

BLOOMING MARVELLOUS LIMITED
(Company number 1493031)

ABBREVIATED FINANCIAL STATEMENTS
30 June 1998



NYMAN LIBSON PAUL
CHARTERED ACCOUNTANTS
REGINA HOUSE
124 FINCHLEY ROAD
LONDON NW3 5JS

NI/DP

BLOOMING MARVELLOUS LIMITED

ABBREVIATED FINANCIAL STATEMENTS
Year ended 30 June 1998

CONTENTS

Report of the Directors	1 - 2
Auditors' Report	3
Abbreviated Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Abbreviated Financial Statements	7 - 18

BLOOMING MARVELLOUS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the abbreviated financial statements of the company for the year ended 30 June 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is that of marketing and selling maternity wear and childrens' wear.

BUSINESS REVIEW

The results for the year are shown on page 4 of the financial statements.

DIVIDENDS

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

FIXED ASSETS

Changes in fixed assets are shown in note 7 to the financial statements.

DIRECTORS

The directors who served during the year and their beneficial interest in shares of the company were:

	1998	1997
	Ordinary shares of £1 each	
J B Lever - 'A' shares	275	275
V E Pringle - 'B' shares	225	225
S S Kumar	-	-
J M Milan	-	-

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BLOOMING MARVELLOUS LIMITED

REPORT OF THE DIRECTORS (continued)

STATEMENT OF 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 profit or loss of the company 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;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Nyman Libson Paul as auditors to the company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

J B LEVER
Director

2 December 1998



Registered Office:
124 Finchley Road
London NW3 5JS



Nyman Libson Paul

CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

AUDITORS' REPORT TO BLOOMING MARVELLOUS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 4 to 18, together with the financial statements of the company for the year ended 30 June 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF 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 financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 18 are properly prepared in accordance with those provisions.

NYMAN LIBSON PAUL
Chartered Accountants
& Registered Auditors

2 December 1998

BLOOMING MARVELLOUS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 1998

	Note	1998	1997
		£	£
GROSS PROFIT		3,004,384	2,722,343
Distribution costs	2,126,270		1,824,286
Administrative expenses	1,094,893		945,432
		<u>(3,221,163)</u>	<u>(2,769,718)</u>
		(216,779)	(47,375)
Other operating income		60,536	-
OPERATING LOSS	2	(156,243)	(47,375)
Interest receivable		197	-
Investment income	3	<u>185,000</u>	<u>135,000</u>
		185,197	135,000
		28,954	87,625
Interest payable	4	<u>(28,343)</u>	<u>(47,969)</u>
PROFIT ON ORDINARY ACTIVITIES before taxation		611	39,656
Taxation	6	<u>1,507</u>	<u>2,551</u>
PROFIT ON ORDINARY ACTIVITIES after taxation		2,118	42,207
Retained profit brought forward		268,563	226,356
RETAINED PROFIT carried forward		<u>270,681</u>	<u>268,563</u>

There are no recognised gains or losses other than those reflected in the profit and loss account and all activities are continuing

The notes on pages 7 to 18 form part of these abbreviated financial statements

BLOOMING MARVELLOUS LIMITED

BALANCE SHEET
At 30 June 1998

	Note	1998	1997
		£	£
FIXED ASSETS			
Tangible assets	7	228,265	129,633
Investments	8	100	100
		<u>228,365</u>	<u>129,733</u>
CURRENT ASSETS			
Stock	9	1,151,516	1,143,976
Debtors	10	417,219	245,715
Cash at bank and in hand		1,664	568
		<u>1,570,399</u>	<u>1,390,259</u>
CREDITORS - amounts falling due within one year	11	<u>1,225,753</u>	<u>891,020</u>
Net current assets		<u>344,646</u>	<u>499,239</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		573,011	628,972
CREDITORS - amounts falling due after more than one year	12	<u>(301,830)</u>	<u>(359,909)</u>
NET ASSETS		<u>271,181</u>	<u>269,063</u>
CAPITAL AND RESERVES			
Called up share capital	13	500	500
Profit and loss account		<u>270,681</u>	<u>268,563</u>
SHAREHOLDERS' FUNDS	14	<u>271,181</u>	<u>269,063</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and signed on its behalf by

J B LEVER

V E PRINGLE

Directors

2 December 1998

The notes on pages 7 to 18 form part of these abbreviated financial statements

BLOOMING MARVELLOUS LIMITED

CASH FLOW STATEMENT

Year ended 30 June 1998

	Note	1998	1997
		£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	20	(63,765)	(276,151)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		197	-
Dividends received		185,000	135,000
Interest element on finance lease rental payments		(4,060)	(13,653)
Other interest paid		(24,283)	(34,316)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		156,854	87,031
		93,089	(189,120)
Taxation repaid (paid)		3,574	(9,577)
		96,663	(198,697)
CAPITAL EXPENDITURE			
Receipts from sale of tangible fixed assets		18,288	1,826
Payments to acquire tangible fixed assets		(202,302)	(63,673)
		(184,014)	(61,847)
Net cash outflow before financing		(87,351)	(260,544)
FINANCING			
Long term loans		(92,000)	243,404
Finance leases		59,513	(21,849)
Net cash (outflow) inflow from financing		(32,487)	221,555
DECREASE IN CASH	21	(119,838)	(38,989)

The notes on pages 7 to 18 form part of these abbreviated financial statements

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

Year ended 30 June 1998

1 ACCOUNTING POLICIES

The following policies have been used in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The company has claimed exemption under Section 248 of the Companies Act 1985 from the preparation of group accounts on the grounds that the group is medium sized.

These financial statements present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents net invoiced sales of goods and services excluding value added tax.

Depreciation and amortisation

This is calculated to write off the cost of tangible fixed assets over their estimated useful lives at the following rates per annum:

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

Stock

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

Finance leases and hire purchase commitments

Assets which are the subject of finance leases or hire purchase contracts are capitalised at a value equal to the original cost. The capital element of future payments is included under "obligations under finance leases and hire purchase contracts" and the interest element is charged to the profit and loss account at a rate which apportions the finance charge on a constant basis.

Operating leases

The annual rentals on operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

1 ACCOUNTING POLICIES (continued)

Foreign currency

Transactions denominated in a foreign currency are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Year end balances denominated in a foreign currency are translated into sterling at the rate ruling on the balance sheet date.

Pension costs

Contributions in respect of the company's defined contribution pension 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.

2 OPERATING LOSS

	1998 £	1997 £
This is stated after charging:		
Depreciation of tangible fixed assets	85,028	48,462
Loss on sale of fixed assets	354	4,987
Auditors' remuneration - other	18,164	7,563
Auditors' remuneration - audit	10,500	3,461
Hire of plant and machinery	7,161	4,989
Operating lease rentals:		
Land and buildings	135,564	81,643
	<u>135,564</u>	<u>81,643</u>

3 INCOME FROM INVESTMENTS

	1998 £	1997 £
Dividends receivable from group companies	185,000	135,000
	<u>185,000</u>	<u>135,000</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

4 INTEREST PAYABLE

	1998 £	1997 £
Bank borrowings	24,283	24,490
Other loans	-	9,826
Finance charges payable under hire purchase contracts	4,060	13,653
	<u>28,343</u>	<u>47,969</u>

5 DIRECTORS' EMOLUMENTS

	1998 £	1997 £
Aggregate emoluments	301,365	325,338
Aggregate contributions to money purchase pension schemes	59,263	53,680
	<u>360,628</u>	<u>379,018</u>

The above includes the following amounts in respect of the highest paid director:

Aggregate emoluments	108,956	116,970
Aggregate contributions to money purchase pension scheme	27,132	26,840
	<u>136,088</u>	<u>143,810</u>

	1998	1997
Number of directors accruing pension benefits under money purchase schemes	3	3

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

6 TAXATION

	1998 £	1997 £
Corporation tax recoverable	(1,507)	(2,871)
Interest on late payment of tax	-	320
	<u>(1,507)</u>	<u>(2,551)</u>

7 TANGIBLE FIXED ASSETS

	Short leasehold properties £	Furniture fittings & equipment £	Motor vehicles £	Total £
Cost:				
At 1 July 1997	51,095	311,334	73,909	436,338
Additions	50,470	72,907	78,925	202,302
Disposals	(8,751)	(6,354)	(51,041)	(66,146)
At 30 June 1998	<u>92,814</u>	<u>377,887</u>	<u>101,793</u>	<u>572,494</u>
Accumulated depreciation:				
At 1 July 1997	28,359	228,167	50,179	306,705
Provision for the year	17,488	41,876	25,664	85,028
Eliminated on disposals	(5,432)	(5,114)	(36,958)	(47,504)
At 30 June 1998	<u>40,415</u>	<u>264,929</u>	<u>38,885</u>	<u>344,229</u>
Net book value:				
At 30 June 1998	<u>52,399</u>	<u>112,958</u>	<u>62,908</u>	<u>228,265</u>
At 30 June 1997	<u>22,736</u>	<u>83,167</u>	<u>23,730</u>	<u>129,633</u>

The net book value of motor vehicles includes £59,194 (1997: £6,179) in respect of assets held under finance leases and hire purchase contracts. Depreciation on these assets for the year amounted to £19,731 (1997: £3,085).

The net book value of furniture, fittings and equipment includes £15,337 (1997: £6,450) in respect of assets held under finance leases and hire purchase contracts. Depreciation on these assets for the year amounted to £5,113 (1997: £2,150).

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)

Year ended 30 June 1998

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost:	
At 1 July 1997 and 30 June 1998	<u>100</u>
Net book value:	
At 30 June 1998	<u>100</u>
At 30 June 1997	<u>100</u>

The company holds 100% of the ordinary share capital of Blooming Marvellous Retail Limited, a retailer of maternity wear and childrens clothes, registered in England.

Details of the subsidiary undertaking:

Name of company	Aggregate capital and reserves		Profit for the year	
	1998 £	1997 £	1998 £	1997 £
Blooming Marvellous Retail Limited	14,995	12,920	187,075	144,849

9 STOCK

	1998 £	1997 £
Raw materials	46,779	20,417
Goods for resale	<u>1,104,737</u>	<u>1,123,559</u>
	<u>1,151,516</u>	<u>1,143,976</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

10 DEBTORS

	1998 £	1997 £
Trade debtors	49,961	30,378
Amount owed by subsidiary undertaking	111,247	-
Corporation tax recoverable	2,861	13,078
Other debtors	6,199	-
Prepayments and accrued income	246,951	202,259
	<u>417,219</u>	<u>245,715</u>

11 CREDITORS - amounts falling due within one year

	1998 £	1997 £
Bank overdraft	373,486	252,552
Trade creditors	582,290	326,540
Amount owed to subsidiary undertaking	-	59,141
Obligations under finance leases and hire purchase contracts (Note 16)	30,953	5,361
Corporation tax	-	8,150
Other taxation and social security	100,888	64,251
Other creditors	62,222	58,082
Accruals and deferred income	75,914	116,943
	<u>1,225,753</u>	<u>891,020</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

12 CREDITORS - amounts falling due after
more than one year

	1998 £	1997 £
Loans:		
Repayable after more than five years, not by instalments	-	92,000
Directors' loans	263,404	263,404
	<u>263,404</u>	<u>355,404</u>
Obligations under finance leases and hire purchase contracts (Note 16)	38,426	4,505
	<u>301,830</u>	<u>359,909</u>

13 CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
'A' Ordinary shares of £1 each	525	525
'B' Ordinary Shares of £1 each	475	475
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
'A' Ordinary shares of £1 each	275	275
'B' Ordinary shares of £1 each	225	225
	<u>500</u>	<u>500</u>

Holders of each class of share have identical rights to dividends and on the winding up of the company.

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	2,118	42,207
Opening shareholders' funds	269,063	226,856
Closing shareholders' funds	<u>271,181</u>	<u>269,063</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)

Year ended 30 June 1998

15 OPERATING LEASE COMMITMENTS

At 30 June 1998, the company had non-cancellable annual operating lease commitments as follows:

	1998 £	1997 £
Land and buildings leases which expire:		
Within two to five years	115,000	126,208
After five years	140,000	83,000
	<u>255,000</u>	<u>209,208</u>

16 OBLIGATIONS RELATING TO FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1998 £	1997 £
Amounts payable:		
Within one year	39,681	6,389
Within two to five years	45,796	5,301
	<u>85,477</u>	<u>11,690</u>
Interest relating to future years	(16,098)	(1,824)
	<u>69,379</u>	<u>9,866</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations	30,953	5,361
Non-current obligations	38,426	4,505
	<u>69,379</u>	<u>9,866</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)

Year ended 30 June 1998

17 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) was as follows:

	1998	1997
Management	2	2
Administration	6	5
Production	7	5
Sales	44	35
	<u>59</u>	<u>47</u>
	<u>59</u>	<u>47</u>

The aggregate payroll costs of these persons were as follows:

	1998	1997
	£	£
Salaries	943,066	844,831
Social security costs	73,519	69,807
Pension costs	59,263	53,680
	<u>1,075,848</u>	<u>968,318</u>
	<u>1,075,848</u>	<u>968,318</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

18 RELATED PARTY TRANSACTIONS

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

During the year sales amounting to £437,479, representing stocks transferred at cost, were made to the company's wholly owned subsidiary, Blooming Marvellous Retail Limited from whom an administrative fee of £65,000 was also receivable. At 30 June 1998 a balance of £111,247, as disclosed in note 10, was due from that company.

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

	1998 £	1997 £
Ms J B Lever	145,222	145,222
Mrs V E Pringle	118,182	118,182

Current account balances payable to Ms J B Lever and Mrs V E Pringle of £23,558 and £28,014 respectively are included within creditors falling due within one year.

Outstanding loans of £92,000 were repaid during the year to the Blooming Marvellous Limited Executive Pension Scheme, the beneficiaries of which are Ms J B Lever and Mrs V E Pringle.

The company's wholly owned subsidiary, Blooming Marvellous Retail Limited, has provided an unlimited guarantee to the company's bankers in respect of the bank overdraft.

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.

The company is party to a lease, as tenant, in respect of shop premises occupied by its subsidiary Blooming Marvellous Retail Limited. The annual operating lease commitment of £25,000 relating to the premises is disclosed in note 15, but all expenses, including the rent, are borne by Blooming Marvellous Retail Limited.

Contingent liabilities involving related parties are dealt with in note 19.

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

19 CONTINGENT LIABILITIES

- (i) Under the group registration scheme for VAT, there is a contingent liability amounting to £72,278 at the balance sheet date.
- (ii) The company acts as guarantor in respect of a lease entered into by its subsidiary. At the balance sheet date the company's contingent liability in respect of the lease, which expires in 2001, amounted to £11,000 per annum.

20 RECONCILIATION OF OPERATING LOSS TO
NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	1998		1997	
	£	£	£	£
OPERATING (LOSS) PROFIT		(156,243)		(47,375)
Depreciation and amortisation	85,028		48,462	
Loss (Profit) on disposal of fixed assets	354		4,987	
(Increase) decrease in stock	(7,540)		58,570	
(Increase) decrease in debtors	(181,721)		75,666	
Increase (decrease) in creditors	196,357		(416,461)	
		<u>92,478</u>		<u>(228,776)</u>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		<u>(63,765)</u>		<u>(276,151)</u>

21 RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET (DEBT) FUNDS (Note 22)

	1998	1997
	£	£
(Decrease) increase in cash	(119,838)	(38,989)
(Decrease) increase in loans	92,000	(243,404)
Cash outflow for lease financing	(59,513)	13,249
New finance leases	-	(8,600)
Movement in net (debt) funds in period	<u>(87,351)</u>	<u>(277,744)</u>
Net funds (debt) at 1 July 1997	<u>(617,254)</u>	<u>(348,110)</u>
Net funds at 30 June 1998	<u>(704,605)</u>	<u>(625,854)</u>

BLOOMING MARVELLOUS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)
Year ended 30 June 1998

22 ANALYSIS OF CHANGES IN NET FUNDS

	1 July 1997 £	Cash flow £	Other changes £	30 June 1998 £
Cash at bank and in hand	568	1,096		1,664
Bank overdraft	(252,552)	(120,934)		(373,486)
	(251,984)	(119,838)		(371,822)
Debt due after one year	(355,404)	92,000	-	(263,404)
Finance leases	(9,866)	(59,513)	-	(69,379)
Total	(617,254)	(87,351)	-	(704,605)