

SWEETMORES ANOCROME LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31 JANUARY 2004****COMPANY REGISTRATION NUMBER 00284023**

The directors present their report and the unaudited financial statements of the company for the year ended 31 January 2004.

PRINCIPAL ACTIVITIES

The company has continued to receive income from property rental and joint venture income.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	31 January 2004	1 February 2003
Mr. S. Preston	1,850	1,850
Mrs. F. Preston	2,008	2,008
Mrs. S. Preston	—	—
	<u> </u>	<u> </u>

SMALL COMPANY PROVISIONS

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

Signed by order of the directors

F. Preston.

Company Secretary

Approved by the directors on 21 DECEMBER 2004



SWEETMORES ANOCROME LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JANUARY 2004**

	Note	2004 £	2003 £
TURNOVER		25,819	44,816
Distribution costs		422	563
Administrative expenses		1,355	8,575
OPERATING PROFIT	2	24,042	35,678
Interest receivable		197	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24,239	35,678
Tax on profit on ordinary activities	3	4,144	2,594
RETAINED PROFIT FOR THE FINANCIAL YEAR		20,095	33,084
Balance brought forward		170,135	137,051
Balance carried forward		190,230	170,135

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

SWEETMORES ANOCROME LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

YEAR ENDED 31 JANUARY 2004

	2004 £	2003 £
Profit for the financial year	20,095	33,084
Opening shareholders' funds	<u>180,135</u>	<u>147,051</u>
Closing shareholders' funds	<u>200,230</u>	<u>180,135</u>

SWEETMORES ANOCROME LIMITED

BALANCE SHEET

31 JANUARY 2004

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	4		9,113		9,695
Investments	5		<u>186,910</u>		<u>161,426</u>
			196,023		171,121
CURRENT ASSETS					
Debtors	6	—		1,508	
Cash at bank		<u>20,434</u>		<u>23,116</u>	
		20,434		24,624	
CREDITORS: Amounts falling due within one year	7	<u>5,588</u>		<u>4,915</u>	
NET CURRENT ASSETS			14,846		19,709
TOTAL ASSETS LESS CURRENT LIABILITIES			210,869		190,830
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	8		<u>10,639</u>		<u>10,695</u>
			200,230		180,135
CAPITAL AND RESERVES					
Called up share capital	11		4,358		4,358
Other reserves	12		<u>5,642</u>		<u>5,642</u>
Profit and loss account			<u>190,230</u>		<u>170,135</u>
EQUITY SHAREHOLDERS' FUNDS			200,230		180,135

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

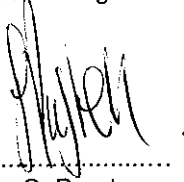
The Balance sheet continues on the following page.

SWEETMORES ANOCROME LIMITED

BALANCE SHEET *(continued)*

31 JANUARY 2004

These financial statements were approved by the directors on **21 DECEMBER 2004**
and are signed on their behalf by:



.....
Mr. S. Preston

SWEETMORES ANOCROME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Depreciation

Depreciation is not provided on freehold land. On other assets it is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Land and buildings	-	2% reducing balance
Motor Vehicles	-	25% reducing balance

Operating leases

Rentals applicable to leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Depreciation	<u>582</u>	<u>726</u>

SWEETMORES ANOCROME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2004

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004		2003	
	£	£	£	£
Current tax:				
In respect of the year:				
UK Corporation tax based on the results for the year at 18.50% (2003 - 19%)		4,200		2,659
Total current tax		4,200		2,659
Deferred tax:				
Origination and reversal of timing differences	(56)		(65)	
Total deferred tax (Note 8)		(56)		(65)
Tax on profit on ordinary activities		4,144		2,594

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 18.50% (2003 - 19%).

	2004	2003
	£	£
Profit on ordinary activities before taxation	24,239	35,678
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	4,484	6,779
Effects of:		
Expenses not deductible for tax purposes	—	187
Depreciation in excess of capital allowances	64	—
Sundry tax adjusting items	(348)	(4,307)
Total current tax	4,200	2,659

SWEETMORES ANOCROME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2004

4. TANGIBLE FIXED ASSETS

	Land £	Motor vehicles £	Total £
COST			
At 1 February 2003 and 31 January 2004	<u>10,000</u>	<u>4,000</u>	<u>14,000</u>
DEPRECIATION			
At 1 February 2003	1,992	2,313	4,305
Charge for the year	<u>160</u>	<u>422</u>	<u>582</u>
At 31 January 2004	<u>2,152</u>	<u>2,735</u>	<u>4,887</u>
NET BOOK VALUE			
At 31 January 2004	<u>7,848</u>	<u>1,265</u>	<u>9,113</u>
At 31 January 2003	<u>8,008</u>	<u>1,687</u>	<u>9,695</u>

5. INVESTMENTS

International House

	£
COST	
At 1 February 2003	161,426
Additions	<u>25,484</u>
At 31 January 2004	<u>186,910</u>
NET BOOK VALUE	
At 31 January 2004	<u>186,910</u>
At 31 January 2003	<u>161,426</u>

The company has invested £50,000 in a joint venture with Mr. J. Duckworth and Mrs. J.S. Duckworth to purchase the property known as International House, Springhill Road, Burnley. The objective of the joint venture is the rental of the above property as units for profit. The amount of the company's ongoing investment at cost plus profit at 31st January 2004 was £186,910 (2003 £161,426). The profits added are after adjustments for tax calculations.

6. DEBTORS

	2004 £	2003 £
Other debtors	<u>—</u>	<u>1,508</u>

All debtors fall due within one year of the balance sheet date.

SWEETMORES ANOCROME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2004

7. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Corporation tax	4,200	2,795
Other creditors	<u>1,388</u>	<u>2,120</u>
	<u>5,588</u>	<u>4,915</u>

8. DEFERRED TAXATION

	2004 £
The movement in the deferred taxation provision during the year was:	
Provision at start of year	10,695
Deferred tax credit in profit and loss account for the year	<u>(56)</u>
Provision at end of year	<u>10,639</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004 £	2003 £
Capital allowances in excess of depreciation	139	195
On Capital Gain rolled over	<u>10,500</u>	<u>10,500</u>
	<u>10,639</u>	<u>10,695</u>

9. TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

10. CONTROLLING PARTY

The company has no ultimate controlling party.

11. SHARE CAPITAL

Authorised share capital:

	2004 £	2003 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>4,358</u>	<u>4,358</u>	<u>4,358</u>	<u>4,358</u>

SWEETMORES ANOCROME LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2004

12. OTHER RESERVES

	2004 £	2003 £
Capital redemption reserve	<u>5,642</u>	<u>5,642</u>