

Company Registration No. 3534576 (England and Wales)

WHITE HORSE GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005



WHITE HORSE GROUP LIMITED

COMPANY INFORMATION

Directors	G G Parrett M G A Parrett
Secretary	L Mansfield
Company number	3534576
Registered office	67 John Wilson Business Park Chestfield, Whitstable Kent CT5 3QT
Auditors	Price Bailey LLP The Quorum Barnwell Road Cambridge CB5 8RE
Bankers	Barclays Bank Plc 28 Chesterton Road Cambridge CB4 3AZ

WHITE HORSE GROUP LIMITED

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WHITE HORSE GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005

The directors present their report and financial statements for the year ended 30 June 2005.

Principal activities

The principal activity of the company was that of high quality general printing at Whitstable (Kent) and London until 30 June 2004 when this activity was taken over by the company's subsidiary undertaking, White Horse Press Limited. From 1 July 2004 the company's principal activities is holding shares in trading subsidiaries and listed investments and the holding of investment property and property used by its subsidiaries.

Directors

The following directors have held office since 1 July 2004:

G G Parrett	
M G A Parrett	
P Franklin	(Resigned 28 July 2004)
J Thomson	(Resigned 28 July 2004)
P Hawkins	(Resigned 28 July 2004)

Directors' interests

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

	Ordinary shares of £ 5 each	
	30 June 2005	1 July 2004
G G Parrett	488	488
M G A Parrett	747	747

	7.5% Cumulative Preference Shares of £ 5 each	
	30 June 2005	1 July 2004
G G Parrett	335	335
M G A Parrett	100	100

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

Etax Limited (subsidiary undertaking)

	Ordinary shares of £1 each	
	30 June 2005	1 July 2004
M G A Parrett	40	40

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Price Bailey LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

WHITE HORSE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

Directors' responsibilities

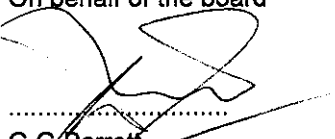
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



.....
G G Parrett

Director

27.9.05
.....

WHITE HORSE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WHITE HORSE GROUP LIMITED

We have audited the financial statements of White Horse Group Limited on pages 5 to 15 for the year ended 30 June 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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.

WHITE HORSE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF WHITE HORSE GROUP LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Bailey LLP

30 September 2005

Chartered Accountants

Registered Auditor

The Quorum
Barnwell Road
Cambridge
CB5 8RE

WHITE HORSE GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	Notes	2005 £	2004 £
Turnover		-	1,734,437
Cost of sales		-	(1,537,614)
Gross (loss)/profit		-	196,823
Distribution costs		-	(109,404)
Administrative expenses		(309,117)	(597,863)
Other operating income		223,696	100,514
Operating loss	2	(85,421)	(409,930)
Investment income	3	52,058	84,669
Other interest receivable and similar income	3	23,493	32,059
Amounts written off investments	4	(6,258)	(32,894)
Loss on ordinary activities before taxation		(16,128)	(326,096)
Tax on loss on ordinary activities	5	-	42,004
Loss on ordinary activities after taxation		(16,128)	(284,092)
Dividends		(308)	(415)
Retained loss for the year	13	(16,436)	(284,507)

WHITE HORSE GROUP LIMITED

BALANCE SHEET AS AT 30 JUNE 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6 and 7	2,720,616		3,053,521	
Investments	8	794,307		295,564	
		<u>3,514,923</u>		<u>3,349,085</u>	
Current assets					
Stocks		-	43,216		
Debtors: amounts falling due within one year	9	232,197	803,388		
Debtors: amounts falling due after more than one year	9	576,490	79,321		
Cash at bank and in hand		311,029	797,604		
		<u>1,119,716</u>	<u>1,723,529</u>		
Creditors: amounts falling due within one year	10	<u>(143,819)</u>	<u>(423,088)</u>		
Net current assets		<u>975,897</u>		<u>1,300,441</u>	
Total assets less current liabilities		<u>4,490,820</u>		<u>4,649,526</u>	
Capital and reserves					
Called up share capital	12	19,860	24,055		
Revaluation reserve	13	276,826	283,263		
Other reserves	13	4,332,577	4,470,652		
Profit and loss account	13	(138,443)	(128,444)		
Shareholders' funds		<u>4,490,820</u>	<u>4,649,526</u>		

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 27.9.05


M G A Parrett
Director

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors on an existing use open market value basis. Other tangible fixed assets other than freehold land 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 Freehold	over 50 years
Plant and machinery	between 4 and 10 years
Fixtures, fittings & equipment	3 years
Motor vehicles	between 4 and 10 years

1.4 Investments

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

Investment properties are included in the balance sheet at their open market value.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

2	Operating loss	2005 £	2004 £
	Operating loss is stated after charging:		
	Depreciation of tangible assets	42,306	170,176
	Auditors' remuneration	3,350	2,850
	Directors' emoluments	155,187	215,309

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004- 1).

3	Investment income	2005 £	2004 £
	Income from shares in group undertakings	50,000	20,280
	Income from other fixed asset investments	2,058	64,389
	Bank interest	23,493	32,059
		<u>75,551</u>	<u>116,728</u>

4	Amounts written off investments	2005 £	2004 £
	Amounts written off fixed asset investments:		
	- permanent diminution in value	6,258	32,894

5	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	-	8,367
	Current tax charge	-	8,367
	Deferred tax		
	Deferred tax charge/credit current year	-	(50,371)
		-	(42,004)

The company had trade losses of approximately £415,000 at 1 July 2004 which were transferred, with the trade, to it's subsidiary, White Horse Press Limited.

At 30 June 2005 the company has losses of approximately £90,000 available to carry forward from this accounting period.

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 July 2004	1,167,959	1,673,368	2,841,327
Additions	-	17,267	17,267
Disposals	-	(1,473,872)	(1,473,872)
Intercategory transfer	(292,975)	-	(292,975)
At 30 June 2005	874,984	216,763	1,091,747
Depreciation			
At 1 July 2004	113,627	1,113,147	1,226,774
On disposals	-	(975,654)	(975,654)
Intercategory transfer	(16,112)	-	(16,112)
Charge for the year	18,500	23,806	42,306
At 30 June 2005	116,015	161,299	277,314
Net book value			
At 30 June 2005	758,969	55,464	814,433
At 30 June 2004	1,054,332	560,221	1,614,553

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

6 Tangible fixed assets

(continued)

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 July 2004	934,331
Intercategory transfer	(292,975)
	<hr/>
At 30 June 2005	641,356
	<hr/>
Depreciation based on cost	
At 1 July 2004	75,005
Charge for the year	12,063
Intercategory transfer	(16,112)
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At 30 June 2005	70,956
	<hr/>
Net book value	
At 30 June 2005	570,400
	<hr/>
At 30 June 2004	859,326
	<hr/>

The company's freehold properties are included in the accounts at their valuation on the open market value basis.

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

7 Tangible fixed assets

Investment
properties
£

Cost or valuation	
At 1 July 2004	1,438,968
Additions	174,240
Intercategory transfer	292,975
	<hr/>
At 30 June 2005	1,906,183
	<hr/>

The company's freehold properties are included in the accounts at their valuation on the open market value basis.

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

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

8 Fixed asset investments

	Listed investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost or valuation			
At 1 July 2004	157,565	170,893	328,458
Additions	5,000	500,000	505,000
At 30 June 2005	162,565	670,893	833,458
Provisions for diminution in value			
At 1 July 2004	32,894	-	32,894
Charge for the year	6,257	-	6,257
At 30 June 2005	39,151	-	39,151
Net book value			
At 30 June 2005	123,414	670,893	794,307
At 30 June 2004	125,171	170,393	295,564
Market value			
	£		
At 30 June 2005	76,964		
At 30 June 2004	72,473		

Holdings of more than 20%

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

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
White Horse Press Limited	England & Wales	Ordinary	100
White Horse Signs Limited	England & Wales	Ordinary	100
etax Limited	England & Wales	Ordinary	83
White Horse Developers Limited	England & Wales	Ordinary	75

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

8 Fixed asset investments

(continued)

	Capital and reserves 2005 £	Profit for the year 2005 £
White Horse Press Limited	474,696	(26,304)
White Horse Signs Limited	35,155	3,227
etax Limited	72,848	(58,661)
White Horse Developers Limited	(55,714)	(2,395)

The principal activities of the subsidiary undertakings are:

White Horse Press Limited - High quality general printing at Whitstable (Kent) and London.

White Horse Signs Limited - High quality vinyl graphic printing in Dover.

etax Limited - providing accountancy and payroll services predominantly to fellow group companies.

White Horse Developers Limited - formerly property development in Kent, now dormant.

The company has a 20% interest in Mia Dolan Limited, a company incorporated in England & Wales. At 30 June 2005 the company is not regarded as an associated undertaking as White Horse Group Limited is not in a position to exercise significant influence in management. For the year ended 30 June 2004 Mia Dolan Limited made a profit of £1,500 and as at 30 June 2004 had net liabilities of £775. No figures are available for 30 June 2005.

9 Debtors

	2005 £	2004 £
Trade debtors	55,776	502,151
Amounts owed by group undertakings and undertakings in which the company has a participating interest	638,208	195,676
Other debtors	114,703	184,882
	<u>808,687</u>	<u>882,709</u>

Debtors include an amount of £576,490 (2004- £79,321) which is due after more than one year.

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

10 Creditors: amounts falling due within one year	2005 £	2004 £
Trade creditors	12,828	207,237
Amounts owed to group undertakings and undertakings in which the company has a participating interest	41,700	115,000
Taxation and social security	7,899	18,184
Other creditors	81,392	82,667
	<u>143,819</u>	<u>423,088</u>

11 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £25,586 (2004- £83,365). Contributions totalling £48,000 (2004- £24,000) were payable to the fund at the year end and are included in creditors.

12 Share capital	2005 £	2004 £
Authorised		
10,000 Ordinary shares of £5 each	50,000	50,000
2,000 7.5% Cumulative Preference Shares of £5 each	10,000	10,000
	<u>60,000</u>	<u>60,000</u>
 Allotted, called up and fully paid		
3,153 Ordinary shares of £5 each	15,765	19,710
819 7.5% Cumulative Preference Shares of £5 each	4,095	4,345
	<u>19,860</u>	<u>24,055</u>

During the year 789 Ordinary shares of £5 each and 50 Preference shares of £5 each were bought back from shareholders for £142,020 and £250 respectively.

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.

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

13 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2004	283,263	4,470,652	(128,444)
Retained loss for the year	-	-	(16,436)
Depreciation written back	(6,437)	-	6,437
Movement during the year	-	(138,075)	-
Balance at 30 June 2005	<u>276,826</u>	<u>4,332,577</u>	<u>(138,443)</u>

Other reserves

Capital redemption reserve

Balance at 1 July 2004	19,310
Capital redemption reserve movement	<u>4,195</u>

Balance at 30 June 2005	<u>23,505</u>
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Reserves provided for by the Articles of Association

Balance at 1 July 2004	4,451,342
Special reserve movement	<u>(142,270)</u>
Balance at 30 June 2005	<u>4,309,072</u>

WHITE HORSE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2005

14 Related party transactions

During the year the company traded with, and had the followings balances outstanding with its subsidiary undertakings:

	2005 £	2004 £
White Horse Press Limited		
Rent, accountancy and other expenses recharged to White Horse Press Limited in the year	83,921	-
Recharges from White Horse Press Limited in the year	28,608	-
Balance owing from White Horse Press Limited at the year end	5,632	-
White Horse Signs Limited		
Rent, accountancy and other expenses recharged to White Horse Signs Limited in the year	85,725	66,658
Recharges from White Horse Signs Limited in the year	530	3,792
Balance owing from White Horse Signs at the year end	13,354	19,944