

World of Sweets Limited

**Directors' report and financial
statements**

Registered number 4431556

31 December 2002



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Director's report

The directors present their annual report and the audited financial statements for the period ended 31 December 2002.

Principal activities

The company's principal activity is the wholesaling of confectionary products in the United Kingdom. The company commenced trading on 1 September 2002.

Results and dividends

The loss for the period amounted to £96,150.

Directors and directors' interests

The director who held office during the period was as follows:

AD Hancock (appointed 3 May 2002)

Charitable donations

During the period the company made no donations.

Disabled persons

It is the company's policy to give full consideration to suitable applications for employment by disabled persons. Currently no registered disabled persons are employed by the company.

Auditors

KPMG LLP were appointed auditors on 4 November 2002. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



A Wheldon
Secretary

25 Jubilee Drive
Loughborough
Leicestershire
LE11 5TX

Statement of director's 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 or 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Waterloo Way
Leicester
LE1 6LP
United Kingdom

Report of the independent auditors to the members of World of Sweets Limited

We have audited the financial statements on pages 4 to 11.

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 directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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 as at 31 December 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

LRH LLP

Chartered Accountants
Registered Auditor

7 JUL 2003

Profit and loss account
for the period ended 31 December 2002

	<i>Note</i>	Period ended 31 December 2002 £
Turnover	<i>1</i>	122,253
Operating costs	<i>2</i>	(218,403)
Operating loss		(96,150)
Net interest receivable	<i>6</i>	-
Loss on ordinary activities before taxation	<i>3-5</i>	(96,150)
Taxation	<i>7</i>	-
Loss for the financial period		(96,150)

The company had no recognised gains or losses other than the loss for the period. All activities are continuing.

Balance sheet
at 31 December 2002

	<i>Note</i>	2002 £	£
Fixed assets			
Intangible assets		-	
Tangible assets	8	1,738	
			1,738
Current assets			
Stocks		-	
Debtors	9	142,245	
Cash at bank and in hand		67,735	
		209,980	
Creditors: amounts falling due within one year	10	(218,617)	
Net current liabilities			(8,637)
Creditors: amounts falling due after more than one year	11		(89,250)
Total assets less current liabilities			(96,149)
Capital and reserves			
Called up share capital	12		1
Profit and loss account			(96,150)
Equity shareholders funds	13		(96,149)

These financial statements were approved by the board of directors on 7TH OCTOBER 2003
and were signed on its behalf by:


AD Hancock
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements have been prepared on a going concern basis despite the existence of net liabilities on the grounds that the company's parent has pledged such financial support as may be necessary.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

The licence purchased by the company is amortised to nil by equal annual instalments over its useful economic life of 10 years.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold buildings	-	5 years
Plant, machinery, fixtures and fittings	-	2 - 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the FIFO method is used.

Taxation

Deferred taxation is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Notes (continued)

2 Operating costs

	2002 £
Decrease in stocks of finished goods	-
Raw materials and consumables	117,999
Staff costs - wages and salaries	44,000
- social security costs	4,743
- other pension costs	2,750
Depreciation and other amounts written off tangible fixed assets	210
Group management charge	-
Other operating charges	48,701
Total operating costs	218,403

3 Loss on ordinary activities before taxation

	Period ended 31 December 2002 £
<i>Loss on ordinary activities before taxation is stated after charging</i>	
Depreciation	210
Hire of other assets - operating leases	5,759

All fees for audit work and other services are paid by Hancocks Holdings Limited.

4 Remuneration of directors

The director's emoluments are paid by Hancocks Holdings Limited.

Notes (continued)

5 Staff numbers

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Period ended 31 December 2002 Number of employees
Management	2
	<hr/>
	2
	<hr/>

The aggregate payroll costs of these persons were as follows:

	Period ended 31 December 2002 £
Wages and salaries	44,000
Social security costs	4,743
Other pension costs	2,750
	<hr/>
	51,493
	<hr/>

6 Net interest receivable

	2002 £
Bank interest receivable	-
	<hr/>

Notes (continued)

7 Taxation

	2002 £
UK corporation tax at 30%	
Current	-
	<hr/>
Total current tax charge	-
	<hr/>
	<hr/>
	2002 £
Tax reconciliation	
Loss before taxation	96,150
	<hr/>
Tax at 30%	(28,845)
Expenses not deductible for tax purposes	408
Group relief for no payment	28,437
	<hr/>
Total current tax charge	-
	<hr/>

8 Tangible fixed assets

	Plant and machinery £	Total £
Cost		
Additions	1,948	1,948
Disposals	-	-
	<hr/>	<hr/>
At end of period	1,948	1,948
	<hr/>	<hr/>
Depreciation		
Charge for period	210	210
On disposals	-	-
	<hr/>	<hr/>
At end of period	210	210
	<hr/>	<hr/>
Net book value		
At 31 December 2002	1,738	1,738
	<hr/>	<hr/>

Notes (continued)

9 Debtors

	2002 £
Trade debtors	142,245
	<u>142,245</u>

10 Creditors: amounts falling due within one year

	2002 £
Amount owed to group undertakings	218,617
	<u>218,617</u>

11 Creditors: amounts due over one year

Loans made to the company by its foreign ventures. These are repayable, without interest, at the discretion of the Board, dependent on the medium-term cash position of the company.

12 Called up share capital

	2002 £
<i>Authorised</i>	
Ordinary shares of £1 each	100
	<u> </u>
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	1
	<u> </u>

13 Reconciliation of movements in equity shareholders' funds

	2002 £
Paid up share capital	1
Loss for the period	(96,150)
	<u> </u>
Closing shareholders' funds	<u>(96,149)</u>

Notes *(continued)*

14 Commitments

The annual commitment under non-cancellable operating leases was as follows:

	2002	
	Land and buildings £	Other £
Operating leases which expire:		
Within one year	-	-
In the second to fifth years inclusive	-	-
Over five years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

15 Contingent liabilities

There were no contingent liabilities at 31 December 2002.

16 Ultimate holding company

The ultimate holding company is Hancocks Holdings Limited, registered in England and Wales.

Copies of the group accounts can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff.