

SWIFT PROCESS CLEANERS LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



SWIFT PROCESS CLEANERS LIMITED

COMPANY INFORMATION
For The Year Ended 31 March 2004

DIRECTORS: H K Doel
G H Doel

SECRETARY: G H Doel

REGISTERED OFFICE: Phoenix House
Bartholomew Street
Newbury
BERKSHIRE
RG14 5QA

REGISTERED NUMBER: 289169 (England and Wales)

SWIFT PROCESS CLEANERS LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 March 2004

The directors present their report with the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of dry cleaning.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIRECTORS

The directors during the year under review were:

H K Doel


G H Doel

The beneficial interests of the directors holding office on 31 March 2004 in the issued share capital of the company were as follows:

	31.3.04	1.4.03
Ordinary shares £1 shares		
H K Doel	990	990
G H Doel	990	990
5 % Preference shares £1 shares		
H K Doel	500	500
G H Doel	500	500

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:


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H K Doel - Director

Date: 30/11/04

SWIFT PROCESS CLEANERS LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2004

	Notes	2004 £	2003 £
TURNOVER		317,338	305,006
Cost of sales		<u>157,302</u>	<u>146,632</u>
GROSS PROFIT		160,036	158,374
Administrative expenses		<u>140,355</u>	<u>135,704</u>
		19,681	22,670
Other operating income		<u>32,111</u>	<u>28,494</u>
OPERATING PROFIT	2	51,792	51,164
Interest payable and similar charges		<u>4,976</u>	<u>5,667</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,816	45,497
Tax on profit on ordinary activities	3	<u>8,165</u>	<u>5,061</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		38,651	40,436
RETAINED PROFIT FOR THE YEAR		38,651	40,436

The notes form part of these financial statements

SWIFT PROCESS CLEANERS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For The Year Ended 31 March 2004

	2004	2003
	£	£
PROFIT FOR THE FINANCIAL YEAR	38,651	40,436
Revaluation of freehold property	—	—
TOTAL RECOGNISED GAINS AND LOSSES	38,651	40,436
RELATING TO THE YEAR	38,651	40,436

The notes form part of these financial statements

SWIFT PROCESS CLEANERS LIMITED

BALANCE SHEET
31 March 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	4	464,519	473,182
CURRENT ASSETS			
Stocks		13,341	11,391
Debtors	5	36,509	28,572
Cash in hand		2,650	200
		<u>52,500</u>	<u>40,163</u>
CREDITORS			
Amounts falling due within one year	6	155,667	179,953
NET CURRENT LIABILITIES		<u>(103,167)</u>	<u>(139,790)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>361,352</u>	<u>333,392</u>
CREDITORS			
Amounts falling due after more than one year	7	(21,985)	(34,992)
PROVISIONS FOR LIABILITIES AND CHARGES	8	<u>(6,685)</u>	<u>(4,369)</u>
		<u>332,682</u>	<u>294,031</u>
CAPITAL AND RESERVES			
Called up share capital	9	3,000	3,000
Revaluation reserve	10	259,370	259,370
Profit and loss account	10	70,312	31,661
SHAREHOLDERS' FUNDS		<u>332,682</u>	<u>294,031</u>

The notes form part of these financial statements

SWIFT PROCESS CLEANERS LIMITED

BALANCE SHEET - continued
31 March 2004

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2004.

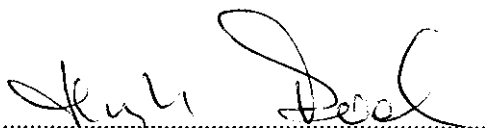
The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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).

ON BEHALF OF THE BOARD:



H K Doel - Director

Approved by the Board on 30/11/04

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Nil
Short leasehold	- over period of lease
Plant and machinery	- 10% on reducing balance
Motor vehicles	- 20% on reducing balance
Computer equipment	- 33% straight line

No depreciation is charged on the freehold investment property. This departure from the Companies Act 1985, for all properties to be depreciated, is in the opinion of the directors necessary for the accounts to show a true and fair view in accordance with SSAP 19.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued at sales value as in the opinion of the directors the work is predominately at a stage where recognition of the revenue is reasonable.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Investment properties

Investment properties are included in the accounts at open market value at 30 June 1996 or cost if later. While the directors consider the current open market value may exceed valuation, they do not feel suitably qualified to quantify any excess. In addition they consider that the cost of a professional valuation would exceed any value derived therefrom.

No depreciation is charged on the buildings in accordance with SSAP 19. This departure from the Companies Act 1985, for all properties to be depreciated, is in the opinion of the directors necessary for the accounts to show a true and fair view in accordance with SSAP 19. The directors consider the effect of depreciation is matched at least by a corresponding increase in market value. Had the provisions of the Act been followed, net assets would not have been affected but revenue profits would have been reduced for this and earlier years.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2004

2. OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	6,063	5,248
Depreciation - assets on hire purchase contracts	1,771	5,306
Loss on disposal of fixed assets	329	-
	<u>850</u>	<u>1,000</u>
Directors' emoluments and other benefits etc	<u>850</u>	<u>1,000</u>

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
UK corporation tax	5,849	4,392
Deferred tax	2,316	669
Tax on profit on ordinary activities	<u>8,165</u>	<u>5,061</u>

UK corporation tax has been charged at 19%

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	<u>46,816</u>	<u>45,497</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2003 - 19%)	8,895	8,644
Effects of:		
Capital allowances in excess of depreciation	106	(165)
Starting rate relief	(730)	(1,021)
Utilisation of tax losses respect of previous periods	(2,422)	(3,066)
Current tax charge	<u>5,849</u>	<u>4,392</u>

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold. The total amount unprovided for is £40,000. At present it is not envisaged that any tax will become payable in the foreseeable future.

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2004

4. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £
COST OR VALUATION			
At 1 April 2003	<u>406,518</u>	<u>3,965</u>	<u>103,859</u>
At 31 March 2004	<u>406,518</u>	<u>3,965</u>	<u>103,859</u>
DEPRECIATION			
At 1 April 2003	-	2,496	58,542
Charge for year	-	690	3,436
At 31 March 2004	<u>-</u>	<u>3,186</u>	<u>61,978</u>
NET BOOK VALUE			
At 31 March 2004	<u>406,518</u>	<u>779</u>	<u>41,881</u>
At 31 March 2003	<u>406,518</u>	<u>1,469</u>	<u>45,317</u>
	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 April 2003	57,520	1,940	573,802
Disposals	<u>(7,270)</u>	<u>-</u>	<u>(7,270)</u>
At 31 March 2004	<u>50,250</u>	<u>1,940</u>	<u>566,532</u>
DEPRECIATION			
At 1 April 2003	38,662	919	100,619
Charge for year	3,606	102	7,834
Eliminated on disposal	<u>(6,440)</u>	<u>-</u>	<u>(6,440)</u>
At 31 March 2004	<u>35,828</u>	<u>1,021</u>	<u>102,013</u>
NET BOOK VALUE			
At 31 March 2004	<u>14,422</u>	<u>919</u>	<u>464,519</u>
At 31 March 2003	<u>18,858</u>	<u>1,021</u>	<u>473,183</u>

Cost or valuation at 31 March 2004 is represented by:

If freehold investment property had not been revalued it would have been included at the following historical cost:

	2004 £	2003 £
Cost	<u>147,147</u>	<u>147,147</u>

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2004

4. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 April 2003	37,950	14,700	52,650
Transfer to ownership	(10,950)	(14,700)	(25,650)
At 31 March 2004	27,000	-	27,000
DEPRECIATION			
At 1 April 2003	11,366	5,292	16,658
Charge for year	1,771	-	1,771
Transfer to ownership	(2,081)	(5,292)	(7,373)
At 31 March 2004	11,056	-	11,056
NET BOOK VALUE			
At 31 March 2004	15,944	-	15,944
At 31 March 2003	26,584	9,408	35,992

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	3,830	5,805
Other debtors	18,660	9,232
Prepayments and accrued income	14,019	13,535
	36,509	28,572

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Bank loans and overdrafts	77,747	99,355
Hire purchase contracts	3,623	7,130
Trade creditors	26,247	9,645
Tax	5,849	4,392
Social security and other taxes	2,485	4,136
VAT	6,547	6,465
Other creditors	2,280	2,049
Directors' loan accounts	24,215	40,169
Accrued expenses	6,674	6,612
	155,667	179,953

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2004

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Bank loans - 1-2 years	10,000	10,000
Bank loans - 2-5 years	11,985	21,369
Hire purchase contracts	-	3,623
	<u>21,985</u>	<u>34,992</u>

8. PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred tax provided	<u>6,685</u>	<u>4,369</u>

	Deferred tax
	£
Balance at 1 April 2003	4,369
Accelerated capital allowances	(106)
Tax losses utilised	<u>2,422</u>
Balance at 31 March 2004	<u>6,685</u>

9. CALLED UP SHARE CAPITAL

Authorised:			2004	2003
Number:	Class:	Nominal value:	£	£
4,000	Ordinary shares	£1	4,000	4,000
2,000	5 % Preference shares	£1	2,000	2,000
			<u>6,000</u>	<u>6,000</u>

Allotted, issued and fully paid:			2004	2003
Number:	Class:	Nominal value:	£	£
2,000	Ordinary shares	£1	2,000	2,000
1,000	5 % Preference shares	£1	1,000	1,000
			<u>3,000</u>	<u>3,000</u>

10. RESERVES

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 April 2003	31,661	259,370	291,031
Retained profit for the year	38,651	-	38,651
At 31 March 2004	<u>70,312</u>	<u>259,370</u>	<u>329,682</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2004

11. RELATED PARTY DISCLOSURES

The company owns a 21.725% share of the freehold property at Weavers Walk, Newbury in which two of its directors, H.K Doel and G.H Doel, jointly own the remaining 78.275% share. The letting of the property is operated as a joint venture between the company and the two directors. The company's share of the net rental income included in these accounts is £32,111. The balance owed by Weavers Walk at the year end is £17,047 (2003: (7,618)).

The company is controlled by its two directors who own 99% of the ordinary share capital.