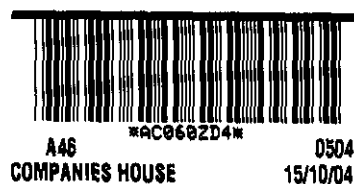


Company Registration No. 3764484 (England and Wales)

**ETAX LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**



# ETAX LIMITED

## COMPANY INFORMATION

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<b>Director</b>	M G A Parrett
<b>Secretary</b>	L Mansfield
<b>Company number</b>	3764484
<b>Registered office</b>	67 John Wilson Business Park Chestfield, Whitstable Kent CT5 3QT
<b>Auditors</b>	Price Bailey LLP 17 Museum Street Saffron Walden Essex CB10 1BN
<b>Bankers</b>	Barclays Bank Plc 28 Chesterton Road Cambridge CB4 3AZ

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# ETAX LIMITED

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# ETAX LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2004

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The director presents his report and financial statements for the year ended 30 June 2004.

### Principal activities

The principal activity of the company is the provision of taxation, payroll and accountancy services.

In April 2004 the company disposed of a significant proportion of its client base though has retained selected fees and payroll services.

### Director

The following director has held office since 1 July 2003:

M G A Parrett

### Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	30 June 2004	1 July 2003
M G A Parrett	40	40

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

### White Horse Group Limited (formerly White Horse Press Limited) (parent undertaking)

	Ordinary shares of £5 each	
	30 June 2004	1 July 2003
M G A Parrett	747	747

	Preference shares of £5 each	
	30 June 2004	1 July 2003
M G A Parrett	100	100

### Auditors

The Partnership of Price Bailey converted to an LLP on 1 April 2004, Price Bailey LLP have been appointed as our auditors.

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

# ETAX LIMITED

## DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

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### Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



L Mansfield

Secretary

7.10.04

# ETAX LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ETAX LIMITED

We have audited the financial statements of Etax Limited on pages 4 to 10 for the year ended 30 June 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention 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 director and auditors**

As described in the statement of director's responsibilities on page 2 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Bailey LLP

Chartered Accountants  
Registered Auditor

12 October 2004

17 Museum Street  
Saffron Walden  
Essex  
CB10 1BN

# ETAX LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2004

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		2004 £	2003 £
	Notes		
Turnover		31,207	59,030
Administrative expenses		(18,888)	(31,204)
		<hr/>	<hr/>
Operating profit	2	12,319	27,826
Other interest receivable and similar income	3	1,170	199
		<hr/>	<hr/>
Profit on ordinary activities before taxation		13,489	28,025
Tax on profit on ordinary activities	4	6,465	(5,325)
		<hr/>	<hr/>
Profit on ordinary activities after taxation	12	19,954	22,700
		<hr/>	<hr/>

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# ETAX LIMITED

## BALANCE SHEET AS AT 30 JUNE 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Intangible assets	5		3,259		25,950
Tangible assets	6		7,711		9,948
			<u>10,970</u>		<u>35,898</u>
<b>Current assets</b>					
Stocks		1,500		2,000	
Debtors: amounts falling due within one year	7	118,707		54,451	
Debtors: amounts falling due after more than one year	7	5,464		-	
Investments	8	190,000		-	
Cash at bank and in hand		3,321		28,987	
		<u>318,992</u>		<u>85,438</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(198,453)</u>		<u>(9,781)</u>	
<b>Net current assets</b>			<u>120,539</u>		<u>75,657</u>
<b>Total assets less current liabilities</b>			<u>131,509</u>		<u>111,555</u>
<b>Capital and reserves</b>					
Called up share capital	11		240		240
Share premium account	12		67,685		67,685
Profit and loss account	12		63,584		43,630
<b>Shareholders' funds</b>			<u>131,509</u>		<u>111,555</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 7.10.04

  
M G A Parrett  
Director



# ETAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### 1.2 Turnover

Turnover represents amounts receivable for services net of VAT, as adjusted for work in progress.

#### 1.3 Purchased goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

#### 1.4 Tangible fixed assets and depreciation

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

Computers and office equipment	25% per annum on the reducing balance basis
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#### 1.5 Investments

Current asset investments are stated at the lower of cost and net realisable value.

#### 1.6 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

#### 1.7 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).

#### 1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

<b>2 Operating profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Amortisation of intangible assets	568	4,325
Depreciation of tangible assets	2,237	2,605
Auditors' remuneration	1,610	1,575
	<u>          </u>	<u>          </u>
<b>3 Investment income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank interest	1,170	199
	<u>          </u>	<u>          </u>

# ETAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

4	Taxation	2004 £	2003 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	-	5,325
	Adjustment for prior years	(6,465)	-
	<b>Current tax charge</b>	<u>(6,465)</u>	<u>5,325</u>

During the year the company has claimed group relief in respect of losses by other group companies totalling £14,165 (2003 - £32,306).

The company has capital losses of approximately £9,000 (2003 - £nil) to set against future capital gains.

No provision for deferred tax has been made in these financial statements since in the director's opinion any potential liability is immaterial.

5	Intangible fixed assets	Purchased goodwill £
	<b>Cost</b>	
	At 1 July 2003	38,500
	Disposals	(32,822)
	<b>At 30 June 2004</b>	<u>5,678</u>
	<b>Amortisation</b>	
	At 1 July 2003	12,550
	Amortisation on disposals	(10,699)
	Charge for the year	568
	<b>At 30 June 2004</b>	<u>2,419</u>
	<b>Net book value</b>	
	At 30 June 2004	<u>3,259</u>
	At 30 June 2003	<u>25,950</u>

# ETAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

### 6 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 July 2003 & at 30 June 2004	26,318
<b>Depreciation</b>	
At 1 July 2003	16,370
Charge for the year	2,237
At 30 June 2004	18,607
<b>Net book value</b>	
At 30 June 2004	7,711
At 30 June 2003	9,948

7 Debtors	2004 £	2003 £
Trade debtors	1,387	8,551
Amounts owed by group undertakings and undertakings in which the company has a participating interest	115,000	44,000
Other debtors	7,784	1,900
	<u>124,171</u>	<u>54,451</u>

Debtors include an amount of £5,464 (2003- £-) which is due after more than one year.

8 Current asset investments	2004 £	2003 £
Other investments	<u>190,000</u>	<u>-</u>

# ETAX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

9 Creditors: amounts falling due within one year	2004 £	2003 £
Trade creditors	85	85
Taxation and social security	75	8,696
Other creditors	198,293	1,000
	<u>198,453</u>	<u>9,781</u>

### 10 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 £nil (2003- £64). No contributions were payable to the fund at the year end (2003 - £nil).

11 Share capital	2004 £	2003 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
240 Ordinary shares of £1 each	<u>240</u>	<u>240</u>

### 12 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 July 2003	67,685	43,630
Retained profit for the year	-	19,954
Balance at 30 June 2004	<u>67,685</u>	<u>63,584</u>

### 13 Transactions with directors

During the year the company provided accountancy services to Parrett and Neves Investments Limited of £2,500 (2003 - £7,500) on an arms length basis.

The company was owed £1,900 (2003 - £1,900) by Mia Dolan Limited.

M G A Parrett is a director of these companies and has a material interest in them.

## ETAX LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2004

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#### 14 Control

White Horse Group Limited, formerly White Horse Press Limited, a company incorporated in England and Wales holds 75% of the ordinary shares of etax Limited.

*White Horse Group Limited has prepared consolidated accounts for the year ended 30 June 2004 which are available on request from White Horse Group Limited, 67 John Wilson Business Park, Chestfield, Whitsable, Kent, CT5 3QT.*

No disclosure of transactions with the parent company has been made as the results of the two companies are included in White Horse Group Limited consolidated financial statements and exemption has been taken under the Financial Reporting Standard for Smaller Entities (effective June 2002).