

COMPANY REGISTRATION NUMBER 1470661

HONDO TRADING COMPANY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2003



CHADWICK
Chartered Accountants & Registered Auditors
Tower Building
Water Street
Liverpool
L3 1PQ

HONDO TRADING COMPANY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

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HONDO TRADING COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

S K H Wong
S K K Wong
Mrs H Y W Wong
Mrs Y C C Wong
B W F Wong
Mrs J Y M Wong
K D Wong
Mrs N L S Wong

Company secretary

S K H Wong

Registered office

5-11 Upper Duke Street
Liverpool.
L1 9DU

Auditors

Chadwick
Chartered Accountants
& Registered Auditors
Tower Building
Water Street
Liverpool
L3 1PQ

HONDO TRADING COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company is that of supplying wholesale and retail oriental foods.

The directors were pleased with the results for the year and have every confidence in the future of the company.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2003	At 1 January 2003
S K H Wong	350	3
S K K Wong	350	3
Mrs H Y W Wong	200	2
Mrs Y C C Wong	—	1
B W F Wong	200	2
Mrs J Y M Wong	50	—
K D Wong	50	—
Mrs N L S Wong	—	—

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

HONDO TRADING COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

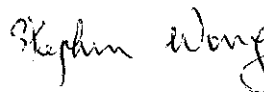
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Chadwick as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
5-11 Upper Duke Street
Liverpool.
L1 9DU

Signed by order of the directors



S K H WONG
Company Secretary

Approved by the directors on 26/10/2004

HONDO TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 31 December 2003 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's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are 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 those provisions and report our opinion to you.


BASIS OF OPINION

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. 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 Act, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with those provisions.

Tower Building
Water Street
Liverpool
L3 1PQ



CHADWICK
Chartered Accountants
& Registered Auditors

27 October 2004

HONDO TRADING COMPANY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
GROSS PROFIT		1,097,077	1,058,917
Administrative expenses		599,132	1,535,759
OPERATING PROFIT/(LOSS)	2	497,945	(476,842)
Interest receivable		73,869	70,821
Interest payable	5	(105,107)	—
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		466,707	(406,021)
Tax on profit/(loss) on ordinary activities	6	32,452	(41,899)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		434,255	(364,122)
Balance brought forward		698,654	1,062,776
Balance carried forward		1,132,909	698,654

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 15 form part of these abbreviated accounts.

HONDO TRADING COMPANY LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	7	96,138	102,251
CURRENT ASSETS			
Stocks	8	491,333	442,587
Debtors due within one year	9	37,787	68,901
Cash at bank and in hand		2,676,974	2,699,758
		<u>3,206,094</u>	<u>3,211,246</u>
CREDITORS: Amounts falling due within one year	10	<u>1,028,356</u>	<u>852,652</u>
NET CURRENT ASSETS		<u>2,177,738</u>	<u>2,358,594</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,273,876</u>	<u>2,460,845</u>
CREDITORS: Amounts falling due after more than one year	11	<u>1,125,000</u>	<u>1,751,775</u>
		<u>1,148,876</u>	<u>709,070</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	14,767	10,404
		<u>1,134,109</u>	<u>698,666</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	1,200	12
Profit and loss account		<u>1,132,909</u>	<u>698,654</u>
SHAREHOLDERS' FUNDS	14	<u>1,134,109</u>	<u>698,666</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 26/1/04 and are signed on their behalf by:

S K H WONG
Director

Stephen Wong

S K K WONG
Director

Simon Wong

The notes on pages 10 to 15 form part of these abbreviated accounts.

HONDO TRADING COMPANY LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2003

	2003		2002
	£	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		41,124	499,710
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	73,869		70,821
Interest payable	(105,107)		-
	<u> </u>		<u> </u>
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(31,238)	70,821
TAXATION		47,932	(40,059)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(17,618)		(9,787)
Receipts from sale of fixed assets	500		-
	<u> </u>		<u> </u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(17,118)	(9,787)
		<u> </u>	<u> </u>
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		40,700	520,685
FINANCING			
Issue of equity share capital	1,188		-
	<u> </u>		<u> </u>
NET CASH INFLOW FROM FINANCING		1,188	-
		<u> </u>	<u> </u>
INCREASE IN CASH		<u>41,888</u>	<u>520,685</u>

The notes on pages 10 to 15 form part of these abbreviated accounts.

HONDO TRADING COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2003

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit/(loss)	497,945	(476,842)
Depreciation	19,408	22,016
Loss on disposal of fixed assets	3,823	8,626
(Increase)/decrease in stocks	(48,746)	17,584
Increase in debtors	(8,612)	(3,154)
(Decrease)/increase in creditors	(422,694)	931,480
Net cash inflow from operating activities	41,124	499,710

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003	2002
	£	£
Increase in cash in the period	41,888	520,685
Change in net funds resulting from cash flows	41,888	520,685
Non cash adjustment to long term directors' loans	626,775	(529,810)
Movement in net funds in the period	219,657	(9,125)
Net funds at 1 January 2003	811,867	820,993
Net funds at 31 December 2003	1,480,530	811,867

The notes on pages 10 to 15 form part of these abbreviated accounts.

HONDO TRADING COMPANY LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2003

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2003 £	Cash flows £	Other changes £	At 31 Dec 2003 £
Net cash:				
Cash in hand and at bank	2,699,758	(22,784)	—	2,676,974
Overdrafts	(136,116)	64,672	—	(71,444)
	<u>2,563,642</u>	<u>41,888</u>	<u>—</u>	<u>2,605,530</u>
Debt:				
Debt due after 1 year	(1,751,775)	1,253,550	(626,775)	(1,125,000)
Net funds	<u>811,867</u>	<u>1,295,438</u>	<u>(626,775)</u>	<u>1,480,530</u>

The notes on pages 10 to 15 form part of these abbreviated accounts.

HONDO TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold land & buildings	Straight line over lease
Plant & machinery	-15% Reducing balance
Fixtures & fittings	-15% Reducing balance
Motor vehicles	-25% Reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

HONDO TRADING COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2003

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	19,408	22,016
Loss on disposal of fixed assets	3,823	8,626
Auditors' remuneration		
- as auditors	6,200	6,200
- for other services	<u>9,610</u>	<u>9,935</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Retail distribution staff	3	3
Administrative staff	4	4
Sales, warehouse and distribution staff	<u>19</u>	<u>19</u>
	<u>26</u>	<u>26</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	348,022	1,212,440
Social security costs	<u>26,988</u>	<u>126,650</u>
	<u>375,010</u>	<u>1,339,090</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	<u>126,670</u>	<u>1,036,249</u>

Emoluments of highest paid director:

	2003	2002
	£	£
Total emoluments (excluding pension contributions)	<u>25,203</u>	<u>266,704</u>

HONDO TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

4. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who accrued benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>7</u>	<u>7</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Other similar charges payable	<u>105,107</u>	<u>—</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	55,000	(39,117)
Over provision in prior years	<u>(26,911)</u>	<u>(550)</u>
Total current tax	28,089	(39,667)
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	<u>4,363</u>	<u>(2,232)</u>
Tax on profit/(loss) on ordinary activities	<u>32,452</u>	<u>(41,899)</u>

HONDO TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2002 - 19%).

	2003 £	2002 £
Profit/(loss) on ordinary activities before taxation	<u>466,707</u>	<u>(406,021)</u>
Profit/(loss) on ordinary activities by rate of tax	88,674	(77,144)
Depreciation for the period in excess of capital allowances	773	2,070
Rounding included in provision	3,072	—
Over provision for tax in prior periods	(26,911)	(550)
Tax losses carried forward	—	35,957
Utilisation of tax losses	<u>(37,519)</u>	<u>—</u>
Total current tax (note 6(a))	<u>28,089</u>	<u>(39,667)</u>

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Office Equipment £	Total £
COST						
At 1 Jan 2003	14,239	153,981	159,924	57,650	—	385,794
Additions	—	12,000	—	—	5,618	17,618
Disposals	—	(8,000)	(1,875)	(3,300)	—	(13,175)
At 31 Dec 2003	<u>14,239</u>	<u>157,981</u>	<u>158,049</u>	<u>54,350</u>	<u>5,618</u>	<u>390,237</u>
DEPRECIATION						
At 1 Jan 2003	9,240	105,887	129,060	39,356	—	283,543
Charge for the year	462	8,497	4,543	4,501	1,405	19,408
On disposals	—	(4,550)	(1,293)	(3,009)	—	(8,852)
At 31 Dec 2003	<u>9,702</u>	<u>109,834</u>	<u>132,310</u>	<u>40,848</u>	<u>1,405</u>	<u>294,099</u>
NET BOOK VALUE						
At 31 Dec 2003	<u>4,537</u>	<u>48,147</u>	<u>25,739</u>	<u>13,502</u>	<u>4,213</u>	<u>96,138</u>
At 31 Dec 2002	<u>4,999</u>	<u>48,094</u>	<u>30,864</u>	<u>18,294</u>	<u>—</u>	<u>102,251</u>

HONDO TRADING COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2003

7. TANGIBLE FIXED ASSETS *(continued)*

Capital commitments

	2003	2002
	£	£
Contracted but not provided for in the financial statements	<u>—</u>	<u>12,000</u>

8. STOCKS

	2003	2002
	£	£
Goods for resale	<u>491,333</u>	<u>442,587</u>

9. DEBTORS

	2003	2002
	£	£
Trade debtors	37,787	29,175
Corporation tax repayable	<u>—</u>	<u>39,726</u>
	<u>37,787</u>	<u>68,901</u>

10. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	71,444	136,116
Trade creditors	222,906	156,216
Corporation tax	36,295	—
PAYE and social security	95,112	473,693
VAT	5,376	7,968
Directors' loan accounts	532,224	—
Accruals and deferred income	64,999	78,659
	<u>1,028,356</u>	<u>852,652</u>

11. CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Directors' loan accounts	<u>1,125,000</u>	<u>1,751,775</u>

HONDO TRADING COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2003

12. DEFERRED TAXATION

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	10,404	12,636
Profit and loss account movement arising during the year	4,363	(2,232)
Provision carried forward	<u>14,767</u>	<u>10,404</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	14,767	10,404
	<u>14,767</u>	<u>10,404</u>

13. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
1,200 Ordinary shares of £1 each	<u>1,200</u>	<u>100</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>	<u>12</u>	<u>12</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit/(Loss) for the financial year	434,255	(364,122)
New equity share capital subscribed	1,188	—
Net addition/(reduction) to funds	435,443	(364,122)
Opening shareholders' equity funds	698,666	1,062,788
Closing shareholders' equity funds	<u>1,134,109</u>	<u>698,666</u>