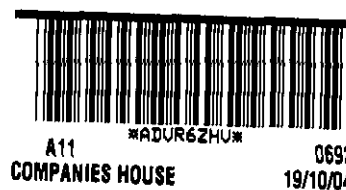


SWEET AS CANDY LIMITED

ABBREVIATED ACCOUNTS

for the year ended

31 December 2003



Company Registration No. 3822122

SWEET AS CANDY LIMITED

DIRECTORS' REPORT

The directors submit their report and financial statements of Sweet As Candy Limited for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company is artistic and literary creation.

REVIEW OF THE BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors.

FUTURE DEVELOPMENTS

The directors expect to see continued growth and profitability of the company over the coming year.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £1,944,136.

The directors have paid an ordinary interim dividend amounting to £455,000, and they do not recommend payment of a final dividend.

DIRECTORS

The following directors have held office since 1 January 2003:-

J T Oliver

J Oliver

DIRECTORS' INTERESTS IN SHARES

No director had any interest in the share capital of the company during the year.

The directors' interests in the share capital of Sweet as Candy (Holdings) Limited are disclosed in the financial statements of that company.

CHARITABLE DONATIONS	2003 £	2002 £
During the year the company made the following payments:		
Charitable donations	<u>39,355</u>	<u>45,064</u>

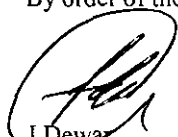
SWEET AS CANDY LIMITED

DIRECTORS' REPORT

AUDITORS

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

By order of the board



J Dewar
Secretary

25/09/04

SWEET AS CANDY LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 or loss of the company 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.

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.

**INDEPENDENT AUDITORS' REPORT TO SWEET AS CANDY LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 5 to 17, 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'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 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 to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered 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 Companies Act 1985, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with that provision.



Registered Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex CM1 1LN

25.9.04.

SWEET AS CANDY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
Gross profit		4,664,114	5,043,802
Other operating expenses (net)	2	<u>2,014,882</u>	<u>1,247,899</u>
OPERATING PROFIT		2,649,232	3,795,903
Other interest receivable and similar income	3	<u>99,461</u>	<u>34,084</u>
		2,748,693	3,829,987
Interest payable and similar charges	4	<u>66</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,748,627	3,829,987
Taxation	7	<u>804,491</u>	<u>1,179,115</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,944,136	2,650,872
Dividends	8	<u>455,000</u>	<u>600,000</u>
RETAINED PROFIT FOR THE YEAR	17	<u><u>1,489,136</u></u>	<u><u>2,050,872</u></u>

The operating profit 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.

SWEET AS CANDY LIMITED

BALANCE SHEET

31 December 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	9 and 10	4,144,834	3,715,714
Investments	11	1,025	851
		<u>4,145,859</u>	<u>3,716,565</u>
CURRENT ASSETS			
Stocks	12	10,000	10,000
Debtors	13	2,434,226	1,731,905
Cash at bank and in hand		1,315,397	1,066,633
		<u>3,759,623</u>	<u>2,808,538</u>
CREDITORS: Amounts falling due within one year	14	1,365,691	1,499,096
NET CURRENT ASSETS		<u>2,393,932</u>	<u>1,309,442</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,539,791	5,026,007
PROVISIONS FOR LIABILITIES AND CHARGES	15	(24,648)	-
		<u>6,515,143</u>	<u>5,026,007</u>
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Profit and loss account	17	6,514,943	5,025,807
SHAREHOLDERS' FUNDS	18	<u>6,515,143</u>	<u>5,026,007</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board on 25/09/04

J T Oliver

Director

SWEET AS CANDY LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	2,090,849	2,600,412
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		99,461	34,084
Interest paid		(66)	-
Net cash inflow for returns on investments and servicing of finance		99,395	34,084
TAXATION		(976,113)	(1,744,725)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(510,193)	(768,028)
Net cash outflow for capital expenditure		(510,193)	(768,028)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertakings (net of cash acquired)		(174)	(100)
Net cash outflow for acquisitions and disposals		(174)	(100)
EQUITY DIVIDENDS PAID		(455,000)	(600,000)
INCREASE/(DECREASE) IN CASH IN THE YEAR		248,764	(478,357)

SWEET AS CANDY LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties in accordance with applicable accounting standards.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	2% Straight line
Fixtures, fittings & equipment	15% Straight line
Motor vehicles	20% Straight line

INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at their open market value and no depreciation is provided on them.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

STOCK

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price 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 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.

PENSIONS CONTRIBUTIONS

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

GROUP ACCOUNTS

The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

ROYALTIES

Royalties received by the company or by its agent in the year are recorded as turnover in the financial statements.

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 31 December 2003

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES (NET)	2003 £	2002 £
Administrative expenses	2,082,657	1,323,995
Other operating income	(67,775)	(76,096)
	<u>2,014,882</u>	<u>1,247,899</u>

3. INVESTMENT INCOME	2003 £	2002 £
Bank interest	63,308	34,084
Other interest	36,153	-
	<u>99,461</u>	<u>34,084</u>

4. INTEREST PAYABLE	2003 £	2002 £
On bank loans and overdrafts	<u>66</u>	<u>-</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2003 £	2002 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	80,515	57,148
Loss on disposals	558	-
Loss on foreign exchange transactions	2,876	-
Auditors' remuneration	<u>12,000</u>	<u>12,000</u>

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2003 No.	2002 No.
Administration	20	7
Directors	2	2
	<u>22</u>	<u>9</u>

	£	£
Staff costs for the above persons:		
Wages and salaries	1,027,451	500,929
Social security costs	114,363	46,108
Other pension costs	58,195	48,360
	<u>1,200,009</u>	<u>595,397</u>

DIRECTORS' REMUNERATION	2003 £	2002 £
Emoluments for qualifying services	370,211	340,246
Company pension contributions to money purchase schemes	41,577	32,345
	<u>411,788</u>	<u>372,591</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002- 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	225,052	235,059
Company pension contributions to money purchase schemes	25,405	30,989
	<u>250,457</u>	<u>266,048</u>

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

7. TAXATION	2003 £	2002 £
Domestic current year tax		
U.K. corporation tax	832,000	1,175,000
Adjustment for prior years	(61,268)	(898)
Overseas tax	9,111	5,013
	<u>779,843</u>	<u>1,179,115</u>
Deferred tax		
Deferred tax charge	24,648	-
	<u>804,491</u>	<u>1,179,115</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>2,748,627</u>	<u>3,829,987</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002: 30.00%)	<u>824,588</u>	<u>1,148,996</u>
Effects of:		
Non deductible expenses	12,301	16,152
Capital allowances in excess of depreciation	1,585	(1,336)
Adjustments to previous periods	(61,268)	(898)
Other tax adjustments	2,637	16,201
	<u>(44,745)</u>	<u>30,119</u>
Current tax charge	<u>779,843</u>	<u>1,179,115</u>
8. DIVIDENDS	2003 £	2002 £
Ordinary:		
Interim paid - £2,275 (2002 - £3,000)	<u>455,000</u>	<u>600,000</u>

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

9. TANGIBLE FIXED ASSETS

	<i>Freehold buildings</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 January 2003	1,446,295	186,701	89,599	1,722,595
Additions	400,437	108,394	-	508,831
Disposals	-	-	(2,147)	(2,147)
31 December 2003	1,846,732	295,095	87,452	2,229,279
Depreciation				
1 January 2003	25,046	34,000	27,330	86,376
Charge in the year	25,759	36,841	17,915	80,515
Disposals	-	-	(1,589)	(1,589)
31 December 2003	50,805	70,841	43,656	165,302
Net book value				
31 December 2003	1,795,927	224,254	43,796	2,063,977
31 December 2002	1,421,249	152,701	62,269	1,636,219

10. TANGIBLE FIXED ASSETS

	<i>Investment properties</i>
	£
Cost	
1 January 2003	2,079,495
Additions	1,362
31 December 2003	2,080,857

In the opinion of the directors, there is no material difference between the investment property cost and market value.

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

11. FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost	
1 January 2003	851
Additions	174
	<hr/>
31 December 2003	1,025
	<hr/>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Fresh Merchandise Limited	United Kingdom	Ordinary	100
Fresh One Productions Limited	United Kingdom	Ordinary	75
Jools Enterprises Limited	United Kingdom	Ordinary	50
Fresh Bakeries Limited	United Kingdom	Ordinary	50
Fresh Crush Limited	United Kingdom	Ordinary	50
Participating interests			
Fresh Partners Limited	United Kingdom	Ordinary	20

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Fresh Merchandise Limited	(11,700)	145
Fresh One Productions Limited	352,452	377,104
Jools Enterprises Limited	200	-
Fresh Bakeries Limited	(1,470)	(1,570)
Fresh Crush Limited	(2,411)	(2,499)
Fresh Partners Limited	(42,383)	(42,483)
	<hr/>	<hr/>

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

12. STOCKS	2003 £	2002 £
Finished goods and goods for resale	<u>10,000</u>	<u>10,000</u>
13. DEBTORS	2003 £	2002 £
Trade debtors	383,342	489,848
Amounts owed by parent and fellow subsidiary undertakings	134,748	131,668
Amounts owed by participating interests	53,076	-
Other debtors	1,837,060	1,074,939
Prepayments and accrued income	<u>26,000</u>	<u>35,450</u>
	<u>2,434,226</u>	<u>1,731,905</u>
Amounts falling due after more than one year and included in the debtors above are:	2003 £	2002 £
Other debtors	<u>628,355</u>	<u>690,694</u>
14. CREDITORS: Amounts falling due within one year	2003 £	2002 £
Trade creditors	175,973	10,043
Corporation tax	408,730	605,000
Other taxes and social security costs	266,593	115,526
Directors' current accounts	74,106	174,215
Other creditors	16,267	15,163
Accruals and deferred income	<u>424,022</u>	<u>579,149</u>
	<u>1,365,691</u>	<u>1,499,096</u>

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

15. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Transfer from profit and loss account	24,648
Balance at 31 December 2003	<u>24,648</u>

Deferred taxation provided in the financial statements is as follows:

	2003 £	2002 £
Excess of tax allowances over depreciation	<u>24,648</u>	<u>-</u>

16. SHARE CAPITAL

	2003 £	2002 £
Authorised:		
500,000 Ordinary A shares of £1 each	500,000	500,000
500,000 Ordinary B shares of £1 each	<u>500,000</u>	<u>500,000</u>
	1,000,000	1,000,000
Allotted, issued and fully paid:		
100 Ordinary A shares of £1 each	100	100
100 Ordinary B shares of £1 each	<u>100</u>	<u>100</u>
	200	200

The 'B' ordinary shares do not carry voting rights. They rank pari passu with 'A' ordinary shares in all other respects.

17. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
1 January 2003	5,025,807
Retained profit for the year	<u>1,489,136</u>
31 December 2003	<u>6,514,943</u>

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003	2002		
	£	£		
Profit for the financial year	1,944,136	2,650,872		
Dividends	(455,000)	(600,000)		
	<hr/>	<hr/>		
Net addition to shareholders' funds	1,489,136	2,050,872		
Opening shareholders' funds	5,026,007	2,975,135		
	<hr/>	<hr/>		
Closing shareholders' funds	6,515,143	5,026,007		
	<hr/>	<hr/>		
19. CASH FLOWS	2003	2002		
	£	£		
a. Reconciliation of operating profit to net cash inflow from operating activities				
Operating profit	2,649,232	3,795,903		
Depreciation of tangible assets	80,515	57,148		
Loss on disposal of tangible assets	558	-		
Decrease in stocks	-	699		
Increase in debtors	(702,321)	(1,529,147)		
Increase in creditors within one year	62,865	275,809		
	<hr/>	<hr/>		
Net cash inflow from operating activities	2,090,849	2,600,412		
	<hr/>	<hr/>		
b. Analysis of net funds	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
	£	£	£	£
Net cash:				
Cash at bank and in hand	1,066,633	248,764	-	1,315,397
	<hr/>	<hr/>	<hr/>	<hr/>
Bank deposits	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	1,066,633	248,764	-	1,315,397
	<hr/>	<hr/>	<hr/>	<hr/>
c. Reconciliation of net cash flow to movement in net debt	2003	2002		
	£	£		
Increase/(decrease) in cash in the year	248,764	(478,357)		
	<hr/>	<hr/>		
Movement in net funds in the year	248,764	(478,357)		
Opening net funds	1,066,633	1,544,990		
	<hr/>	<hr/>		
Closing net funds	1,315,397	1,066,633		
	<hr/>	<hr/>		

SWEET AS CANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 31 December 2003

20. CAPITAL COMMITMENTS	2003	2002
	£	£

Capital expenditure contracted for but not provided in the financial statements	<u>685,530</u>	<u>-</u>
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21. CONTINGENT LIABILITIES

The company is contingently liable in respect of a bank cross guarantee deposit with Sweet as Candy (Holdings) Limited. The indebtedness of Sweet as Candy (Holdings) Limited to the bank at the 31 December 2003 amounted to £Nil.

The company is contingently liable in respect of a group VAT agreement with Fresh One Productions Limited, Fresh Merchandise Limited (formerly Fresh Hampers Limited), and Fresh and Happy Digital Limited. At 31 December 2003 Fresh One Productions Limited and Fresh Merchandise Limited did not have a VAT liability (2002- £nil), and Fresh and Happy Digital Limited had a VAT liability of £166 (2002- £Nil).

The company is contingently liable in respect of monies owed by Fifteen Restaurant Limited (formerly Cheeky Chops Limited) to Barclays Bank Plc. Barclays Bank Plc have a legal charge over the company's freehold property in this respect. The indebtedness of Fifteen Restaurant Limited to the bank at the 31 December 2003 amounted to £545,167 (2002- £666,394).

Sweet as Candy Limited has indicated that it will provide such support as is required to enable Fifteen Restaurant Limited, Fresh Merchandise Limited, Fresh Partners Limited, Fresh Bakeries Limited, and Fresh Crush Limited to meet their obligations as and when they fall due for at least twelve months from the date that their accounts for the year ended 31 December 2003 are signed.

22. PENSION COMMITMENTS

DEFINED CONTRIBUTION

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2003	2002
	£	£
Contributions payable by the company for the year	<u>58,195</u>	<u>48,360</u>

23. ULTIMATE PARENT COMPANY

The ultimate parent company is Sweet As Candy (Holdings) Limited, a company registered in England.