

WHITE HORSE PRESS LIMITED

GROUP OF COMPANIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

COMPANY NUMBER: 3534576



WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

SHAREHOLDERS FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

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WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

COMPANY INFORMATION AS AT 30 JUNE 2001

INCORPORATED In England and Wales on 25 March 1998

NUMBER 3534576

CHAIRMAN G G Parrett

OTHER DIRECTORS M G A Parrett
S S Greener (resigned 31 July 2001)
B Gibbs
S Wyatt

SECRETARY L Mansfield

REGISTERED OFFICE 88 King Street
Maidstone
Kent
ME14 1BH

AUDITORS Price Bailey
Chartered Accountants
17 Museum Street
Saffron Walden
Essex
CB10 1BN

BANKERS Barclays
28 Chesterton Road
Cambridge
CB4 3AZ

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the third Annual General Meeting of White Horse Press Limited will be held:

at: 65/67 John Wilson Business Park, Chestfield, Whitstable, Kent

on: Wednesday 10 October 2001 at 12.00 pm

for the following purposes:

1. To receive and consider the report of the directors and the audited financial statements of White Horse Press Limited Group of companies for the year ended 30 June 2001.
2. To re-elect B D Gibbs as a director because he is retiring by rotation.
3. To re-appoint Price Bailey as auditors.
4. To transact the ordinary course of the business.

By order of the Board



M G A Parrett
Managing Director

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

CHAIRMAN'S STATEMENT

While the Group has been showing good progress in some areas, the Newbury printing division has continued to disappoint with increasing losses. This was caused in part by the reduction in promotional activities by some of our larger clients.

After careful examination your directors concluded that it would be more effective to concentrate on the Kent businesses and to sell the Newbury division.

During the year good progress has been made with the new activities. etax Limited, White Horse Developers Limited and White Horse Gardens Limited are all in profit. In its first full year White Horse Signs has shown a substantial increase in turnover and has gained a number of blue chip clients. There is every reason to believe that this business will be breaking even by the end of the current year.

The Whitstable printing business has continued to be profitable. This is due largely to the energy of our staff there and the maintenance of the high standards of quality demanded by our customers.

Our customer base in Kent is wide-ranging in its activities, which helps to provide a cushion should there be a downturn in any one segment.

However, the printing industry has always required considerable investment in plant and machinery and we are aware that replacements will be needed in the coming year if the business is to maintain its competitive edge.

The full dividend on preference shares, equivalent to 7½ per cent will be proposed at the AGM. It is not proposed to pay a dividend on the ordinary shares.

As will be seen from the accounts, post tax losses of £72,045 have been incurred and transferred to reserves.



G.G. Parrott
Chairman

Maidstone

September 2001

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 June 2001.

PRINCIPAL ACTIVITY

The group's activities consist of the following:-

- White Horse Press Limited – high quality general printing at Whitstable (Kent) and Newbury (Berkshire)
- White Horse Signs (a division of the company) - high quality vinyl graphic and screen printing in Dover.
- White Horse Gardens Limited – ownership and management of a garden centre in Kent.
- Etax Limited – accountancy and taxation services offering both traditional professional services and an internet based service in Kent.
- White Horse Developers Limited – property development in Kent.

There has been no significant change in activities during the year. On 31 July 2001 the company disposed of its operations in Newbury, the trading results of which are reported under discontinued activities.

BUSINESS REVIEW

The group's balance sheet as detailed on page 12 shows a satisfactory position, shareholders' funds amounting to £5,437,519 (2000 : £5,501,179).

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 10. A preference dividend amounting to £464 (2000 : £464) has been proposed.

DIRECTORS AND THEIR INTERESTS

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

	30 June 2001		1 July 2000	
	Ordinary £5 shares	Preference £5 shares	Ordinary £5 shares	Preference £5 shares
G G Parrett (inc family interests)	488	335	488	335
M G A Parrett	747	100	747	100
S S Greener (resigned 31 July 2001)	-	-	-	-
B Gibbs	-	-	-	-
S Wyatt	-	-	-	-

The following director also had an option to subscribe for the following shares at a subscription price of £150 per ordinary share:

	30 June 2001 Ordinary £5 shares	1 July 2000 Ordinary £5 shares
S S Greener (resigned 31 July 2001)	100	100

No options were granted or exercised during the year. The options lapse after a period of six months from when the holder ceases to be employed by the company.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

DIRECTORS' REPORT (CONTINUED)

DIRECTORS AND THEIR INTERESTS (CONTINUED)

Their interests in the shares of group companies as recorded in the register of directors were as follows:-

ETAX LIMITED

	30 June 2001 Ordinary shares	1 July 2000 Ordinary shares
M G A Parrett	20	20
S S Greener	20	20

WHITE HORSE GARDENS LIMITED

	30 June 2001 Ordinary shares	1 July 2000 Ordinary shares
Parrett & Neves Limited Pension Fund in which M G A Parrett and G G Parrett are beneficiaries	83,750	83,750

WHITE HORSE DEVELOPERS LIMITED

	30 June 2001 'A' Ordinary shares	1 July 2000 'A' Ordinary shares
B D Gibbs	25	25

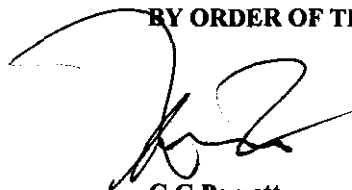
AUDITORS

A resolution to reappoint Price Bailey as auditors will be put to the members at the annual general meeting.

REGISTERED OFFICE

**88 KING STREET
MAIDSTONE
KENT
ME14 1BH**

BY ORDER OF THE BOARD



**G G Parrett
Chairman**

Dated: 14 November 2001

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare group financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing those group financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the group financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable us to ensure that the group financial statements comply with the Companies Act 1985. We 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.

ON BEHALF OF THE BOARD



M G A Parrett
Managing Director

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

AUDITORS' REPORT TO THE MEMBERS OF WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

We have audited the financial statements on pages 10 to 28 which have been prepared under the historical cost convention (as modified for the revaluation of certain fixed assets) and the accounting policies set out on pages 15 and 16.

Respective responsibilities of directors and auditors

As described on page 8, the group'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 any 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 group'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 error or other irregularity. 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 and group affairs as at 30 June 2001 and of the loss and cash flow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Bailey

**17 MUSEUM STREET
SAFFRON WALDEN
ESSEX
CB10 1BN**

**PRICE BAILEY
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
16 NOVEMBER 2001**

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2001

	Notes	2000	
TURNOVER			
Continuing		2,274,398	1,646,101
Discontinued		1,653,060	2,140,480
		<u>3,927,458</u>	<u>3,786,581</u>
Cost of sales		2,713,944	2,530,378
Gross profit		<u>1,213,514</u>	<u>1,256,203</u>
Administrative expenses		1,522,395	1,379,139
		<u>(308,881)</u>	<u>(122,936)</u>
Other operating income		77,379	23,951
OPERATING (LOSS)/PROFIT			
Continuing		(102,569)	(253,743)
Discontinued		(128,933)	154,758
	3	<u>(231,502)</u>	<u>(98,985)</u>
Profit on disposal of fixed asset investment		18,367	116,657
Income from fixed asset investments		5,262	6,484
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		<u>(207,873)</u>	<u>24,156</u>
Interest receivable		84,731	146,917
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(123,142)</u>	<u>171,073</u>
Taxation	5	(59,946)	47,573
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(63,196)</u>	<u>123,500</u>
Minority interest		(8,849)	(2,409)
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS		<u>(72,045)</u>	<u>121,091</u>
Dividends	6	464	464
RETAINED (LOSS)/PROFIT FOR THE YEAR	16	<u>£ (72,509)</u>	<u>£ 120,627</u>

Movements in reserves are shown in the notes to the financial statements.

There are no recognised gains and losses in 2001 other than the results disclosed in the above profit and loss account.

The notes on pages 15 to 28 form part of these financial statements

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTE OF GROUP HISTORICAL COST PROFIT AND LOSSES FOR THE YEAR ENDED 30 JUNE 2001

		2000
Reported (loss)/profit on ordinary activities before taxation	(123,142)	171,073
Difference between the historical cost depreciation charge and the actual depreciation charge	6,437	6,437
Historical cost (loss)/profit on ordinary activities	<u>£ (116,705)</u>	<u>£ 177,510</u>

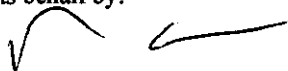
The notes on pages 15 to 28 form part of these financial statements.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2001

	Notes		2000
FIXED ASSETS			
Goodwill	7	49,847	52,644
Tangible assets	8	2,413,584	2,482,985
Investment	9	749,004	426,378
		<u>3,212,435</u>	<u>2,962,007</u>
CURRENT ASSETS			
Stocks	10	711,955	242,072
Debtors	11	934,650	1,062,119
Cash at bank and in hand		967,724	2,059,900
		<u>2,614,329</u>	<u>3,364,091</u>
CREDITORS: amounts falling due within one year	12	<u>347,542</u>	<u>744,106</u>
NET CURRENT ASSETS		<u>2,266,787</u>	<u>2,619,985</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,479,222</u>	<u>5,581,992</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	14	41,703	80,813
		<u>£ 5,437,519</u>	<u>£ 5,501,179</u>
CAPITAL AND RESERVES			
Called up share capital	15	31,150	31,150
General reserves	16	4,622,642	4,622,642
Revaluation reserve	16	302,574	309,011
Profit and loss account	16	285,389	351,461
SHAREHOLDERS FUNDS	17	<u>5,241,755</u>	<u>5,314,264</u>
Minority interest		195,764	186,915
TOTAL CAPITAL AND RESERVES		<u>£ 5,437,519</u>	<u>£ 5,501,179</u>
Non equity shareholders funds		6,190	6,190
Equity shareholders funds		<u>5,431,329</u>	<u>5,494,989</u>
		<u>£ 5,437,519</u>	<u>£ 5,501,179</u>

The financial statements on pages 10 to 28 were approved by the board of directors on 14 November 2001 and signed on its behalf by:



M G A Parrett
Managing Director

The notes on page 15 to 28 form part of these financial statements.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

COMPANY BALANCE SHEET AT 30 JUNE 2001

	Notes		2000
FIXED ASSETS			
Tangible fixed assets	8	2,014,426	2,127,171
Investments	9	1,085,769	815,838
		<u>3,100,195</u>	<u>2,943,009</u>
CURRENT ASSETS			
Stocks	10	70,200	103,625
Debtors	11	1,483,750	1,046,087
Cash at bank and in hand		926,284	2,005,186
		<u>2,480,234</u>	<u>3,154,898</u>
CREDITORS: amounts falling due within one year	12	<u>329,051</u>	<u>709,207</u>
NET CURRENT ASSETS		<u>2,151,183</u>	<u>2,445,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,251,378</u>	<u>5,388,700</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	14	41,703	80,813
		<u>£ 5,209,675</u>	<u>£ 5,307,887</u>
CAPITAL AND RESERVES			
Called up share capital	15	31,150	31,150
General reserves	16	4,622,642	4,622,642
Revaluation reserve	16	302,574	309,011
Profit and loss account	16	253,309	345,084
SHAREHOLDERS FUNDS	17	<u>£ 5,209,675</u>	<u>£ 5,307,887</u>
Non equity shareholders funds		6,190	6,190
Equity shareholders funds		<u>5,203,485</u>	<u>5,301,697</u>
SHAREHOLDERS FUNDS	17	<u>£ 5,209,675</u>	<u>£ 5,307,887</u>

The financial statements on pages 10 to 28 were approved by the board of directors and signed on its behalf by:



M G A Parrett
Managing director

The notes on pages 15 to 28 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2001

See note 18 for the note to this statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1 ACCOUNTING POLICIES

Principal accounting policies

The group accounts are prepared in accordance with applicable Accounting Standards. A summary of the group accounting policies follows. These policies have been applied consistently. The group accounts are prepared using the historical cost convention (as modified by the revaluation of certain fixed assets).

Group accounts

The group accounts comprise the audited accounts of the parent company and all its subsidiary undertakings made up to 30 June 2001. Where subsidiary undertakings are acquired or disposed of during the year, the group profit and loss account reflects their results from the date of acquisition or to the date of disposal.

Depreciation

Depreciation is provided on tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life. The expected useful lives of the assets to the business are reassessed periodically in the light of experience. Annual rates of depreciation most widely used are:

Freehold land and buildings	over 50 years
Leasehold buildings	over remaining period of the leases (6 years)
Plant and machinery, office equipment, computers and motor vehicles	between 4 and 10 years
Computer software	3 years

Deferred taxation

Deferred taxation is provided, using the liability method, only to the extent that there is a reasonable probability that it will become payable in the foreseeable future.

Operating leases

Costs incurred in respect of operating leases are charged on a straight line basis over the period of the lease in arriving at the operating profit for the year.

Goodwill

Goodwill arising on acquisitions made is capitalised and amortised over twenty years or over its estimated useful life if shorter. Goodwill represents the excess of the cost of investment in new subsidiaries over the fair value of net tangible assets acquired and purchases of goodwill.

Debtors

All known bad debts in respect of trade debtors are written off or fully provided for and, in addition, general provisions are made where considered appropriate.

Investment properties

In accordance with SSAP 19 investment properties are included in the balance sheet at open market value. Valuations are carried out at least every five years by external surveyors. Changes in the market value of investment properties are taken to the Statement of total recognised gains and losses (being a movement on an investment revaluation reserve).

Stocks

Stocks are stated at the lower of cost and net realisable value. Work in progress includes materials, direct labour and attributable production overheads. Net realisable value is based on estimated selling price less the estimated cost of disposal.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001****1 ACCOUNTING POLICIES (CONTINUED)****Pensions**

The company operates defined contribution pension schemes. The assets of the schemes are administered by trustees in funds independent from those of the company. Contributions to the schemes are charged to the profit and loss account when incurred.

Turnover

Turnover represents the amounts receivable excluding value added tax for goods and services supplied to customers in the normal course of business, in the United Kingdom.

2 DISCONTINUED OPERATIONS ANALYSIS

			2000
TURNOVER		3,927,458	3,786,581
Cost of sales			
Continuing	1,427,297		1,015,331
Discontinued	1,286,647		1,515,047
	<u>2,713,944</u>		<u>2,530,378</u>
Gross profit			
Continuing	847,101		630,770
Discontinued	366,413		625,433
	<u>1,213,514</u>		<u>1,256,203</u>
Administrative expenses			
Continuing	1,027,049		908,464
Discontinued	495,346		470,675
	<u>1,522,395</u>		<u>1,379,139</u>
	(308,881)		(122,936)
Other operating income			
Continuing	77,379		23,951
Discontinued	-		-
	<u>77,379</u>		<u>23,951</u>
OPERATING LOSS		<u>£ (231,502)</u>	<u>£ (98,985)</u>

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

3 OPERATING LOSS

	£	2000 £
Operating loss is stated after crediting :		
Rents receivable	67,019	23,951
Profit on disposal of tangible fixed assets	1,600	-
	<u> </u>	<u> </u>
and after charging :		
Auditors' remuneration	9,000	8,150
Depreciation of tangible fixed assets, owned	333,677	348,281
Amortisation of leasehold improvements	10,078	10,989
Amortisation of goodwill	2,797	2,797
Loss on disposal of fixed assets	-	8,175
Hire of vehicles	-	1,250
Operating leases – other	38,000	38,000
	<u> </u>	<u> </u>

4 STAFF COSTS

Staff costs and directors' emoluments **2000**

Directors' emoluments

Aggregate emoluments	249,730	290,377
Company pension contributions - money purchase scheme	34,021	39,152
	<u> </u>	<u> </u>
£ 283,751		£ 329,529
	<u> </u>	<u> </u>

Emoluments payable to the highest paid director as follows:

Aggregate emoluments	103,706	97,598
Company pension contributions - money purchase scheme	23,248	24,000
	<u> </u>	<u> </u>
£ 126,954		£ 121,598
	<u> </u>	<u> </u>

The number of directors for whom contributions were made to pension schemes were:

Money purchase scheme	3	5
	<u> </u>	<u> </u>

Staff costs during the year (including directors) were as follows:

Wages and salaries	1,444,720	1,342,248
Social security costs	137,002	131,213
Pension costs	66,664	75,381
	<u> </u>	<u> </u>
£ 1,648,386		£ 1,548,842
	<u> </u>	<u> </u>

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

4 STAFF COSTS (CONTINUED)

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

	30 June 2000	
	Number	Number
Production	48	40
Sales	7	7
Administration	21	15
	<u>76</u>	<u>62</u>

Defined Contribution Pension Schemes

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £66,664 (2000 : £74,381). No contributions were outstanding at 30 June 2001 (2000 : nil).

5 TAXATION

		2000
UK Corporation tax at 20% (2000 : 20%)	(21,065)	46,925
Tax credit on franked investment income	229	648
Deferred taxation	(39,110)	-
	<u>£ (59,946)</u>	<u>£ 47,573</u>

6 DIVIDENDS

		2000
Final proposed preference shares at 37.5 pence per share (2000 : 37.5 pence)	<u>£ 464</u>	<u>£ 464</u>

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

7 GOODWILL

Capitalised goodwill	Group
Cost	
At 1 July 2000 and 30 June 2001	55,441
Amortisation	
At 1 July 2000	2,797
Charge for the year	2,797
30 June 2001	5,594
Net book amount	
At 30 June 2001	£ 49,847
At 30 June 2000	£ 52,644

8 TANGIBLE FIXED ASSETS

GROUP

	Freehold property	Short leasehold improve- ments	Plant and machinery	Computers and office equipment	Motor vehicles	Total
Cost or valuation						
At 1 July 2000	1,313,467	93,001	1,917,046	429,482	292,974	4,045,970
Additions	336,815	-	7,426	24,857	55,272	424,370
Disposals	-	-	-	-	(570)	(570)
Inter category transfer	(149,446)	-	-	-	-	(149,446)
At 30 June 2001	1,500,836	93,001	1,924,472	454,339	347,676	4,320,324
Depreciation						
At 1 July 2000	38,208	35,396	1,070,567	302,505	116,309	1,562,985
Charge for the year	25,580	10,078	177,782	68,593	61,722	343,755
At 30 June 2001	63,788	45,474	1,248,349	371,098	178,031	1,906,740
Net book value						
At 30 June 2001	£ 1,437,048	£ 47,527	£ 676,123	£ 83,241	£ 169,645	£ 2,413,584
At 1 July 2000	£ 1,275,259	£ 57,605	£ 846,479	£ 126,977	£ 176,665	£ 2,482,985

The original cost of the freehold property is £1,267,208 (2000 : £1,079,839)

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

8 TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY

	Freehold property	Short leasehold improve- ments	Plant and machinery	Computers and office equipment	Motor vehicles	Total
Cost or valuation						
At 1 July 2000	992,628	93,001	1,917,046	387,334	283,574	3,673,583
Additions	306,996	-	7,426	10,614	31,402	356,438
Inter category transfer	(149,446)	-	-	-	-	(149,446)
At 30 June 2001	<u>1,150,178</u>	<u>93,001</u>	<u>1,924,472</u>	<u>397,948</u>	<u>314,976</u>	<u>3,880,575</u>
Depreciation						
At 1 July 2000	34,008	35,396	1,070,567	292,482	113,959	1,546,412
Charge for the year	<u>21,380</u>	<u>10,078</u>	<u>177,782</u>	<u>56,738</u>	<u>53,759</u>	<u>319,737</u>
At 30 June 2001	<u>55,388</u>	<u>45,474</u>	<u>1,248,349</u>	<u>349,220</u>	<u>167,718</u>	<u>1,866,149</u>
Net book value						
At 30 June 2001	<u>£ 1,094,790</u>	<u>£ 47,527</u>	<u>£ 676,123</u>	<u>£ 48,728</u>	<u>£ 147,258</u>	<u>£ 2,014,426</u>
At 1 July 2000	<u>£ 958,620</u>	<u>£ 57,605</u>	<u>£ 846,479</u>	<u>£ 94,852</u>	<u>£ 169,615</u>	<u>£ 2,127,171</u>

The original cost of the company's freehold property is £916,550 (2000 : £759,000)

In the opinion of the directors there is no material difference between the net book value of the company and group's freehold property and the market value, and as such the previous external valuation has not been updated.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

9 FIXED ASSET INVESTMENTS

	Company 2000		Group 2000	
(a) Group undertakings	570,460	570,460	-	-
(b) Other investments	515,309	245,378	749,004	426,378
	<u>£ 1,085,769</u>	<u>£ 815,838</u>	<u>£ 749,004</u>	<u>£ 426,378</u>

(a) Group undertakings

	Company 2000	
Shares at cost	<u>£ 570,460</u>	<u>£ 570,460</u>

The company has the following subsidiary undertakings that are all incorporated in England and Wales :

Details of subsidiaries	Cost	Percentage of issued ordinary share capital	Aggregate net assets		Net profit/(loss) for period ended	
			30 June 2001	30 June 2000	30 June 2001	30 June 2000
etax Limited	67,885	75	84,297	75,824	8,473	7,899
White Horse Gardens Limited	502,500	75	671,761	665,839	5,922	(4,161)
White Horse Developers Limited	75	75	26,999	6,611	20,388	6,511
	<u>£ 570,460</u>					

The nature of the aforementioned subsidiary's businesses are:

- etax Limited – Accountancy and tax services
- White Horse Gardens Limited – Operation of a garden centre
- White Horse Developers Limited – Property developers

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

9 FIXED ASSET INVESTMENTS (CONTINUED)

(b) Other investments

	Company 2000		Group 2000	
Shares at cost:				
Listed in the United Kingdom	215,363	244,878	215,363	244,878
Unlisted	500	500	500	500
	<u>215,863</u>	<u>245,378</u>	<u>215,863</u>	<u>245,378</u>
Investment property	299,446	-	533,141	181,000
	<u>£ 515,309</u>	<u>£ 245,378</u>	<u>£ 749,004</u>	<u>£ 426,378</u>
Market value of investments listed on a recognised stock exchange	<u>£ 160,230</u>	<u>£ 227,000</u>	<u>£ 160,230</u>	<u>£ 227,000</u>
Directors' valuation of unlisted Investments	<u>£ 500</u>	<u>£ 500</u>	<u>£ 500</u>	<u>£ 500</u>

Movements in the year

Cost	Company		Group	
At 1 July 2000		245,378		426,378
Additions		200,000		252,695
Disposals		(79,515)		(79,515)
Inter-category transfer		149,446		149,446
At 30 June 2001		<u>£ 515,309</u>		<u>£ 749,004</u>

The company and group's investment properties are stated at cost as in the director's opinion there is not a material difference between this and their market value.

The company has a 20% interest in Mia Dolan Limited, a company incorporated in England & Wales. At 30 June 2001 the company is not regarded as an associated undertaking as White Horse Press Limited is not in a position to exercise significant influence in management. No financial statements were available at the date the directors' report was signed.

10 STOCKS

	Company 2000		Group 2000	
Raw materials	35,319	40,692	174,710	40,692
Finished goods	-	-	-	119,997
Work in progress	34,881	62,933	537,245	81,383
	<u>£ 70,200</u>	<u>£ 103,625</u>	<u>£ 711,955</u>	<u>£ 242,072</u>

In the opinion of the directors, there is not a material difference between the net book value and the replacement cost of stock and work in progress.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

11 DEBTORS

	Company		Group	
	2000		2000	
Trade debtors	839,863	975,579	855,549	980,403
Other debtors	16,732	37,397	18,070	37,397
Corporation tax	30,560	-	30,560	-
Prepayments and accrued income	23,658	33,111	28,671	44,319
Amounts owed by group undertakings	571,937	-	-	-
Amounts owed by undertakings in which the company has a participating interest	1,000	-	1,800	-
	<u>£ 1,483,750</u>	<u>£ 1,046,087</u>	<u>£ 934,650</u>	<u>£ 1,062,119</u>

12 CREDITORS: amounts falling due within one year

	Company		Group	
	2000		2000	
Trade creditors	248,605	514,518	235,699	536,788
Amounts owed to group companies	-	19,125	-	-
Corporation tax	-	43,176	10,147	46,925
Other taxation and social security	39,599	44,352	45,440	50,369
Obligations under finance leases and hire purchase contracts	-	687	-	687
Other creditors	-	46,892	12,409	48,642
Accruals and deferred income	40,383	39,993	43,383	60,231
Proposed dividend	464	464	464	464
	<u>£ 329,051</u>	<u>£ 709,207</u>	<u>£ 347,542</u>	<u>£ 744,106</u>

13 OPERATING LEASES

The company and group has the following annual lease commitments for the year ended 30 June 2002.

	Land and Buildings	Land and buildings
		2000
Annual commitments under operating leases which expire:		
In over five years	<u>£ 33,800</u>	<u>£ 33,800</u>

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

14 DEFERRED TAXATION

Company and Group

		2000
At 1 July 2000	80,813	80,813
Charge for the year	(39,110)	-
At 30 June 2001	<u>£ 41,703</u>	<u>£ 80,813</u>

The source of the balance on the deferred tax account and the amounts for which provision has not been made are as follows:-

Company and Group

	Maximum Potential Liability	Provision Made	Maximum Potential Liability	2000 Provision Made
Corporation tax deferred by:				
Capital allowances in excess of depreciation	<u>£ 41,703</u>	<u>£ 41,703</u>	<u>£ 95,220</u>	<u>£ 80,813</u>

The potential liability and provision are based on a corporation tax rate of 20% (2000 : 20%).

15 SHARE CAPITAL

Group and Company

	Number of shares	£	Number of shares	2000 £
Authorised				
Ordinary shares of £5 each	10,000	50,000	10,000	50,000
7.5% Cumulative Preference shares of £5 each	<u>10,000</u>	<u>50,000</u>	<u>10,000</u>	<u>50,000</u>
	<u>20,000</u>	<u>100,000</u>	<u>20,000</u>	<u>100,000</u>

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

15 SHARE CAPITAL (CONTINUED)

	2000	
	Number of shares	£
Allotted, called up and fully paid		
Ordinary shares of £5 each	4,992	24,960
7.5% Cumulative Preference shares of £5 each	1,238	6,190
	<u>6,230</u>	<u>31,150</u>

The rights of the preference shareholders include a right to a cumulative preference dividend and a priority over the ordinary shareholders as regards dividends and capital. Preference shareholders have no voting rights.

Share options

At 30 June 2001 options under the company's Inland Revenue approved Executive share option scheme were outstanding as follows:

Number of Shares	Subscription price per share	Period of option
130	£150	From 23 September 2001 to 23 September 2008

16 RESERVES

Group	Profit and Loss Account	General reserve	Revaluation reserve	Total
At 1 July 2000	351,461	4,622,642	309,011	5,283,114
Retained loss for the financial year	(72,509)	-	-	(72,509)
Excess depreciation on re-valued assets	6,437	-	(6,437)	-
At 30 June 2001	<u>£ 285,389</u>	<u>£ 4,622,642</u>	<u>£ 302,574</u>	<u>£ 5,210,605</u>

Company	Profit and Loss Account	General reserve	Revaluation reserve	Total
At 1 July 2000	345,084	4,622,642	309,011	5,276,737
Retained loss for the financial year	(98,212)	-	-	(98,212)
Excess depreciation on re-valued assets	6,437	-	(6,437)	-
At 30 June 2001	<u>£ 253,309</u>	<u>£ 4,622,642</u>	<u>£ 302,574</u>	<u>£ 5,178,525</u>

As permitted by Section 230 of the Companies Act 1985, the company's own profit and loss account has not been included in the financial statements. Of the group retained loss for the year of £72,509 (2000 : profit £120,627), a loss of £98,212 (2000 : profit £114,250) is incorporated from the results of the company.

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Company		Group	
		2000		2000
Profit/(loss) for the financial year	(97,748)	114,714	(72,045)	121,091
Dividends	(464)	(464)	(464)	(464)
	(98,212)	114,250	(72,509)	120,627
Shares cancelled	-	(416,905)	-	(416,905)
Net reduction in shareholders funds	(98,212)	(302,655)	(72,509)	(296,278)
Shareholders' funds at 1 July 2000	5,307,887	5,610,542	5,314,264	5,610,542
Shareholders' funds at 30 June 2001	<u>£ 5,209,675</u>	<u>£ 5,307,887</u>	<u>£ 5,241,755</u>	<u>£ 5,314,264</u>

18 NOTES TO THE CASH FLOW STATEMENT

	2000	
GROSS CASH FLOWS		
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Interest received	84,731	146,917
Dividends received	5,262	6,484
Dividends paid	(464)	(1,500)
	<u>£ 89,529</u>	<u>£ 151,901</u>
CAPITAL		
Payments to acquire:		
Tangible fixed assets	(424,370)	(982,806)
Fixed asset investments	(252,695)	(380,261)
	<u>(677,065)</u>	<u>(1,363,067)</u>
Receipts from sales of:		
Tangible fixed assets	2,170	35,941
Fixed asset investments	97,887	399,986
	<u>£ (577,008)</u>	<u>£ (927,140)</u>

WHITE HORSE PRESS LIMITED GROUP OF COMPANIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

18 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

ACQUISITIONS

Disposals	-	(570,460)
Purchase of subsidiaries	-	738,025
Cash acquired with subsidiaries	-	(38,500)
	<u>£ -</u>	<u>£ 129,065</u>

FINANCING

Share buyback	-	(416,905)
Capital element of finance lease rental payments	(687)	(2,750)
	<u>£ (687)</u>	<u>£ (419,655)</u>

ANALYSIS OF CHANGES IN NET DEBT

	As at 1 July 2000	Cash flows	As at 30 June 2001
Cash at bank and in hand	2,059,900	(1,092,176)	967,724
Finance leases	(687)	687	-
	<u>£ 2,059,213</u>	<u>£ (1,091,489)</u>	<u>£ 967,724</u>

19 RELATED PARTY TRANSACTIONS

During the year the company did not trade with any related parties, except with other group companies. All inter group transactions and balances have been eliminated in the consolidated figures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

20 CAPITAL COMMITMENTS

		2000
Authorised and contracted but not provided for in the financial statements	£ -	£ 215,000

22 DIRECTORS INTERESTS AND LOANS

Loan

The group has loans outstanding to directors and their associates as follows:

		2000
M G A Parrett	£ -	£ 1,750

Other transactions

During the year etax Limited provided accountancy services to Parrett and Neves Investments Limited of £5,000 (2000 : £5,000) on an arms length basis. M G A Parrett and G G Parrett are both directors of this company.