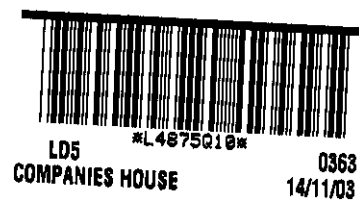


Company Registration No. 1493031 (England and Wales)

**BLOOMING MARVELLOUS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2003**



# **BLOOMING MARVELLOUS LIMITED**

## **DIRECTORS AND ADVISERS**

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

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# BLOOMING MARVELLOUS LIMITED

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Consolidated cash flow statement	7
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# BLOOMING MARVELLOUS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

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The directors present their report and financial statements of the company and the group for the year ended 30 June 2003.

### Directors

The following directors have held office since 1 July 2002:

J B Lever  
V E Pringle  
S S Kumar  
W R Lewis

### 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.

The directors are very pleased to report an extremely successful year for the company, the result of the strategic changes and consequential investment made in the preceding year.

### Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

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

### Future developments

The board aims to build on the success of 2003 and continue to improve performance into the future.

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	<b>'A' Ordinary shares of £1 each</b>	
	30 June 2003	1 July 2002
J B Lever	275	275
V E Pringle	-	-
S S Kumar	-	-
W R Lewis	-	-

	<b>'B' Ordinary shares of £1 each</b>	
	30 June 2003	1 July 2002
J B Lever	-	-
V E Pringle	225	225
S S Kumar	-	-
W R Lewis	-	-

# BLOOMING MARVELLOUS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

	Preference shares of £1 each	
	30 June 2003	1 July 2002
J B Lever	55,000	-
V E Pringle	45,000	-
S S Kumar	-	-
W R Lewis	-	-

### 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.

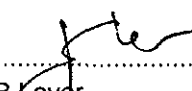
### Directors' responsibilities

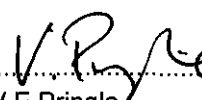
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required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

  
.....  
V E Pringle  
Director

12 November 2003



**Nyman Libson Paul**  
CHARTERED ACCOUNTANTS

Regina House 124 Finchley Road London NW3 5JS  
Room 37 Pinewood Studios Pinewood Road Iver Heath Buckinghamshire SL0 0NH

**BLOOMING MARVELLOUS LIMITED**

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF BLOOMING MARVELLOUS LIMITED**

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We have audited the financial statements of Blooming Marvellous Limited on pages 5 to 22 for the year ended 30 June 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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.



## Nyman Libson Paul

CHARTERED ACCOUNTANTS

Regina House 124 Finchley Road London NW3 5JS  
Room 37 Pinewood Studios Pinewood Road Iver Heath Buckinghamshire SL0 0NH

### BLOOMING MARVELLOUS LIMITED

#### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLOOMING MARVELLOUS LIMITED

---

##### 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 2003 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*

Nyman Libson Paul

*12 November 2003*

Chartered Accountants  
& Registered Auditors

# BLOOMING MARVELLOUS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 £	2002 £
Turnover	2	12,708,229	11,704,148
Cost of sales		(5,579,072)	(5,675,935)
<b>Gross profit</b>		7,129,157	6,028,213
Distribution costs		(3,727,490)	(3,883,795)
Administrative expenses		(2,559,218)	(2,527,814)
<b>Operating profit/(loss)</b>	3	842,449	(383,396)
Other interest receivable and similar income		1,244	294
Interest payable and similar charges	4	(109,201)	(60,419)
<b>Profit/(loss) on ordinary activities before taxation</b>		734,492	(443,521)
Tax on profit/(loss) on ordinary activities	5	(95,144)	380
<b>Profit/(loss) on ordinary activities after taxation</b>		639,348	(443,141)

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

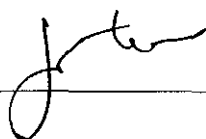
## BALANCE SHEETS AS AT 30 JUNE 2003

	Notes	Group 2003 £	2002 £	Company 2003 £	2002 £
<b>Fixed assets</b>					
Tangible assets	7	522,777	604,574	231,736	248,545
Investments	8	-	-	100	100
		<u>522,777</u>	<u>604,574</u>	<u>231,836</u>	<u>248,645</u>
<b>Current assets</b>					
Stocks	9	1,335,232	1,148,768	1,335,232	1,148,768
Debtors	10	429,526	283,204	563,988	702,679
Cash at bank and in hand		533,733	133,484	404,808	4,826
		<u>2,298,491</u>	<u>1,565,456</u>	<u>2,304,028</u>	<u>1,856,273</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,794,635)</u>	<u>(1,665,933)</u>	<u>(1,658,707)</u>	<u>(1,608,520)</u>
<b>Net current assets/(liabilities)</b>		<u>503,856</u>	<u>(100,477)</u>	<u>645,321</u>	<u>247,753</u>
<b>Total assets less current liabilities</b>		<u>1,026,633</u>	<u>504,097</u>	<u>877,157</u>	<u>496,398</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(278,591)</u>	<u>(395,403)</u>	<u>(278,591)</u>	<u>(395,403)</u>
		<u>748,042</u>	<u>108,694</u>	<u>598,566</u>	<u>100,995</u>
<b>Capital and reserves</b>					
Called up share capital	14	100,500	100,500	100,500	100,500
Profit and loss account	15	647,542	8,194	498,066	495
	16	<u>748,042</u>	<u>108,694</u>	<u>598,566</u>	<u>100,995</u>
Equity interests		648,042	8,694	498,566	995
Non-equity interests		100,000	100,000	100,000	100,000
		<u>748,042</u>	<u>108,694</u>	<u>598,566</u>	<u>100,995</u>

The financial statements were approved by the Board on 12/11/03 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 2003

	2003		2002	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		1,260,043		137,098
<b>Returns on investments and servicing of finance</b>				
Interest received	1,244		294	
Interest paid	(109,201)		(60,419)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(107,957)		(60,125)
<b>Taxation</b>		-		(39,120)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(112,821)		(254,726)	
Receipts from sales of tangible assets	9,750		8,751	
<b>Net cash outflow for capital expenditure</b>		(103,071)		(245,975)
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		1,049,015		(208,122)
<b>Financing</b>				
Issue of preference share capital	-		100,000	
New long term bank loan	-		300,000	
Repayment of long term bank loan	(99,075)		(9,258)	
Repayment of other long term loans	-		(100,000)	
Capital element of finance lease contracts	(40,631)		(33,385)	
<b>Net cash (outflow)/inflow from financing</b>		(139,706)		257,357
<b>Increase in cash in the year</b>		909,309		49,235

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2003

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities		2003	2002
			£	£
	Operating profit/(loss)		842,449	(383,396)
	Depreciation of tangible assets		197,467	190,745
	Loss on disposal of tangible assets		18,117	60,951
	(Increase)/decrease in stocks		(186,464)	132,993
	(Increase)/decrease in debtors		(146,322)	116,323
	Increase in creditors within one year		534,796	19,482
	Net cash inflow from operating activities		1,260,043	137,098

2	Analysis of net funds/(debt)	1 July 2002	Cash flow	Other non-cash changes	30 June 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	133,484	400,249	-	533,733
	Bank overdrafts	(511,611)	509,060	-	(2,551)
		(378,127)	909,309	-	531,182
	Finance leases	(75,106)	40,631	(30,716)	(65,191)
	Debts falling due within one year	(100,000)	-	-	(100,000)
	Debts falling due after one year	(353,677)	99,075	-	(254,602)
		(528,783)	139,706	-	(419,793)
	Net (debt)/funds	(906,910)	1,049,015	(30,716)	111,389

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	Increase in cash in the year	909,309	49,235
	Cash outflow/(inflow) from decrease/(increase) in debt	139,706	(157,357)
	Change in net debt resulting from cash flows	1,049,015	(108,122)
	Movement in net funds/(debt) in the year	1,018,299	(208,267)
	Opening net debt	(906,910)	(698,643)
	Closing net funds/(debt)	111,389	(906,910)

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

---

### 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 undertaking made up to 30 June 2003. Intra-group sales and profits are eliminated fully on consolidation. The company has taken advantage of the exemption conferred by s230 of The Companies Act 1985 and has not included its own profit and loss account in these consolidated accounts.

#### 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 (retail outlets)	25 % on written down value
Short leasehold premises	25% on cost
Fixtures, fittings & equipment (retail outlets)	25% on written down value
Fixtures, fittings & equipment	25% on cost
Motor vehicles	25% on cost

#### 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 impairment 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.

#### 1.9 Deferred taxation

Deferred tax is provided in full, where material, in respect of taxation deferred as a result of timing differences arising from the differing treatment of certain costs for taxation and accounting purposes.

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 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/(loss)	2003 £	2002 £
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	197,467	190,745
	Loss on disposal of tangible assets	18,117	60,951
	Operating lease rentals	506,037	380,981
	Auditors' remuneration (company £14,000 ; 2002 : £14,924 )	20,430	19,924

4	Interest payable	2003 £	2002 £
	On bank loans and overdrafts	45,356	51,139
	Lease finance charges	3,845	9,280
	Other interest	60,000	-
		109,201	60,419

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

<b>5 Taxation</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U.K. corporation tax	95,144	-
Adjustment for prior years	-	(380)
	<u>95,144</u>	<u>(380)</u>
<b>Current tax charge</b>	<b>95,144</b>	<b>(380)</b>
<b>Factors affecting the tax charge for the year</b>		
Profit/(loss) on ordinary activities before taxation	734,492	(443,521)
	<u>734,492</u>	<u>(443,521)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 30.00 %)	220,348	(133,056)
	<u>220,348</u>	<u>(133,056)</u>
Effects of:		
Non deductible expenses	1,070	4,487
Depreciation add back	64,676	75,509
Capital allowances	(53,292)	(53,262)
Tax losses utilised	(107,860)	105,942
Other tax adjustments	(29,798)	-
	<u>(125,204)</u>	<u>132,676</u>
<b>Current tax charge</b>	<b>95,144</b>	<b>(380)</b>
	<u>95,144</u>	<u>(380)</u>

## **6 Profit/(loss) 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.

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Parent company's profit/(loss) for the financial year	497,571	(178,090)
	<u>497,571</u>	<u>(178,090)</u>

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 7 Tangible fixed assets Group

	Short leasehold premises £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2002	616,955	588,914	78,925	1,284,794
Additions	23,170	89,651	30,716	143,537
Disposals	(35,892)	(119,458)	(49,139)	(204,489)
At 30 June 2003	604,233	559,107	60,502	1,223,842
<b>Depreciation</b>				
At 1 July 2002	325,364	293,896	60,960	680,220
On disposals	(28,679)	(98,804)	(49,139)	(176,622)
Charge for the year	76,784	102,078	18,605	197,467
At 30 June 2003	373,469	297,170	30,426	701,065
<b>Net book value</b>				
At 30 June 2003	230,764	261,937	30,076	522,777
At 30 June 2002	291,591	295,018	17,965	604,574

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 June 2003	61,342	30,076	91,418
At 30 June 2002	97,782	-	97,782
<b>Depreciation charge for the year</b>			
30 June 2003	25,536	640	26,176
30 June 2002	20,955	-	20,955

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 7 Tangible fixed assets (continued) Company

	Short leasehold premises £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 July 2002	32,160	367,531	78,925	478,616
Additions	-	60,147	30,716	90,863
Disposals	-	(54,061)	(49,139)	(103,200)
At 30 June 2003	32,160	373,617	60,502	466,279
<b>Depreciation</b>				
At 1 July 2002	7,302	161,809	60,960	230,071
On disposals	-	(50,011)	(49,139)	(99,150)
Charge for the year	8,040	76,977	18,605	103,622
At 30 June 2003	15,342	188,775	30,426	234,543
<b>Net book value</b>				
At 30 June 2003	16,818	184,842	30,076	231,736
At 30 June 2002	24,858	205,722	17,965	248,545

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

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Net book values</b>			
At 30 June 2003	59,843	30,076	89,919
At 30 June 2002	84,879	-	84,879
<b>Depreciation charge for the year</b>			
30 June 2003	25,036	640	25,676
30 June 2002	16,432	-	16,432

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 8 Fixed asset investments Company

	Shares in group undertakings £
<b>Cost</b>	
At 1 July 2002 & at 30 June 2003	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	Class	Shares held %
<b>Subsidiary undertakings</b>			
Blooming Marvellous Retail Limited	United Kingdom	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	<b>Principal activity</b>
Blooming Marvellous Retail Limited	Retailing of maternity wear and childrens' clothing.

### 9 Stocks

	Group 2003 £	2002 £	Company 2003 £	2002 £
Finished goods and goods for resale	1,335,232	1,148,768	1,335,232	1,148,768

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 10 Debtors

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	40,495	96,570	40,495	96,570
Amounts owed by group undertakings	-	-	218,347	500,427
Other debtors	-	869	-	869
Prepayments and accrued income	389,031	185,765	305,146	104,813
	<u>429,526</u>	<u>283,204</u>	<u>563,988</u>	<u>702,679</u>

### 11 Creditors : amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loan and overdrafts	102,551	611,611	102,551	611,611
Net obligations under finance lease and hire purchase contracts	41,202	33,380	41,202	33,380
Trade creditors	906,291	599,489	873,803	580,671
Corporation tax	95,144	-	31,940	-
Taxes and social security costs	247,953	260,469	237,733	256,799
Other creditors	55,854	15,444	55,854	15,444
Accruals and deferred income	345,640	145,540	315,624	110,615
	<u>1,794,635</u>	<u>1,665,933</u>	<u>1,658,707</u>	<u>1,608,520</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 2003

### 12 Creditors : amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loan	91,667	190,742	91,667	190,742
Other loans	162,935	162,935	162,935	162,935
Net obligations under finance leases and hire purchase agreements	23,989	41,726	23,989	41,726
	<u>278,591</u>	<u>395,403</u>	<u>278,591</u>	<u>395,403</u>
<b>Analysis of loans</b>				
Not wholly repayable within five years other than by instalments:				
Not by instalments	162,935	162,935	162,935	162,935
Wholly repayable within five years	191,667	290,742	191,667	290,742
	<u>354,602</u>	<u>453,677</u>	<u>354,602</u>	<u>453,677</u>
Included in current liabilities	(100,000)	(100,000)	(100,000)	(100,000)
	<u>254,602</u>	<u>353,677</u>	<u>254,602</u>	<u>353,677</u>
<b>Loan maturity analysis</b>				
In more than one year but not more than two years	91,667	100,000	91,667	100,000
In more than two years but not more than five years	-	90,742	-	90,742
In more than five years	162,935	162,935	162,935	162,935
	<u>254,602</u>	<u>353,677</u>	<u>254,602</u>	<u>353,677</u>
<b>Net obligations under finance leases and hire purchase contracts</b>				
Repayable within one year	46,412	37,651	46,412	37,651
Repayable between one and five years	26,934	47,064	26,934	47,064
	<u>73,346</u>	<u>84,715</u>	<u>73,346</u>	<u>84,715</u>
Finance charges and interest allocated to future accounting periods	(8,155)	(9,609)	(8,155)	(9,609)
	<u>65,191</u>	<u>75,106</u>	<u>65,191</u>	<u>75,106</u>
Included in liabilities falling due within one year	(41,202)	(33,380)	(41,202)	(33,380)
	<u>23,989</u>	<u>41,726</u>	<u>23,989</u>	<u>41,726</u>

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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### 13 Pension costs

#### Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	<u>111,915</u>	<u>63,463</u>

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

14 Share capital	2003 £	2002 £
<b>Authorised</b>		
525 'A' Ordinary shares of £ 1 each	525	525
475 'B' Ordinary shares of £ 1 each	475	475
250,000 Preference shares of £ 1 each	250,000	250,000
	<u>251,000</u>	<u>251,000</u>
 <b>Allotted, called up and fully paid</b>		
275 'A' Ordinary shares of £ 1 each	275	275
225 'B' Ordinary shares of £ 1 each	225	225
100,000 Preference shares of £ 1 each	100,000	100,000
	<u>100,500</u>	<u>100,500</u>

On 8 April 2003 the authorised share capital was increased to £251,000 represented by 250,000 preference shares of £1 each; 525 "A" Ordinary Shares of £1 each and 475 "B" Ordinary Shares of £1 each.

At the same time, the company issued 100,000 preference shares for a consideration of £100,000 to consolidate the company's capital base. This adjustment was reflected in the financial statements for the year ended 30 June 2002, as in the opinion of the directors, it provided a more realistic view of the nature of the company's funding at that date.

Rights attached to each class of shares are detailed below:

(i) 'A' Ordinary shares and 'B' Ordinary shares rank pari passu with each other in all respects. Shareholders may vote at general meetings and each share carries one vote; they may appoint and remove a director at any time.

(ii) Holders of preference shares do not have the right to receive a dividend nor to vote at general meetings of the company. The company may redeem the shares at any time. Preference shareholders may redeem the whole or any part of their shareholding at any time after 30 June 2005, or prior to that date in certain circumstances. There is no premium payable upon redemption.

(iii) On a return of capital on winding up, the preference shareholders have the right to repayment of capital in priority to any payment to ordinary shareholders. Upon winding up, any surplus assets will be distributed between the 'A' and 'B' shareholders in proportion to their issued share capital.

On 29 July 2003, the authorised share capital was increased from £251,000 to £251,100 by the creation of 100 'C' Ordinary Shares of £1 each. These ordinary shares rank pari passu with 'A' and 'B' Ordinary Shares. On the same date share options were granted to Messrs Kumar and Lewis to acquire up to 40 'C' ordinary shares at prices varying between £1 and £3,000 per share, to be exercised no later than 29 July 2013.

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 15 Statement of movements on profit and loss account Group

	Profit and loss account £
Balance at 1 July 2002	8,194
Retained profit for the year	639,348
	<hr/>
Balance at 30 June 2003	647,542
	<hr/>

### Company

	Profit and loss account £
Balance at 1 July 2002	495
Retained profit for the year	497,571
	<hr/>
Balance at 30 June 2003	498,066
	<hr/>

### 16 Reconciliation of movements in shareholders' funds Group

	2003 £	2002 £
Profit/(loss) for the financial year	639,348	(443,141)
Proceeds from issue of shares	-	100,000
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	639,348	(343,141)
Opening shareholders' funds	108,694	451,835
	<hr/>	<hr/>
Closing shareholders' funds	748,042	108,694
	<hr/>	<hr/>

### Company

	£	£
Profit/(loss) for the financial year	365,827	(178,090)
Proceeds from issue of shares	-	100,000
	<hr/>	<hr/>
Net addition to/(depletion in) shareholders' funds	365,827	(78,090)
Opening shareholders' funds	100,995	179,085
	<hr/>	<hr/>
Closing shareholders' funds	466,822	100,995
	<hr/>	<hr/>

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

### 17 Financial commitments

At 30 June 2003 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003 £	2002 £
Expiry date:		
Between two and five years	274,367	93,500
In over five years	218,079	358,843
	<u>492,446</u>	<u>452,343</u>

Subsequent to the balance sheet date, the group acquired two further property leases with total annual rentals of £75,000.

### 18 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	679,888	575,722
Company pension contributions to money purchase schemes	111,915	63,463
Compensation for loss of office	-	30,000
	<u>791,803</u>	<u>669,185</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2002 - 4 ).

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

Emoluments for qualifying services	225,836	158,599
Company pension contributions to money purchase schemes	53,708	26,981

# BLOOMING MARVELLOUS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

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### 19 Employees

#### Number of employees

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

	2003 Number	2002 Number
Management	4	4
Administration	7	7
Production	11	9
Sales	94	89
	<u>116</u>	<u>109</u>

#### Employment costs

	£	£
Wages and salaries	2,060,991	2,121,167
Social security costs	181,865	170,971
Other pension costs	111,915	63,463
	<u>2,354,771</u>	<u>2,355,601</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 2003

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### 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:

	2003 £	2002 £
Ms J B Lever	89,987	89,987
Mrs V E Pringle	72,947	72,947

During the year, Ms J B Lever and Mrs V E Pringle were paid interest on their loan account balances of £33,000 and £27,000 respectively (2002: £nil and £nil respectively).

As explained in note 14 an issue of preference shares was made by the company to existing shareholders in April 2003, the proceeds of which were met by the conversion of debt totalling £100,000.

Current account balances payable to Ms J B Lever and Mrs V E Pringle of £35,490 (2002 : £11,994) and £20,364 (2002 : £3,450) 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 any bank overdraft and £30,000 per annum in total in respect of leases in the company's name.

During the year, Mrs V E Pringle acquired a motor vehicle from the company at market value for a cash consideration of £4,000.