

CHARLES CRAIG HOLDINGS LIMITED

FINANCIAL STATEMENTS

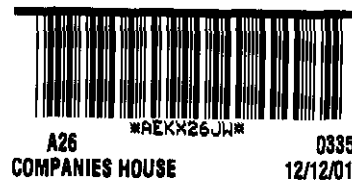
30 JUNE 2001

Registered Number: 1870653

HLB Kidsons

Chartered Accountants

Liverpool



CHARLES CRAIG HOLDINGS LIMITED

FINANCIAL STATEMENTS

for the year ended 30 June 2001

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CHARLES CRAIG HOLDINGS LIMITED**COMPANY INFORMATION****30 JUNE 2001**

Number	1870653
Directors	A C Craig (Chairman) Mrs A St C Craig C D Craig Mrs J McBurney C K Hawkins G Dodd M A Bell
Secretary	C K Hawkins
Registered Office	3 rd Floor 5 Covent Garden Liverpool L2 8TD
Bankers	Lloyds TSB Bank plc Pall Mall House Mercury Court Tithebarn Street Liverpool L2 2LE
Auditors	HLB Kidsons Chartered Accountants Number One Old Hall Street Liverpool L3 9SX

CHARLES CRAIG HOLDINGS LIMITED

DIRECTORS' REPORT

30 June 2001

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

Principal activity

The principal activity of the company remained that of a holding company of a group of companies carrying on business as timber agents, and provision of management services.

Business review and future prospects

The group's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £3,688,167.

The directors are confident that the group is well placed to take advantage of the ever changing market place.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5. The directors do not recommend payment of a dividend.

Market value of land and buildings

The freehold land and buildings shown in the group financial statements at £1,853,495 have in the opinion of the directors, a market value of at least book value.

Directors

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:

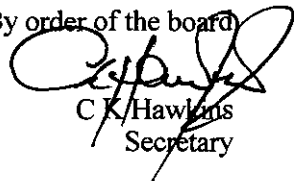
	30 June 2001	30 June 2000
	Ordinary Shares	Ordinary Shares
A C Craig	513,000	513,000
Mrs A St C Craig	207,000	207,000
C D Craig	150,000	150,000
Mrs J McBurney	150,000	150,000
G Dodd	-	-
M A Bell	-	-
C K Hawkins	-	-

At the Annual General Meeting, Mrs A St C Craig and G Dodd retire as directors of the company and being eligible offer themselves for re-election.

Auditors

HLB Kidsons have agreed to offer themselves for re-appointment as auditors of the company.

By order of the board


C K Hawkins
Secretary

3rd Floor
5 Covent Garden
Liverpool
L2 8TD

Nov 29th 2001

CHARLES CRAIG HOLDINGS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

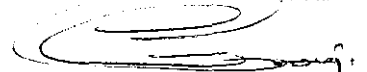
In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless in our view the company will be unable to continue in business

We are also responsible for:

- keeping proper accounting records
- safeguarding the group's assets
- taking reasonable steps for the prevention and detection of fraud

On behalf of the board


A C Craig
Director

NW 29th 2001

CHARLES CRAIG HOLDINGS LIMITED**AUDITORS' REPORT****Auditors' report to the members of Charles Craig Holdings Limited**

We have audited the financial statements on pages 5 to 23 which have been prepared under the accounting policies set out on pages 10 to 12.

Respective responsibilities of directors and auditors

As described on page 3, the company'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.

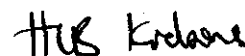
Basis of opinion

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 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 and 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 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 affairs of the company and the group as at 30 June 2001 and of the result of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors
Chartered Accountants

Liverpool

29 November 2001

CHARLES CRAIG HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2001

	Note	2001 £	2000 £
Turnover	2	23,737,309	24,820,219
Cost of sales		(20,900,497)	(22,208,830)
Gross profit		<u>2,836,812</u>	<u>2,611,389</u>
Net operating expenses			
Administrative expenses		(2,166,258)	(2,041,852)
Other operating income		41,450	50,093
Operating profit	3	<u>712,004</u>	<u>619,630</u>
Interest payable	5	(493,741)	(430,057)
Profit on ordinary activities before taxation		<u>218,263</u>	<u>189,573</u>
Tax on profit on ordinary activities	6	(181,568)	(106,936)
Profit on ordinary activities after taxation		<u>36,695</u>	<u>82,637</u>
Minority interests		(6,752)	(7,775)
Retained profit for the year	19	<u><u>29,943</u></u>	<u><u>74,862</u></u>

There is no material difference between the reported retained profit and the historical cost retained profit.

All of the Group's activities are classed as continuing.

CHARLES CRAIG HOLDINGS LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 June 2001

	2001 £	2000 £
Profit attributable to members of the parent undertaking	29,943	74,862
Unrealised surplus on revaluation of fixed assets	65,076	64,369
Unrealised surplus on revaluation of Investment properties	12,812	-
Exchange difference on re-translation of net assets of subsidiary undertaking	103,679	55,995
Total recognised gains and losses relating to the year	<u>211,510</u>	<u>195,226</u>

CHARLES CRAIG HOLDINGS LIMITED

GROUP BALANCE SHEET

at 30 June 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	9	2,755,637	2,562,345
Investments	10	767,612	754,800
		<u>3,523,249</u>	<u>3,317,145</u>
Current assets			
Stocks	11	4,281,163	3,404,619
Debtors	12	3,098,998	3,043,867
Cash at bank and in hand		289,558	346,130
		<u>7,669,719</u>	<u>6,794,616</u>
Creditors: Amounts falling due			
Within one year	13	(6,548,555)	(5,737,190)
Net current assets		<u>1,121,164</u>	<u>1,057,426</u>
Total assets less current liabilities		<u>4,644,413</u>	<u>4,374,571</u>
Creditors: Amounts falling due			
After more than one year	14	(906,048)	(847,468)
Minority interests		<u>(50,198)</u>	<u>(50,446)</u>
		<u>3,688,167</u>	<u>3,476,657</u>
Capital and reserves			
Called up share capital	18	1,020,000	1,020,000
Revaluation reserve	19	1,212,556	1,147,480
Investment property revaluation reserve	19	295,353	282,541
Profit and loss account	19	1,160,258	1,026,636
Total equity shareholders' funds	20	<u>3,688,167</u>	<u>3,476,657</u>

The financial statements on pages 5 to 23 were approved by the board of directors on Nov 29th 2001.


A C Craig
Director

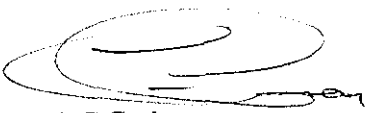
CHARLES CRAIG HOLDINGS LIMITED

BALANCE SHEET

at 30 June 2001

	Note	2001 £	2000 £
Fixed assets			
Intangible assets	8	646,000	680,000
Tangible assets	9	9,339	1,651
Investments	10	1,575,130	1,562,318
		<u>2,230,469</u>	<u>2,243,969</u>
Current assets			
Stocks	11	2,500	2,500
Debtors	12	1,965,016	1,648,473
Cash at bank and in hand		3,219	4,274
		<u>1,970,735</u>	<u>1,655,247</u>
Creditors: Amounts falling due within one year	13	<u>(2,728,510)</u>	<u>(2,222,199)</u>
Net current liabilities		<u>(757,775)</u>	<u>(566,952)</u>
Total assets less current liabilities		<u>1,472,694</u>	<u>1,677,017</u>
Creditors: Amounts falling due after more than one year	14	<u>(176,806)</u>	<u>(184,120)</u>
		<u>1,295,888</u>	<u>1,492,897</u>
Capital and reserves			
Called up share capital	18	1,020,000	1,020,000
Revaluation reserve	19	-	-
Investment property revaluation reserve	19	295,353	282,541
Profit and loss account	19	(19,465)	190,356
Total equity shareholders' funds		<u>1,295,888</u>	<u>1,492,897</u>

The financial statements on pages 5 to 23 were approved by the board of directors on Nov 29th 2001.


A C Craig
Director

CHARLES CRAIG HOLDINGS LIMITED

GROUP CASH FLOW STATEMENT

for the year ended 30 June 2001

	Note	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	16(i)		351,280		1,003,284
Returns on investments and servicing of finance					
Interest paid		(493,741)		(430,057)	
Dividends paid to minority interests		(7,000)		(7,775)	
			(500,493)		(437,832)
Taxation					
UK corporation tax		(21,393)		(19,807)	
Overseas tax		(142,571)		(96,754)	
			(163,964)		(116,561)
Capital expenditure					
Purchase of tangible fixed assets		(255,520)		(161,378)	
Sales of tangible fixed assets		-		10,100	
			(255,520)		(151,278)
			(568,945)		297,613
Financing					
Repayment of long term loans		(173,918)		(22,443)	
			(173,918)		(22,443)
(Decrease)/increase in cash	16(ii)		(742,863)		275,170

CHARLES CRAIG HOLDINGS LIMITED**NOTES ON FINANCIAL STATEMENTS****30 June 2001****1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The true and fair override provisions of the Companies Act 1985 have been invoked (see "Investment properties" below).

Basis of consolidation

The final statements consolidate the results of Charles Craig Holdings Limited and all of its subsidiary undertakings during the year ended 30 June 2001.

No profit and loss account is presented for Charles Craig Holdings Limited as permitted by Section 230 of the Companies Act 1985.

Goodwill arising on consolidation

Goodwill arising on consolidation has previously been eliminated on acquisition against consolidated reserves. Goodwill on future acquisitions will be accounted for in accordance with FRS10 and capitalised. It will be amortised over its expected useful life which will not exceed 20 years.

Goodwill arising on re-organisation of group

As part of a re-organisation of the group, the trade and net assets of one subsidiary undertaking, Charles Craig Limited, were transferred to another subsidiary undertaking, Alan Thomas Craig Limited, at their book value.

As a result of the transfer, the value of the company's investment in Charles Craig Limited fell below the amount at which it was stated in the company's accounting records. Schedule 4 to the Company Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account.

However, the directors consider that, as there has been no overall change in the investment the company has in the subsidiary undertakings, it would fail to give a true and fair view to charge the diminution to the company's profit and loss account and it has therefore been re-allocated to goodwill.

Goodwill is amortised over its expected useful life which will not exceed 20 years.

Investment properties

Certain properties are held for long term investment purposes and are classified as investment properties. Investment properties are revalued annually and the surplus or deficit on revaluation is transferred to the investment property revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

The Companies Act requires the systematic annual depreciation of fixed assets but the policy of not providing depreciation on investment properties is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

1 Accounting policies (continued)

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over the expected useful lives as follows:

Land	nil
Buildings	3% to 20% straight line
Plant and machinery	15% reducing balance or 20% straight line
Fixtures and fittings	25% straight line
Computers	20% straight line
Motor vehicles	25% reducing balance

Surpluses arising from professional valuations of properties are taken direct to the revaluation reserve. Valuation surpluses realised on sale are transferred from the revaluation reserve to the profit and loss account reserve. Any deficit arising from the professional valuation of properties is taken direct to the revaluation reserve to the extent that such deficit is regarded as temporary. Where a permanent diminution in value of an individual property is identified the deficit is eliminated against any revaluation reserve in respect of that property with any excess being charged to the profit and loss account.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation – change in accounting policy

Deferred taxation is accounted for in accordance with Financial Reporting Standard 19 “Deferred Tax” which requires full provision to be made for material timing differences between the incidence of income and expenditure for taxation and accounts purposes. This represents a change in accounting policy to that previously in use which permitted provision for material timing differences only to the extent that, in the opinion of the directors, there was a reasonable probability that a liability would crystallise in the near future. The effect of this change on prior years is nil.

Foreign currencies

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

The assets and liabilities of the overseas subsidiary undertaking are translated at the rate of exchange ruling at the balance sheet date.

Income statements are translated at average rates of exchange. The exchange differences resulting from the re-translation of opening net assets, together with differences between income statements translated at average rates and closing rates, are taken directly to reserves.

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

1 Accounting policies (continued)

Leases and hire purchase contracts

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

Rentals paid under operating leases are charged to income as incurred.

Pensions

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Capital instruments

Capital instruments, being instruments issued as a means of raising finance, are classified as debt, non-equity shares or equity shares. Costs incurred on the issue of capital instruments are dealt with in a manner consistent with the classification of the instrument.

2 Turnover

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

Analysis by geographical markets:

	2001 £	2000 £
United Kingdom	12,257,619	14,029,983
Other EU countries	3,975,495	4,646,187
Rest of world	7,504,195	6,144,049
	<u>23,737,309</u>	<u>24,820,219</u>

3 Operating profit

	2001 £	2000 £
Operating profit is stated after charging:		
Loss on disposal of fixed assets	-	6,807
Auditors' remuneration - audit fee	23,301	18,890
- other services	-	14,000
Depreciation - owned assets	<u>219,654</u>	<u>192,334</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

4 Directors and employees

Group	2001 £	2000 £
Staff costs including directors' emoluments		
Wages and salaries	1,603,097	1,391,893
Social security costs	44,523	40,694
Pension costs	43,072	46,653
	<u>1,690,692</u>	<u>1,479,240</u>
 Average number employed including executive directors	 Number	 Number
Administration	22	23
Selling	10	10
Manufacturing	30	26
	<u>62</u>	<u>59</u>
 Directors' emoluments	 £	 £
Other emoluments	447,184	324,108
Pension contributions (in respect of three directors)	36,380	18,824
	<u>483,564</u>	<u>342,932</u>
 Highest paid director		
Other emoluments	<u>113,843</u>	<u>99,325</u>

The highest paid director received pension contributions of £nil (2000 - £13,989).

Pension costs

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in a self administered fund. The pension cost charge represents contributions payable by the group amounting to £ 43,072 (2000 £46,653).

5 Interest payable

	2001 £	2000 £
Bank loans and overdrafts - wholly repayable within five years	214,713	193,690
Bank and other loans - repayable after five years	279,028	236,367
	<u>493,741</u>	<u>430,057</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

6 Taxation

	2001 £	2000 £
Corporation tax	-	-
Overseas taxation	181,568	106,936
	<u>181,568</u>	<u>106,936</u>
Reconciliation of tax charge	2001 £	2000 £
Profit on ordinary activities	218,263	189,573
Profit on ordinary activities multiplied by standard rate of statutory federal tax in the US of 34% (2000 34%)	74,209	64,455
Effects of :		
Expenses not deductible for tax purposes	26,455	19,835
US State taxes payable	39,971	25,578
US State tax relief at 34%	(13,589)	(8,697)
Schedule D Case V timing difference	(1,379)	(1,281)
Capital allowances in excess of depreciation	3,303	1,936
Unutilised UK current year losses carried forward	52,598	5,110
	<u>181,568</u>	<u>106,936</u>

The standard rate of statutory federal tax in the US of 34% has been used because there is no UK tax payable as a result of current year tax losses.

7 Loss attributable to members of the parent undertaking

The loss dealt with in the accounts of the parent undertaking was £209,821 (Loss 2000 - £44,513).

8 Intangible fixed assets

Company (arising on re-organisation of group)	Goodwill £
Cost	
1 July 2000 and 30 June 2001	<u>680,000</u>
Amortisation	
At 1 July 2000	-
Charge for the year	<u>34,000</u>
At 30 June 2001	<u>34,000</u>
Net book value	
30 June 2001	<u>646,000</u>
30 June 2000	<u>680,000</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

8 Intangible fixed assets (continued)

As part of a re-organisation of the group, the trade and net assets of one subsidiary undertaking, Charles Craig Limited, were transferred to another subsidiary undertaking, Alan Thomas Craig Limited, at their book value.

As a result of the transfer, the value of the company's investment in Charles Craig Limited fell below the amount at which it was stated in the company's accounting records. Schedule 4 to the Company Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account.

However, the directors consider that, as there has been no overall change in the investment the company has in the subsidiary undertakings, it would fail to give a true and fair view to charge the diminution to the company's profit and loss account and it has therefore been re-allocated to goodwill.

Goodwill is amortised over its expected useful life which will not exceed 20 years.

9 Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Computer, fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2000	1,727,687	762,251	280,679	94,793	2,865,410
Additions	51,857	95,356	87,392	20,915	255,520
Exchange adjustment	120,822	75,433	7,434	-	203,689
Revaluation	(46,871)	(116,156)	(48,493)	-	(211,520)
Disposals	-	-	(193,931)	(1,833)	(195,764)
At 30 June 2001	1,853,495	816,884	133,081	113,871	2,917,335
Depreciation					
At 1 July 2000	-	24,191	240,534	38,340	303,065
Exchange adjustment	53,458	52,193	5,688	-	111,339
Charge for the year	42,881	128,368	28,854	19,551	219,654
Revaluation	(96,339)	(180,257)	-	-	(276,596)
Disposals	-	-	(193,931)	(1,833)	(195,764)
At 30 June 2001	-	24,495	81,145	56,058	161,698
Net book value					
At 30 June 2001	1,853,495	792,389	51,936	57,817	2,755,637
At 1 July 2000	1,727,687	738,060	40,145	56,453	2,562,345

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

9 Tangible fixed assets (continued)

The fixed assets in the United States were valued on a fair market value for existing use on 30 June 2001 by the directors. The historical cost and accumulated depreciation of the fixed assets included at valuation is as follows:

	Freehold land and buildings £	Plant and machinery £	Computer equipment £	Total Group £
Historical cost at 30 June 2001	1,834,077	1,203,748	178,989	3,216,814
Accumulated historical depreciation	816,456	848,089	97,164	1,761,709
Historical cost net book value at 30 June 2001	<u>1,017,621</u>	<u>355,659</u>	<u>81,825</u>	<u>1,455,105</u>

Company

	Plant and machinery	Computer, fixtures and fittings £	Total £
Cost			
At 1 July 2000	24,712	19,938	44,650
Additions	750	8,273	9,023
At 30 June 2001	<u>25,462</u>	<u>28,211</u>	<u>53,673</u>
Depreciation			
At 1 July 2000	24,355	18,644	42,999
Charge for the year	140	1,195	1,335
At 30 June 2001	<u>24,495</u>	<u>19,839</u>	<u>44,334</u>
Net book value			
At 30 June 2001	<u>967</u>	<u>8,372</u>	<u>9,339</u>
At 1 July 2000	<u>357</u>	<u>1,294</u>	<u>1,651</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

10 Investments

Group

	Investment Properties £	Listed investments £	Total £
Cost at 1 July 2000	754,679	121	754,800
Revaluation	12,812	-	12,812
	<u>767,491</u>	<u>121</u>	<u>767,612</u>

The market value of the listed investments at 30 June 2001 was £184 (2000 £200).

Company

	Investment properties £	Subsidiary undertaking £	Total £
Cost or valuation			
At 1 July 2000	754,679	807,639	1,562,318
Revaluation	12,812	-	12,812
	<u>767,491</u>	<u>807,639</u>	<u>1,575,130</u>

The remaining investment properties were valued on an open-market value for existing use basis on 30 June 1998 by Michael Hodgson, auctioneers and valuers or by Reeds Rains, surveyors and valuers. Since this date, the directors have performed annual revaluations to ensure that no diminution in value has occurred. The historical cost of investment properties included at valuation is as follows:

	Group £	Company £
At 30 June 2001	<u>404,609</u>	<u>404,609</u>

Subsidiary undertakings

Name of Company	Country of registration (or incorporation) and operation	Holding	Proportion of shares held and voting rights	Nature of business
Charles Craig Limited	England & Wales	Ordinary shares	100%	Timber Agent and Broker
Craig Lumber Corporation	USA	Capital	100%	Timber importers and exporters
Alan Thomas Craig Limited	England & Wales	Ordinary shares	90%	Timber Agent and Broker

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

(continued)

11 Stocks

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Raw materials	2,266,976	1,672,680	-	-
Work in progress	251,252	199,264	-	-
Finished goods and goods for resale	1,762,935	1,532,675	2,500	2,500
	<u>4,281,163</u>	<u>3,404,619</u>	<u>2,500</u>	<u>2,500</u>

12 Debtors

Amounts falling due within one year	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Trade debtors	2,457,717	2,745,368	-	-
Amounts owed by subsidiary undertakings	-	-	1,550,930	1,497,283
Other debtors	211,474	88,163	121,076	61,720
Directors' loans	241,343	56,195	241,343	56,195
ACT recoverable	50,010	28,617	45,433	24,042
Prepayments and accrued income	138,454	125,524	6,234	9,233
	<u>3,098,998</u>	<u>3,043,867</u>	<u>1,965,016</u>	<u>1,648,473</u>

13 Creditors: amounts falling due within one year

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Bank overdrafts	4,953,317	4,143,500	2,211,440	1,694,212
Bank loans	93,387	187,850	999	999
Other loans	19,507	34,871	19,507	34,871
Trade creditors	1,133,432	994,021	-	-
Amounts owed to fellow subsidiary undertakings	-	-	447,900	447,900
Other taxation and social security costs	32,926	36,585	10,067	6,406
Other creditors	198,935	229,170	33,797	33,071
Foreign taxes	72,626	33,629	-	-
Accruals and deferred income	44,425	77,564	4,800	4,740
	<u>6,548,555</u>	<u>5,737,190</u>	<u>2,728,510</u>	<u>2,222,199</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

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14 Creditors: amounts falling due after more than one year

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans	828,020	756,553	98,778	93,205
Other loans	78,028	90,915	78,028	90,915
	<u>906,048</u>	<u>847,468</u>	<u>176,806</u>	<u>184,120</u>

Bank loans and overdrafts shown above and in note 13, totalling £ 5,874,724 (2000 £5,087,903) are secured by debentures over certain assets of the company and the group.

Other loans, totalling £ 97,535 (2000 £125,786) are secured by a deed of trust over the company's land.

15 Loans

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Wholly repayable within five years:				
Bank loans	303	1,910	-	-
Not wholly repayable within five years:				
Bank loans				
8.7% secured \$US loan repayable in monthly instalments of \$1,151 including interest	99,777	94,204	99,777	94,204
Secured US\$ loan repayable in monthly instalments of \$4006	506,674	495,750	-	-
Capital lease	314,653	352,539	-	-
Other loans				
6.5% secured \$US loan repayable in annual instalments of \$27,458	97,535	109,098	97,535	109,098
6.5% secured \$US loan repayable in annual instalments of \$25,201	-	16,688	-	16,688
	<u>1,018,942</u>	<u>1,070,189</u>	<u>197,312</u>	<u>219,990</u>

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Amounts falling due:				
after five years	94,782	107,392	94,782	107,392
between two and five years	685,670	638,250	61,518	57,546
between one and two years	125,596	101,826	20,506	19,182
within one year	112,894	222,721	20,506	35,870
	<u>1,108,942</u>	<u>1,070,189</u>	<u>197,312</u>	<u>219,990</u>
Included in creditors:				
amounts falling due within one year	(112,894)	(222,721)	(20,506)	(35,870)
	<u>906,048</u>	<u>847,468</u>	<u>176,806</u>	<u>184,120</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

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16(i) Reconciliation of operating profit to net cash inflow from operating activities

	2001	2000
	£	£
Operating profit	712,004	619,630
Foreign exchange differences	10,747	8,447
Depreciation of tangible fixed assets	219,654	192,334
Loss on disposal of fixed assets	-	6,807
(Increase) in stocks	(658,976)	(291,091)
(Increase)/decrease in debtors	23,522	894,220
Increase/(decrease) in creditors	44,329	(427,063)
Net cash inflow from operating activities	<u>351,280</u>	<u>1,003,284</u>

16(ii) Reconciliation of net cash flow to movement in net debt

	2001	2000
	£	£
Increase in cash in the period	(742,863)	275,170
Cash outflow from decrease in debt		
Financing	173,918	22,443
Translation difference	(246,197)	(132,586)
	(815,142)	165,027
Net debt at 1 July 2000	(4,867,559)	(5,032,586)
Net debt at 30 June 2001	<u>(5,682,701)</u>	<u>(4,867,559)</u>

(iii) Analysis of changes in net debt

	At 1 July 2000	Cash flows	Exchange movement	At 30 June 2001
	£	£	£	£
Cash at bank and in hand	346,130	(57,634)	1,062	289,558
Overdrafts	(4,143,500)	(685,229)	(124,588)	(4,953,317)
		(742,863)		
Debt due within one year	(222,721)	123,433	(13,606)	(112,894)
Debt due after one year	(847,468)	50,485	(109,065)	(906,048)
	<u>(4,867,559)</u>	<u>(568,945)</u>	<u>(246,197)</u>	<u>(5,682,701)</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2001

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17 Provisions for liabilities and charges

Group	2001 Potential liability £	2000 Potential liability £
Potential deferred tax assets :		
Excess of depreciation over capital allowances	(8,391)	(8,674)
Tax losses carried forward	(101,257)	(67,705)
Corporation tax deferred by:		
Taxation on surplus on revaluation of Non-monetary assets	539,000	478,000
	<u>429,352</u>	<u>401,621</u>

Circumstances effecting current and future tax charges

No provision has been made for deferred taxation in respect of earnings which are retained overseas because the availability of double tax relief will ensure that no tax will be payable on any earnings remitted to the United Kingdom.

The potential deferred tax assets have not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable in the short term.

Deferred tax has not been recognised on the revaluation of non-monetary asset in compliance with FRS 19. Tax would be payable in the event of the asset being sold.

Company	2001 Potential Liability £	2000 Potential liability £
Potential deferred tax assets :		
Excess of depreciation over capital allowances	(1,314)	(2,108)
Tax losses carried forward	(101,257)	(67,705)
Corporation tax deferred by:		
Taxation on surplus on revaluation	124,000	85,000
	<u>21,429</u>	<u>15,187</u>

CHARLES CRAIG HOLDINGS LIMITED

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18 Called up share capital

	2001		2000	
	Number of Shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	1,020,000	1,020,000	1,020,000	1,020,000
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	1,020,000	1,020,000	1,020,000	1,020,000

19 Reserves

Group

	Investment property revaluation reserve £	Revaluation reserve £	Profit and loss account £
At 30 June 2000	282,541	1,147,480	1,026,636
Exchange differences on re-translation of net assets of subsidiary undertaking	-	-	103,679
Revaluation in the year	12,812	65,076	-
Profit retained for the year	-	-	29,943
At 30 June 2001	295,353	1,212,556	1,160,258

	Investment property revaluation reserve £	Profit and loss account £
Company		
At 30 June 2000	282,541	190,356
Loss for the year	-	(209,821)
Revaluation for the year	12,812	-
	295,353	(19,465)

20 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Total recognised gains and losses relating to the year	211,510	195,226
Shareholders' funds at 30 June 2000	3,476,657	3,281,431
Shareholders' funds at 30 June 2001	3,688,167	3,476,657

CHARLES CRAIG HOLDINGS LIMITED

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21 Contingent liabilities

Group	2001	2000
	£	£
Discounted bills of exchange	738,715	637,099
Documentary credits	52,543	196,994
	<u>791,258</u>	<u>834,093</u>

Of this, approximately £ 712,132 (2000 £750,684) was covered by Trade Indemnity Insurance.

Lloyds TSB Bank plc holds unlimited cross-guarantees by Charles Craig Holdings Limited, Brytatt Limited, Alan Thomas Craig Limited and Charles Craig Limited in respect of the banking facilities made available to these companies.

22 Directors' interests in transactions

Mr C D Craig has a loan from the company. The movements on his account during the year were as follows:

	£
Balance at 30 June 2000	<u>8,415</u>
Highest amount outstanding during the year	<u>87,864</u>
Balance at 30 June 2001	<u>87,864</u>

Mr A C Craig has a loan from the company. The movements on his account during the year were as follows:

	£
Balance at 30 June 2000	<u>47,780</u>
Highest amount outstanding during the year	<u>153,479</u>
Balance at 30 June 2001	<u>153,479</u>