

CHINESE HERITAGE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2004

COMPANY NUMBER 2498398



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25/11/2005

CHINESE HERITAGE LTD

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CHINESE HERITAGE LTD

Directors and Officers for the year ended 31 May 2004

| | |
|-----------------------------|---|
| Directors: | Ms Z Wu |
| | Dr Z Wang |
| Secretary | Arranbee Consultancy Services Ltd |
| Registered Office | Flat 3 15 Dawson Place London W2 4TJ |
| Principal Place of Business | As above |
| Company Number | 2498398 |

CHINESE HERITAGE LTD

Report of the Directors

The directors present their annual report and the accounts for the year ended 31 May 2004.

Directors and their interests.

The interest of the directors in the share capital of the company was as follows:

| Number of Ordinary Shares | 31.05.04 | 01.06.03 |
|---------------------------|----------|----------|
| Dr Z Wang | 1 | 1 |
| Ms Z Wu | 1 | 1 |

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 and of the profit and loss for that period. In preparing those financial statements, the directors are required to:

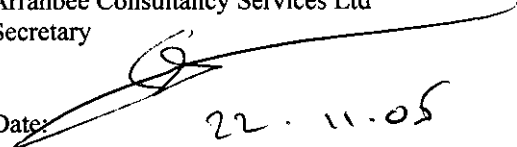
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business,

The 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. 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.

This report has been prepared taking advantage of the special exemptions available to small companies.

Arranbee Consultancy Services Ltd
Secretary

Date:


22.11.05

CHINESE HERITAGE LTD**BALANCE SHEET AS AT 31ST MAY 2004**

| | 2004 | 2003 |
|--|----------|----------|
| | £ | £ |
| Net Assets | 6,760 | 4,273 |
| Current Assets : Stock | 1,000 | 500 |
| Bank | 14,451 | 18,054 |
| Loan | - | 2,500 |
| Current Liabilities: Corporation Tax | (911) | (911) |
| Accruals | (1,132) | (1,109) |
| Trade Creditors | (1,054) | (6,211) |
| Director's Loan | - | - |
| Long Term Loan | (62,800) | (33,300) |
| | ----- | ----- |
| | (43,686) | (16,204) |
| Capital and Reserves | | |
| Called up share capital, issued and fully paid | 2 | 2 |
| Ordinary shares of £1 each | | |
| Reserves | (43,688) | (16,206) |
| | ----- | ----- |
| | (43,686) | (16,204) |

Directors Statement

- (a) The company is entitled to take advantage of the total exemption from audit given by Section 249A(1) of the companies Act 1985 for the year ended 31 May 2004.
- (b) No notice has been deposited by holders of 10% or more of the company's issued share capital requiring the company to obtain an audit of its accounts for the financial year.
- (c) The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
 - preparing accounts which give a true and fair view of the affairs of the company as at the end of its financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985.

The directors have taken advantage of the exceptions conferred by Part 1 of schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exceptions as small company.

Date

22.11.05

Director: Ms Z Wu

Dr. Z. WANG 王 王

CHINESE HERITAGE LTD

Profit and Loss Account

For the year ended 31 May 2004

| | 2004 £ | 2003 £ |
|-------------------------------|-------------------|-------------------|
| Turnover | 58,691 | 58,994 |
| Overheads | (86,173) | (85,042) |
| Prior year adjustment | - | - |
| Interest Received | - | - |
| | | |
| Net Profit (Loss) before tax | (27,482) | (26,048) |
| Corporation Tax | - | - |
| | | |
| Net profit for year after tax | (27,482) | (26,048) |
| <u>Movements on reserves</u> | | |
| Balance b/f 1 June 2002/2003 | (16,206) | 9,842 |
| Net profit after tax | (27,482) | (26,048) |
| Tax Adjustment to Reserves | - | - |
| | | |
| Less dividends paid | - | - |
| | | |
| Retained Profit c/f | (43,688) | (16,206) |

CHINESE HERITAGE LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MAY 2004

| | 2004 | 2003 |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| TURNOVER | 58,691 | 58,994 |
| ADMINISTRATION COSTS | | |
| Motor Expenses | 653 | - |
| Video Copies | 1,438 | - |
| Salaries - Administration | 19,089 | 25,536 |
| Printing & Stationery | 4,850 | 2,863 |
| Advertising & Promotion | 3,319 | 1,428 |
| Travelling & Accommodation | 13,687 | 14,829 |
| Meeting/Conference Expenses | 11,134 | 2,196 |
| General Expenses | 435 | - |
| Subscriptions | - | 930 |
| Legal Costs | 300 | 1,700 |
| Trade Literature | 21 | 413 |
| Accountancy & Co. Secretary Fee | 905 | 529 |
| | ----- | ----- |
| | 55,831 | 50,424 |
| | ----- | ----- |
| OTHER OPERATING CHARGES | | |
| Rent & Utilities | 21,461 | 30,685 |
| Ground Cleaning | 1,798 | - |
| Repairs & Maintenance | 100 | - |
| Telephone & Internet | 3,836 | 1,726 |
| Depn-Equipment | 2,253 | 1,424 |
| | ----- | ----- |
| | 29,448 | 33,835 |
| | ----- | ----- |
| INTEREST & SIMILAR CHARGES | | |
| Bank & Finance Charges | 894 | 783 |
| | ----- | ----- |
| | 894 | 783 |
| | ----- | ----- |
| TOTAL EXPENSES | 86,173 | 85,042 |
| | ----- | ----- |
| NET PROFIT BEFORE TAXATION | (27,482) | (26,048) |
| | ----- | ----- |