

Registrar

1767042

MARTIN DAWN PLC
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998



MARTIN DAWN PLC

COMPANY INFORMATION

Company Registration No. 1767042 (England and Wales)

Directors

R. Martin
G. King
S Wainwright
J Main (Appointed 23 July 1997)

Secretary

G. King

Registered office

Crescent House
51 High Street
Billericay
Essex
CM12 9AX

Auditors

Morton Thornton
Torrington House
47 Holywell Hill
St. Albans
Herts
AL1 1HD

MARTIN DAWN PLC

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MARTIN DAWN PLC

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31ST MARCH 1998

I am pleased to report further significant progress and expansion of the Company's asset base and profile over the past year. Two significant acquisitions have been made whilst at the same time further monies have been invested in the existing portfolio of development projects, the profits of which will be enjoyed over the coming years. As a result of these further investments and development costs the Group made a loss of £292,070 against a profit in 1997 of £534,407.

I referred in my statement last year to the Company's strategy of bringing forward, through conditional contracts and options, medium and long term land for development and I am pleased to report further good progress has been made on this front during the past year, the benefit from which will be seen in the financial year ended 31st March 1999.

I also last year referred to the possibility of the Company securing projects on a joint venture basis which would give the Group development opportunities which had previously been beyond its capital base. During the year the two investment properties mentioned above were both progressed on this basis, although completed after the end of the financial year. The first joint venture acquisition was the purchase of a commercial investment property in Basildon, Essex let to a mixture of quality convenients including Ford UK, Kwik-Fit International plc and Essex Ford. Since the year end, and following successful negotiations with the major tenant, the property has recently been revalued significantly in excess of cost. Furthermore, the property does at the same time offer the Company further potential redeployment and development opportunities working in conjunction with our existing significant property interests in Basildon.

The second joint venture arrangement has seen the Group enter a sale and leaseback agreement with Southend United Football Club for it's existing twelve acre training ground and leisure facilities. As an integral part of the acquisition the Company has purchased from the Football Club Chairman a controlling percentage of his 55% shareholding in the Club. Since the year end the remainder of the now former Chairman's shares have also been acquired. This property-related transaction has been made with the intention of relocating the Football Club from it's existing stadium in Victoria Avenue, Southend, to the Training Ground. To enable the Company to carry out this substantial and exciting development, a joint venture agreement has been reached since the year end with the publicly quoted property company, Delancey Estates plc. It is the Company's intention to make a planning application within the next six months and for the development of the stadium and leisure facilities to be carried out over a two year period following receipt of a satisfactory consent.

These new acquisitions together with our existing development properties plus the significant joint venture funding partners established over the past year gives the Board considerable confidence for the future.

Ronald Martin
Chairman

MARTIN DAWN PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report and financial statements for the year ended 31 March 1998.

Principal activities and review of the business

The principal activity of the Group continued to be that of land development.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 5.

Market value of land and buildings

In the opinion of the directors there is no significant difference between the present market value of the Group's land and buildings and the amounts at which they are stated in the accounts.

Research and development

Martin Dawn plc has provided funding for the development of a "cold cure binder" to enable coal fines to be formed into coal briquettes. The Directors consider that the research and development it has funded to date which amounts to £81442 should be carried forward and written off to the Profit and Loss Account as and when the income stream commences. It is considered that trading will commence in the year ended 31 March 1999.

Future developments

The Group intends to continue its present management policies for the foreseeable future.

Directors

The following directors have held office since 1 April 1997:

R. Martin

G. King

S Wainwright

J Main

(Appointed 23 July 1997)

Directors' interests

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

		Ordinary shares of £1 each	
		31 March 1998	1 April 1997
R. Martin		44,165	44,165
G. King		2,500	2,500
S Wainwright		-	-
J Main		-	-
J.D Martin	(Resigned 23/07/97)	-	3335

MARTIN DAWN PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

Payments to suppliers

In the United Kingdom the Group agrees payment terms with its suppliers when it enters into binding purchase contracts. The Group seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group does not have a standard or code which deals with the payment of suppliers.

The number of days represented by trade creditors falling due within one year at the year end compared to the total amounts invoiced by suppliers during the year was 72 days.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Morton Thornton 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 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 of the Group and to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



Director

18th December 1998

MARTIN DAWN PLC

AUDITORS' REPORT TO THE SHAREHOLDERS OF MARTIN DAWN PLC

We have audited the financial statements on pages 5 to 21 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 3 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.

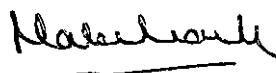
Basis of opinion

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 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 31 March 1998 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MORTON THORNTON
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
TORRINGTON HOUSE
47 HOLYWELL HILL
ST. ALBANS
HERTS. AL1 1HD

18th December 1998

MARTIN DAWN PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	1997 £
Turnover	2	435,753	5,003,449
Cost of sales		(383,036)	(4,083,048)
Gross profit		52,717	920,401
Administrative expenses		(334,397)	(374,778)
Other operating income		21,673	8,402
Operating (loss)/profit	3	(260,007)	554,025
Other interest receivable and similar income	4	8,584	8,799
Interest payable and similar charges	5	(38,936)	(29,965)
(Loss)/profit on ordinary activities before taxation		(290,359)	532,859
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit on ordinary activities after taxation	17	(290,359)	532,859
Minority interests		431	1,548
		(292,070)	534,407

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

MARTIN DAWN PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1998

	1998 £	1997 £
(Loss)/profit for the financial year	(290,359)	532,859
Unrealised surplus on revaluation of properties	70,653	-
Total recognised gains and losses relating to the year	<u>(219,706)</u>	<u>532,859</u>

MARTIN DAWN PLC

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Intangible assets	7		81,442		83,263
Tangible assets	8 and 9		477,979		380,566
Investments	10		300		300
			<u>559,721</u>		<u>464,129</u>
Current assets					
Stocks	11	1,170,192		1,136,381	
Debtors	12	290,327		946,289	
Cash at bank and in hand		2,486		587,578	
		<u>1,463,005</u>		<u>2,670,248</u>	
Creditors: amounts falling due within one year	13	(917,992)		(1,811,740)	
Net current assets			545,013		858,508
Total assets less current liabilities			<u>1,104,734</u>		<u>1,322,637</u>
Creditors: amounts falling due after more than one year	14		(162,630)		(160,827)
			<u>942,104</u>		<u>1,161,810</u>
Capital and reserves					
Called up share capital	16		50,000		50,000
Share premium account	17		249,500		249,500
Revaluation reserve	17		159,560		88,907
Profit and loss account	17		483,029		773,388
Total shareholders' funds	18		942,089		1,161,795
Minority interests			15		15
			<u>942,104</u>		<u>1,161,810</u>

The financial statements were approved by the Board on 18th December 1998

R. Martin

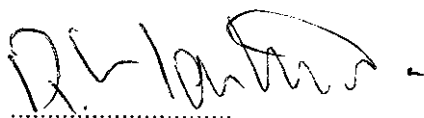
Director

MARTIN DAWN PLC

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	8 and 9		477,611		379,498
Investments	10		388		388
			<u>477,999</u>		<u>379,886</u>
Current assets					
Stocks	11	699,439		665,628	
Debtors	12	611,482		1,798,819	
Cash at bank and in hand		1,325		4,609	
		<u>1,312,246</u>		<u>2,469,056</u>	
Creditors: amounts falling due within one year	13	(887,814)		(1,737,260)	
Net current assets			<u>424,432</u>		<u>731,796</u>
Total assets less current liabilities			<u>902,431</u>		<u>1,111,682</u>
Creditors: amounts falling due after 14 more than one year	14		(162,630)		(160,827)
			<u>739,801</u>		<u>950,855</u>
Capital and reserves					
Called up share capital	16		50,000		50,000
Share premium account	17		249,500		249,500
Revaluation reserve	17		159,560		88,907
Profit and loss account	17		280,741		562,448
Shareholders' funds - equity interests	18		<u>739,801</u>		<u>950,855</u>

The financial statements were approved by the Board on 18th December 1998



Director

MARTIN DAWN PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

	1998 £	1997 £
Net cash (outflow)/inflow from operating activities	(604,004)	1,180,191
Returns on investments and servicing of finance		
Interest received	8,584	8,799
Interest paid	(38,936)	(29,965)
Net cash outflow for returns on investments and servicing of finance	(30,352)	(21,166)
Taxation	(696)	(14,831)
Capital expenditure		
Payments to acquire intangible assets	-	(19,595)
Payments to acquire tangible assets	(12,325)	(26,728)
Receipts from sales of intangible assets	1,821	-
Receipts from sales of tangible assets	-	32,000
Net cash outflow for capital expenditure	(10,504)	(14,323)
Net cash (outflow)/inflow before management of liquid resources and financing	(645,556)	1,129,871
Financing		
New long term bank loan	39,000	-
Other new loans	300,000	-
Repayment of long term bank loan	(3,642)	(6,569)
Repayment of other short term loans	(45,000)	(508,405)
Capital element of hire purchase contracts	(23,238)	(28,435)
Net cash inflow/(outflow) from financing	267,120	(543,409)
(Decrease)/increase in cash in the year	(378,436)	586,462

MARTIN DAWN PLC

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

1	Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities	1998 £	1997 £
	Operating (loss)/profit	(260,007)	554,025
	Depreciation of tangible assets	32,036	27,400
	Profit on disposal of tangible assets	-	(7,554)
	(Increase)/decrease in stocks	(33,811)	52,357
	Decrease/(increase) in debtors	656,658	(184,756)
	(Decrease)/Increase in creditors within one year	(998,880)	738,719
	Net cash (outflow)/inflow from operating activities	(604,004)	1,180,191

2	Analysis of net (debt)/funds	1 April 1997 £	Cash flow £	Other non-cash changes £	31 March 1998 £
	Net cash:				
	Cash at bank and in hand	587,578	(585,092)		2,486
	Bank overdrafts	(287,297)	206,656		(80,641)
		300,281	(378,436)		(78,155)
	Debt:				
	Finance leases	(38,948)	23,238	(46,471)	(62,181)
	Debts falling due within one year	(50,500)	(294,494)	-	(344,994)
	Debts falling due after one year	(138,571)	4,136	-	(134,435)
		(228,019)	(267,120)	(46,471)	(541,610)
	Net funds/(debt)	72,262	(645,556)	(46,471)	(619,765)

3	Reconciliation of net cash flow to movement in net (debt)/funds	1998 £	1997 £
	(Decrease)/increase in cash in the year	(378,436)	586,462
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(267,120)	543,409
	Change in net debt resulting from cash flows	(645,556)	1,129,871
	New finance lease	(46,471)	(50,076)
	Movement in net (debt)/funds in the year	(692,027)	1,079,795
	Opening net funds/(debt)	72,262	(1,007,533)
	Closing net (debt)/funds	(619,765)	72,262

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover which represents the proceeds from the sale of properties, both investment and trading, is included in the profit and loss account when, in the opinion of the Directors, the developments are materially completed and provided that a binding contract of sale exists.

1.3 Research and development

Development expenditure relating to specific projects intended for commercial exploitation is carried forward provided that the aggregate book value does not in the opinion of the Directors exceed the current market value.

1.4 Tangible fixed assets and depreciation

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

Land and buildings	2% straight line
Plant & machinery	25% straight line
Fixtures & fittings	25% straight line
Motor vehicles	25% straight line

In accordance with SSAP 19 investment properties are revalued annually and have been valued by the Directors. The aggregate surplus or deficit is transferred to a revaluation reserve and no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate such properties, but that requirement conflicts with generally accepted accounting principles set out in SSAP 19. The Directors consider that to depreciate such properties would not give a true and fair view. If this departure had not been made the profit for the year would have been reduced by depreciation on the revalued properties of £1000 (1997 £1000).

Full valuations are made by independent professionally qualified valuers every five years and in the intervening years these valuations are updated by the Directors with the assistance of independent professional advice as required. The basis of valuation is explained in note 9.

1.5 Leasing and hire purchase commitments

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.

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

1.6 Investments

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

1.7 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value. Work in progress includes all specific costs on ongoing development projects. Costs relating to discontinued or completed projects are written off to the Profit and Loss Account.

1.8 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.

2 Turnover

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

3	Operating (loss)/profit	1998 £	1997 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	32,036	27,400
	Auditors' remuneration	8,888	7,985
	Remuneration of auditors for non-audit work	-	8,965
		<u> </u>	<u> </u>
4	Other interest receivable and similar income	1998 £	1997 £
	Bank interest	8,584	8,799
		<u> </u>	<u> </u>
5	Interest payable	1998 £	1997 £
	Bank interest	3,429	8,195
	Loan interest	30,509	11,826
	Hire purchase interest	3,961	4,393
	Other interest	1,037	5,551
		<u> </u>	<u> </u>
		38,936	29,965
		<u> </u>	<u> </u>

6 Taxation

The Group has no liability for taxation.

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

7 Intangible fixed assets Group

	Development costs £
Cost	
At 1 April 1997	83,263
Amounts written off in the year	(1,821)
At 31 March 1998	81,442
Net book value	
At 31 March 1998	81,442
At 31 March 1997	83,263

8 Tangible fixed assets

	Land and buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Group					
Cost or valuation					
At 1 April 1997	334,742	39,978	17,557	87,401	479,678
Additions	1,330	4,451	-	53,015	58,796
Revaluation	50,000	-	-	-	50,000
At 31 March 1998	386,072	44,429	17,557	140,416	588,474
Depreciation					
At 1 April 1997	16,831	36,114	14,699	31,468	99,112
Revaluation	(20,653)	-	-	-	(20,653)
Charge for the year	3,822	1,646	2,857	23,711	32,036
At 31 March 1998	-	37,760	17,556	55,179	110,495
Net book value					
At 31 March 1998	386,072	6,669	1	85,237	477,979
At 31 March 1997	317,911	3,864	2,858	55,933	380,566

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

8 Tangible fixed assets (continued)

	Land and buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Company					
Cost or valuation					
At 1 April 1997	334,742	37,179	17,557	87,401	476,879
Additions	1,330	4,451	-	53,015	58,796
Revaluation	50,000	-	-	-	50,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1998	386,072	41,630	17,557	140,416	585,675
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 1997	16,831	34,385	14,699	31,468	97,383
Revaluation	(20,653)	-	-	-	(20,653)
Charge for the year	3,822	944	2,857	23,711	31,334
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	-	35,329	17,556	55,179	108,064
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 1998	386,072	6,301	1	85,237	477,611
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	317,913	2,794	2,858	55,933	379,498
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

	Motor vehicles £
Net book values	
At 31 March 1998	85,237
	<hr/>
At 31 March 1997	55,993
	<hr/>
Depreciation charge for the year	
31 March 1998	23,711
	<hr/>
31 March 1997	12,907
	<hr/>

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

9 Land and buildings

	1998 £	1997 £
Freehold properties	330,000	263,169
Investment properties	56,072	54,742
	<u>386,072</u>	<u>317,911</u>

Historical cost information

	Investment properties £	Freehold properties £
Historical cost	-	191,093
Accumulated depreciation	-	17,154
	<u>-</u>	<u>173,939</u>

The Group's investment property and freehold properties are secured by fixed charges.

Freehold properties were professionally valued on the basis of current market value as at July 1998 by Edward Symmons and Partners at £330,000. Edward Symmons and Partners have given their approval for the valuation to be used. In the Directors' opinion there is no material difference between the valuation of this property as at 31st March 1998 and the carrying value in these financial statements.

If the freehold property were sold at its revalued amount there would be a potential tax liability of £30,000.

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

10 Fixed asset investments Group and Company

	Investments other than loans £
Cost or valuation	
At 1 April 1997 & at 31 March 1998	300
Company	
Shares in group undertakings	
Cost	
At 1 April 1997 & at 31 March 1998	281,438
Provision	
1st April 1993	(281,350)
Net book amount	
At 31 March 1998	88
At 31 March 1997	88

The company holds more than 20% of the share capital of the following companies:

Company	Principle activity	Shares held	
		Class	%
Subsidiary undertakings			
R Martin Developments Limited	Land development	Ordinary £1	100
Martin Dawn (EA) Limited	Land development	Ordinary £1	100
Martin Dawn (Plymouth) Limited	Land development	Ordinary £1	100
Allied Coal Limited	Research and development of binders for the solid fuel industry.	Ordinary £1	85
		Capital and Profit/(loss) for reserves	the year
R Martin Developments Limited		(1,403)	(265)
Martin Dawn (EA) Limited		(223,240)	412
Martin Dawn (Plymouth) Limited		(5,923)	(5,925)
Allied Coal Limited		(16,793)	(2,874)

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

11 Stock of land and work in progress	Group 1998 £	Group 1997 £	Company 1998 £	Company 1997 £
	1,170,192	1,136,381	699,439	665,628

Stock of land and work in progress includes capitalised interest as follows :-

Group £12025 (1996 £10338)

Company £12025 (1996 £10338)

In the opinion of the Directors the value of stock and work in progress is not less than cost.

Stocks are secured by fixed charges.

12 Debtors	Group 1998 £	Group 1997 £	Company 1998 £	Company 1997 £
Trade debtors	26,315	806,065	26,315	759,881
Amounts owed by subsidiary undertakings	-	-	321,851	898,714
Corporation tax	15,527	14,831	14,831	14,831
Other debtors	4,432	676	4,432	676
Loans to Director	242,090	120,000	242,090	120,000
Prepayments and accrued income	1,963	4,717	1,963	4,717
	290,327	946,289	611,482	1,798,819

13 Creditors: amounts falling due within one year	Group 1998 £	Group 1997 £	Company 1998 £	Company 1997 £
Bank loans and overdrafts	425,635	337,797	425,635	334,943
Net obligations under finance lease and hire purchase contracts	33,986	16,692	33,986	16,692
Trade creditors	171,159	571,116	169,307	569,642
Taxes and social security costs	212,908	741,665	212,976	741,678
Other creditors	27,881	52,985	7,885	7,045
Accruals and deferred income	46,423	91,485	38,025	67,260
	917,992	1,811,740	887,814	1,737,260

The bank loans and overdrafts are secured by fixed charges on the Group's investment and other properties and those of its subsidiaries and by a fixed and floating charge over the assets of the Company.

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

14 Creditors: amounts falling due after more than one year

	Group 1998 £	Group 1997 £	Company 1998 £	Company 1997 £
Bank loans	134,435	138,571	134,435	138,571
Net obligations under finance leases and hire purchase agreements	28,195	22,256	28,195	22,256
	<u>162,630</u>	<u>160,827</u>	<u>162,630</u>	<u>160,827</u>

Analysis of loans

Not wholly repayable within five years by instalments:

Bank loans	138,993	144,071	138,993	144,071
Wholly repayable within five years	340,436	45,000	340,436	45,000

	<u>479,429</u>	<u>189,071</u>	<u>479,429</u>	<u>189,071</u>
Included in current liabilities	<u>(344,994)</u>	<u>(50,500)</u>	<u>(344,994)</u>	<u>(50,500)</u>
	<u>134,435</u>	<u>138,571</u>	<u>134,435</u>	<u>138,571</u>

Loan maturity analysis

Between one and two years	5,035	6,025	5,035	6,025
Between two and five years	18,495	21,685	18,495	21,685
In five years or more	110,905	110,861	110,905	110,861

Net obligations under finance leases and hire purchase contracts

Repayable within one year	33,986	16,692	33,986	16,692
Repayable between one and five years	28,195	22,256	28,195	22,256
	<u>62,181</u>	<u>38,948</u>	<u>62,181</u>	<u>38,948</u>
Included in liabilities falling due within one year	<u>(33,986)</u>	<u>(16,692)</u>	<u>(33,986)</u>	<u>(16,692)</u>
	<u>28,195</u>	<u>22,256</u>	<u>28,195</u>	<u>22,256</u>

The bank loan is repayable by equal monthly instalments of £1521 over a period of fifteen years with interest at a rate of 2.5% over base rate subject to an overall minimum of 8% per annum.

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

15 Provisions for liabilities and charges

Deferred tax is provided at 21% (1997 24%) analysed over the following timing differences:

Group

	Not provided		Provided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	(6,832)	(5,910)	-	-
Tax losses available	(198,003)	(199,859)	-	-
	<u>(204,835)</u>	<u>(205,769)</u>	<u>-</u>	<u>-</u>

Company

	Not provided		Provided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	(6,606)	(5,525)	-	-
Tax losses available	(144,296)	(140,636)	-	-
	<u>(150,902)</u>	<u>(146,161)</u>	<u>-</u>	<u>-</u>

16 Share capital

	1998	1997
	£	£
Authorised		
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

17 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 1997	249,500	88,907	773,388
Retained loss for the year	-	-	(290,359)
Revaluation during the year	-	50,000	-
Depreciation written back	-	20,653	-
Balance at 31 March 1998	249,500	159,560	483,029

Company

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 1997	249,500	88,907	562,448
Retained loss for the year	-	-	(281,707)
Revaluation during the year	-	50,000	-
Depreciation written back	-	20,653	-
	249,500	159,560	280,741

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. The parent Company's (loss)/profit for the financial period was £(281707) (1997 £ 585223)

18 Reconciliation of movements in shareholders' funds	Group 1998 £	Group 1997 £	Company 1998 £	Company 1997 £
Profit for the financial year	(290,359)	532,859	(281,707)	585,223
Other recognised gains and losses	70,653	-	70,653	-
Net addition to shareholders' funds	(219,706)	532,859	(211,054)	585,223
Opening shareholders' funds	1,161,810	628,951	950,855	365,632
Closing shareholders' funds	942,104	1,161,810	739,801	950,855

MARTIN DAWN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

19 Directors' emoluments	1998 £	1997 £
Emoluments for qualifying services	153,633	179,552

20 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum in year
	1998 £	1997 £	£
R Martin	242,090	120,000	242,090

21 Employees

Number of employees

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

	1998 Number	1997 Number
Directors	4	4
Administration	2	2
	6	6

Employment costs

	£	£
Wages and salaries	145,480	186,565
Social security costs	10,842	18,306