

Registration number 2280706

FORMANTA LIMITED
Directors' report and financial statements
for the year ended 31 March 2004



Merali's
Chartered Accountants
Harrow, Middlesex

FORMANTA LIMITED

Company information

Directors	P D V Bhoja D K Halai
Secretary	P D V Bhoja
Company number	2280706
Registered office	Scottish Provident House 76-80 College Road Harrow Middlesex HA1 1BX
Accountants	Merali's Scottish Provident House 76-80 College Road Harrow Middlesex. HA1 1BQ
Bankers	HSBC Bank Plc 127/128 High Street Merthyr Tydfil Mid Glamorgan CF47 8DN

FORMANTA LIMITED

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FORMANTA LIMITED

Directors' report for the year ended 31 March 2004

The directors present their report and the financial statements for the year ended 31 March 2004.

Principal activity

The principal activity of the company is that of general merchants/supermarket and post office.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/03/04	01/04/03
P D V Bhoja	7,500	7,500
D K Halai	7,500	7,500

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 6 January 2004 and signed on its behalf by



P D V Bhoja
Secretary

FORMANTA LIMITED

***Accountants' report on the unaudited financial statements to the directors of
FORMANTA LIMITED***

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2004 set out on pages 3 to 11 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.

**Merali's
Chartered Accountants
Scottish Provident House
76-80 College Road
Harrow
Middlesex. HA1 1BQ**

Date:

FORMANTA LIMITED

Profit and loss account for the year ended 31 March 2004

		2004	2003
	Notes	£	£
Turnover	2	967,580	883,470
Cost of sales		(794,347)	(723,938)
Gross profit		<u>173,233</u>	<u>159,532</u>
Distribution costs		(1,043)	(912)
Administrative expenses		(144,106)	(147,804)
Other operating income		77,146	71,660
Operating profit	3	<u>105,230</u>	<u>82,476</u>
Other interest receivable and similar income		1,471	2,227
Interest payable and similar charges		(19,756)	(15,349)
Profit on ordinary activities before taxation		<u>86,945</u>	<u>69,354</u>
Tax on profit on ordinary activities	6	(18,322)	(14,732)
Profit on ordinary activities after taxation		<u>68,623</u>	<u>54,622</u>
Dividends		(40,000)	(30,000)
Retained profit for the year		<u>28,623</u>	<u>24,622</u>
Retained profit brought forward		305,030	280,408
Retained profit carried forward		<u><u>333,653</u></u>	<u><u>305,030</u></u>

The notes on pages 6 to 11 form an integral part of these financial statements.

FORMANTA LIMITED

Balance sheet as at 31 March 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		48,000		56,000
Tangible assets	8		690,212		674,802
			<u>738,212</u>		<u>730,802</u>
Current assets					
Stocks		66,735		41,320	
Debtors	9	4,396		6,608	
Cash at bank and in hand		184,872		138,022	
		<u>256,003</u>		<u>185,950</u>	
Creditors: amounts falling due within one year	10	<u>(273,191)</u>		<u>(229,753)</u>	
Net current liabilities			<u>(17,188)</u>		<u>(43,803)</u>
Total assets less current liabilities			721,024		686,999
Creditors: amounts falling due after more than one year	11		<u>(372,371)</u>		<u>(366,969)</u>
Net assets			<u>348,653</u>		<u>320,030</u>
Capital and reserves					
Called up share capital	12		15,000		15,000
Profit and loss account			333,653		305,030
Shareholders' funds			<u>348,653</u>		<u>320,030</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 11 form an integral part of these financial statements.

FORMANTA LIMITED

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 March 2004**

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2004 and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 6 January 2004 and signed on its behalf by

P D V Bhoja
Director



D K Halai
Director



The notes on pages 6 to 11 form an integral part of these financial statements.

FORMANTA LIMITED

Notes to the financial statements for the year ended 31 March 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Nil
Freehold buildings	-	2% straight line
Equipment	-	15% straight line
Fixtures & fittings	-	10% straight line
Motor vehicles	-	25% straight line

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

FORMANTA LIMITED

Notes to the financial statements for the year ended 31 March 2004

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1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	8,000	8,000
Depreciation and other amounts written off tangible assets	19,424	18,224
Auditors' remuneration	4,100	4,100

FORMANTA LIMITED

Notes to the financial statements for the year ended 31 March 2004

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4. Directors' emoluments

	2004	2003
	£	£
Remuneration and other benefits	<u>39,140</u>	<u>38,396</u>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	-

5. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £7,830 (2003 - £6,926).

6. Tax on profit on ordinary activities

Analysis of charge in period	2004	2003
	£	£
Current tax		
UK corporation tax	18,169	14,732
Adjustments in respect of previous periods	153	-
	<u>18,322</u>	<u>14,732</u>

FORMANTA LIMITED

Notes to the financial statements for the year ended 31 March 2004

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7. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 April 2003	85,500	85,500
At 31 March 2004	85,500	85,500
Provision for diminution in value		
At 1 April 2003	29,500	29,500
Charge for year	8,000	8,000
At 31 March 2004	37,500	37,500
Net book values		
At 31 March 2004	48,000	48,000
At 31 March 2003	56,000	56,000

8. Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2003	665,194	44,820	33,710	8,258	751,982
Additions	8,862	10,853	15,119	-	34,834
At 31 March 2004	674,056	55,673	48,829	8,258	786,816
Depreciation					
At 1 April 2003	27,995	23,713	17,215	8,257	77,180
Charge for the year	10,007	5,837	3,580	-	19,424
At 31 March 2004	38,002	29,550	20,795	8,257	96,604
Net book values					
At 31 March 2004	636,054	26,123	28,034	1	690,212
At 31 March 2003	637,199	21,107	16,495	1	674,802

Included in freehold land and buildings is freehold land valued at £173,694 (2003: £173,964), which is not depreciated. In the opinion of the directors, the open market value of the land and buildings is, at least, the same as the book value.

FORMANTA LIMITED

Notes to the financial statements for the year ended 31 March 2004

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Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Equipment	<u>5,100</u>	<u>900</u>	<u>-</u>	<u>-</u>
9. Debtors			2004	2003
			£	£
Other debtors			-	2,134
Prepayments and accrued income			4,396	4,474
			<u>4,396</u>	<u>6,608</u>
10. Creditors: amounts falling due within one year			2004	2003
			£	£
Bank overdraft			17,433	27,291
Bank loan			21,500	18,600
Shareholders loan			192,821	149,027
Net obligations under finance leases and hire purchase contracts			4,950	-
Trade creditors			5,187	2,587
Corporation tax			18,169	14,580
Other taxes and social security costs			3,544	6,836
Other creditors			5,587	6,832
Accruals and deferred income			4,000	4,000
			<u>273,191</u>	<u>229,753</u>

FORMANTA LIMITED

Notes to the financial statements for the year ended 31 March 2004

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11. Creditors: amounts falling due after more than one year	2004	2003
	£	£
Bank loan	<u>372,371</u>	<u>366,969</u>
Loans		
Repayable in five years or more	<u>(286,370)</u>	<u>(273,969)</u>

The bank loan is for a term of 10 years and bears interest at the rate of 1% p.a. over HSBC Bank's base rate and is secured by the directors' joint and several guarantee for £15,000 and life cover on their lives. A fixed charge over the freehold premises located at Plot No 2,5 and 6 Troed-Y-Bryn, Penyrheol, Mid-Glamorgan, Wales and a first floating charge over all assets, goodwill, undertaking and uncalled capital both present and future. The mortgage is for a term of 10 years and bears interest at the rate of 1.2% over the over bank base rate and is secured over the freehold property located at 60 Dockhead Street, Saltcoats, North Ayrshire.

12. Share capital	2004	2003
	£	£
Authorised		
100,000 Ordinary shares of 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
15,000 Ordinary shares of 1 each	<u>15,000</u>	<u>15,000</u>

13. Controlling interest

The company was controlled throughout the current and the previous period by its directors Mr P D V Bhoja and Mr D K Halai by virtue of the fact that between them they own all of the company's ordinary share capital.