

Glo Crown Passage Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2005

REGISTRAR OF COMPANIES



Company number 4830114

Glo Crown Passage Limited

DIRECTORS AND OFFICERS

DIRECTORS

Johnson Chen
Glo International Limited

SECRETARY

Jane Secretarial Services Limited

COMPANY NUMBER

4830114 (England and Wales)

REGISTERED OFFICE

142 Buckingham Palace Road
London
SW1W 9TR

AUDITORS

Baker Tilly
Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley
Kent BR1 1LT

Glo Crown Passage Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Glo Crown Passage Limited for the year ended 31 March 2005.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of running a coffee shop.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Trading conditions continued to be difficult due to the high rental and startup costs. The directors remain cautious in their business expansion plans, and continue to refine their sales and product proposition.

EVENTS SINCE THE END OF THE YEAR

The company closed its shop on 28 May 2005 and is currently seeking new premises.

The existing lease was reassigned in December 2005 for a sum of £15,000.

RESULTS AND DIVIDENDS

The trading loss for the year after taxation was £215,580.

The directors do not recommend a dividend on the ordinary share.

DIRECTORS

The following directors have held office since 1 April 2004:

Johnson Chen	
Glo International Limited	(appointed 30 September 2004)
Yuk Ming Wong	(resigned 30 September 2004)

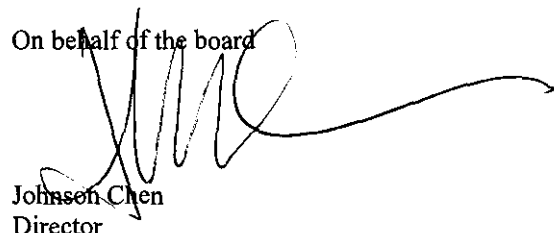
DIRECTORS' INTERESTS IN SHARES

The directors have no direct interest in the share capital of the company or of any other company in the group.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

On behalf of the board



Johnson Chen
Director

27 January 2006

Glo Crown Passage Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires 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 or loss of the company for that period. In preparing those financial statements, 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.

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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLO CROWN PASSAGE LIMITED

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

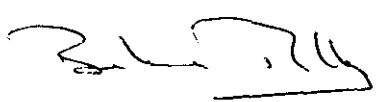
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor
Chartered Accountants
Lancaster House
7 Elmfield Road
Bromley
Kent BR1 1LT

30/1/06

Glo Crown Passage Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2005

	Notes	Year ended 31 March 2005 £	Period from 11 July 2003 to 31 March 2004 £
TURNOVER	1	65,866	29,834
Cost of sales		43,970	8,982
Gross profit		<u>21,896</u>	<u>20,852</u>
Other operating expenses (net)	2	237,476	131,406
OPERATING LOSS/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(215,580)</u>	<u>(110,554)</u>
Taxation	5	-	-
LOSS FOR THE YEAR	10	<u>£(215,580)</u>	<u>£(110,554)</u>

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Glo Crown Passage Limited

BALANCE SHEET

31 March 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible fixed assets	6	59,856	-
CURRENT ASSETS			
Stock	7	2,973	3,257
Debtors	8	13,848	39,708
Cash at bank and in hand		10,472	580
		<u>27,293</u>	<u>43,545</u>
CREDITORS: Amounts falling due within one year	9	(413,282)	(154,098)
NET CURRENT LIABILITIES		<u>(385,989)</u>	<u>(110,553)</u>
NET LIABILITIES		<u>£(326,133)</u>	<u>£(110,553)</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Profit and loss account	11	(326,134)	(110,554)
EQUITY SHAREHOLDERS' FUNDS	12	<u>£(326,133)</u>	<u>£(110,553)</u>

Approved by the board on 27 January 2006.

Johnson Chen

Director

Glo Crown Passage Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

GOING CONCERN

The accounts are prepared on a going concern basis, the validity of which depends on the continuing financial support of other group undertakings. A group undertaking, Nature Food Holdings Limited, has confirmed that it will continue to provide financial support, either directly or indirectly, in the foreseeable future.

CASH FLOW STATEMENT

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1 from preparing a cash flow statement. A cash flow statement is presented in the consolidated financial statements of the group in which this company is a subsidiary. These financial statements are publicly available.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over the lease term
Computer equipment	33.33% straight line
Office equipment	20% straight line
Fixtures and fittings	20% straight line

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Glo Crown Passage Limited

ACCOUNTING POLICIES

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies and the accounts of overseas subsidiary undertakings are translated at the rate 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 the profit and loss account.

TURNOVER

Turnover represents the value, net of Value Added Tax, of sales made to customers.

Glo Crown Passage Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity. Sales were made solely in the United Kingdom.

2	OTHER OPERATING EXPENSES (NET)	Year ended 31 March 2005 £	Period from 11 July 2003 to 31 March 2004 £
	Administration expenses	£234,476	£131,406

3	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	£	£
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Loss on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off tangible fixed assets:

Charge for the year:

Owned assets	22,662	-
Operating lease rentals:		
Land and buildings	9,043	-
Auditors' remuneration	2,000	2,000

4	EMPLOYEES	No.	No.
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The average monthly number of persons (including directors) employed by the company during the period was:

Retailing	6	4
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Staff costs for the above persons:

Wages and salaries	79,872	51,100
Social security costs	6,305	3,830
	£86,177	£54,930

No director received any remuneration during the year (2004 £Nil).

Glo Crown Passage Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

5	TAXATION	2005 £	2004 £
	Based on the loss for the year:		
	UK corporation tax on losses of the year	-	-
	Deferred taxation:		
	Origination and reversal of timing differences	-	-
	Tax on loss on ordinary activities	£ -	£ -
	Factors affecting tax charge for the year:		
	The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below:		
	Loss on ordinary activities before tax	£(215,580)	£(110,554)
	Loss on ordinary activities multiplied by the standard rate of UK corporation tax of 30%	(64,674)	(33,166)
	Effects of:		
	Depreciation in excess of capital allowances	6,260	-
	Expenses not deductible for tax purposes	-	1,065
	Losses carried forward	58,414	32,101
	Current tax charge for the year	£ -	£ -

Losses available for set-off against future taxable profits from the same trade amount to £301,718 (2004 £107,005). No deferred tax asset has been provided in respect of these losses as the availability of future taxable profits against which to offset them is unknown at this stage.

6 TANGIBLE FIXED ASSETS

	<i>Leasehold improvements</i> £	<i>Computer equipment</i> £	<i>Office equipment</i> £	<i>Fixtures & fittings</i> £	<i>Total</i> £
Cost					
Acquisitions	-	-	480	466	946
Transferred from group undertakings	1,087	11,693	867	74,606	88,253
Disposals	-	(11,693)	-	-	(11,693)
31 March 2005	1,087	-	1,347	75,072	77,506
Depreciation					
Charged in the year	242	5,012	234	17,174	22,662
Disposals	-	(5,012)	-	-	(5,012)
31 March 2005	242	-	234	17,174	17,650
Net book value					
31 March 2005	845	-	1,113	57,898	£59,856

Glo Crown Passage Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

7	STOCK	2005	2004
		£	£
	Finished goods, goods for resale and consumables	£2,973	£3,257
		<u> </u>	<u> </u>
8	DEBTORS	2005	2004
		£	£
	Due within one year:		
	Other debtors	13,501	13,501
	Prepayments and accrued income	347	26,207
		<u>£13,848</u>	<u>£39,708</u>
		<u> </u>	<u> </u>
9	CREDITORS: Amounts falling due within one year	2005	2004
		£	£
	Amounts owed to group undertakings	401,509	154,098
	Other tax and social security	9,234	-
	Accruals	2,539	-
		<u>£413,282</u>	<u>£154,098</u>
		<u> </u>	<u> </u>
10	SHARE CAPITAL	2005	2004
		£	£
	Authorised:		
	100 ordinary shares of £1 each	£100	£100
		<u> </u>	<u> </u>
	Allotted and issued:		
	1 ordinary share of £1 each	£1	£1
		<u> </u>	<u> </u>
11	PROFIT AND LOSS ACCOUNT	2005	2004
		£	£
	1 April 2004	(110,554)	-
	Loss for the financial year	(215,580)	(110,554)
		<u>£(326,134)</u>	<u>£(110,554)</u>
		<u> </u>	<u> </u>
	31 March 2005		

Glo Crown Passage Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2005 £	2004 £
	Loss after taxation	(215,580)	(110,554)
	Issue of share capital in the period	-	1
	Net reduction in shareholders' funds	(215,580)	(110,553)
	Opening shareholders' funds	(110,553)	-
	Closing shareholders' funds	£(326,133)	£(110,553)
13	COMMITMENTS UNDER OPERATING LEASES	2005 £	2004 £
	At 31 March 2005 the company had annual commitments under non-cancellable operating leases as follows:		
	Land and buildings		
	Expiring after more than 5 years	£27,000	£27,000
14	RELATED PARTY TRANSACTIONS		
	Advantage has been taken of the exemption provided by paragraph 3(c) of Financial Reporting Standard 8 from reporting transactions with group undertakings.		
	During the year the company was charged £329 (2004 £149) in respect of royalties to Nature Food Holdings Limited, the parent undertaking of Glo Group plc. At 31 March 2005 the company owed £478 (2004 £149) to Nature Food Holdings Limited.		
15	CONTINGENT LIABILITY		
	The group, of which the company is a subsidiary undertaking, has a VAT group election in force. At 31 March 2005 VAT recoverable amounted to £71,640.		
16	SECURITY		
	Serah Mayfair Limited holds a rent deposit deed for an amount of £13,500.		
17	ULTIMATE PARENT UNDERTAKING		
	The immediate parent company is Glo Group plc, a company registered in England, and the ultimate parent company is Kelday International Limited, a company registered in the British Virgin Islands.		
18	SUBSEQUENT EVENTS		
	The company closed its shop on 28 May 2005 and is currently seeking new premises.		
	The existing lease was reassigned in December 2005 for a sum of £15,000.		