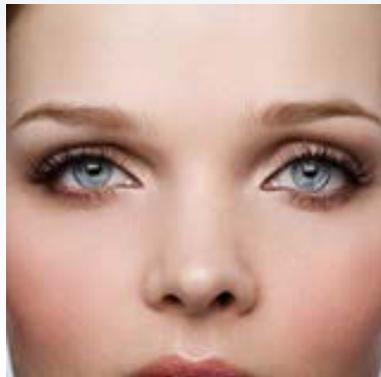




Flutter

FRANCHISE PROSPECTUS

OPEN YOUR EYES TO A FLUTTER
FRANCHISE OPPORTUNITY



WELCOME TO FLUTTER AND OUR STORY

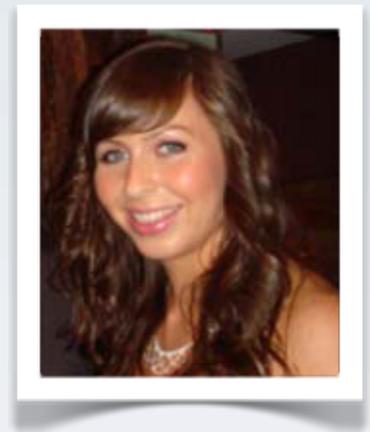
The idea for Flutter was founded on the demand for high quality lash extensions that gave the look and staying power clients wanted. To do this it was felt that this should be the only service offered to enable the speed and quality of the treatment to be maintained. Therefore Flutter specialises solely in eyelash extensions.

Our unique selling point is that we offer this innovative treatment in the comfort of people's own homes. This allows greater flexibility of available treatment times allowing us to offer services from 7.30am to 9pm as well as weekends.

Flutter was chosen as the exclusive lash brand in the Urban Retreat at Harrods and has been available since November 2009. We wanted to be able to offer our customers the option to receive our treatment at a salon and felt this premium location was the ideal choice.

As well as being a Biochemistry graduate I have worked in the beauty industry for more than 10 years and have 6 years knowledge of the lash extension industry. I have worked in top salons including Michael John and the Urban Retreat at Harrods. I now have a strong regular base of high profile clients and A list celebrities . As well as the day to day running of the business I also spend my time imparting my extensive knowledge to the rest of the Flutter team through initial as well as continuous high quality training and mentoring.

Flutter currently has a strong team of lash artists offering the highest quality service in lash extensions. All the artists offer the same standard of eyelash extensions and personal service to our clients as well as supporting and encouraging each other within the team. Would you like to join us?



Kathryn Popplestone

THE CURRENT MARKET PLACE

Eyelashes are the biggest and fastest growing current beauty trend with everyone wanting to enhance their eyes in some way. This varies from subtle definition to full-on glamour. There are various ways to achieve this including mascara, strip lashes and group lashes to name a few. However eyelash extensions are the only service that offers a permanent more natural solution to eye enhancement.

Lash extensions are a delicate procedure requiring intensive and high quality training to gain the knowledge of working around the eye and lash area. With Flutter's experience, extensive training and high quality product we are able to offer lash extensions to suit all women's needs, which can be worn on a continuous basis, making ladies feeling beautiful 24/7. Due to the diversity of look we our able to create with the Flutter lash service it appeals to women of all ages from 16- 80. They are both a relaxing treatment at the time of application as well as time saving with regard to day to day beauty routines for business women or mums that are time poor.

A TYPICAL DAY FOR A FLUTTER CONSULTANT

Due to our business being mobile, we tend to work full time but flexible hours. This could mean starting as early at 7.30am to see clients before they go off to work. Alternatively we can choose to start later and work into the evening. Sometimes we see people early in the morning then in the evening and have the time off in between to go shopping! As you can see our days can be tailored around our needs and can be as varied or constant as we like.

When we start our day we load our equipment, beauty bed, light and lash box, into the car and program the clients address in to the satellite navigation. When we arrive at the client's house and have found suitable parking we unload our equipment and greet the client at the door. They then show us where we can set up.

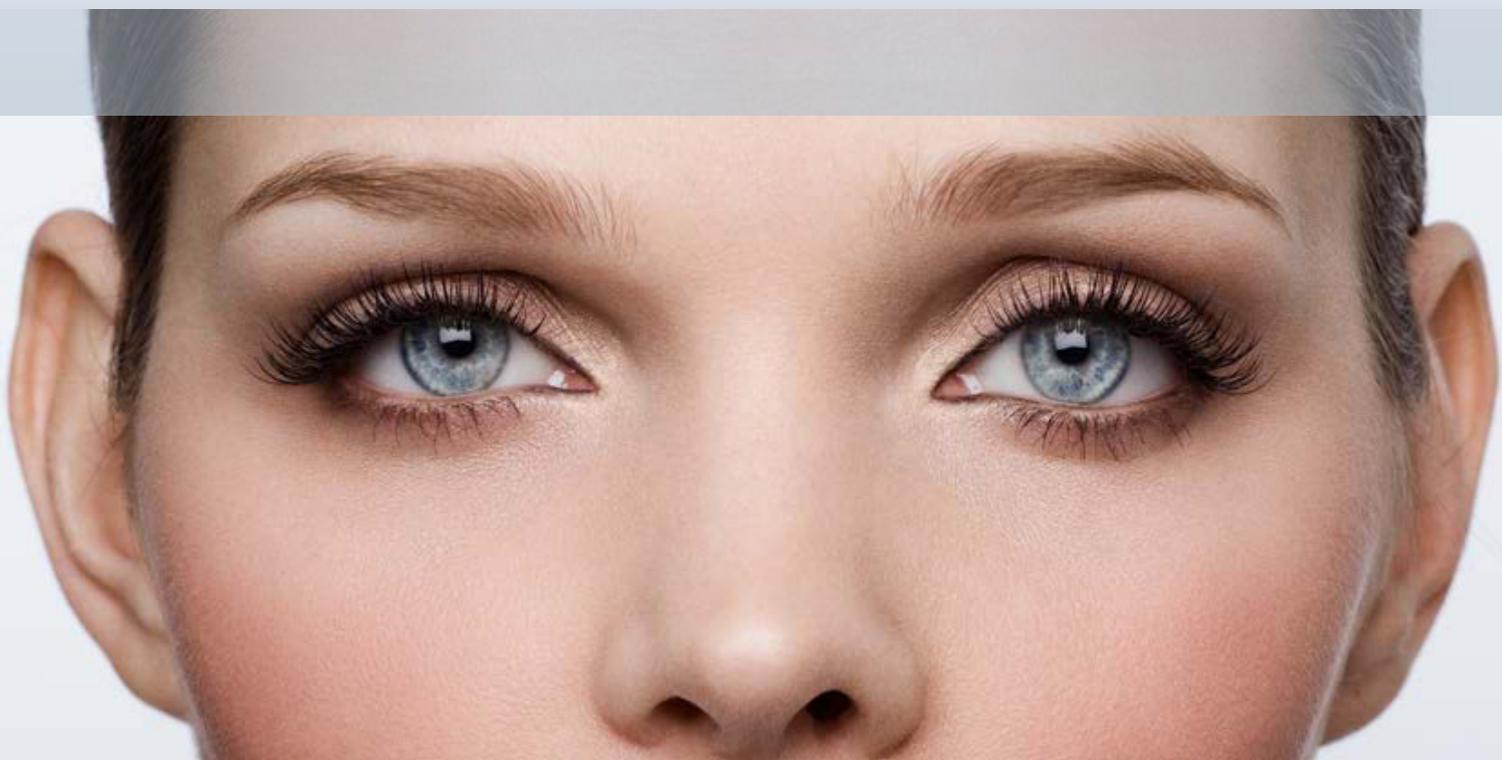
If it is a new client it is at this point we give them the client record form to fill in while we put the bed up and attach our light. Once the consultation is done and everything is set up the client lies down on the bed with us sitting on a chair by their head.

The procedure itself involves attaching single synthetic lashes one at a time to individual natural lashes and can take between 1 and 2 hours.

After the treatment is complete and the client has checked she is happy with her lashes we pack our equipment away. If they are a new client we give them an aftercare sheet explaining how to care for their new lashes and give them the opportunity to purchase our sealer which protects the longevity of their extensions. Most clients also book their next appointment in before we leave. This is done through our iPhone booking system. This is linked to our central booking system where new clients who call are booked by reception. This means that clients can be booked remotely and all diaries are automatically updated making it ideal for our mobile service.

The lashes are something that a lot of women see as essential maintenance so infill's with regular clients make up the majority of our days. This means you tend to build up a rapport with your clients giving you a reliable repeat client base.

As mentioned above our days can vary greatly but generally we see between 3 and 5 customers a day.



WHO ARE WE LOOKING FOR? WHO WOULD BE IDEAL?

Our ideal Franchisee would have all of the following essential and desirable personality traits. However, we know that life is not like that and so we will be looking for people who can demonstrate many of these attributes. Is this you?

Essential

- Must be a perfectionist
- Have the ability to learn and be trained to the highest standards in terms of skilful eyelash extension application and administration
- Must have good eyesight, be able to sit for long periods and be dextrous
- Must have a love of people and enjoy making them feel more beautiful
- Be determined to put in the dedication and hard-work necessary
- Be driven by a desire for personal success
- Be willing to work hard, supported by Flutter, to generate new business as well as maintaining existing clients
- Have the not so common, common sense
- Be outgoing and have a smart appearance including your own eyelash extensions, which will have to be done by a colleague on a regular basis
- Be mobile and have a reasonably clean driving record
- Have total support from all your family members
- Have sufficient working capital available
- Enjoy attaining very high standards that will be required in every aspect of the business and a desire to maintain those standards for the business as a whole, including other franchisees

Preferred

- Ideally people already experienced in the beauty business, but not essential
- A certain amount of business know-how
- People who are prepared to add value to our business and brand
- Single consultant per territory but might consider franchisee partnership arrangement

FLUTTER WILL REQUIRE YOU TO:

- Manage the day to day business well
- Be determined to work hard and put in the hours
- Ensure that all your clients are given the best treatments possible that will last a satisfactory amount of time
- Order in advance your products from our accredited suppliers in a timely manner so ensuring you always have the right stock with you
- Market your Flutter treatments within your agreed territory. Plan and implement local promotions on a regular basis to new and repeat customers
- Report your sales to Head Office weekly without fail

Above all, we will expect you to become part of the Flutter team that provides exemplary service to all our clients.

WHAT FLUTTER WILL DO FOR YOU:

Flutter will grant you:

- The right to trade under the well known Flutter name and logo
- Up to 6 days initial training programme which would be spent at Head Office under the supervision of Kathryn Popplestone or one of the key supervisors, plus extensive practice all in a month long period
- A protected territory
- The Flutter approved products at preferential rates
- A comprehensive Operations Manual
- A Launch Package including letterheads and business cards
- Marketing and promotional support nationally and locally on an ongoing basis as necessary
- The proven business systems developed by Flutter within its own business
- Inclusion on the Flutter website
- Lead generation
- Day to Day advice

OUR CLIENTS AND WHAT THEY SAY

SO SO SO impressed with Flutter!!!

Kathryn came to my house 2 weeks ago to do my initial pre-wedding treatment, and I had them infilled for the Big Day (Saturday) this afternoon!! After 2 weeks my lashes still looked beautiful, but just needed plumping up for the wedding. I am looking forward to going on honeymoon and not having to worry about applying mascara each morning- so that I don't look like a mouse!! I have had so many compliments about the lashes, and I couldn't recommend them highly enough. The whole experience has been hassle free, and Kathryn has been great- even coming herself to do both my appointments for continuity!!!

Thank You!!!!

Jo Purley

I am so pleased with my new lashes. I have had them done a few places but they never made much of a difference to my eyes and didn't last well at all. These lashes on the other hand are really thick and curly really making my eyes stand out. I will never need mascara again!

Deema

I'm absolutely delighted with my new lashes. They are totally liberating, I haven't had to use mascara for weeks and have had so many flattering comments. I'm completely addicted! My lash artist was very professional and I would recommend Flutter to everyone.

Jackie

Just had my eyelashes done for my wedding on Saturday and I'm really pleased with them. Kathryn came all the way over to west London for me which i'm really grateful for. Thanks again!

Michele

I've had my eyelashes done a few times by the Flutter artists now. I'd tried some other salons in the past but the lashes never lasted very long or looked that great. But now with Flutter I'm always receiving compliments on my lashes because they look so full and thick as well as lasting for absolutely ages. I'm totally addicted so highly recommend them.... plus I love the fact I never need to wear mascara ever again! Thank you!

Grace

I had my eyelash extensions done today by Nicky (from Bromley) and just wanted to comment on what an amazing job she did.

My eyes look so big and the lashes feel great. I'm really pleased with them as I've had them done specifically for my wedding this Saturday.

Big thanks to Nicky, she was so friendly and professional. I will definitely recommend you.

Samantha Isaacs

I wanted a more natural look as I'm a slightly more mature lady so didn't want anything that looked fake and stuck on so these were a really great choice for me. The lashes make me look 10 years younger! And such easy maintenance.

Mary

THE BEST ASPECTS ABOUT FLUTTER

- You are joining the acknowledged experts in this rapidly expanding new market
- Flutter intends to grow nationwide and you will be in on the ground floor
- Because it is a self-generated and mobile business you can be flexible in how and when you work, even though you must maximise the potential of your exclusive territory as part of your franchise agreement
- It is a business that has status, because until recently it was only available to an exclusive audience
- We have a very strong national press coverage within beauty magazines and as such you will benefit from this
- You will enjoy meeting the type of clients likely to be attracted to Flutter so your working day should be fun. Feeling more beautiful is heart-warming
- Offers regular repeat business

ARE YOU READY TO TAKE ON A FLUTTER FRANCHISE

Starting your own business can be a daunting prospect; the change from employment to self-employment and the responsibilities can seem a little overwhelming.

On the next pages we talk about the support that you can expect from us, but before you read on think about whether you are ready to take the next steps.

Support at home or from friends and advisors will be important to you, if you feel that you wish to take matters forward we would encourage them to get involved in your decision making process.

THE SUPPORT YOU CAN EXPECT

It is important that your business emulates our objectives, branding and style. We know how to make things work and will pass our experiences on to you through the following methods and practical solutions.

- Perfect and comprehensive training
- Business start up support
- Comprehensive initial and ongoing training
- Fully integrated systems and communications package
- In field support and business development
- Marketing and branding guidelines and updates
- Central client booking system including Administration and Accounts back up

THE KEY ELEMENTS OF A FLUTTER FRANCHISE RELATIONSHIP

☀ Your Franchise Agreement

☀ Your Territory

☀ The Financial Linkages

Your Franchise Agreement

This contains details of both our and your obligations

It also grants you the rights to use:

- The **Flutter** name
- The **Flutter** logo
- Our systems and method of operating the business
- Our know-how and intellectual property
- Our Training and Technical advice

Your Territory

We will grant you a specific territory and assist you with the all-important identification of customers in it.

The Financial Linkages

In principal these are:

- **An Initial Fee**
- **A Training Fee**
- **A Marketing Pack Fee**
- **An on-going Management Service Fee**
- **Central Client Booking System Fee**

An Initial Fee

The fee covers the cost of:

- The rights to use the name, logo and style
- The provision of a comprehensive Operations Manual

A Training Fee

This relates to the initial training that you will receive.

The Marketing Pack (Launch)

This relates to the cost of devising and implementing a tailor-made marketing pack to launch your business.

On-going Management Service Fee

This relates to the continuing use of the name, the On-going Management support and day-to-day advice.

Central Client Booking System Fee

This relates to the way in which potential clients will be referred to you via the central booking system.

WHAT YOU CAN EARN

Key factors when considering the financial information

The trading performance of different territories will never be the same.

Furthermore, the sales and profit achievement of a Flutter franchise will not only relate to its individual territory and customer profile but also very much to the performance of the Franchisee.

The financial illustrations provided here give you an idea of the profitability that can be achieved if sales, gross margin and expenditure targets are met. It is stressed that they have been produced for guidance purposes only.

The figures given do not constitute either a forecast or a guarantee or form part of any contractual offer.

Once your territory has been confirmed, it is recommended and advised that you and your Accountant prepare detailed Sales and Profit & Loss projections which may be lower or higher than the illustrations provided.

Sales Assumptions Utilised in the Illustrations

Sales in Year 1: £29,250

Year 2: £48,260

Year 3: £70,200

Expenditure Assumptions Utilised in the Illustrations

Fixed Costs: These include mainly loan / lease repayment's on your Flutter vehicle, book-keeping, uniforms and having your own eyelash extensions done regularly.

Variable Costs: The Management Services Fee on Sales, stock for treatments, travelling expenses, marketing material and some local P.R.

Surplus: This is shown before Drawings, N.I, Pension Contributions, Depreciation, Other Finance Costs and Tax.

* Detailed Financial Illustrations will be presented to you at a follow-up meeting.

The Franchisee Illustration

	Notes	Year 1 £k	Year 2 £k	Year 3 £k
Total Income		29250	48260	70200
Gross Profit		26550	43800	63720
Total Expenditure	1	11560	16680	22420
Surplus	2	14990	27120	41300

Notes:

1. The Total Expenditure includes the Management Service Fee, the Advertising and Promotion Fee and Central Booking System
2. The Surplus is shown before Drawings, N.I, Pension Contributions, Depreciation, (other Financial Costs and Taxation)

THE INVESTMENT

Start up costs based on Franchisee already having a suitable vehicle for the business:

Requirements	Cost	VAT	Total inc VAT
Uniform	83.33	16.67	100.00
Massage bed	291.67	58.33	350.00
Portable light	100	20	120
Beauty Trolley	108.33	21.67	130.00
Tom Tom	100	20	120
Car Branding	1000	200	1200
Opening stock	1000	200	1200
iPhone 4S or above	83.34	16.67	100.01
Sub Total	2766.67	553.3	3320.00
Joining Fee	1000	200	1200
Training Fee	1500	300	1800
Launch Fee	1000	200	1200
Sub Total	3500	700	4200
Total Start up cost	6266.67	1253	7520.00

Minimum Savings required: **£2,300** (Subject to bank lending 70% of initial investment)

If a suitable vehicle needs to be purchased:

Lease car down payment (If Required)	1041.67	208.3	1250.00
Total Start up cost	7308.34	1462	8770.01

Minimum savings required with car lease: **£2,700** (Subject to bank lending 70% of initial investment)

SOME FREQUENTLY ASKED QUESTIONS

Q. How long is my Franchise Agreement for?

A. *The agreement is for three periods of 5 years with an option to renew.*

Q. What happens at the end of the second five-year period?

A. *Before the end of that period, you should contact us with reference to a further agreement. We will either grant you a new Franchise Agreement or, alternatively, you will have the right to sell the business to an approved purchaser subject to you not being in breach of your Franchise Agreement.*

Q. Am I allowed to sell the business before the end of the tenth year?

A. *Yes, subject to the Terms of the Franchise Agreement. However, you are strongly advised not to consider selling the business in the first three years as the value is likely to be less than in later years.*

Q. In addition to Training do you help me launch the business in my area?

A. *Yes we do with our own special Marketing Pack.*

Q. Do I have to have worked in the Beauty Business already?

A. *No, but it would help to know how to handle clients one to one and also show that you are manually dexterous.*

Q. Do I have to work full-time in my Flutter franchise?

A. *Ideally yes to develop the full potential of your territory. However, working hours have to remain flexible to meet the needs of clients.*

Q. When can I start?

A. *The sooner the better to take advantage of the growing interest in the Flutter business. However we will pace the timing of franchise launches to ensure we can give full attention to every franchise launch. First come, first considered.*

THE NEXT STEPS

Once you have had an opportunity to consider the Flutter Franchise Opportunity, we would like you to:

- Discuss it with your partner
- Draw up a list of any questions you may have
- Draw up a list of reasons why the opportunity is right for you and why you believe you will be successful
- Have a meeting with us. *Following that:*
- Consider the commitment you are making
- Have a further meeting to discuss this and to agree your territory
- Agree a start date and reserve your territory
- Produce a Budget/Business Plan
- Draw up an Action Timetable relating to Training, Stationery and your Launch Programme
- Sign the Franchise Agreement
- Agree the location of your Flutter territory then organise your equipment and car
- Commence Training and your territory marketing
- Commence trading

Before

After



WHAT THE PRESS HAVE TO SAY

There have been many articles written about Flutter:

Brides Magazine

Flutterful Lashes

My name is Thea Darricotte and I am a beauty treatment addict. I have tried everything from caffeine body wraps to micro-dermabrasion, I have been buffed, polished and massaged countless times and I would go without a meal before I gave up my weekly manicure, yet I have remained hungry for the holy grail of beauty. That is until now. I have found the ultimate treatment which will guarantee compliments from men and women alike, but will remain illusive so that whilst your adoring fiancé says how stunning you look, only you will know the cause.

So it is with great care that I pass on to you my most beloved discovery of all time; (whisper it) eyelash extensions. Yes I know you've seen the monster spider leg version on Cheryl Cole but please do not tar all eyelashes with the same mascara wand. I too have had my experience of bad extensions - the glue is gloopy or they fall out unevenly or they just look fake. So it was with a little apprehension that I arranged to meet Kathryn Popplestone, founder of Flutter the Eyelash Artists. Her team of unspeakably talented eyelash artists will come to your home or office - anywhere within London and the M25 - and, as of last week, are now also available at The Urban Retreat in Harrods.

The appointment began with Kathryn setting up her portable beauty bed in my front room and asking what sort of effect I would like - volume, length, glamour or jaw-droppingly fabulous. I opted for volume imagining Marilyn Monroe's sweep of raven lashes and so with that thought I lay down and waited patiently whilst Kathryn applied one false lash to each of my natural eyelashes. The secret with Flutter is that the lashes are available in several types of volume and length and are also pre-curved meaning you wake up in the morning looking just as glamorous as when you went to bed and your fiancé will never know your secret!

90 minutes later, and deeply in conversation with the lovely Kathryn, I was finally allowed to look at the finished effect, and girls, even if it had taken a whole day the result would have been worth it! The lashes were thick, black and deeply seductive and I fell in love instantly. Kathryn gave me a Sealant which looks very much like a mascara to apply every other day to extend their life (they will only fall out when your natural lash fall out as part of your lash cycle so can last up to six weeks) and a maintenance guide with my easy-to-follow instructions.

Since that moment I have had countless compliments, so much so that I swear it's the best beauty boost I've ever had and in the land of eyelash extensions, Kathryn is by far the most talented Artist I have ever met; even in Bergdorf's in New York the make-up team adored them and gushed that they were the highest quality lashes they have seen!

Such was the storm of praise since that life changing moment that I've quickly snapped up two In-fill appointments (one every three weeks as recommended to balance them out mid lash cycle) as I have a feeling Kathryn will be booked up very quickly. And the litmus test? My man can't stop complimenting me... but I'll never tell him what I've done!

Thea Darricotte

Vanity Fair

The Lash

Before last Friday, my only foray into the world of false eyelashes was when I was 17. I'd buy long, thick caterpillar-like things that I'd stick on before going out and dancing all night. But invariably the drag-queen falsies would fall off mid-move on the dance floor or during some late night clinch. Mortifying. But as with my all-night dancing, things have changed in the false eyelash world as I discovered last week, after lying flat on my back at the Urban Retreat at Harrods for two hours. Founded by Kathryn Popplestone, Flutter is a company specialising in eyelash extensions. Popplestone painstakingly glued slightly longer, curlier, darker false lashes to my own until my eyes were surrounded by a full, thick set - very Cheryl Cole. There's no worrying about a long set of false lashes sliding down your face and into your soup, because Flutter extensions eventually fall out individually, with your own eyelashes. And if looked after carefully, Flutter lashes can last for up to 6 weeks. I did feel a little self-conscious at first, but I've got used to them and the joy of never wearing mascara and of course, the compliments on what fabulous eyelashes I have. Wink wink.

In Style Magazine

As a beauty journalist, it's a part of my job to try beauty treatments regularly, and I can honestly say no treatment has made a bigger change to my appearance than Flutter lashes. The transformation is staggering – my small natural lashes have been supersized; my eyes are now beautifully defined by long, thick black lashes which look luscious and dense but totally natural. The effect is stunning, and the compliments have been rolling in! I can't recommend Kathryn and her team highly enough.

Jessica Tibbets

Tatler Magazine

Kathryn and her team at Flutter will make you look naturally gorgeous from the moment you wake up, an absolute beauty essential. I can't wake up without mine!

Mariella Tandy

Beauty Journalist

The Flutter Lash Service is an instant addiction: my eyes always look amazing whether I'm wearing make up or not and I get compliments almost every day about my eyelashes.

Jane Cunningham