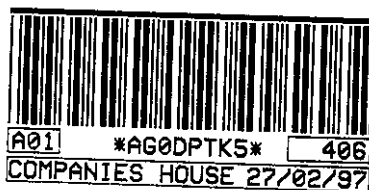


Babycham Limited

Directors' Report and Financial Statements

30th April 1996

Registered Number 2684691



Babycham Limited

Directors' Report and Financial Statements

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Babycham Limited

Directors' Report

The directors present their report and the financial statements for the period ended 30th April 1996.

Principal Activities

The Company has not traded since incorporation.

Directors and Directors' Interests

The directors who held office during the period were as follows:

H.C. Etheridge
A.T. Colquhoun

The interests of H.C. Etheridge in the ordinary shares of Matthew Clark plc are disclosed in the directors' report of the parent company.

A.T. Colquhoun has been granted options over the ordinary shares in Matthew Clark plc as follows:

Executive Share Options:

| <u>01.05.95</u> | <u>Granted during the Year</u> | <u>30.04.96</u> | <u>Exercise Price £</u> | <u>Dates which Exercisable</u> | <u>Expiry Date</u> |
|-----------------|--|-----------------|-----------------------------|------------------------------------|--------------------|
| 15,780 | | 15,780 | 566 | 1997 | 2004 |
| 7,364 | | 7,364 | 561 | 1997 | 2004 |
| 7,000 | | 7,000 | 555 | 1998 | 2005 |
| | 2,000 | 2,000 | 662 | 1998 | 2005 |

Save as You Earn:

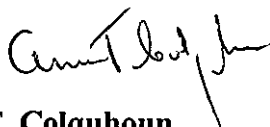
| | | | | |
|-------|-------|--------|------|-------|
| 1,312 | 1,312 | 525.86 | 2001 | 2,001 |
|-------|-------|--------|------|-------|

None of the directors who held office at the end of the financial year had any interests in the shares of the company.

Auditors

A special resolution has been passed by the company, in accordance with section 250 of the Companies Act 1985 to exempt the company from its obligations to appoint auditors under section 384 of the Companies Act 1985.

By order of the board



A.T. Colquhoun
Secretary

Whitchurch Lane,
Bristol,
BS14 0JZ

25th Feb. 1997

Babycham Limited

Balance Sheet at 30th April 1996

| | Note | 1996 | 1995 |
|--------------------------------|------|----------|----------|
| | | £ | £ |
| Current Assets | | | |
| Amount due from parent company | | <u>2</u> | <u>2</u> |
| Capital and Reserves | | | |
| Called up share capital | 3 | <u>2</u> | <u>2</u> |

Throughout the year ending on the above date the company was dormant within the meaning of section 250 of the Companies Act 1985 (as amended by the Companies Act 1989).

These financial statements were approved by the board of directors on 25th Feb. 1997 and were signed on its behalf by:



H.C. Etheridge
Director

Babycham Limited

Notes (forming part of the financial statements)

1. Accounting Policies

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

2. Profit and Loss Account

During the financial period the company did not trade and received no income and incurred no expenditure. Consequently, during the period the company made neither a profit nor a loss.

3. Share Capital

| | 1996 | 1995 |
|--|-------------|-------------|
| | £ | £ |
| <i>Authorised</i> | | |
| Ordinary shares of £1 each | <u>1000</u> | <u>1000</u> |
| <i>Allotted called up and fully paid</i> | | |
| Ordinary shares of £1 each | <u>2</u> | <u>2</u> |

4. Ultimate Parent Undertaking

The company's ultimate parent undertaking is Matthew Clark plc which is registered in England and Wales.

The only group in which the results of the company are consolidated is that headed by Matthew Clark plc. The consolidated financial statements of the Group are available to the public and may be obtained from the Company Secretary of Matthew Clark plc at Whitchurch Lane, Bristol BS14 0JZ.