

Company Registration No. 03315708 (England and Wales)

GREENS CHEMIST (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2004



GREENS CHEMIST (UK) LIMITED

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GREENS CHEMIST (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MAY 2004

The director presents his report and financial statements for the year ended 31 May 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of retail chemists and wholesalers of pharmaceutical goods.

The results for the year and the financial position at the year end were considered to be reasonably satisfactory by the director who expects continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £20,000 (2003 - £20,000). The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 June 2003:

M H Chauhan

Director's interests

The director's interest including family interests in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 May 2004	1 June 2003
M H Chauhan	100	100

Auditors

R K Raja & Co resigned as auditors to the company and Magus Chartered Accountants were appointed as auditors in their place. In accordance with section 385 of the Companies Act 1985, a resolution proposing that Magus Chartered Accountants be re-appointed will be put to the Annual General Meeting.

GREENS CHEMIST (UK) LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

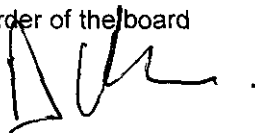
Director's responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board



D Chauhan

Secretary

22 August 2005

GREENS CHEMIST (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO GREENS CHEMIST (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the year ended 31 May 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

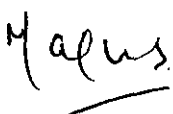
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.



Magus Chartered Accountants

22 August 2005

Chartered Accountants
Registered Auditor

Magus House
1 Catherine Place
London
SW1E 6DX

GREENS CHEMIST (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2004

	Notes	2004 £	2003 £
Gross profit		377,989	351,057
Distribution costs		(40,863)	(3,026)
Administrative expenses		(301,692)	(267,935)
Operating profit	2	35,434	80,096
Other interest receivable and similar income		2,434	3,339
Interest payable and similar charges	3	(10,038)	(7,809)
Profit on ordinary activities before taxation		27,830	75,626
Tax on profit on ordinary activities	4	(6,613)	(16,838)
Profit on ordinary activities after taxation		21,217	58,788
Dividends	5	(20,000)	(20,000)
Retained profit for the year	15	1,217	38,788

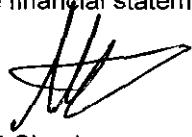
GREENS CHEMIST (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	6		55,000		66,000
Tangible assets	7		38,038		37,777
Investments	8		2		-
			<u>93,040</u>		<u>103,777</u>
Current assets					
Stocks	9	993,128		621,364	
Debtors	10	2,487,195		941,009	
Cash at bank and in hand		155,254		20,460	
		<u>3,635,577</u>		<u>1,582,833</u>	
Creditors: amounts falling due within one year	11	<u>(3,128,524)</u>		<u>(1,079,654)</u>	
Net current assets			<u>507,053</u>		<u>503,179</u>
Total assets less current liabilities			<u>600,093</u>		<u>606,956</u>
Creditors: amounts falling due after more than one year	12		<u>(14,737)</u>		<u>(22,817)</u>
			<u>585,356</u>		<u>584,139</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		585,256		584,039
Shareholders' funds - equity interests	16		<u>585,356</u>		<u>584,139</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 22 August 2005


M H Chauhan
Director

GREENS CHEMIST (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities		334,862		16,489
Returns on investments and servicing of finance				
Interest received	2,434		3,339	
Interest paid	(10,038)		(7,809)	
Net cash outflow for returns on investments and servicing of finance		(7,604)		(4,470)
Taxation		(17,153)		(94,920)
Capital expenditure				
Payments to acquire tangible assets	(8,318)		(2,091)	
Net cash outflow for capital expenditure		(8,318)		(2,091)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	(2)		-	
Net cash outflow for acquisitions and disposals		(2)		-
Equity dividends paid		(20,000)		(20,000)
Net cash inflow/(outflow) before management of liquid resources and financing		281,785		(104,992)
Financing				
Repayment of long term bank loan	(8,080)		(7,587)	
Net cash outflow from financing		(8,080)		(7,587)
Increase/(decrease) in cash in the year		273,705		(112,579)

GREENS CHEMIST (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004		2003	
		£		£	
	Operating profit	35,434		80,096	
	Depreciation of tangible assets	8,057		7,773	
	Amortisation of intangible assets	11,000		11,000	
	Increase in stocks	(371,764)		(21,022)	
	(Increase)/decrease in debtors	(1,546,186)		617,491	
	Increase/(decrease) in creditors within one year	2,198,321		(678,849)	
	Net cash inflow from operating activities	334,862		16,489	
2	Analysis of net funds/(debt)	1 June 2003	Cash flow	Other non-cash changes	31 May 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	20,460	134,794	-	155,254
	Bank overdrafts	(138,911)	138,911	-	-
		<u>(118,451)</u>	<u>273,705</u>	<u>-</u>	<u>155,254</u>
	Debt:				
	Debts falling due within one year	(9,559)	-	-	(9,559)
	Debts falling due after one year	(22,817)	8,080	-	(14,737)
		<u>(32,376)</u>	<u>8,080</u>	<u>-</u>	<u>(24,296)</u>
	Net (debt)/funds	<u>(150,827)</u>	<u>281,785</u>	<u>-</u>	<u>130,958</u>
3	Reconciliation of net cash flow to movement in net funds/(debt)	2004		2003	
		£		£	
	Increase/(decrease) in cash in the year	273,705		(112,579)	
	Cash outflow from decrease in debt	8,080		7,587	
	Movement in net funds/(debt) in the year	281,785		(104,992)	
	Opening net debt	(150,827)		(45,835)	
	Closing net funds/(debt)	<u>130,958</u>		<u>(150,827)</u>	

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. The company recognises revenue from sales on the delivery of goods and services as the services are performed.

1.3 Goodwill

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over the term of the lease
Fixtures, fittings & equipment	15% per annum - reducing balance basis
Motor vehicles	25% per annum - reducing balance basis

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

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

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

2	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	11,000	11,000
	Depreciation of tangible assets	8,057	7,773
	Auditors' remuneration	6,000	6,000
		<u> </u>	<u> </u>
3	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	8,560	5,836
	On other loans wholly repayable within 5 years	1,478	1,973
		<u> </u>	<u> </u>
		10,038	7,809
		<u> </u>	<u> </u>
4	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	6,613	16,838
		<u> </u>	<u> </u>
	Current tax charge	6,613	16,838
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	27,830	75,626
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 17.60% (2003: 19.00%)	4,898	14,369
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	56	145
	Depreciation add back	3,264	3,567
	Capital allowances	(1,605)	(1,185)
	Adjustments to previous periods	-	(58)
		<u> </u>	<u> </u>
		1,715	2,469
		<u> </u>	<u> </u>
	Current tax charge	6,613	16,838
		<u> </u>	<u> </u>
5	Dividends	2004	2003
		£	£
	Ordinary interim paid	20,000	20,000
		<u> </u>	<u> </u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2003 & at 31 May 2004	110,000
Amortisation	
At 1 June 2003	44,000
Charge for the year	11,000
At 31 May 2004	55,000
Net book value	
At 31 May 2004	55,000
At 31 May 2003	66,000

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 June 2003	14,549	46,429	7,654	68,632
Additions	-	8,318	-	8,318
At 31 May 2004	14,549	54,747	7,654	76,950
Depreciation				
At 1 June 2003	7,994	17,629	5,232	30,855
Charge for the year	1,883	5,568	606	8,057
At 31 May 2004	9,877	23,197	5,838	38,912
Net book value				
At 31 May 2004	4,672	31,550	1,816	38,038
At 31 May 2003	6,555	28,800	2,422	37,777

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2003	-
Additions	2
At 31 May 2004	2

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Greens Group Limited	United Kingdom	Ordinary	100
Greens Pharmaceutical Limited	United Kingdom	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Greens Group Limited	1	-
Greens Pharmaceutical Limited	1	-

The above companies were dormant throughout the year under review.

9 Stocks

	2004 £	2003 £
Finished goods and goods for resale	993,128	621,364

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

10 Debtors	2004 £	2003 £
Trade debtors	2,472,040	920,720
Prepayments and accrued income	15,155	20,289
	<u>2,487,195</u>	<u>941,009</u>

11 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	9,559	148,470
Trade creditors	2,940,099	793,583
Amounts owed to subsidiary undertakings	2	-
Corporation tax	6,613	17,153
Other taxes and social security costs	18,870	5,593
Director's current accounts	84,425	104,222
Other creditors	50,000	-
Accruals and deferred income	18,956	10,633
	<u>3,128,524</u>	<u>1,079,654</u>

The bank loan and overdraft is secured by a fixed and floating charge over the assets of the company and by a personal guarantee of £22,100 by M Chauhan, the director of the company. In addition, the bank loan and overdraft is secured by a charge over the property at 112 Carlton Crescent, Luton, a property owned by the director.

12 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	<u>14,737</u>	<u>22,817</u>
Analysis of loans		
Wholly repayable within five years	24,296	32,376
	<u>24,296</u>	<u>32,376</u>
Included in current liabilities	(9,559)	(9,559)
	<u>14,737</u>	<u>22,817</u>
Loan maturity analysis		
In more than one year but not more than two years	9,559	9,559
In more than two years but not more than five years	5,178	13,258
	<u>14,737</u>	<u>22,817</u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

13 Pension costs

Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	-	2,500

14 Share capital

	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 June 2003	584,039
Retained profit for the year	1,217
Balance at 31 May 2004	585,256

16 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	21,217	58,788
Dividends	(20,000)	(20,000)
Net addition to shareholders' funds	1,217	38,788
Opening shareholders' funds	584,139	545,351
Closing shareholders' funds	585,356	584,139

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

17 Financial commitments

At 31 May 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
Between two and five years	28,600	16,600
In over five years	15,000	27,000
	<u>43,600</u>	<u>43,600</u>

18 Director's emoluments

	2004	2003
	£	£
Emoluments for qualifying services	<u>25,068</u>	<u>24,611</u>

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004	2003
	Number	Number
Selling and administration	<u>10</u>	<u>8</u>

Employment costs

	£	£
Wages and salaries	151,296	127,597
Social security costs	11,655	6,465
Other pension costs	-	2,500
	<u>162,951</u>	<u>136,562</u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2004

20 Control and related party transactions

The company was controlled by Mr M H Chauhan and Mrs D Chauhan during the year and the preceding financial year.

During the year, the company paid rent of £27,000 (2003 - £27,000) to Mr and Mrs Chauhan in respect of the lease of warehouse units.

During the year, the company sold goods to the value of £2,717,159 (2003 - £1,150,334) and received £20,000 (2003 - £68,843) for warehousing services provided to Genplus Limited, a company in which the director owns 49% of the issued ordinary share capital. The company purchased goods to the value of £1,699,332 (2003 - £806,010) from Genplus Limited.

The amounts receivable and payable to Genplus Limited as at 31 May 2004 amounted to £555,331 (2003- £285,224) and £88,555 (2003 - £220,624) respectively.