

Company Registration No. 03450921 (England and Wales)

DYNASTY (UK) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003



DYNASTY (UK) LIMITED

CONTENTS

	Page
Director's report	1
Profit and loss account	2
Balance sheet	3 - 4
Notes to the financial statements	5 - 9

DYNASTY (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2003

The director presents his report and financial statements for the year ended 31 March 2003.

Principal activities

The principal activity of the company continued to be that of retail and wholesale of ready-made garments and fashion accessories.

Director

The following director has held office since 1 April 2002:

B Shah

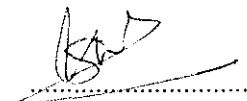
Director's interests

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

	Ordinary shares of £ 1 each	
	31 March 2003	1 April 2002
B Shah	2	2

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

By order of the board



S Shah

Secretary

29/12/03

DYNASTY (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover	2	700,295	521,926
Cost of sales		(529,302)	(384,722)
Gross profit		170,993	137,204
Administrative expenses		(116,420)	(119,699)
Operating profit	3	54,573	17,505
Interest payable and similar charges		(5,190)	(3,504)
Profit on ordinary activities before taxation		49,383	14,001
Tax on profit on ordinary activities	4	(9,341)	(256)
Profit on ordinary activities after taxation		40,042	13,745
Dividends		(24,600)	(10,000)
Retained profit for the year	10	15,442	3,745

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.

DYNASTY (UK) LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		2,981		3,619
Current assets					
Stocks		283,118		240,061	
Debtors	6	42,595		23,815	
Cash at bank and in hand		1,908		3,765	
		<u>327,621</u>		<u>267,641</u>	
Creditors: amounts falling due within one year	7	<u>(192,136)</u>		<u>(148,234)</u>	
Net current assets			<u>135,485</u>		<u>119,407</u>
Total assets less current liabilities			<u>138,466</u>		<u>123,026</u>
Creditors: amounts falling due after more than one year	8		<u>(100,000)</u>		<u>(100,000)</u>
			<u>38,466</u>		<u>23,026</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		38,464		23,024
Shareholders' funds - equity interests	11		<u>38,466</u>		<u>23,026</u>

DYNASTY (UK) LIMITED

BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2003

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 29/12/03.....


.....

B Shah
Director

DYNASTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

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.

1.3 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:

Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance

1.4 Stock

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

1.5 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

In the year to 31 March 2003 34.31% (2002- 24.09%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	993	1,324
Director's emoluments	10,723	13,335

DYNASTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	9,341	256
	Current tax charge	<u>9,341</u>	<u>256</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	49,383	14,001
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 10.00%)	<u>9,383</u>	<u>1,400</u>
	Effects of:		
	Depreciation add back	189	132
	Capital allowances	(199)	(128)
	Tax losses utilised	-	(1,148)
	Other tax adjustments	(32)	-
		<u>(42)</u>	<u>(1,144)</u>
	Current tax charge	<u>9,341</u>	<u>256</u>

DYNASTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2002	9,748
Additions	355
At 31 March 2003	10,103
Depreciation	
At 1 April 2002	6,129
Charge for the year	993
At 31 March 2003	7,122
Net book value	
At 31 March 2003	2,981
At 31 March 2002	3,619

6 Debtors

	2003 £	2002 £
Trade debtors	42,595	10,826
Other debtors	-	12,989
	42,595	23,815

7 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	87,039	59,509
Trade creditors	80,704	80,461
Taxation and social security	11,633	1,003
Other creditors	12,760	7,261
	192,136	148,234

DYNASTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

8	Creditors: amounts falling due after more than one year	2003	2002
		£	£
	Other creditors	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	Analysis of loans		
	Wholly repayable within five years	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	Loan maturity analysis		
	In more than two years but not more than five years	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
9	Share capital	2003	2002
		£	£
	Authorised		
	100,000 Ordinary shares of £1 each	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 April 2002		23,022
	Retained profit for the year		15,442
			<u>38,464</u>
	Balance at 31 March 2003		<u>38,464</u>

DYNASTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

11 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	40,042	13,745
Dividends	(24,600)	(10,000)
Net addition to shareholders' funds	15,442	3,745
Opening shareholders' funds	23,026	19,281
Closing shareholders' funds	38,466	23,026

12 Related party transactions

The company sold goods to the sum of £97,606.10 (inclusive of VAT) to Dynasty Occassion Limited, a company in which Mr Bhavin Shah is a director and 50% shareholder. The amount owing by Dynasty Occassion Limited as 31st March 2003 is £21,116.24. All transactions with Dynasty Occassion Limited were carried out at arms length.