

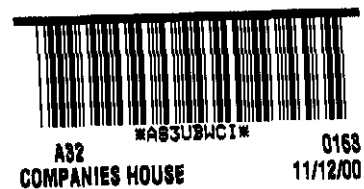
**DR MARTENS SPORTS AND
LEISURE LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2000

Company number: 2810363



DR MARTENS SPORTS AND LEISURE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

Company registration number: 2810363

Registered office: Cobbs Lane
Wollaston
Wellingborough
Northants
NN29 7SW

Directors: Mr W M Griggs (Chairman)
Mr S W Griggs
Mr M G Darnell

Secretary: Mr H M Johnstone

Bankers: HSBC

Solicitors: Smith Chamberlain

Auditors: Grant Thornton
Registered auditors
Chartered accountants

DR MARTENS SPORTS AND LEISURE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

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DR MARTENS SPORTS AND LEISURE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2000.

Principal activities

The company is principally engaged in the sports and leisure industry and as a conference and banqueting centre.

Business review

There was a loss for the year after taxation amounting to £39,319 (1999: loss £147,979). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors, who are all directors of the parent undertaking, are disclosed in that company's financial statements.

Mr W M Griggs (Chairman)

Mr S W Griggs

Mr M G Darnell (Managing Director)

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business, except as disclosed in note 19 to the financial statements.

Directors' responsibilities for the financial statements

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 year. 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 company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DR MARTENS SPORTS AND LEISURE LIMITED

REPORT OF THE DIRECTORS

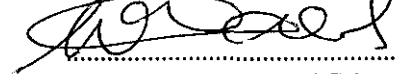
Year 2000 Compliance

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



W M Griggs
Chairman

12 October 2000

Registered Office:

Cobbs Lane
Wollaston
Wellingborough
Northants
NN29 7SW

**REPORT OF THE AUDITORS TO THE MEMBERS OF
DR MARTENS SPORTS AND LEISURE LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

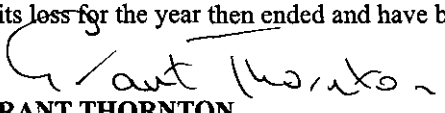
Basis of opinion

We conducted our audit in accordance with 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 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 affairs at 31 March 2000 and if its less for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Northampton

12 October 2000

DR MARTENS SPORTS AND LEISURE LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2000

BASIS OF PREPARATION

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Computer equipment	- 25% straight line method
Catering equipment	- 15% straight line method
Office equipment	- 15% straight line method
Functions equipment	- 15% straight line method
Cleaning equipment	- 15% straight line method

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

CONTRIBUTIONS TO PENSION FUNDS

Defined Benefit Scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the remaining service lives of current employees in the scheme.

LEASED ASSETS

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

DR MARTENS SPORTS AND LEISURE LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	1	1,262,075	928,822
Other operating income and charges	2	1,320,952	1,157,818
Loss on ordinary activities before taxation	1	<u>(58,877)</u>	<u>(228,996)</u>
Tax on loss on ordinary activities	4	(19,558)	(81,017)
Loss for the financial year	13	<u>£(39,319)</u>	<u>£(147,979)</u>

There were no recognised gains or losses other than the loss for the financial year.

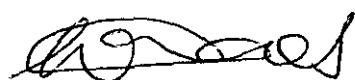
The accompanying accounting policies and notes form an integral part of these financial statements.

DR MARTENS SPORTS AND LEISURE LIMITED

BALANCE SHEET AT 31 MARCH 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	5		54,246		58,749
Current assets					
Stocks	6	32,174		26,421	
Debtors	7	227,148		246,441	
Cash at bank and in hand		3,769		3,746	
		<u>263,091</u>		<u>276,608</u>	
Creditors: amounts falling due within one year	8	851,384		829,577	
Net current liabilities			<u>(588,293)</u>		<u>(552,969)</u>
Total assets less current liabilities			<u>(534,047)</u>		<u>(494,220)</u>
Provisions for liabilities and charges	9		-		508
			<u>£(534,047)</u>		<u>£(494,728)</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account	12		(535,047)		(495,728)
Shareholders' funds	13		<u>£(534,047)</u>		<u>£(494,728)</u>

The financial statements were approved by the Board of Directors on 12 October 2000.



W M Griggs

Chairman

The accompanying accounting policies and notes form an integral part of these financial statements.

DR MARTENS SPORTS AND LEISURE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and loss on ordinary activities before taxation are attributable to activities in the sports and leisure industry and the operation of a conference and banqueting centre.

The loss on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration	3,500	2,500
Other operating lease rentals	5,224	5,224

2 OTHER OPERATING INCOME AND CHARGES

	Note	2000 £	1999 £
Raw materials and consumables		443,604	382,686
Staff costs	3	520,710	420,435
Depreciation	5	24,772	21,773
Other operating charges		331,866	332,924
		<u>£1,320,952</u>	<u>£1,157,818</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	476,454	368,609
Social security costs	24,606	30,913
Other pension costs	16,967	19,022
Other staff costs	2,683	1,891
	<u>£520,710</u>	<u>£420,435</u>

The average number of employees of the company during the year was 122 (1999: 76).

There was no remuneration in respect of directors during the year.

A service charge of £10,000 (1999: £10,000) has been made by R Griggs Group Limited. It is not possible to separately identify that part of the charge relating to directors' emoluments.

DR MARTENS SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

4 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit represents:

	2000	1999
	£	£
Group relief	(16,035)	(71,253)
Deferred tax (note 9)	(508)	(848)
	<u>(16,543)</u>	<u>(72,101)</u>
Adjustment in respect of prior year:		
Group relief	(3,015)	(8,916)
	<u>£(19,558)</u>	<u>£(81,017)</u>

DR MARTENS SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

5	TANGIBLE FIXED ASSETS	Total £	Computer equipment £	Catering equipment £	Office equipment £	Cleaning equipment £	Functions equipment £
	Cost						
	At 1 April 1999	120,937	36,321	52,179	23,924	545	7,968
	Additions	20,269	1,701	2,346	6,816	3,850	5,556
	At 31 March 2000	<u>£141,206</u>	<u>£38,022</u>	<u>£54,525</u>	<u>£30,740</u>	<u>£4,395</u>	<u>£13,524</u>
	Depreciation						
	At 1 April 1999	62,188	27,004	20,026	12,980	82	2,096
	Provided in the year	24,772	9,505	8,013	4,566	659	2,029
	At 31 March 2000	<u>£86,960</u>	<u>£36,509</u>	<u>£28,039</u>	<u>£17,546</u>	<u>£741</u>	<u>£4,125</u>
	Net book amount at 31 March 2000	<u>£54,246</u>	<u>£1,513</u>	<u>£26,486</u>	<u>£13,194</u>	<u>£3,654</u>	<u>£9,399</u>
	Net book amount at 31 March 1999	<u>£58,749</u>	<u>£9,317</u>	<u>£32,153</u>	<u>£10,944</u>	<u>£463</u>	<u>£5,872</u>

DR MARTENS SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

6 STOCKS

	2000 £	1999 £
Food	12,792	7,085
Beverages	19,382	19,336
	<u>£32,174</u>	<u>£26,421</u>

7 DEBTORS

	2000 £	1999 £
Trade debtors	158,127	191,615
Amounts owed by parent undertaking	16,817	4,195
Amounts owed by group undertakings	-	291
Other debtors	18,224	31,807
Prepayments and accrued income	33,980	18,533
	<u>£227,148</u>	<u>£246,441</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	522,598	561,765
Trade creditors	69,498	62,550
Amounts owed to parent undertaking	151,031	140,991
Amounts owed to group undertakings	78	184
Social security and other taxes	38,211	41,654
Other creditors	26,648	5,978
Accruals and deferred income	43,320	16,455
	<u>£851,384</u>	<u>£829,577</u>

9 PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation (note 10) £
At 1 April 1999	508
Utilised during the year	(508)
At 31 March 2000	<u>£ -</u>

DR MARTENS SPORTS AND LEISURE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

10 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	2000	1999
Accelerated capital allowances	<u>£ -</u>	<u>£508</u>

11 SHARE CAPITAL**2000 and 1999**

Authorised, allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>£1,000</u>
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12 RESERVES**Profit and
loss account
£**

At 1 April 1999	(495,728)
Transfer from reserves	(39,319)
At 31 March 2000	<u>£(535,047)</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year and net decrease in shareholders' funds	(39,319)	(147,979)
Shareholders' funds at 1 April 1999	(494,728)	(346,749)
Shareholders' funds at 31 March 2000	<u>£(534,047)</u>	<u>£(494,728)</u>

14 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2000 or 31 March 1999.

15 CONTINGENT LIABILITIES

The company, together with other group undertakings, is party to unlimited multilateral guarantees given in respect of the bank loans and overdrafts of the participating companies. As at 31 March 2000 the total of the loans and overdrafts guaranteed by the company under this agreement amounted to £29,081,018 (1999: £31,682,666).

DR MARTENS SPORTS AND LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

16 PENSIONS

Defined Benefit Scheme

The company is a member of a group scheme for the benefit of its employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The actuarial valuation of the scheme is disclosed in the financial statements of R Griggs & Co Limited.

17 LEASING COMMITMENTS

Operating lease payments amounting to £2,491 (1999: £5,224) are due within one year. The leases to which these relate expire as follows.

	2000 Other	1999 Other
In one year or less	-	5,224
Between one and five years	2,491	-
	<u>£2,491</u>	<u>£5,224</u>

18 CONTROLLING RELATED PARTY

The ultimate parent undertaking and controlling related party of this company is R Griggs Group Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by R Griggs Group Limited.

19 TRANSACTIONS WITH RELATED PARTIES

Transactions with group undertakings

As a wholly owned subsidiary of R Griggs Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by R Griggs Group Limited.

Transactions with other related parties

During the year, sales totalling £335,750 (1999: £194,145) and recharges of certain wages and salaries and overhead expenses which amounted to £125,960 (1999: £224,125) were made to Rushden & Diamonds Football Club Limited. Rushden & Diamonds Football Club Limited is a company limited by guarantee of which Messrs S W Griggs, W M Griggs and M G Darnell are directors. At 31 March 2000 £118,781 (1999: £187,385) was owed by Rushden & Diamonds Football Club Limited to Dr Martens Sports and Leisure Limited.

Recharges of training, consultancy and overhead expenses amounting to £18,621 (1999: £16,595) were made by Rushden & Diamonds Football Club Limited to Dr Martens Sports and Leisure Limited.

The above transactions were all at arms length.