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Company Registration No. 1493031 (England and Wales)

BLOOMING MARVELLOUS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000



BLOOMING MARVELLOUS LIMITED

DIRECTORS AND ADVISERS

Directors	J B Lever V E Pringle J M Milan S S Kumar
Secretary	V E Pringle
Company number	1493031
Registered office	Regina House 124 Finchley Road London NW3 5JS
Registered auditors	Nyman Libson Paul Chartered Accountants Regina House 124 Finchley Road London NW3 5JS
Business address	2 Albion Court, Albion Place London W6 0QT

BLOOMING MARVELLOUS LIMITED

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BLOOMING MARVELLOUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

The directors present their report and financial statements of the company and the group for the year ended 30 June 2000.

Directors

The following directors have held office since 1 July 1999:

J B Lever
V E Pringle
J M Milan
S S Kumar

Principal activities and review of the business

The principal activities of the group continued to be that of marketing and selling maternity and childrens' wear.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

The directors do not propose the payment of a final dividend.

Fixed assets

The significant changes in fixed assets during the year are explained in notes 7 and 8 to the financial statements.

Directors' interests

The directors' beneficial interests in the shares of the company and other group companies were as stated below:

	'A' Ordinary Shares of £ 1 each	
	30 June 2000	1 July 1999
J B Lever	275	275
V E Pringle	-	-
J M Milan	-	-
S S Kumar	-	-

	'B' Ordinary Shares of £ 1 each	
	30 June 2000	1 July 1999
J B Lever	-	-
V E Pringle	225	225
J M Milan	-	-
S S Kumar	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nyman Libson Paul be reappointed as auditors of the company will be put to the Annual General Meeting.

BLOOMING MARVELLOUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

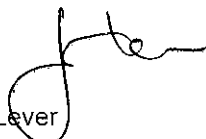
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



J B Lever
Director

6 December 2000



Nyman Libson Paul

CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

BLOOMING MARVELLOUS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF BLOOMING MARVELLOUS LIMITED

We have audited the financial statements on pages 4 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 30 June 2000 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nyman Libson Paul

6 December 2000

Chartered Accountants
& Registered Auditors

BLOOMING MARVELLOUS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000 £	1999 £
Turnover	2	9,261,259	8,308,030
Cost of sales		(4,188,244)	(3,845,322)
Gross profit		5,073,015	4,462,708
Distribution costs		(3,124,052)	(2,630,889)
Administrative expenses		(1,836,010)	(1,715,634)
Operating profit	3	112,953	116,185
Other interest receivable and similar income		651	1,156
Interest payable and similar charges	4	(70,114)	(44,524)
Profit on ordinary activities before taxation		43,490	72,817
Tax on profit on ordinary activities	5	(19,100)	(11,000)
Profit on ordinary activities after taxation		24,390	61,817

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BLOOMING MARVELLOUS LIMITED

BALANCE SHEETS AS AT 30 JUNE 2000

	Notes	Group 2000 £	1999 £	Company 2000 £	1999 £
Fixed assets					
Tangible assets	7	591,438	610,945	218,341	249,653
Investments	8	-	-	100	100
		<u>591,438</u>	<u>610,945</u>	<u>218,441</u>	<u>249,753</u>
Current assets					
Stocks	9	1,255,165	1,065,635	1,255,165	1,065,635
Debtors	10	408,460	451,809	477,184	708,414
Cash at bank and in hand		52,386	66,294	2,106	1,518
		<u>1,716,011</u>	<u>1,583,738</u>	<u>1,734,455</u>	<u>1,775,567</u>
Creditors: amounts falling due within one year	11	(1,629,731)	(1,390,793)	(1,471,318)	(1,289,979)
Net current assets		<u>86,280</u>	<u>192,945</u>	<u>263,137</u>	<u>485,588</u>
Total assets less current liabilities		<u>677,718</u>	<u>803,890</u>	<u>481,578</u>	<u>735,341</u>
Creditors: amounts falling due after more than one year	12	(305,435)	(455,997)	(297,671)	(434,938)
		<u>372,283</u>	<u>347,893</u>	<u>183,907</u>	<u>300,403</u>
Capital and reserves					
Called up share capital	13	500	500	500	500
Profit and loss account	14	371,783	347,393	183,407	299,903
Shareholders' funds - equity interests	15	<u>372,283</u>	<u>347,893</u>	<u>183,907</u>	<u>300,403</u>

The financial statements were approved by the Board on 6 December 2000 and signed on its behalf by:


J B Lever
Director


V E Pringle
Director

BLOOMING MARVELLOUS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

	2000 £	1999 £
Net cash inflow from operating activities	161,119	309,593
Returns on investments and servicing of finance		
Interest received	651	1,156
Interest paid	(70,114)	(44,524)
Net cash outflow for returns on investments and servicing of finance	(69,463)	(43,368)
Taxation	(10,909)	1,664
Capital expenditure		
Payments to acquire tangible assets	(169,892)	(398,433)
Receipts from sales of tangible assets	6,285	1,260
Net cash outflow for capital expenditure	(163,607)	(397,173)
Net cash outflow before management of liquid resources and financing	(82,860)	(129,284)
Financing		
New long term bank loan	-	133,334
Repayment of long term bank loan	(100,470)	-
Capital element of finance lease contracts	(70,408)	(15,749)
Net cash (outflow)/inflow from financing	(170,878)	117,585
(Decrease)/increase in cash in the year	(253,738)	(11,699)

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2000

1	Reconciliation of operating profit to net cash inflow from operating activities		2000	1999
			£	£
	Operating profit		112,953	116,185
	Depreciation of tangible assets		187,460	180,384
	(Loss)/profit on disposal of tangible assets		5,671	(1,260)
	(Increase)/decrease in stocks		(189,530)	85,881
	Decrease/(increase) in debtors		43,406	(24,423)
	Increase/(decrease) in creditors within one year		1,159	(47,174)
	Net cash inflow from operating activities		161,119	309,593

2	Analysis of net debt	1 July 1999	Cash flow	Other non-cash changes	30 June 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	66,294	(13,908)	-	52,386
	Bank overdrafts	(424,633)	(239,830)	-	(664,463)
		(358,339)	(253,738)	-	(612,077)
	Debt:				
	Finance leases	(111,853)	70,408	(10,017)	(51,462)
	Debts falling due after one year	(396,738)	100,470	-	(296,268)
		(508,591)	170,878	(10,017)	(347,730)
	Net debt	(866,930)	(82,860)	(10,017)	(959,807)

3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Decrease in cash in the year	(253,738)	(11,699)
	Cash outflow/(inflow) from decrease/(increase) in debt	170,878	(117,585)
	Change in net debt resulting from cash flows	(82,860)	(129,284)
	New finance lease	(10,017)	(45,555)
	Movement in net debt in the year	(92,877)	(174,839)
	Opening net debt	(866,930)	(692,091)
	Closing net debt	(959,807)	(866,930)

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2000. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold premises	25% on written down value
Fixtures, fittings & equipment	25% - 33% on written down value
Motor vehicles	15% on written down value

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

1.8 Pensions

Contributions in respect of the group's defined contribution scheme or to an individual employee's personal pension plan are charged to the profit and loss account for the year in which they are payable to the scheme.

The total charge to the profit and loss account for the year is £3,639 (1999 - £53,639).

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2000 £	1999 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	187,460	180,384
	Operating lease rentals	367,583	252,444
	Auditors' remuneration (company £7,190; 1999 : £11,000)	7,190	16,473
	Remuneration of auditors for non-audit work	-	14,630
		<u> </u>	<u> </u>

4	Interest payable	2000 £	1999 £
	On bank loans and overdrafts	58,014	37,052
	Lease finance charges	12,100	7,472
		<u> </u>	<u> </u>
		70,114	44,524
		<u> </u>	<u> </u>

5	Taxation	2000 £	1999 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 20%)	19,100	11,000
		<u> </u>	<u> </u>

6 (Loss)/profit for the financial year

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements.

	2000 £	1999 £
Parent company's (loss)/profit for the financial year	(116,496)	29,222
	<u> </u>	<u> </u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

7 Tangible fixed assets Group

	Short leasehold premises £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 July 1999	514,611	571,221	101,793	1,187,625
Additions	24,959	154,950	-	179,909
Disposals	-	(21,639)	(22,868)	(44,507)
At 30 June 2000	539,570	704,532	78,925	1,323,027
Depreciation				
At 1 July 1999	180,364	341,704	54,612	576,680
On disposals	-	(14,282)	(18,269)	(32,551)
Charge for the year	89,802	87,013	10,645	187,460
At 30 June 2000	270,166	414,435	46,988	731,589
Net book value				
At 30 June 2000	269,404	290,097	31,937	591,438
At 30 June 1999	334,247	229,517	47,181	610,945

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values			
At 30 June 2000	51,649	31,937	83,586
At 30 June 1999	88,292	38,145	126,437
Depreciation charge for the year			
30 June 2000	22,021	10,645	32,666
30 June 1999	29,431	9,830	39,261

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

7 Tangible fixed assets (continued) Company

	Short leasehold premises	Fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 1999	100,089	459,040	101,793	660,922
Additions	2,323	35,692	-	38,015
Disposals	-	(21,639)	(22,868)	(44,507)
At 30 June 2000	102,412	473,093	78,925	654,430
Depreciation				
At 1 July 1999	55,334	301,323	54,612	411,269
On disposals	-	(14,282)	(18,269)	(32,551)
Charge for the year	11,770	34,956	10,645	57,371
At 30 June 2000	67,104	321,997	46,988	436,089
Net book value				
At 30 June 2000	35,308	151,096	31,937	218,341
At 30 June 1999	44,755	157,717	47,181	249,653

Included above are assets held under finance leases or hire purchase contracts as follows:

	Computer equipment	Motor vehicles	Total
	£	£	£
Net book values			
At 30 June 2000	14,814	31,937	46,751
At 30 June 1999	44,395	38,145	82,540
Depreciation charge for the year			
30 June 2000	4,939	10,645	15,584
30 June 1999	14,798	9,830	24,628

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

8 Fixed asset investments Company

	Shares in subsidiary undertakings £
Cost	
At 1 July 1999 & at 30 June 2000	100

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

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			
Blooming Marvellous Retail Limited	United Kingdom	Ordinary	100

The principal activity of this undertaking for the last relevant financial year was as follows:

Principal activity

Blooming Marvellous Retail Limited	Retailing of maternity wear and childrens' clothing.
------------------------------------	--

9 Stocks

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Raw materials and consumables	35,580	77,357	35,580	77,357
Finished goods and goods for resale	1,219,585	988,278	1,219,585	988,278
	<u>1,255,165</u>	<u>1,065,635</u>	<u>1,255,165</u>	<u>1,065,635</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

10 Debtors

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	77,215	44,672	77,215	44,672
Amounts owed by subsidiary undertaking	-	-	117,787	370,578
Corporation tax	1,254	1,197	1,254	1,197
Other debtors	42,438	126,298	33,936	45,454
Prepayments and accrued income	287,553	279,642	246,992	246,513
	<u>408,460</u>	<u>451,809</u>	<u>477,184</u>	<u>708,414</u>

11 Creditors : amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans and overdrafts	664,463	424,633	574,473	411,629
Net obligations under finance lease and hire purchase contracts	42,295	52,594	22,825	32,163
Trade creditors	600,886	647,343	584,214	603,367
Corporation tax	19,248	11,000	-	-
Taxes and social security costs	230,808	169,785	222,893	162,164
Other creditors	47,541	52,017	46,673	51,485
Accruals and deferred income	24,490	33,421	20,240	29,171
	<u>1,629,731</u>	<u>1,390,793</u>	<u>1,471,318</u>	<u>1,289,979</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the group.

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

12 Creditors : amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans	33,333	133,334	33,333	133,334
Other loans	262,935	263,404	262,935	263,404
Net obligations under finance leases and hire purchase agreements	9,167	59,259	1,403	38,200
	<u>305,435</u>	<u>455,997</u>	<u>297,671</u>	<u>434,938</u>
Analysis of loans				
Wholly repayable within five years:				
by instalments	33,333	133,334	33,333	133,334
not by instalments	262,935	263,404	262,935	263,404
	<u>296,268</u>	<u>396,738</u>	<u>296,268</u>	<u>396,738</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	51,423	64,423	27,860	39,582
Repayable between one and five years	13,052	73,962	3,517	48,501
	<u>64,475</u>	<u>138,385</u>	<u>31,377</u>	<u>88,083</u>
Finance charges and interest allocated to future accounting periods	(13,013)	(26,532)	(7,149)	(17,720)
	<u>51,462</u>	<u>111,853</u>	<u>24,228</u>	<u>70,363</u>
Included in liabilities falling due within one year	(42,295)	(52,594)	(22,825)	(32,163)
	<u>9,167</u>	<u>171,112</u>	<u>1,403</u>	<u>38,200</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

13 Share capital	2000	1999
	£	£
Authorised		
525 'A' Ordinary shares of £ 1 each	525	525
475 'B' Ordinary shares of £ 1 each	475	475
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
275 'A' Ordinary shares of £ 1 each	275	275
225 'B' Ordinary shares of £ 1 each	225	225
	<u>500</u>	<u>500</u>
14 Statement of movements on profit and loss account Group		
	Profit and loss account £	
Balance at 1 July 1999	347,393	
Retained profit for the year	24,390	
	<u>371,783</u>	
Company		
	Profit and loss account £	
Balance at 1 July 1999	299,903	
Retained loss for the year	(116,496)	
	<u>183,407</u>	

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

15 Reconciliation of movements in shareholders' funds	2000	1999
Group	£	£
Profit for the financial year	24,390	61,817
Opening shareholders' funds	347,893	286,076
	<hr/>	<hr/>
Closing shareholders' funds	372,283	347,893
	<hr/>	<hr/>
	2000	1999
Company	£	£
(Loss)/Profit for the financial year	(116,496)	29,222
Opening shareholders' funds	300,403	271,181
	<hr/>	<hr/>
Closing shareholders' funds	183,907	300,403
	<hr/>	<hr/>

16 Contingent liabilities

A guarantee of £250,000 has been provided by the group to the bankers of Girl Heaven Limited in respect of that company's bank overdraft facility.

17 Financial commitments

At 30 June 2000 the group had annual commitments under non-cancellable operating leases as follows:

	Other	1999
	2000	
	£	£
Expiry date:		
Within one year	12,250	-
Between two and five years	125,000	131,000
In over five years	263,000	263,000
	<hr/>	<hr/>
	400,250	394,000
	<hr/>	<hr/>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

18 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	435,818	387,626
Company pension contributions to money purchase schemes	3,639	53,639
	<u>439,457</u>	<u>441,265</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1999 - 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	150,066	133,396
Company pension contributions to money purchase schemes	1,820	26,820
	<u>151,886</u>	<u>160,216</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Management	3	3
Administration	7	7
Production	9	7
Sales	96	86
	<u>115</u>	<u>103</u>

Employment costs

	£	£
Wages and salaries	1,499,499	1,235,796
Social security costs	131,138	93,964
Other pension costs	3,639	53,639
	<u>1,634,276</u>	<u>1,383,399</u>

20 Control

For the whole of the year the group was under the control of Ms J B Lever and Mrs V E Pringle, two of the directors.

BLOOMING MARVELLOUS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000

21 Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard Number 8: Related party disclosures not to disclose transactions with other group entities that are eliminated on consolidation.

Included within creditors falling due after more than one year are loans made to Blooming Marvellous Limited by related parties as follows:

	2000 £	1999 £
Ms J B Lever	144,987	145,222
Mrs V E Pringle	117,947	118,182

Current account balances payable to Ms J B Lever and Mrs V E Pringle of £24,027 (1999: £24,027) and £18,976 (1999: £21,067) respectively are included within creditors falling due within one year.

Ms J B Lever and Mrs V E Pringle have provided personal guarantees of £125,000 in total to the company's bankers in respect of the bank overdraft and £58,000 per annum in total in respect of leases in the company's name.

Ms J B Lever and Mrs V E Pringle, directors, have a controlling interest in another company, Girl Heaven Limited. Transactions with this company during the year were as follows :

(i) Certain business expenses relating to Girl Heaven Limited have been borne initially by Blooming Marvellous Limited and subsequently recharged. As at the balance sheet date an amount of £1,560 (1999 : £33,386) was outstanding.

(ii) Blooming Marvellous Limited in its capacity as agent entered into 2 finance leases in respect of shop fitting out costs at Girl Heaven Limited's retail outlets at Bluewater and Glasgow. The capital expenditure and liabilities relating to these leases are fully reflected within the balance sheet of Girl Heaven Limited.

(iii) Blooming Marvellous Limited is party to two property leases as tenant in respect of premises occupied by Girl Heaven Limited, who bear all the expenses, including rent, in connection with the lease. The annual operating lease commitments of £145,000 relating to the premises are disclosed in the financial statements of Girl Heaven Limited.

(iv) On 18 February 2000 Blooming Marvellous Limited advanced £70,000 to Girl Heaven Limited as an interest free loan repayable on demand. The loan was subsequently repaid on 22 March 2000.

(v) Both companies are party to a tenancy at will agreement in respect of office premises occupied as tenant by Blooming Marvellous Limited. Under the terms of this agreement, Girl Heaven Limited pays an annual rent of £15,000 to Blooming Marvellous Limited.