

**SWIFT PROCESS CLEANERS LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2002**



James & Cowper  
Chartered Accountants  
Phoenix House  
Bartholomew Street  
Newbury  
Berkshire RG14 5QA

**SWIFT PROCESS CLEANERS LIMITED**

**COMPANY INFORMATION**  
**For The Year Ended 31 March 2002**

**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)

**ACCOUNTANTS:**

James & Cowper  
Chartered Accountants  
Phoenix House  
Bartholomew Street  
Newbury  
Berkshire RG14 5QA

# SWIFT PROCESS CLEANERS LIMITED

## REPORT OF THE DIRECTORS For The Year Ended 31 March 2002

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

### 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.

During the year the company restructured its dry cleaning operations and incurred one-off restructuring costs. The directors consider that the company will return to profitability in the ensuing year.

### 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 2002 in the issued share capital of the company were as follows:

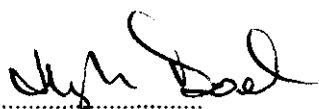
	31.3.02	1.4.01
<b>Ordinary shares £1 shares</b>		
H K Doel	990	990
G H Doel	990	990
<b>5 % Preference shares £1 shares</b>		
H K Doel	500	500
G H Doel	500	500

### THE EURO

The directors consider the impact of the euro to have a minimal effect on the ongoing operations of the company. However, systems are in place to deal with euro transactions if required in the future.

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:



H K Doel - DIRECTOR

Dated:

31st March 2002

**SWIFT PROCESS CLEANERS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**For The Year Ended 31 March 2002**

		<b>2002</b>	<b>2001</b>
	Notes	£	£
<b>TURNOVER</b>		<b>325,499</b>	<b>359,664</b>
Cost of sales		<u>162,978</u>	<u>178,758</u>
<b>GROSS PROFIT</b>		<b>162,521</b>	<b>180,906</b>
Administrative expenses		<u>219,966</u>	<u>184,019</u>
		<b>(57,445)</b>	<b>(3,113)</b>
Other operating income		<u>19,088</u>	<u>17,199</u>
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	<b>(38,357)</b>	<b>14,086</b>
Interest payable and similar charges		<u>5,670</u>	<u>4,643</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(44,027)</b>	<b>9,443</b>
Tax on (loss)/profit on ordinary activities	<b>3</b>	<u>(2,757)</u>	<u>980</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>(41,270)</b>	<b>8,463</b>
Dividends	<b>4</b>	<u>-</u>	<u>25,000</u>
		<b>(41,270)</b>	<b>(16,537)</b>
Retained profit brought forward		<u>32,499</u>	<u>49,036</u>
<b>(DEFICIT)/RETAINED PROFIT CARRIED FORWARD</b>		<b><u>£(8,771)</u></b>	<b><u>£32,499</u></b>

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 2002**

	<u>2002</u>	<u>2001</u>
	£	£
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>(41,270)</b>	<b>8,463</b>
Revaluation of freehold property		
<b>TOTAL RECOGNISED GAINS AND LOSSES</b>		
<b>RELATING TO THE YEAR</b>	<u><b>£(41,270)</b></u>	<u><b>£8,463</b></u>

The notes form part of these financial statements

**SWIFT PROCESS CLEANERS LIMITED**

**BALANCE SHEET**  
**31 March 2002**

	Notes	2002		2001	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	5		483,737		470,876
<b>CURRENT ASSETS:</b>					
Stocks		11,541		15,310	
Debtors	6	19,278		53,350	
Cash in hand		3,275		9,959	
		34,094		78,619	
<b>CREDITORS: Amounts falling due within one year</b>	7	219,494		136,607	
<b>NET CURRENT LIABILITIES:</b>			(185,400)		(57,988)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			298,337		412,888
<b>CREDITORS: Amounts falling due after more than one year</b>	8		(10,754)		(112,519)
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	10		(33,984)		(5,500)
			<u>£253,599</u>		<u>£294,869</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	11		3,000		3,000
Revaluation reserve	12		259,370		259,370
Profit and loss account			(8,771)		32,499
<b>SHAREHOLDERS' FUNDS:</b>			<u>£253,599</u>		<u>£294,869</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- 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.


The notes form part of these financial statements

**SWIFT PROCESS CLEANERS LIMITED**

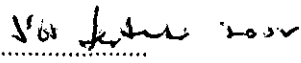
**BALANCE SHEET**  
**31 March 2002**

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  2002

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

1. ACCOUNTING POLICIES

**Going concern**

The financial statements are prepared on a going concern basis which is dependent upon the continued support of the company's bankers and shareholders.

**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 investment property	- Nil
Leasehold property	- over period of lease
Plant and machinery	- 10% on reducing balance
Motor vehicles	- 20% on reducing balance

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 taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**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.



NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

1. ACCOUNTING POLICIES - continued

**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.

2. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation - owned assets	13,293	8,027
Depreciation - assets on hire purchase contracts	6,222	2,430
(Profit)/Loss on disposal of fixed assets	(1,191)	410
	<u>5,027</u>	<u>12,800</u>
Directors' emoluments and other benefits etc		
	<u>5,027</u>	<u>12,800</u>

3. TAXATION

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
UK corporation tax	-	980
Corporation tax recoverable	(980)	-
Under/(over) provided for previous year	23	-
Total current tax	<u>(957)</u>	<u>980</u>
Deferred tax:		
Deferred taxation	(1,800)	-
Tax on (loss)/profit on ordinary activities	<u>(2,757)</u>	<u>980</u>

UK corporation tax was charged at 10% in 2001.

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

3. TAXATION - continued

**Factors affecting the tax (credit)/charge**

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

	2002 £	2001 £
(Loss)/profit on ordinary activities before tax	<u>(44,027)</u>	<u>9,443</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2001 - 10%)	-	944
Effects of:		
Capital allowances in excess of depreciation	-	(5)
Expenses disallowed	-	41
Utilisation of tax losses	(980)	-
Adjustment to tax charge in respect of previous periods	<u>23</u>	<u>-</u>
Current tax (credit)/charge	<u>(957)</u>	<u>980</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 £43,000. At present it is not envisaged that any tax will become payable in the foreseeable future.

4. DIVIDENDS

	2002 £	2001 £
2,000 Ordinary shares shares of £1 each		
Dividends Paid	<u>-</u>	<u>25,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

5. TANGIBLE FIXED ASSETS

	Freehold investment property	Leasehold property	Plant and machinery
	£	£	£
<b>COST OR VALUATION:</b>			
At 1 April 2001	406,518	13,342	88,512
Additions	-	1,812	24,892
Disposals	-	-	(9,544)
At 31 March 2002	406,518	15,154	103,860
<b>DEPRECIATION:</b>			
At 1 April 2001	-	8,279	54,485
Charge for year	-	4,716	5,595
Eliminated on disposals	-	-	(6,574)
At 31 March 2002	-	12,995	53,506
<b>NET BOOK VALUE:</b>			
At 31 March 2002	406,518	2,159	50,354
At 31 March 2001	406,518	5,063	34,026
	Motor vehicles	Computer equipment	Totals
	£	£	£
<b>COST OR VALUATION:</b>			
At 1 April 2001	60,225	1,940	570,537
Additions	14,700	-	41,404
Disposals	(17,405)	-	(26,949)
At 31 March 2002	57,520	1,940	584,992
<b>DEPRECIATION:</b>			
At 1 April 2001	36,216	680	99,660
Charge for year	9,078	126	19,515
Eliminated on disposals	(11,346)	-	(17,920)
At 31 March 2002	33,948	806	101,255
<b>NET BOOK VALUE:</b>			
At 31 March 2002	23,572	1,134	483,737
At 31 March 2001	24,009	1,260	470,876

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

5. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2002 is represented by:

	Freehold investment property	Leasehold property	Plant and machinery
	£	£	£
Valuation in 1996	259,371	-	-
Cost	147,147	15,154	103,860
	<u>406,518</u>	<u>15,154</u>	<u>103,860</u>
	Motor vehicles	Computer equipment	Totals
	£	£	£
Valuation in 1996	-	-	259,371
Cost	57,520	1,940	325,621
	<u>57,520</u>	<u>1,940</u>	<u>584,992</u>

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

	2002 £	2001 £
Cost	<u>147,147</u>	<u>147,147</u>

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

	Plant and machinery	Motor vehicles	Totals
	£	£	£
<b>COST:</b>			
At 1 April 2001	27,000	-	27,000
Additions	10,950	14,700	25,650
At 31 March 2002	<u>37,950</u>	<u>14,700</u>	<u>52,650</u>
<b>DEPRECIATION:</b>			
At 1 April 2001	5,130	-	5,130
Charge for year	3,282	2,940	6,222
At 31 March 2002	<u>8,412</u>	<u>2,940</u>	<u>11,352</u>
<b>NET BOOK VALUE:</b>			
At 31 March 2002	<u>29,538</u>	<u>11,760</u>	<u>41,298</u>
At 31 March 2001	<u>21,870</u>	-	<u>21,870</u>

**SWIFT PROCESS CLEANERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2002**

**6. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,176	4,254
Other debtors	2,826	383
Prepayments & accrued income	12,296	16,220
Corporation tax recoverable	980	2,557
Directors' current accounts	-	29,936
	<u>19,278</u>	<u>53,350</u>

**7. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	97,240	71,724
Building society loan	-	3,760
Hire purchase contracts	13,003	4,081
Trade creditors	27,355	31,151
Directors' current accounts	67,978	-
VAT	4,091	6,766
Social security & other taxes	2,140	3,665
Taxation	980	7,807
Accrued expenses	6,707	7,653
	<u>219,494</u>	<u>136,607</u>

**8. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Building society loan	-	99,298
Hire purchase contracts	10,754	13,221
	<u>10,754</u>	<u>112,519</u>

Amounts falling due in more than five years:

Repayable by instalments		
Building society loan	-	83,472
	<u>-</u>	<u>83,472</u>

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2002 £	2001 £
Expiring:		
Between one and five years	56,920	56,920
In more than five years	-	23,000
	<u>56,920</u>	<u>79,920</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Termination payment to discharge liability under lease	30,284	-
Deferred tax	3,700	5,500
	<u>33,984</u>	<u>5,500</u>

	Deferred tax £	Other provisions £
Balance at 1 April 2001	5,500	-
Accelerated capital allowances	750	-
Tax losses carried forward	(2,550)	-
Provision made	-	30,284
Balance at 31 March 2002	<u>3,700</u>	<u>30,284</u>

	2002 £	2001 £
Deferred tax provision		
Deferred tax provided	3,700	5,500
	<u>3,700</u>	<u>5,500</u>

During the year the company moved its dry cleaning operations from the factory at Hungerford to its premises in Newbury. Following this move the company successfully negotiated the surrender of the lease of the Hungerford factory on 16 April 2002. The provision above represents the actual cost relating to the surrender.

NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended 31 March 2002

11. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2002 £	2001 £
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: Number:	Class:	Nominal value:	2002 £	2001 £
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>

12. REVALUATION RESERVE

	2002 £	2001 £
Brought forward	<u>259,370</u>	<u>259,370</u>

13. 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 £19,088. The balance owing to the company at the year end is £2,413.

During the year loans owed by the directors totalling £5,186 were written off.

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