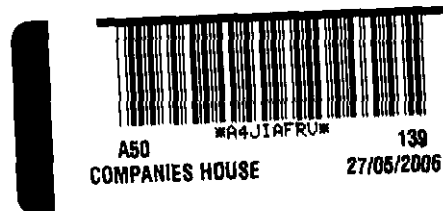


Company Registration No. 03315708 (England and Wales)

GREENS CHEMIST (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2005



GREENS CHEMIST (UK) LIMITED

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GREENS CHEMIST (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MAY 2005

The director presents his report and financial statements for the year ended 31 May 2005.

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.

Results and dividends

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

An interim ordinary dividend was paid amounting to £20,000 (2004 - £20,000). The director does not recommend payment of a final dividend.

Director

The following director has held office since 1 June 2004:

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 2005	1 June 2004
M H Chauhan	100	100

The shareholding of Mr M Chauhan includes a non-beneficial interest of 40 ordinary shares.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Magus Chartered Accountants be reappointed as auditors of the company will be put to the Annual General Meeting.

GREENS CHEMIST (UK) LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

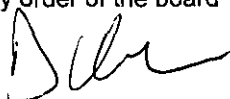
Director's responsibilities

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 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
16 May 2006

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 16, together with the financial statements of the company for the year ended 31 May 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

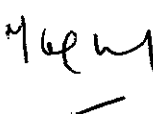
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the 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 16 are properly prepared in accordance with that provision.


Magus Chartered Accountants

16 May 2006

Chartered Accountants
Registered Auditor

100 Rochester Row
London
SW1P 1JP

GREENS CHEMIST (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2005

	Notes	2005 £	2004 £
Gross profit		527,674	377,989
Distribution costs		(61,665)	(40,863)
Administrative expenses		(378,114)	(301,692)
Operating profit	2	87,895	35,434
Other interest receivable and similar income		1,995	2,434
Interest payable and similar charges	4	(7,733)	(10,038)
Profit on ordinary activities before taxation		82,157	27,830
Tax on profit on ordinary activities	5	(18,181)	(6,613)
Profit on ordinary activities after taxation		63,976	21,217
Dividends	6	(20,000)	(20,000)
Retained profit for the year	15	43,976	1,217

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

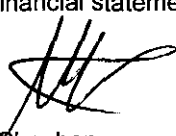
GREENS CHEMIST (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	7		44,000		55,000
Tangible assets	8		33,142		38,038
Investments	9		2		2
			<u>77,144</u>		<u>93,040</u>
Current assets					
Stocks	10	692,073		993,128	
Debtors	11	1,799,945		2,487,195	
Cash at bank and in hand		74,668		155,254	
		<u>2,566,686</u>		<u>3,635,577</u>	
Creditors: amounts falling due within one year	12	(2,008,041)		(3,128,524)	
Net current assets			<u>558,645</u>		<u>507,053</u>
Total assets less current liabilities			<u>635,789</u>		<u>600,093</u>
Creditors: amounts falling due after more than one year	13		(6,457)		(14,737)
			<u>629,332</u>		<u>585,356</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		629,232		585,256
Shareholders' funds - equity interests	16		<u>629,332</u>		<u>585,356</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 16 May 2006


M H Chauhan
Director

GREENS CHEMIST (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

	2005		2004	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(284,062)		334,862
Returns on investments and servicing of finance				
Interest received	1,995		2,434	
Interest paid	(7,733)		(10,038)	
Net cash outflow for returns on investments and servicing of finance		(5,738)		(7,604)
Taxation		101		(17,153)
Capital expenditure				
Payments to acquire tangible assets	(2,638)		(8,318)	
Net cash outflow for capital expenditure		(2,638)		(8,318)
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 (outflow)/inflow before management of liquid resources and financing		(312,337)		281,785
Financing				
Repayment of long term bank loan	(8,280)		(8,080)	
Net cash outflow from financing		(8,280)		(8,080)
(Decrease)/increase in cash in the year		(320,617)		273,705

GREENS CHEMIST (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2005

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2005	2004
		£	£
	Operating profit	87,895	35,434
	Depreciation of tangible assets	7,534	8,057
	Amortisation of intangible assets	11,000	11,000
	Decrease/(increase) in stocks	301,055	(371,764)
	Decrease/(increase) in debtors	687,250	(1,546,186)
	(Decrease)/Increase in creditors within one year	(1,378,796)	2,198,321
	Net cash (outflow)/inflow from operating activities	(284,062)	334,862

2	Analysis of net (debt)/funds	1 June 2004	Cash flow	Other non-cash changes	31 May 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	155,254	(80,586)	-	74,668
	Bank overdrafts	-	(240,031)	-	(240,031)
		155,254	(320,617)	-	(165,363)
	Debt:				
	Debts falling due within one year	(9,559)	-	-	(9,559)
	Debts falling due after one year	(14,737)	8,280	-	(6,457)
		(24,296)	8,280	-	(16,016)
	Net funds/(debt)	130,958	(312,337)	-	(181,379)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(320,617)	273,705
	Cash outflow from decrease in debt	8,280	8,080
	Movement in net (debt)/funds in the year	(312,337)	281,785
	Opening net funds/(debt)	130,958	(150,827)
	Closing net (debt)/funds	(181,379)	130,958

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2005

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 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.

1.9 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.

1.10 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 2005

2	Operating profit	2005	2004
		£	£
	Operating profit is stated after charging:		
	Amortisation of intangible assets	11,000	11,000
	Depreciation of tangible assets	7,534	8,057
	Auditors' remuneration	6,000	6,000
	and after crediting:		
	Profit on foreign exchange transactions	(3,856)	-
		<u><u> </u></u>	<u><u> </u></u>
3	Investment income	2005	2004
		£	£
	Other interest	1,995	2,434
		<u><u> </u></u>	<u><u> </u></u>
4	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	6,454	8,560
	On other loans wholly repayable within five years	1,279	1,478
		<u><u> </u></u>	<u><u> </u></u>
		7,733	10,038
		<u><u> </u></u>	<u><u> </u></u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

5	Taxation	2005	2004
		£	£
	Domestic current year tax		
	U.K. corporation tax	18,181	6,613
	Current tax charge	<u>18,181</u>	<u>6,613</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>82,157</u>	<u>27,830</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2004: 17.60%)	<u>15,610</u>	<u>4,898</u>
	Effects of:		
	Non deductible expenses	10	56
	Depreciation add back	3,521	3,264
	Capital allowances	(960)	(1,605)
		<u>2,571</u>	<u>1,715</u>
	Current tax charge	<u>18,181</u>	<u>6,613</u>
6	Dividends	2005	2004
		£	£
	Ordinary interim paid	<u>20,000</u>	<u>20,000</u>
7	Intangible fixed assets		Goodwill
			£
	Cost		
	At 1 June 2004 & at 31 May 2005		<u>110,000</u>
	Amortisation		
	At 1 June 2004		55,000
	Charge for the year		11,000
	At 31 May 2005		<u>66,000</u>
	Net book value		
	At 31 May 2005		<u>44,000</u>
	At 31 May 2004		<u>55,000</u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

8 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 June 2004	14,549	54,747	7,654	76,950
Additions	-	1,953	685	2,638
At 31 May 2005	14,549	56,700	8,339	79,588
Depreciation				
At 1 June 2004	9,877	23,197	5,838	38,912
Charge for the year	1,883	5,026	625	7,534
At 31 May 2005	11,760	28,223	6,463	46,446
Net book value				
At 31 May 2005	2,789	28,477	1,876	33,142
At 31 May 2004	4,672	31,550	1,816	38,038

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2004 & at 31 May 2005	2
Net book value	
At 31 May 2005	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	100.00
Greens Pharmaceutical Limited	United Kingdom	Ordinary	100.00

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 2005 £	Profit for the year 2005 £
	Principal activity		
Greens Group Limited	Dormant	1	-
Greens Pharmaceutical Limited	Dormant	1	-

The above companies were dormant throughout the year under review.

10 Stocks

	2005 £	2004 £
Finished goods and goods for resale	692,073	993,128

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

11 Debtors	2005 £	2004 £
Trade debtors	1,781,668	2,472,040
Other debtors	3,173	-
Prepayments and accrued income	15,104	15,155
	<u>1,799,945</u>	<u>2,487,195</u>
12 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	249,590	9,559
Trade creditors	1,574,720	2,940,099
Amounts owed to subsidiary undertakings	2	2
Corporation tax	24,895	6,613
Other taxes and social security costs	11,666	18,870
Director's current accounts	64,607	84,425
Other creditors	50,000	50,000
Accruals and deferred income	32,561	18,956
	<u>2,008,041</u>	<u>3,128,524</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.

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

13 Creditors: amounts falling due after more than one year	2005	2004
	£	£
Bank loans	6,457	14,737
	<u>6,457</u>	<u>14,737</u>
Analysis of loans		
Wholly repayable within five years	16,016	24,296
	<u>16,016</u>	<u>24,296</u>
Included in current liabilities	(9,559)	(9,559)
	<u>6,457</u>	<u>14,737</u>
Loan maturity analysis		
In more than one year but not more than two years	6,457	9,559
In more than two years but not more than five years	-	5,178
	<u>6,457</u>	<u>9,559</u>
14 Share capital	2005	2004
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
15 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 June 2004		585,256
Retained profit for the year		43,976
		<u>629,232</u>
Balance at 31 May 2005		629,232

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

16 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	63,976	21,217
Dividends	(20,000)	(20,000)
Net addition to shareholders' funds	43,976	1,217
Opening shareholders' funds	585,356	584,139
Closing shareholders' funds	629,332	585,356

17 Financial commitments

At 31 May 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2006:

	Land and buildings 2005 £	2004 £
Operating leases which expire:		
Between two and five years	28,600	28,600
In over five years	15,000	15,000
	43,600	43,600

18 Director's emoluments	2005 £	2004 £
Emoluments for qualifying services	27,500	25,068

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2005

19 Employees

Number of employees

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

	2005 Number	2004 Number
Selling and administration	11	10

Employment costs

	2005 £	2004 £
Wages and salaries	165,112	151,296
Social security costs	12,859	11,655
	177,971	162,951

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 (2004 - £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 £3,154,426 (2004 - £2,717,159) and received £21,766 (2004 - £20,000) 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 £1,440,429 (2004 - £1,699,322) from Genplus Limited.

The amounts receivable and payable to Genplus Limited as at 31 May 2005 amounted to £964,001 (2004- £555,331) and £263,877 (2004 - £88,555) respectively.