

Company Registration No. 03315708 (England and Wales)

GREENS CHEMIST (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2006

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GREENS CHEMIST (UK) LIMITED

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GREENS CHEMIST (UK) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2006

The director presents his report and financial statements for the year ended 31 May 2006

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 £25,000 (2005 - £20,000) The director does not recommend payment of a final dividend

Director

The following director has held office since 1 June 2005

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 2006	1 June 2005
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 2006

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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.

Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

x  x

D Chauhan

Secretary

28 August 2007

GREENS CHEMIST (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO GREENS CHEMIST (UK) LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985 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 Greens Chemist (UK) Limited for the year ended 31 May 2006 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider 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.

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 have been properly prepared in accordance with that provision.



Magus Chartered Accountants

28 August 2007

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 2006

	Notes	2006 £	2005 £
Gross profit		432,860	527,674
Distribution costs		(41,891)	(61,665)
Administrative expenses		(311,438)	(378,114)
Operating profit	2	79,531	87,895
Other interest receivable and similar income		1,721	1,995
Interest payable and similar charges	4	(13,401)	(7,733)
Profit on ordinary activities before taxation		67,851	82,157
Tax on profit on ordinary activities	5	(15,603)	(18,181)
Profit for the year	15	52,248	63,976

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 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	7		33,000		44,000
Tangible assets	8		32,996		33,142
Investments	9		2		2
			<u>65,998</u>		<u>77,144</u>
Current assets					
Stocks	10	680,567		692,073	
Debtors	11	1,451,231		1,799,945	
Cash at bank and in hand		128,589		74,668	
		<u>2,260,387</u>		<u>2,566,686</u>	
Creditors: amounts falling due within one year	12	(1,669,805)		(2,008,041)	
Net current assets			<u>590,582</u>		<u>558,645</u>
Total assets less current liabilities			<u>656,580</u>		<u>635,789</u>
Creditors: amounts falling due after more than one year	13		-		(6,457)
			<u>656,580</u>		<u>629,332</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		656,480		629,232
Shareholders' funds	16		<u>656,580</u>		<u>629,332</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

Approved by the Board and authorised for issue on 28 August 2007



M H Chauhan
Director

GREENS CHEMIST (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2006

	£	2006 £	£	2005 £
Net cash inflow/(outflow) from operating activities		205,379		(284,062)
Returns on investments and servicing of finance				
Interest received	1,721		1,995	
Interest paid	(13,401)		(7,733)	
Net cash outflow for returns on investments and servicing of finance		(11,680)		(5,738)
Taxation		(24,792)		101
Capital expenditure				
Payments to acquire tangible assets	(7,620)		(2,638)	
Net cash outflow for capital expenditure		(7,620)		(2,638)
Equity dividends paid		(25,000)		(20,000)
Net cash inflow/(outflow) before management of liquid resources and financing		136,287		(312,337)
Financing				
Repayment of long term bank loan	(16,016)		(8,280)	
Net cash outflow from financing		(16,016)		(8,280)
Increase/(decrease) in cash in the year		120,271		(320,617)

GREENS CHEMIST (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2006

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2006	2005
		£	£
	Operating profit	79,531	87,895
	Depreciation of tangible assets	7,766	7,534
	Amortisation of intangible assets	11,000	11,000
	Decrease in stocks	11,506	301,055
	Decrease in debtors	348,714	687,250
	Decrease in creditors within one year	(253,138)	(1,378,796)
	Net cash inflow/(outflow) from operating activities	205,379	(284,062)

2	Analysis of net debt	1 June 2005	Cash flow	Other non-cash changes	31 May 2006
		£	£	£	£
	Net cash				
	Cash at bank and in hand	74,668	53,921	-	128,589
	Bank overdrafts	(240,031)	66,350	-	(173,681)
		<u>(165,363)</u>	<u>120,271</u>	<u>-</u>	<u>(45,092)</u>
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(9,559)	9,559	-	-
	Debts falling due after one year	(6,457)	6,457	-	-
	Net debt	(181,379)	136,287	-	(45,092)

3	Reconciliation of net cash flow to movement in net debt	2006	2005
		£	£
	Increase/(decrease) in cash in the year	120,271	(320,617)
	Cash outflow from decrease in debt	16,016	8,280
	Movement in net debt in the year	136,287	(312,337)
	Opening net (debt)/funds	(181,379)	130,958
	Closing net debt	(45,092)	(181,379)

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2006

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 2006

2	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	11,000	11,000
	Depreciation of tangible assets	7,766	7,534
	Auditors' remuneration	7,000	6,000
	and after crediting		
	Profit on foreign exchange transactions	(683)	(3,856)
		<u> </u>	<u> </u>
3	Investment income	2006	2005
		£	£
	Other interest	1,721	1,995
		<u> </u>	<u> </u>
4	Interest payable	2006	2005
		£	£
	On bank loans and overdrafts	12,994	6,454
	On other loans wholly repayable within five years	407	1,279
		<u> </u>	<u> </u>
		<u>13,401</u>	<u>7,733</u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

5	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	15,282	18,181
	Adjustment for prior years	321	-
	Current tax charge	<u>15,603</u>	<u>18,181</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>67,851</u>	<u>82,157</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005 - 19.00%)	<u>12,892</u>	<u>15,610</u>
	Effects of		
	Non deductible expenses	69	10
	Depreciation add back	3,565	3,521
	Capital allowances	(1,244)	(960)
	Adjustments to previous periods	321	-
		<u>2,711</u>	<u>2,571</u>
	Current tax charge	<u>15,603</u>	<u>18,181</u>
6	Dividends	2006	2005
		£	£
	Ordinary interm paid	<u>25,000</u>	<u>20,000</u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 June 2005 & at 31 May 2006	110,000
Amortisation	
At 1 June 2005	66,000
Charge for the year	11,000
At 31 May 2006	77,000
Net book value	
At 31 May 2006	33,000
At 31 May 2005	44,000

8 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 June 2005	14,549	56,700	8,339	79,588
Additions	-	7,620	-	7,620
At 31 May 2006	14,549	64,320	8,339	87,208
Depreciation				
At 1 June 2005	11,760	28,223	6,463	46,446
Charge for the year	1,883	5,414	469	7,766
At 31 May 2006	13,643	33,637	6,932	54,212
Net book value				
At 31 May 2006	906	30,683	1,407	32,996
At 31 May 2005	2,789	28,477	1,876	33,142

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2005 & at 31 May 2006	2
Net book value	
At 31 May 2006	2
	<u>2</u>
At 31 May 2005	<u>2</u>

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	Shares held Class	%
Subsidiary undertakings			
Greens Group Limited	United Kingdom	Ordinary	100 00
Greens Pharmaceuticals 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 2006 £	Profit for the year 2006 £
	Principal activity		
Greens Group Limited	Dormant	1	-
Greens Pharmaceuticals Limited	Dormant	1	-
		<u>1</u>	<u>-</u>

The above companies were dormant throughout the year under review

10 Stocks	2006 £	2005 £
Finished goods and goods for resale	<u>680,567</u>	<u>692,073</u>

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

11 Debtors	2006 £	2005 £
Trade debtors	1,368,879	1,781,668
Other debtors	65,755	3,173
Prepayments and accrued income	16,597	15,104
	<u>1,451,231</u>	<u>1,799,945</u>
12 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	173,681	249,590
Trade creditors	1,424,002	1,574,720
Amounts owed to subsidiary undertakings	2	2
Corporation tax	15,706	24,895
Other taxes and social security costs	13,468	11,666
Director's current accounts	3,303	64,607
Other creditors	24,726	50,000
Accruals and deferred income	14,917	32,561
	<u>1,669,805</u>	<u>2,008,041</u>

The bank overdraft is secured by a charge over 13/14 Winston Business Centre, a property owned by the director of the company and by a personal guarantee by the director. In addition, the bank overdraft is supported by a cross guarantee by Greens Pharmaceuticals Limited, a subsidiary undertaking of this company.

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

13 Creditors: amounts falling due after more than one year	2006	2005
	£	£
Bank loans	-	6,457
Analysis of loans		
Wholly repayable within five years	-	16,016
	-	16,016
Included in current liabilities	-	(9,559)
	-	6,457
Loan maturity analysis		
In more than one year but not more than two years	-	6,457
14 Share capital	2006	2005
	£	£
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 2005		629,232
Profit for the year		52,248
Dividends paid		(25,000)
Balance at 31 May 2006		656,480

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

16 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the financial year	52,248	63,976
Dividends	(25,000)	(20,000)
Net addition to shareholders' funds	27,248	43,976
Opening shareholders' funds	629,332	585,356
Closing shareholders' funds	656,580	629,332

17 Financial commitments

At 31 May 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2007

	Land and buildings	
	2006	2005
	£	£
Operating leases which expire		
Within one year	16,600	-
Between two and five years	27,000	28,600
In over five years	-	15,000
	43,600	43,600

18 Director's emoluments	2006	2005
	£	£
Emoluments for qualifying services	27,521	27,500

GREENS CHEMIST (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

19 Employees

Number of employees

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

	2006 Number	2005 Number
Selling and administration	11	11

Employment costs

	2006 £	2005 £
Wages and salaries	156,538	165,112
Social security costs	13,510	12,859
	170,048	177,971

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 (2005 - £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 £1,689,776 (2005 - £3,154,426) and received £22,560 (2005 - £21,766) for management and 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 £1,220,325 (2005 - £1,440,429) from Genplus Limited.

The amounts receivable and payable to Genplus Limited as at 31 May 2006 amounted to £272,414 (2005- £964,001) and £410,793 (2005 - £263,877) respectively.