

Themedawn Limited
Financial Statements
For the year ended 30th November 1997

Company Number: 2936524

C O N T E N T S

	<u>PAGE</u>
REPORT OF THE DIRECTORS	1 - 2
REPORT OF THE AUDITORS	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
ACCOUNTING POLICIES	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 10



Themedawn Limited

Report of the Directors

The directors present their report and financial statements for the year ended 30th November 1997.

Activities and business review

The principal activities of the company are pawnbroking and dealers in second hand goods.

There has been no significant change in the activity during the year and it is not anticipated there will be any significant change during the current financial year.

The turnover and profit after taxation were as follows:

	<u>1997</u>	<u>1996</u>
	£	£
Turnover	512,037	504,420
Taxation	(2,149)	(96)
Profit/(loss) after taxation	<u>12,540</u>	<u>(3,154)</u>

Directors and their interests

The directors who have served during the year and their interest, including family interests, and options in the share capital of the company were as follows:-

	<u>30 November 1997</u>	<u>30 November 1996</u>
Mr P Scrancher	90	90
Ms C Muir	5	5
Mr M Scrancher	5	5
Mrs J Scrancher	<u>=</u>	<u>=</u>

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year or period 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 period. In preparing those financial statements, the directors are required to:-

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Themedawn Limited

Report of the Directors - continued

Directors' responsibilities continued

- iv) 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

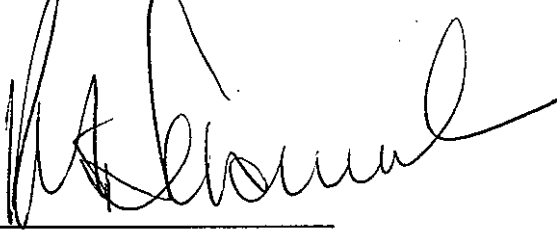
Auditors

A resolution to re-appoint the auditors, Rothman Pantall & Co., will be proposed at the forthcoming annual general meeting.

Small company provisions

Advantage has been taken in the preparation of this report of special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

On behalf of the board



Director

12.5.98

Date

Report of the Auditors to the Members of

Themedawn Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described in the Report of the Directors the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based in 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.

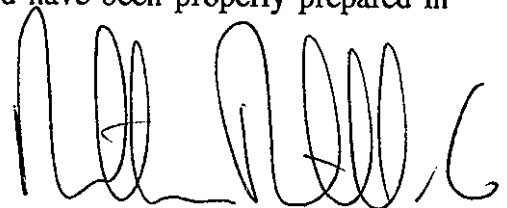
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs as at 30th November 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4 Prince George Street,
Havant, Hampshire.

15.5.98



Chartered Accountants
& Registered Auditors

Themedawn Limited

Profit and Loss Account

For the year ended 30th November 1997

	Note	1997 £	1996 £
Turnover - UK	1	512,037	504,420
Cost of sales		(228,537)	(259,525)
Gross profit		283,500	244,895
Selling expenses		(167,172)	(149,156)
Administrative expenses		(118,649)	(119,302)
Other operating income		<u>24,247</u>	<u>26,458</u>
Operating profit		21,926	2,895
Bank interest payable		<u>(7,237)</u>	<u>(5,953)</u>
Profit/(loss) on ordinary activities before taxation	2	14,689	(3,058)
Taxation	3	<u>(2,149)</u>	<u>(96)</u>
Profit/(loss) on ordinary activities after taxation		12,540	(3,154)
Retained profit brought forward		<u>2,493</u>	<u>5,647</u>
Retained profit carried forward		<u>£ 15,033</u>	<u>£ 2,493</u>

The notes on pages 6 to 10 form part of these financial statements.

Themedawn Limited

Balance Sheet

As at 30th November 1997

	Note	1997		1996	
		£	£	£	£
Fixed assets					
Intangible assets	4		17,500		20,000
Tangible assets	5		<u>72,717</u>		<u>74,906</u>
			90,217		94,906
Current assets					
Stock	6	43,367		40,382	
Debtors	7	65,747		53,751	
Cash at bank and in hand		<u>6,983</u>		<u>13,233</u>	
		116,097		107,366	
Creditors					
Amounts falling due within one year	8	(167,535)		(164,445)	
Net current (liabilities)			(51,438)		(57,079)
Total assets less current liabilities			38,779		37,827
Creditors					
Amounts falling due in more than one year	8		(23,646)		(35,234)
Provisions for liabilities and charges	9		-		-
			<u>£ 15,133</u>		<u>£ 2,593</u>
Capital and Reserves					
Called up share capital	10		100		100
Profit and loss account			<u>15,033</u>		<u>2,493</u>
Shareholders Funds	12		<u>£ 15,133</u>		<u>£ 2,593</u>

The directors have taken advantage in the preparation of these financial statements of special provisions relating to small companies within Part VII of the Companies Act 1985 and within the Financial Reporting Standard for Smaller Entities.

Director

These financial statements were approved by the board of directors on 12.5.98.

The notes on pages 6 to 10 form part of these financial statements.

Themedawn Limited

Accounting Policies

For the year ended 30th November 1997

Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules set out in the 4th Schedule to the Companies Act 1985.

Turnover

Turnover represents amounts invoiced by the company in respect of goods provided during the year excluding discounts and value added tax.

Depreciation and amortisation

Depreciation is calculated to write off the cost of tangible fixed assets by annual instalments over their estimated useful lives as follows:-

Leasehold Improvements	- over the period of the lease
Fixtures, fittings and equipment	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Franchise approval fees	- Ten years

Stocks

These are valued at the lower of cost and net realisable value.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

Themedawn Limited

Notes to the Financial Statements

For the year ended 30th November 1997

1. Turnover

Turnover represents the amounts derived from the provision of goods and services, which fall within the company's ordinary activities, all of which are continuing, net of value added tax.

2. Profit/(loss) before taxation

The profit/(loss) before taxation is stated after charging:-

	<u>1997</u>	<u>1996</u>
Amortisation of intangible assets	2,500	2,500
Depreciation of tangible fixed assets	10,536	12,027
Auditors remuneration	2,800	3,300
Directors emoluments	<u>43,790</u>	<u>52,367</u>

3. Taxation

Taxation based on the profit for the period:-

	<u>1997</u>	<u>1996</u>
Corporation tax at 22.5%	2,500	-
Overprovision in prior year	<u>(351)</u>	<u>96</u>
	<u>£2,149</u>	<u>£ 96</u>

4. Intangible fixed assets

	<u>1997</u>	<u>1996</u>
	£	£
Franchise approval fee at cost	25,000	25,000
Amortisation b/f	(5,000)	(2,500)
Amortisation in year	<u>(2,500)</u>	<u>(2,500)</u>
	<u>£17,500</u>	<u>£20,000</u>

Themedawn Limited

Notes to the Financial Statements

For the year ended 30th November 1997

5. Tangible fixed assets

	Short Leasehold Improvements £	Motor Vehicle £	Fixtures & Fittings £	Office Equipment £	Total £
At 1/12/96	35,056	9,968	33,833	15,846	94,703
Additions	4,500	-	1,166	2,681	8,347
Disposals	-	-	-	-	-
At 30/11/97	<u>39,556</u>	<u>9,968</u>	<u>34,999</u>	<u>18,527</u>	<u>103,050</u>
Depreciation at					
At 1/12/96	2,822	3,591	9,177	4,207	19,797
Charge in year	1,891	1,595	4,721	2,329	10,536
Disposals	-	-	-	-	-
At 30/11/97	<u>4,713</u>	<u>5,186</u>	<u>13,898</u>	<u>6,536</u>	<u>30,333</u>
Net book amount					
At 30/11/97	<u>£34,843</u>	<u>£ 4,782</u>	<u>£ 21,101</u>	<u>£11,991</u>	<u>£72,717</u>
At 30/11/96	<u>£32,234</u>	<u>£ 6,377</u>	<u>£ 24,656</u>	<u>£11,639</u>	<u>£74,906</u>

The motor vehicle is held under finance lease.

6. Stocks

	1997	1996
Goods for resale	<u>£43,367</u>	<u>£40,382</u>

7. Debtors

	1997	1996
Trade debtors	21,889	20,576
Other debtors	28,647	10,714
Prepayments and accrued income	<u>15,211</u>	<u>22,461</u>
	<u>£65,747</u>	<u>£53,751</u>

Themedawn Limited

Notes to the Financial Statements

For the year ended 30th November 1997

8. Creditors: amounts falling due within one year

	<u>1997</u>	<u>1996</u>
Bank overdraft	32,958	26,062
Directors loan account	92,069	93,105
Corporation tax	2,149	-
Social security and other taxation	8,960	11,339
Obligations under finance leases and hire purchase contracts	2,463	4,926
Bank loans	14,765	14,765
Accruals and deferred income	<u>14,171</u>	<u>14,248</u>
	<u>£167,535</u>	<u>£164,445</u>
Bank loans falling due in more than one year	<u>£ 23,646</u>	<u>£ 35,234</u>

The bank overdraft and loan are secured by a fixed and floating charge over the assets of the company.

9. Provisions for liabilities and charges

Details of the provision for deferred taxation and the full potential liability are as follows:-

	<u>1997</u>		<u>1996</u>	
	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
Corporation tax deferred in respect of:				
Accelerated capital allowances	-	6,951	-	6,792
Other timing differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>£ -</u>	<u>£ 6,951</u>	<u>£ -</u>	<u>£ 6,792</u>

10. Share capital

	<u>1997</u>	<u>1996</u>
Authorised		
Ordinary Shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, called up and fully paid		
Ordinary Shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

Themedawn Limited

Notes to the Financial Statements

For the year ended 30th November 1997

11. Capital commitments

There was no expenditure contracted for, or authorised but not contracted for, at the balance sheet date.

12. Operating lease obligations

In respect of land and buildings

Leases expiring in more than five years	<u>£25,000</u>
---	----------------

In respect of motor vehicles

leases expiring between two and five years	<u>£ 6,676</u>
--	----------------

13. Related Party Transactions

At 30th November 1997 the company owed P Scrancher a director and shareholder of Themedawn Limited £92,069.

14. Contingent Liabilities

The company has entered in a cross guarantee with Dawebay Limited. The maximum amount of this liability at 30th November 1997 was £25,472.