

ASHLEYBANK INVESTMENTS LIMITED

FINANCIAL STATEMENTS

For the period ended

1st February 2002

Registered No. SC047360



DIRECTORS REPORT

The Directors present financial statements comprising their report and the accounts for the period ended 1st February 2002.

Principal Activities

The principal activities of the group are the provision of management services, the leasing of properties and the investment in trading businesses.

Results for the Period

The results for the period ended 1st February 2002 are shown in the consolidated profit and loss account.

Review of Business and Future Developments

The Group continued its activities during the period and produced a satisfactory result for the year.

Dividends

During the period the Company declared dividends on ordinary share capital amounting to £825,000 (2001, £825,000).

Fixed Assets

The changes in the Group's fixed assets are summarised in the accounts. The directors consider that the market value of the Group's property is not less than the value shown in the accounts. The open market value of the Group's property has not been ascertained and the disclosure requirements of SSAP 19 have not been met as, in the opinion of the directors, this information is not of sufficient value to the shareholders to warrant the expense of valuation.

Directors

The Directors who held office during the period ended 1st February 2002, and their shareholdings, were as follows:-

	Ordinary Shares	
	2002	2001
D.D. Stevenson, Chairman	4,500	4,500
J.N. Stevenson	5,500	5,500
J.T.H. Ainslie	516	516
A.A. Stevenson	264	264
D.W. Needham	-	-
	=====	=====

Non Beneficial Shareholdings of the Directors as Trustees were as follows:-

D.D. Stevenson	3,000	3,000
D.D. Stevenson & J.N. Stevenson	1,250	1,250
	=====	=====

J.T.H. Ainslie and D.W. Needham retire by rotation and, being eligible, offer themselves for re-election.

Charitable Donations

Charitable donations made by the Group during the year amounted to £10,000, (2001, £5,000).

DIRECTORS REPORT (Contd)**Directors Responsibilities**

Company Law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of the affairs of the Company and Group and of the profit or loss for that period. In preparing these Accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company and Group 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 Accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Welch & Co., as auditors, will be proposed at the forthcoming Annual General Meeting.

By Order of the Board,



D.W. NEEDHAM,

Secretary.

Registered Office:- Ashley Bank House,
LANGHOLM.

17th September 2002.

ASHLEYBANK INVESTMENTS LIMITED

We have audited the Financial Statements of Ashleybank Investments Limited for the year ended 1st February 2002 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 24. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities 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 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 arising from non-compliance with Accounting Standards

The Investment Property of the Company and of the Group is accounted for at cost less depreciation. Statement of Standard Accounting Practice 19 requires Investment Property to be accounted for at open market value. The Directors Report explains that this requirement has not been met as, in the opinion of the Directors, this information is not of sufficient value to the Shareholders to warrant the expense of valuation.

The Group's Investment in Associates is accounted for on the basis of investment income rather than on the basis of the Group's share of the results as required by Financial Reporting Standard 9. The accounting policies explain that this relates to uncertainties arising from the differing accounting dates of the Group and its Associates.

Except for the facts, as detailed above, that Investment Property is not accounted for as required by SSAP19 and Associates are not accounted for as required by FRS9, in our opinion the Financial Statements give a true and fair view of the state of the affairs of the Company and the Group as at 1st February 2002 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**WELCH & CO,
Chartered Accountants &
Registered Auditors.**

**19 Buccleuch Street,
HAWICK.**

17th September 2002.

ASHLEYBANK INVESTMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

4.

For the period ended 1st February 2002

	Note	From 2.2.01 to 1.2.02	From 29.1.00 to 2.2.01
Turnover	2	£ 1,943,045	£ 1,621,228
Cost of Sales	2	<u>(1,152,600)</u>	<u>(698,277)</u>
Gross Profit		£ 790,445	£ 922,951
Administrative Expenses		<u>(714,585)</u>	<u>(758,203)</u>
Operating Profit		£ 75,860	£ 164,748
Investment Income		564,645	1,012,888
Profit on Disposal of Fixed Assets	3	631,799	1,063,961
Net Interest Receivable	4	<u>515,990</u>	<u>707,878</u>
Profit on Ordinary Activities before Taxation	5	£ 1,788,294	£ 2,949,475
Taxation Charge	7	<u>(204,583)</u>	<u>(279,635)</u>
Profit on Ordinary Activities after Taxation		£ 1,583,711	£ 2,669,840
Minority Interests	18	<u>(25,775)</u>	<u>(23,053)</u>
Profit for Period		£ 1,557,936	£ 2,646,787
Dividends	8	<u>(825,000)</u>	<u>(825,000)</u>
Retained Profit Transferred to Reserves	16	£ 732,936 =====	£ 1,821,787 =====

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The Group has no recognised gains or losses other than the profit for the above two financial periods.

CONSOLIDATED BALANCE SHEET

As at 1st February 2002

	Note	1.2.02	2.2.01
Fixed Assets			
Tangible Assets	9	£ 7,575,219	£ 7,721,466
Investments in Associates	10	2,449,931	3,335,337
Other Investments	10	<u>7,014,799</u>	<u>4,918,971</u>
		£ <u>17,039,949</u>	£ <u>15,975,774</u>
Current Assets			
Stocks	12	£ 1,276,109	£ 965,530
Debtors	13	648,060	1,267,895
Short Term Deposits		9,782,459	8,218,978
Cash at Bank and in Hand		<u>872,303</u>	<u>2,614,428</u>
		£ 12,578,931	£ 13,066,831
Creditors: Amounts falling due within one year	14	<u>487,078</u>	<u>661,714</u>
Net Current Assets		£ <u>12,091,853</u>	£ <u>12,405,117</u>
		£ 29,131,802	£ 28,380,891
		=====	=====
Capital and Reserves			
Called Up Share Capital	15	£ 16,500	£ 16,500
Capital Redemption Reserve		7,523	7,523
Profit and Loss Account	16	<u>29,002,724</u>	<u>28,269,788</u>
		£ 29,026,747	£ 28,293,811
Minority Interests	18	<u>105,055</u>	<u>87,080</u>
		£ 29,131,802	£ 28,380,891
		=====	=====

Signed on behalf of the Board of Directors



D.D. STEVENSON - Director

Approved by the Board 17th September 2002.

ASHLEYBANK INVESTMENTS LIMITED

6.

BALANCE SHEET

As at 1st February 2002

	Note	1.2.02	2.2.01
Fixed Assets			
Tangible Assets	9	£ 977,138	£ 1,143,061
Investments in Associates	10	989,665	1,874,937
Other Investments	10	7,014,799	4,918,971
Shares in Subsidiary Undertakings	11	<u>494,058</u>	<u>494,058</u>
		£ <u>9,475,660</u>	£ <u>8,431,027</u>
Current Assets			
Stocks	12	£ 1,276,109	£ 965,530
Debtors	13	846,108	1,533,392
Short-Term Deposits		9,782,459	8,218,978
Cash at Bank		<u>568,967</u>	<u>2,086,892</u>
		£ <u>12,473,643</u>	£ <u>12,804,792</u>
Creditors: Amounts falling due within one year	14	<u>249,251</u>	<u>230,164</u>
Net Current Assets		£ <u>12,224,392</u>	£ <u>12,574,628</u>
Total Assets less Current Liabilities		£ <u>21,700,052</u> =====	£ <u>21,005,655</u> =====
Capital and Reserves			
Called Up Share Capital	15	£ 16,500	£ 16,500
Capital Redemption Reserve		7,523	7,523
Profit and Loss Account	16	<u>21,676,029</u>	<u>20,981,632</u>
		£ <u>21,700,052</u> =====	£ <u>21,005,655</u> =====

Signed on behalf of the Board of Directors



D.D. STEVENSON - Director

Approved by the Board 17th September 2002.

ASHLEYBANK INVESTMENTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT

7.

For the period ended 1st February 2002

	Note	From 2.2.01 to 1.2.02	From 29.1.00 to 2.2.01
Net Cash Outflow from Operating Activities	23	£ <u>(216,361)</u>	£ <u>(108,021)</u>
Dividends from Associates		£ <u>73,000</u>	£ <u>97,799</u>
Return on Investments and Servicing of Finance			
Investment Income - Other Investments		£ 491,645	£ 915,089
Interest Received		541,129	677,288
Interest Paid		(582)	(1,188)
Minority Dividends Paid		<u>(7,800)</u>	<u>(7,800)</u>
		£ <u>1,024,392</u>	£ <u>1,583,389</u>
Taxation			
Tax Paid		£ <u>(252,924)</u>	£ <u>(380,391)</u>
Capital Expenditure and Financial Investment			
Tangible Fixed Asset Purchase Payments		£ (31,105)	£ (107,132)
Investment in Associates Purchase Payments		(749,999)	(500,000)
Other Investment Purchase Payments		(2,628,682)	(1,196,544)
Loans Advanced		(250,000)	(768,499)
Tangible Fixed Asset Sales Receipts		195,340	3,138,607
Investments in Associated Sales Receipts		1,635,314	-
Other Investment Sales Receipts		1,107,782	1,051,715
Loans Repaid		<u>725,414</u>	<u>400,000</u>
		£ <u>4,064</u>	£ <u>2,018,147</u>
Equity Dividends Paid		£ <u>(825,000)</u>	£ <u>(825,000)</u>
Inflow/(Outflow) of Cash and Liquid Resources	24	£ (192,829)	£ 2,385,923
Management of Liquid Resources			
Increase in Short-Term Deposits		<u>(1,563,481)</u>	<u>(223,159)</u>
Increase/(Decrease) in Cash in the Period		£ <u>(1,756,310)</u> =====	£ <u>2,162,764</u> =====

NOTES TO THE ACCOUNTS

Period ended 1st February 2002

1. ACCOUNTING POLICIES

a) **Basis of Accounting**

The Accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards other than SSAP 19 and FRS9.

The consolidated accounts incorporate the accounts of Ashleybank Investments Limited and all of its subsidiary undertakings. The basis of accounting for associates is stated at (e) below.

The results of the acquired subsidiary undertakings are brought into account from the effective date of acquisition. The purchase consideration is allocated to each class of asset on the basis of fair value at the date of acquisition.

In accordance with Section 230 of the Companies Act 1985 a separate profit and loss account of Ashleybank Investments Limited has not been presented.

b) **Goodwill**

Any excess of the purchase consideration of subsidiary undertakings over the fair value of the net tangible assets on the effective date of acquisition will be included within intangible fixed assets as goodwill and will be stated at cost less accumulated amortisation. Goodwill arising prior to 1998 was written off directly against reserves.

The profit or loss on disposal of such undertakings includes attributable goodwill whether included in intangible fixed assets or written off directly against reserves.

c) **Fixed Assets**

Depreciation is provided at the annual rates below to write off the cost of each asset evenly over its estimated useful life. Depreciation is only provided on freehold buildings where the Directors consider that the remaining useful life is less than fifty years. Provision for depreciation on long leasehold properties with over fifty years to run and freehold buildings where the estimated life exceeds fifty years is not considered necessary as it is the Group's policy to maintain its properties in good condition which prolongs their useful life and any depreciation involved would not be material. Depreciation is however provided on modernisation costs which enhance their value for a finite period and the costs of repairs and maintenance are charged to profit and loss account in the year in which they are incurred.

Freehold Land and Buildings	- Nil
Leasehold Land and Buildings over 50 years	- 2% over the last 50 years of lease
Modernisation Costs of Buildings	- 5% or 12.5%
Equipment and Vehicles	- 25%, 20% or 12.5%

Gains on disposal of investment properties are included in the profit and loss account as exceptional items.

d) **Grants**

Grants to meet capital costs in excess of normal construction costs are credited against the costs to which they relate.

Grants to meet equipment costs are credited to deferred income and released to profit and loss account in the period in which they are incurred.

e) **Associates**

The Group's investment in associates is in Companies with accounting dates that differ from that of the Group. In these circumstances the Directors consider that the uncertainties inherent in the estimates required to account for the Group's share of the results outweigh the advantages in accounting for them in this way.

Associates are not accounted for on the basis of the Group's share of the results as required by FRS9 but on the basis of investment income, with the investment being carried at net asset value at 28th January 2000, subject to any impairment.

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

f) **Stocks**

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

g) **Leasing and Hire Purchase**

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

h) **Deferred Taxation**

Deferred taxation is provided, using the liability method at current rates, in respect of the taxation effect of all material timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future. In the case of capital gains taxes on the disposal of certain properties, provision for deferred taxation is not made where these gains are rolled over into the cost of other assets.

i) **Investment Income**

Investment income is credited in the period in which it is received. Dividend income is stated net of the associated tax credit.

j) **Operating Leases**

Property rental income receivable and ground rents payable are charged to the profit and loss account in the period to which they are attributable.

k) **Pension Costs**

The group operates defined contribution pension schemes. The costs of the defined contribution schemes are charged to profit and loss account in the period in which incurred.

l) **Foreign Exchange**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract date. All differences are taken to the profit and loss account.

2. **TURNOVER AND COST OF SALES**

Turnover is shown as the invoice price of goods and services supplied and property rentals net of value added tax. Cost of sales includes the cost of goods sold together with other direct costs.

	2002	2001
Turnover		
Trading	£ 851,791	£ 308,975
Property Income	<u>1,091,254</u>	<u>1,312,253</u>
	£ 1,943,045	£ 1,621,228
	=====	=====

3. **PROFIT ON DISPOSAL OF FIXED ASSETS**

Profit on Disposal of Properties	£ 54,562	£ 1,146,681
Profit on Disposal of Investments	577,237	270,673
Provision against Investment in Associate	<u>-</u>	<u>(353,393)</u>
	£ 631,799	£ 1,063,961
	=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

4. NET INTEREST RECEIVABLE

	2002	2001
Interest Payable on Loans and Overdrafts repayable within 5 years	£ (582)	£ (1,188)
Interest Receivable	541,129	677,288
Foreign Exchange Difference on Loan	(24,557)	31,778
Net Interest Receivable	£ 515,990	£ 707,878
	=====	=====

5. PROFIT ON ORDINARY ACTIVITIES

is stated after charging

Depreciation of Tangible Fixed Assets	£ 36,574	£ 27,798
Amortisation of Fixed Assets Investments	2,400	-
Auditors Remuneration		
Audit Work	10,900	9,900
Rent of Property (Operating Leases)	12,464	13,060
	=====	=====

6. STAFF COSTS

Wages and Salaries	£ 230,484	£ 209,191
Amounts Paid to Third Parties	50,000	64,500
Social Security Costs	21,425	20,222
Former Directors Pension	30,000	30,000
Other Pension Costs	25,250	24,844
	£ 357,159	£ 348,757
	=====	=====

The average weekly number of persons, excluding Directors, employed by the group during the period was:-

2002	2001
7	6
==	==

Directors Remuneration

Emoluments	£ 95,492	£ 89,072
Amounts paid to third parties for Directors services	50,000	64,500
Pension Contributions	8,558	8,253
	£ 154,050	£ 161,825
	=====	=====

Directors remuneration was paid to the following third parties

D.D. Stevenson - David Stevenson Limited

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

7. TAXATION CHARGE

		2002	2001
Corporation Tax	- Current Period	£ 201,746	£ 297,393
	- Prior Periods	2,837	(17,758)
		£ 204,583	£ 279,635
		=====	=====

8. DIVIDENDS

Paid in period £50, (2001, £50) per Ord. Share	£ 825,000	£ 825,000
	=====	=====

9. TANGIBLE FIXED ASSETS

	Investment Property	Development Property	Equipment & Vehicles	TOTAL
Group Cost				
As at 2nd February 2001	£ 7,201,064	£ 790,150	£ 301,532	£ 8,292,746
Additions	-	27,003	4,102	31,105
Disposals	(140,778)	-	-	(140,778)
As at 1st February 2002	£ 7,060,286	£ 817,153	£ 305,634	£ 8,183,073
Aggregate Depreciation				
As at 2nd February 2001	£ 381,851	£ -	£ 189,429	£ 571,280
Charge for Period	7,327	-	29,247	36,574
As at 1st February 2002	£ 389,178	£ -	£ 218,676	£ 607,854
Net Book Value				
As at 1st February 2002	£ 6,671,108	£ 817,153	£ 86,958	£ 7,575,219
	=====	=====	=====	=====
As at 2nd February 2001	£ 6,819,213	£ 790,150	£ 112,103	£ 7,721,466
	=====	=====	=====	=====

Properties consist of

	N.B.V. 2002	N.B.V. 2001
Freehold	£ 6,970,519	£ 7,091,621
Long Leasehold	517,742	517,742
	£ 7,488,261	£ 7,609,363
	=====	=====

Included in Properties are assets which are not subject to depreciation. At 1st February 2002 these amounted to £6,719,862, (2001, £6,833,637).

Capital Commitments

Authorised but not contracted	£ NIL	£ NIL
Contracted, but not provided in these Accounts	NIL	NIL
	=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

9. TANGIBLE FIXED ASSETS (Contd)

	Investment Property	Equipment & Vehicles	TOTAL
Company			
Cost			
As at 2nd February 2001	£ 1,039,626	£ 157,978	£ 1,197,604
Additions	-	4,102	4,102
Disposals	(140,778)	-	(140,778)
As at 1st February 2002	£ 898,848	£ 162,080	£ 1,060,928
Aggregate Depreciation			
As at 2nd February 2001	£ 8,668	£ 45,875	£ 54,543
Charge for Period	-	29,247	29,247
As at 1st February 2002	£ 8,668	£ 75,122	£ 83,790
Net Book Value			
As at 1st February 2002	£ 890,180	£ 86,958	£ 977,138
	=====	=====	=====
As at 2nd February 2001	£ 1,030,958	£ 112,103	£ 1,143,061
	=====	=====	=====
Investment Properties consist of:			
		N.B.V. 2002	N.B.V. 2001
Freehold		£ 890,180	£ 1,030,958
		=====	=====
Investment Properties are not subject to depreciation.			
Capital Commitments			
Authorised, but not contracted	£	NIL	£ NIL
Contracted, but not provided in these Accounts		NIL	NIL
		=====	=====

10. FIXED ASSET INVESTMENTS

Group	Associates	Quoted	Other Unquoted	TOTAL
Cost or Value as at 2.1.01	£ 3,335,337	£ 2,243,208	£ 2,675,763	£ 8,254,308
Additions	749,999	2,578,541	50,141	3,378,681
Re-classification	-	(28,285)	28,285	-
Disposals	(1,635,405)	(114,223)	(416,231)	(2,165,859)
Amortisation	-	-	(2,400)	(2,400)
Cost or Value as at 1.2.02	£ 2,449,931	£ 4,679,241	£ 2,335,558	£ 9,464,730
	=====	=====	=====	=====
	Associates	Quoted	Other Unquoted	
Valuation				
Net Asset Value as at 28.01.00	£ 1,533,265			
Cost	916,666			
	£ 2,449,931			
	=====			
Market Value		£ 7,640,454		
		=====		
Market Value on AIM			£ 1,762,875	
Directors Valuation			1,578,241	
			£ 3,341,116	
			=====	

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

10. FIXED ASSETS INVESTMENTS (Contd)

The principal Investments are:-

	Country of Registration	Class of Shares & Stocks	% of Shares held
Associates			
Schuh Limited (Footwear Retailers)	Scotland	Ordinary	32.7% (25.3% fully diluted)
Euro Hostels Limited (Hostel Operator)	Scotland	Ordinary Preference	24.6% 30.0%
Merroc Limited (Label Printers)	Scotland	Ordinary	29.0%
Other Unquoted Investments			
Dobbies Garden Centres plc	Scotland	Ordinary	4.2%

Company	Associates	Quoted	Other Unquoted	TOTAL
Cost or Value as at 2.2.01	£ 1,874,937	£2,243,208	£ 2,675,763	£ 6,793,908
Additions	749,999	2,578,541	50,141	3,378,681
Re-classification	-	(28,285)	28,285	-
Disposals	(1,635,271)	(114,223)	(416,231)	(2,165,725)
Amortisation	-	-	(2,400)	(2,400)
Cost or Value at 1.2.02	£ 989,665	£4,679,241	£ 2,335,558	£ 8,004,464
=====				

11. SHARES IN SUBSIDIARY UNDERTAKINGS

Company	2002	2001
Cost as at 2nd February 2001 & 1st February 2002	£ 494,058	£ 494,058
	=====	=====

The Company's principal operating subsidiary undertakings are

		Country of Registration	Class of Shares	% of Shares held
Eskvale Properties Limited	(Property Rental)	Scotland	Ordinary	100%
The Scottish Wool Centre Limited	(Visitor Centre)	Scotland	Ordinary Deferred	74% 98%
AB Ventures Limited	(Investment in Ventures)	Scotland	Ordinary	90%

12. STOCKS

	2002		2001	
	Group	Company	Group	Company
Sundry Stocks	£1,276,109	£ 1,276,109	£ 965,530	£ 965,530
	=====			

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

13. DEBTORS

Amounts falling due within one year

	2002		2001	
	Group	Company	Group	Company
Loans to Related Undertakings	£ 307,001	£ 307,001	£ 806,972	£ 806,972
Amounts owed by Subsidiary Undertakings	-	58,369	-	22,864
Corporation Tax Recoverable	-	88	-	28,745
Other Debtors and Prepayments	341,059	290,650	455,923	394,811
	<u>£ 648,060</u>	<u>£ 656,108</u>	<u>£ 1,262,895</u>	<u>£ 1,253,392</u>

Amounts falling due after more than one year

Amounts owed by Subsidiary Undertakings	£ -	£ 190,000	£ -	£ 275,000
Other Debtors	-	-	5,000	5,000
	<u>£ -</u>	<u>£ 190,000</u>	<u>£ 5,000</u>	<u>£ 280,000</u>

Total	<u>£ 648,060</u>	<u>£ 846,108</u>	<u>£ 1,267,895</u>	<u>£ 1,533,392</u>
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14. CREDITORS

Amounts falling due within one year

Social Security and Other Taxes	£ 124,345	£ 92,989	£ 58,095	£ 51,540
Bank Overdraft	22,255	-	8,070	-
Amounts owed to Group Undertaking	-	-	-	26,032
Corporation Tax	100,223	-	148,564	-
Other Creditors and Accruals	240,255	156,262	446,985	152,592
	<u>£ 487,078</u>	<u>£ 249,251</u>	<u>£ 661,714</u>	<u>£ 230,164</u>

15. SHARE CAPITAL

	2002 Group & Company	2001 Group & Company
Authorised		
25,000 Ordinary Shares of £1 each	£ 25,000	£ 25,000
	<u>=====</u>	<u>=====</u>
Allotted, Issued and Fully Paid		
16,500 Ordinary Shares of £1 each	£ 16,500	£ 16,500
	<u>=====</u>	<u>=====</u>

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

16. PROFIT AND LOSS ACCOUNT
Group

	Profit and Loss Account
As at 2nd February 2001	£ 28,269,788
Retained Profit for the Period	<u>732,936</u>
As at 1st February 2002	£29,002,724
	=====

Cumulative Goodwill on acquisitions written off as at 1st February 2002 £104,765, (2001, £104,765).

Company

As at 2nd February 2001	£ 20,981,632
Retained Profit for Period	<u>694,397</u>
As at 1st February 2002	£ 21,676,029
	=====

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

As at 2nd February 2001	£ 28,293,811
Profit after Tax and Minority Interests for Period	1,557,936
Dividends	<u>(825,000)</u>
As at 1st February 2002	£ 29,026,747
	=====

18. MINORITY INTERESTS

	2002	2001
As at 2nd February 2001	£ 87,080	£ 71,827
Share of Profit for Period	25,775	23,053
Dividends Paid by Subsidiary Undertaking	<u>(7,800)</u>	<u>(7,800)</u>
As at 1st February 2002	£ 105,055	£ 87,080
	=====	=====
Representing		
Equity Interests	£ 105,055	£ 87,080
	=====	=====

19. BANK BORROWING

The company has given, in security for bank borrowing, an unlimited inter-company guarantee of certain subsidiary undertakings.

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

20. COMMITMENTS

Capital Commitments

At 1st February 2002, there were no capital expenditure commitments in respect of the Group (2001, £Nil) nor the Company (2001, £Nil).

Other Financial Commitments

At 1st February 2002, the Company had commitments in respect of fixed asset investments amounting to £440,000 (2001, £490,000).

Operating Lease Commitments

Annual commitments under operating leases are as follows:-

	Group-Property
Leases which expire in five years or more	£ 12,500 =====

Pension Commitments

The Group contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in funds administered through Insurance Companies. The schemes provide money purchase benefits for certain employees of the Group based on the accumulated contributions paid on behalf of each member.

No pension contributions were unpaid at 1st February 2002, (2001, £Nil).

21. RELATED PARTY TRANSACTIONS

D.D. Stevenson is a Director of The Malcolm Group plc. During the year the Group received rental income and other property related service income from The Malcolm Group plc group companies totalling £631,000 (2001, £1,496,000). All rentals are subject to formal leases and have been negotiated at arms length.

David Stevenson Limited and Acorn Consultants Limited were also related to the Group by virtue of a nucleus of common Directors and Shareholders. These companies provide certain executive management services to the Group. In addition to the emoluments shown in note 6, £150,000, (2001, £150,000) was paid to these companies in respect of such services.

D.D. Stevenson's family has a material beneficial interest in Paco Life in Colour Limited. The Company has advanced a loan to that Company to finance trading. The balance due by Paco Life in Colour at 1st February 2002 was £233,116 (2001, £806,972).

D.D. Stevenson's daughter, Mrs. K. Gaffney, is a Director of Bob Millar Limited. The Company has advanced a loan to that Company to finance the purchase of property. The balance due by Bob Millar Limited at 1st February 2002 was £75,000 (2001, Nil).

22. CONTROLLING PARTY

The Company is controlled by Stevenson family interests.

NOTES TO THE ACCOUNTS (Contd)

Period ended 1st February 2002

23. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2002	2001
Operating Profit	£ 75,860	£ 164,748
Depreciation	36,574	27,798
Amortisation	2,400	-
Decrease/(Increase) in Working Capital		
Stocks	(310,579)	(470,847)
Debtors	119,864	66,912
Creditors	<u>(140,480)</u>	<u>103,368</u>
Net Cash Outflow from Ordinary Activities	£ (216,361) =====	£ (108,021) =====

24. ANALYSIS OF CHANGES IN NET LIQUID RESOURCES DURING THE PERIOD

Cash & Cash Equivalents as at 2nd February 2001

Short-Term Deposits	£ 8,218,978	£ 7,995,819
Cash at Bank and on Hand	2,614,428	496,863
Bank Overdraft	<u>(8,070)</u>	<u>(53,269)</u>
	£ 10,825,336	£ 8,439,413
Net Inflow/(Outflow)	<u>(192,829)</u>	<u>2,385,923</u>
	£ 10,632,507	£ 10,825,336
	=====	=====

Cash & Cash Equivalents as at 1st February 2002

Short-Term Deposits	£ 9,782,459	£ 8,218,978
Cash at Bank and on Hand	872,303	2,614,428
Bank Overdraft	<u>(22,255)</u>	<u>(8,070)</u>
	£ 10,632,507	£ 10,825,336
	=====	=====