

PINE DREAMS (ST. ALBANS) LTD.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED

31ST AUGUST 2003.

The directors submit their report as required by Section 235 of the Companies Act 1985.

1. Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true & fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those financial statements the directors are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and estimates that are reasonable and prudent;
- c. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- d. State whether the Financial Reporting Standard for Small Entities has been followed, subject to any material departures disclosed and explained in the financial statements;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them that the financial statements comply with the Companies Act 1985. They are 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.

2. Principal Activities and Significant Changes:

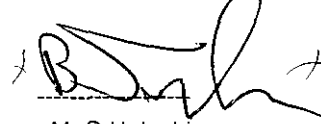
The principal activities of the company consist of Retail Furniture Sales.

3. The directors and their shareholdings at the beginning and end of period were:

Mr B H Joshi                      3 Ordinary Shares

4. The directors' report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies (S.246(8)(b)).
5. The company is a close company within the provisions of ICTA 1988 and does not have any Subsidiary, Associated or Holding Company.

BY ORDER OF THE BOARD

  
Mr B H Joshi  
DIRECTOR



Dated: 2<sup>nd</sup> June 2004

ACCOUNTANTS REPORT TO THE DIRECTORS

Accountants' report on unaudited accounts to the

Directors of Pinedreams (St. Albans) Ltd.

As described on the balance sheets, you are responsible for the preparation of the accounts for the year ended 31st August 2003 set on page 3 and 6 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts, in order to assist you to fulfil your statutory responsibilities, from accounting records and information and explanations supplied to us.



CHARTERED ACCOUNTANTS

A J SHAH & COMPANY  
8 PINNER VIEW  
NORTH HARROW  
MIDDX. HA1 4QA.

222 June 2004

PINE DREAMS (ST. ALBANS) LTD.

TRADING AND PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED

31ST AUGUST 2003

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
Turnover	2	265,559	251,876
Cost of Sales		(148,233)	(139,989)
GROSS PROFIT FOR THE PERIOD		<u>117,326</u>	<u>111,887</u>
Administration Expenses		<u>(92,076)</u>	<u>(96,929)</u>
Profit or (Loss) on ordinary activities before taxation		25,250	14,958
Interest Receivable		123	209
Profit or (Loss) on ordinary activities before taxation		<u>25,373</u>	<u>11,928</u>
UK Corporation tax		(4,843)	(2,196)
Profit/(Loss) on ordinary activities after taxation		<u>20,530</u>	<u>9,732</u>
Dividends Payable		(15,000)	-
Transfer to Reserves (adverse balance)		<u>5,530</u>	<u>9,732</u>
Retained Profits (Adverse Balance)		<u>42,740</u>	<u>33,008</u>
Losses carried to Balance Sheet		<u>48,270</u>	<u>42,740</u>

1. There was no recognised gains or loss in 2003 and 2002 other than those included in the Profit and Loss Account.

2. The Notes on Pages 5 to 6 form part of these accounts.

PINE DREAMS (ST. ALBANS) LTD.

BALANCE SHEET AS AT 31ST AUGUST 2003

<u>FIXED ASSETS</u>	<u>Notes</u>	<u>2003</u>	<u>2002</u> £
Tangible Assets	6	<u>559</u>	<u>770</u>
<u>CURRENT ASSETS</u> (Amounts falling due within one year)	7	91,388	94,362
<u>Less: CREDITORS</u> (amounts falling due within one year)	8	<u>(43,674)</u>	<u>(52,389)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>47,714</u>	<u>41,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,273</u>	<u>42,743</u>
CAPITAL AND RESERVES:			
Called up Share Capital	3	3	3
Profit and Loss Account - (Adverse Balance)		48,270	42,740
		<u>48,273</u>	<u>42,743</u>

STATEMENT BY THE DIRECTORS OF A SMALL COMPANY

The Directors are satisfied that the company is entitled to exemption under section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for :

- (1) ensuring that the company keeps proper accounting record which comply with Section 221 of the Companies Act 1985; and
- (11) 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 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the Company.

The directors have taken advantage of exemptions conferred by part 111 of Schedule 8 to the Companies Act 1985 and have done so on the ground that, in their opinion, the company is entitled to those exemptions as a small company.

APPROVED BY THE BOARD ON 2<sup>nd</sup> June 2004 AND SIGNED ON ITS BEHALF BY

  
B Joshi

PINE DREAMS (ST. ALBANS) LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST AUGUST 2003

1. ACCOUNTING POLICIES

a. Accounting Basis and Standards:

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

b. Fixed Assets and Depreciation: All fixed assets are stated at cost.

Depreciation has been applied at rates estimated to write off the cost less estimated residual values of each asset over its expected useful life.

Tangibles

Fittings and Equipment    25% on cost p.a. - straight line basis  
Motor Vehicles            25% on net book value

c. Stock and Work in progress: Stock is valued by the directors at lower of cost and net realisable value.

2. TURNOVER

Turnover represents net sales excluding VAT.

3. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>
Ordinary Share of £1 each	£100,000	£    £3.00

4. CONTINGENT LIABILITIES

As far as directors are aware, there were no material contingent liabilities outstanding on the Balance Sheet date other than those entered into the normal course of business.

5. DIRECTORS EMOLUMENTS - amounted to less than £60,000 including pension contributions

	<u>2003</u>	<u>2002</u>
Emoluments for service as directors	—	—

PINE DREAMS (ST. ALBANS) LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST AUGUST 2003

6. FIXED ASSETS

	<u>TANGIBLE</u>		<u>TANGIBLE</u>
	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Cost as at 1/9/2002	2,750	198	2,948
Additions/Disposals	-	-	-
Cost as at 31/8/2003	<u>2,750</u>	<u>198</u>	<u>2,948</u>
Depreciation as at 1/9/2002	2,099	79	2,178
Disposals	162	49	211
Charge for the Period	-	-	-
Depreciation as at 31/8/2003	<u>2,261</u>	<u>128</u>	<u>2,389</u>
Net Book Value as at 31/8/2003	<u>489</u>	<u>70</u>	<u>559</u>
Net Book Value as at 31/8/2002	<u>119</u>	<u>651</u>	<u>770</u>

7. CURRENT ASSETS

	<u>2003</u>	<u>2002</u>
	<u>£</u>	<u>£</u>
Amounts due from group undertakings	280	280
Stock	50,133	59,710
Trade Debtors	14,804	15,262
Cash at Bank	25,669	19,084
Cash in Hand	502	26
	<u>91,388</u>	<u>94,362</u>

8. CREDITORS (Amounts falling due within one year)

Amounts due to group undertakings	14,446	24,111
Trade Creditors	2,814	8,311
Other Creditors including Taxation and NI	15,719	17,068
Director's Loan	7,600	1,004
Accruals	3,095	1,895
	<u>43,674</u>	<u>52,389</u>