

SWIFT PROCESS CLEANERS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999



SWIFT PROCESS CLEANERS LIMITED

COMPANY INFORMATION
For The Year Ended 31 March 1999

DIRECTORS: H K Doel
G H Doel
Mrs P A M Doel

SECRETARY: G H Doel

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

REGISTERED NUMBER: 289169 (England and Wales)

AUDITORS: James & Cowper
Registered Auditor and
Chartered Accountants
Phoenix House
Bartholomew Street
Newbury
Berkshire RG14 5QA

SWIFT PROCESS CLEANERS LIMITED

REPORT OF THE DIRECTORS For The Year Ended 31 March 1999

The directors present their report with the financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the year under review were:

H K Doel
G H Doel
Mrs P A M Doel

The beneficial interests of the directors holding office on 31 March 1999 in the issued share capital of the company were as follows:

	31.3.99	1.4.98
Ordinary shares £1 shares		
H K Doel	990	990
G H Doel	990	990
Mrs P A M Doel	20	20
5 % Preference shares £1 shares		
H K Doel	500	500
G H Doel	500	500
Mrs P A M Doel	-	-

In accordance with the Articles of Association, G H Doel will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

YEAR 2000 ISSUE

Systems critical to the company's ongoing operation and preparation of financial information (including applications and systems hardware), as well as other non-financial computing and date dependent systems on which the company relies have been fully reviewed. The directors are satisfied that the risk to the company is minimal although the company remains exposed, to an unquantifiable degree, to the failure of third parties to deal with their year 2000 exposure.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, James & Cowper, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SWIFT PROCESS CLEANERS LIMITED

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 1999**

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:

A handwritten signature in black ink, appearing to read 'H K Doel', written over a dotted line.

H K Doel - DIRECTOR

Dated: 14 September 1999

SWIFT PROCESS CLEANERS LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SWIFT PROCESS CLEANERS LIMITED

We have audited the financial statements on pages five to fifteen which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages eight and nine.

Respective responsibilities of directors and auditors

As described on page two 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 circumstances, consistently applied and adequately disclosed.

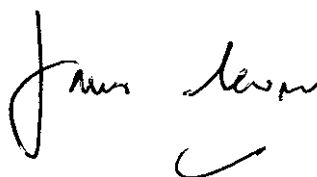
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting policy

As detailed in note 1 (Investment properties) the financial statements do not comply with SSAP 19 as regards valuation of investment properties at open market value. In the absence of such valuation we are not able to quantify the financial effect of this departure from the standard.

Except for any adjustment which might be necessary resulting from the failure to account for investment properties in accordance with SSAP 19, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

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



Dated: 4th June 1999

SWIFT PROCESS CLEANERS LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 1999

		<u>1999</u>	<u>1998</u>
	Notes	£	£
TURNOVER		399,263	362,924
Cost of sales		<u>183,200</u>	<u>163,747</u>
GROSS PROFIT		216,063	199,177
Administrative expenses		<u>183,238</u>	<u>173,265</u>
		32,825	25,912
Other operating income		<u>16,637</u>	<u>11,959</u>
OPERATING PROFIT	2	49,462	37,871
Interest payable and similar charges		<u>4,008</u>	<u>4,152</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,454	33,719
Tax on profit on ordinary activities	3	<u>8,654</u>	<u>6,702</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		36,800	27,017
Dividends	4	<u>20,000</u>	<u>20,000</u>
		16,800	7,017
Retained profit brought forward		<u>24,913</u>	<u>17,896</u>
RETAINED PROFIT CARRIED FORWARD		<u>£41,713</u>	<u>£24,913</u>

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 1999

	<u>1999</u>	<u>1998</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	36,800	27,017
Revaluation of freehold property	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	<u>£36,800</u>	<u>£27,017</u>

The notes form part of these financial statements

SWIFT PROCESS CLEANERS LIMITED

BALANCE SHEET
31 March 1999

		<u>1999</u>		<u>1998</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		473,065		453,757
CURRENT ASSETS:					
Stocks		17,572		17,797	
Debtors	6	61,620		61,971	
Cash in hand		<u>2,132</u>		<u>124</u>	
		81,324		79,892	
CREDITORS: Amounts falling due within one year	7	<u>131,912</u>		<u>139,931</u>	
NET CURRENT LIABILITIES:			<u>(50,588)</u>		<u>(60,039)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			422,477		393,718
CREDITORS: Amounts falling due after more than one year	8		(114,094)		(103,235)
PROVISIONS FOR LIABILITIES AND CHARGES:	11		<u>(4,300)</u>		<u>(3,200)</u>
			<u>£304,083</u>		<u>£287,283</u>
CAPITAL AND RESERVES:					
Called up share capital	12		3,000		3,000
Revaluation reserve	13		259,370		259,370
Profit and loss account			<u>41,713</u>		<u>24,913</u>
Shareholders' funds			<u>£304,083</u>		<u>£287,283</u>

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 March 1999).

ON BEHALF OF THE BOARD:



H K Doel - DIRECTOR

Approved by the Board on 14 September 1999

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999

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 March 1999).

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.

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 March 1999

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 PROFIT

The operating profit is stated after charging:

	1999	1998
	£	£
Depreciation - owned assets	8,118	3,865
Depreciation - assets on hire purchase contracts	5,221	5,995
Loss on disposal of fixed assets	256	2,321
Auditors' remuneration	<u>3,150</u>	<u>3,000</u>
Directors' emoluments and other benefits etc	<u>15,848</u>	<u>18,382</u>

3. TAXATION

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

	1999	1998
	£	£
UK corporation tax	7,600	5,500
Under/(over) provided for previous year	(46)	2
Deferred taxation	<u>1,100</u>	<u>1,200</u>
	<u>8,654</u>	<u>6,702</u>

UK corporation tax has been charged at 21% (1998 - 21%).

4. DIVIDENDS

	1999	1998
	£	£
2,000 Ordinary shares shares of £1 each		
Dividends Paid	<u>20,000</u>	<u>20,000</u>

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999

5. TANGIBLE FIXED ASSETS

	Freehold investme- nt property	Leasehold property	Plant and machinery
	£	£	£
COST OR VALUATION:			
At 1 April 1998	400,000	13,342	61,512
Additions	<u>6,518</u>	<u>-</u>	<u>-</u>
At 31 March 1999	<u>406,518</u>	<u>13,342</u>	<u>61,512</u>
DEPRECIATION:			
At 1 April 1998	-	6,677	44,836
Charge for year	<u>-</u>	<u>534</u>	<u>1,668</u>
At 31 March 1999	<u>-</u>	<u>7,211</u>	<u>46,504</u>
NET BOOK VALUE:			
At 31 March 1999	<u>406,518</u>	<u>6,131</u>	<u>15,008</u>
At 31 March 1998	<u>400,000</u>	<u>6,665</u>	<u>16,676</u>

	Motor vehicles	Computer equipment	Totals
	£	£	£
COST OR VALUATION:			
At 1 April 1998	55,491	1,157	531,502
Additions	26,102	782	33,402
Disposals	<u>(6,625)</u>	<u>-</u>	<u>(6,625)</u>
At 31 March 1999	<u>74,968</u>	<u>1,939</u>	<u>558,279</u>
DEPRECIATION:			
At 1 April 1998	26,019	212	77,744
Charge for year	10,964	173	13,339
Eliminated on disposals	<u>(5,869)</u>	<u>-</u>	<u>(5,869)</u>
At 31 March 1999	<u>31,114</u>	<u>385</u>	<u>85,214</u>
NET BOOK VALUE:			
At 31 March 1999	<u>43,854</u>	<u>1,554</u>	<u>473,065</u>
At 31 March 1998	<u>29,471</u>	<u>945</u>	<u>453,757</u>

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999

5. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 1999 is represented by:

	Freehold investme- nt property	Leasehold property	Plant and machinery
	£	£	£
Valuation in 1996	259,371	-	-
Cost	<u>147,147</u>	<u>13,342</u>	<u>61,512</u>
	<u>406,518</u>	<u>13,342</u>	<u>61,512</u>
	Motor vehicles	Computer equipment	Totals
	£	£	£
Valuation in 1996	-	-	259,371
Cost	<u>74,968</u>	<u>1,939</u>	<u>298,908</u>
	<u>74,968</u>	<u>1,939</u>	<u>558,279</u>

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

	1999	1998
	£	£
Cost	<u>147,147</u>	<u>140,629</u>

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999

5. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles
	£
COST:	
At 1 April 1998	35,267
Additions	26,102
Transferred to ownership	<u>(35,267)</u>
At 31 March 1999	<u>26,102</u>
DEPRECIATION:	
At 1 April 1998	11,286
Charge for year	5,221
Transferred to ownership	<u>(11,286)</u>
At 31 March 1999	<u>5,221</u>
NET BOOK VALUE:	
At 31 March 1999	<u>20,881</u>
At 31 March 1998	<u>23,981</u>

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

	1999 £	1998 £
Trade debtors	5,741	5,527
Other debtors	338	5,900
Prepayments & accrued income	17,191	17,075
Corporation tax recoverable	2,557	2,557
Directors' current accounts	<u>35,793</u>	<u>30,912</u>
	<u>61,620</u>	<u>61,971</u>

SWIFT PROCESS CLEANERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999

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

	1999	1998
	£	£
Bank loans and overdrafts	50,241	59,630
Building society loan	3,051	2,620
Hire purchase contracts	8,168	10,184
Trade creditors	31,858	29,885
Other creditors	12,208	9,256
VAT	6,548	13,358
Social security & other taxes	2,770	2,288
Taxation	2,600	5,500
Advance corporation tax	5,000	-
Accrued expenses	9,468	7,210
	<u>131,912</u>	<u>139,931</u>

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

	1999	1998
	£	£
Building society loan	106,573	103,235
Hire purchase contracts	7,521	-
	<u>114,094</u>	<u>103,235</u>

Amounts falling due in more than five years:

Repayable by instalments		
Building society loan	<u>91,218</u>	<u>90,048</u>

9. OPERATING LEASE COMMITMENTS

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

	1999	1998
	£	£
Expiring:		
Between one and five years	8,320	8,320
In more than five years	<u>73,400</u>	<u>73,400</u>
	<u>81,720</u>	<u>81,720</u>

10. SECURED DEBTS

The borrowings are secured by a legal charge on the Company's freehold property.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	1999	1998
	£	£
Deferred taxation	<u>4,300</u>	<u>3,200</u>

SWIFT PROCESS CLEANERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999**

11. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred taxation £
Balance at 1 April 1998	3,200
Accelerated capital allowances	<u>1,100</u>
Balance at 31 March 1999	<u><u>4,300</u></u>

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	1999 £	1998 £	1999 £	1998 £
Deferred tax provided	4,300	3,200	-	-
Revaluation of property	<u>-</u>	<u>-</u>	<u>47,500</u>	<u>48,300</u>
	<u><u>4,300</u></u>	<u><u>3,200</u></u>	<u><u>47,500</u></u>	<u><u>48,300</u></u>

12. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	1999	1998
Number:	Class:		£	£
4,000	Ordinary shares	£1	4,000	4,000
2,000	5 % Preference shares	£1	<u>2,000</u>	<u>2,000</u>
			<u><u>6,000</u></u>	<u><u>6,000</u></u>

Allotted, issued and fully paid:		Nominal value:	1999	1998
Number:	Class:		£	£
2,000	Ordinary shares	£1	2,000	2,000
1,000	5 % Preference shares	£1	<u>1,000</u>	<u>1,000</u>
			<u><u>3,000</u></u>	<u><u>3,000</u></u>

13. REVALUATION RESERVE

	1999 £	1998 £
Brought forward	<u><u>259,370</u></u>	<u><u>259,370</u></u>

14. TRANSACTIONS WITH DIRECTORS

Debtors include £35,793 owing by the directors to the company.

SWIFT PROCESS CLEANERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 1999**

15. 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 partnership between the company and the two directors. The company's share of the net rental income included in these accounts is £16,637. At 31 March 1999 the company owed the partnership the sum of £12,208.

The company is owned and controlled by its three directors.