

BABYBASE LIMITED

FINANCIAL STATEMENTS

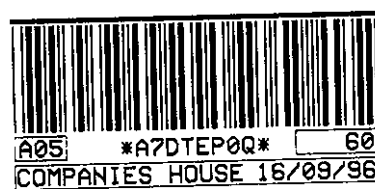
FOR THE YEAR ENDED

31ST MARCH 1996

**Registered Number
01475315**

ORMEROD RUTTER

CHARTERED ACCOUNTANTS



BABYBASE LIMITED
COMPANY INFORMATION

Company Number:	01475315
Directors:	Mr A. Wellings Mrs R. Wellings Mrs K. Shrubbs Mrs S. Marshall
Secretary:	Mrs K. Shrubbs
Registered office:	Knightwick Road Martley Worcs WR6 6PQ
Reporting accountants:	Ormerod Rutter Chartered Accountants The Oakley Kidderminster Road Droitwich Worcestershire
Bankers:	Midlands Bank Plc 9 Broad Street Worcester WR1 2EJ

BABYBASE LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996

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BABYBASE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 1996

The Directors present their report and the financial statements for the year ended 31st March 1996.

Principal activities

The principal activity of the company continues to be that of the supply and retail of babies clothing and equipment and general nursery products.

Directors' interests

The directors of the company during the year and their interests in the ordinary share capital of the company as recorded in the register of directors' interests were as follows:

	1996 £	1995 £
Mr A. Wellings	1,200	1,200
Mrs R. Wellings	-	-
Mrs K. Shrubb	800	800
Mrs S. Marshall	-	-

This report was approved by the board on 29th July 1996, taking advantage of special exemptions available to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board


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Mrs K. Shrubb
(Company Secretary)

ACCOUNTANTS REPORT
TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF
BABYBASE LIMITED

We report on the financial statements for the year ended 31st March 1996 set out on pages 3 to 8.

Respective responsibilities of directors and reporting accountant

As described on page 4 the company's directors are responsible for the preparation of the financial statements and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures required to enable us to report our opinion.

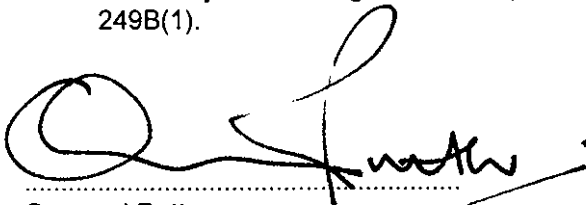
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) The financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Ormerod Rutter
Reporting accountants
The Oakley
Kidderminster Road
Droitwich
Worcestershire

29th July 1996

BABYBASE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996

	Note	1996 £	1995 £
Turnover	2	229,969	210,368
Cost of sales		153,447	140,704
Gross profit		<u>76,522</u>	<u>69,664</u>
Administrative expenses		67,544	64,665
		<u>8,978</u>	<u>4,999</u>
Other operating income		951	1,152
Operating profit	3	<u>9,929</u>	<u>6,151</u>
Retained profit for the year		<u>£ 9,929</u>	<u>£ 6,151</u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 1996 or 1995 therefore turnover and operating profit derive entirely from continued operations.

The company has no recognised gains or losses other than the profit for the financial year.

The annexed notes form part of these financial statements.

BABYBASE LIMITED
BALANCE SHEET
AS AT 31ST MARCH 1996

	Note	1996	1995
		£	£
Fixed assets			
Tangible assets	4	3,115	2,856
Current assets			
Stocks	5	47,185	48,540
Debtors	6	16,881	12,817
Cash at bank and in hand		6,004	5,382
		<u>70,070</u>	<u>66,739</u>
Creditors			
Amounts falling due within one year	7	128,775	135,114
Net current liabilities		<u>(58,705)</u>	<u>(68,375)</u>
Total assets less current liabilities		<u>(55,590)</u>	<u>(65,519)</u>
Net liabilities		<u>£(55,590)</u>	<u>£(65,519)</u>
Capital and reserves			
Called up share capital	8	2,000	2,000
Profit and loss account	9	(57,590)	(67,519)
Shareholders' funds	10	<u>£(55,590)</u>	<u>£(65,519)</u>

In the opinion of the directors the company is entitled to claim exemptions from audit by virtue of subsection (2) of Section 249A of the Companies Act 1985. No notice has been deposited by shareholders to invalidate this exemption. The directors are responsible for seeing that the company maintains accounting records in compliance with Section 221 of that Act and for preparing financial statements which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with Section 226, and which comply with the other requirements of the Act.

Approved by the board of directors on 29th July 1996 and signed on its behalf. In preparing these financial statements advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and in the directors' opinion the company is entitled to these exemptions as a small company.



 Mr A. Wellings
 (Director)

The annexed notes form part of these financial statements.

BABYBASE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1996

1. Accounting policies

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	10%-25% straight line basis
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Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Going concern

These financial statements have been drawn up on the going concern basis. If the going concern basis were not appropriate adjustments would have to be made to reduce the value of assets to their recoverable amount to provide for any further liabilities that might arise and to reclassify fixed assets as current assets and long term liabilities as current liabilities.

2. Turnover

Turnover is attributable solely to continuing operations and derives from one activity that of the supply and retail of babies clothing and equipment, and general nursery products.

BABYBASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1996

3. Operating profit

	1996	1995
	£	£
This is stated after charging:		
Directors' remuneration	9,132	8,822
Depreciation of owned assets	884	842
Hire of equipment - operating leases	333	610
	<hr/>	<hr/>

4. Tangible fixed assets

	Fixtures and Fittings £	Total £
Cost:		
At 1st April 1995	47,799	47,799
Additions	1,242	1,242
Disposals	(198)	(198)
	<hr/>	<hr/>
At 31st March 1996	48,843	48,843
Depreciation:		
At 1st April 1995	44,943	44,943
Charge for the year	884	884
Eliminated on disposal	(99)	(99)
	<hr/>	<hr/>
At 31st March 1996	45,728	45,728
Net book value:		
At 31st March 1996	£ 3,115	£ 3,115
	<hr/>	<hr/>
At 1st April 1995	£ 2,856	£ 2,856
	<hr/>	<hr/>

5. Stocks

	1996	1995
	£	£
Goods for resale	47,185	48,540
	<hr/>	<hr/>
	£47,185	£48,540
	<hr/>	<hr/>

BABYBASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1996

6. Debtors

	1996	1995
	£	£
Due within one year:		
Trade debtors	13,565	12,268
Other debtors	3,316	549
	<u>£16,881</u>	<u>£12,817</u>

7. Creditors - amounts falling due within one year

	1996	1995
	£	£
Trade creditors	22,776	19,563
Taxation and social security	1,005	845
Other creditors	104,994	114,706
	<u>£128,775</u>	<u>£135,114</u>

8. Share capital

	1996	1995
	£	£
Authorised		
Ordinary shares of £1 each	2,000	2,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	2,000	2,000
	<u> </u>	<u> </u>

9. Profit and loss account

	1996
	£
Balance at 1st April 1995	(67,519)
Profit retained for the year	9,929
	<u>£(57,590)</u>

BABYBASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MARCH 1996

10. Reconciliation of movements in shareholders' funds

	1996	1995
	£	£
Profit for the financial year	9,929	6,151
Opening shareholders' funds	(65,519)	(71,670)
Closing shareholders' funds	<u>£(55,590)</u>	<u>£(65,519)</u>

11. Transactions with directors and officers

Mr A. Wellings had throughout the year an interest in Maylite Limited. The company has traded with the company under normal commercial trading terms. The value of the transactions in the year amounted to £14,764 (1995 £22,077).