

World of Sweets Limited

**Annual report and financial statements
for the year ended 31 December 2009**

Registered number 4431556

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World of Sweets Limited

Annual report and financial statements for the year ended 31 December 2009

	Page
Director's report for the year ended 31 December 2009	1
Independent auditors' report to the members of World of Sweets Limited	4
Profit and loss account for the year ended 31 December 2009	6
Balance sheet as at 31 December 2009	7
Notes to the financial statements for the year ended 31 December 2009	8

World of Sweets Limited

Director's report for the year ended 31 December 2009

The director presents the annual report and the audited financial statements of the company for the year ended 31 December 2009

Principal activities

The principal activity of the company is the wholesaling of confectionery products in the United Kingdom

Business review

The profit for the financial year after taxation amounted to £145,402 (2008 £236,438) The director does not recommend the payment of a dividend (2008 £nil)

Research and development

We continue to invest in the systems in our warehouse and at Head Office to enable us to provide better product ranges, consistent quality, and improved customer service

Future outlook

Although we expect the marketplace to be as competitive as ever, we believe we will maintain our current level of performance in the foreseeable future

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks The key business risk faced by the company is the increasing level of competition from local and national wholesalers and retailers

Financial risk management

The company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate risk The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring and minimising levels of risk

Given the size of the company, the director has not delegated the responsibility of monitoring financial risk to a sub-committee of the board The policies set by the director are implemented by the finance department The department adopts policies and procedures that set out specific guidelines to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these

Price risk

The company is exposed to commodity price risk as a result of its operations However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits The director will revisit the appropriateness of this policy should the company's operations change in size or nature The company has no exposure to equity securities price risk as it holds no listed or other equity investments

World of Sweets Limited

Director's report for the year ended 31 December 2009 (continued)

Financial risk management (continued)

Credit risk

The company has implemented policies that require, where relevant, appropriate credit checks on potential customers before sales on credit are made

Liquidity risk

The company actively manages its cash balances to ensure sufficient liquidity for its operations and investments

Interest rate cash flow risk

The group of which the company is a member has both an overdraft facility (not utilised in 2009 or 2008) and interest bearing assets, which are subject to interest at variable rates. The director will revisit the appropriateness of this policy should the group's operations change in size or nature

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the director is of the opinion that analysis using any KPIs additional to turnover and operating profit is not necessary for an understanding of the development, performance or position of the business

Director

The director who held office during the year and subsequently was AD Hancock

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless they are satisfied that they 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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

World of Sweets Limited

Director's report for the year ended 31 December 2009 (continued)

Statement of director's responsibilities (continued)

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of disclosure of information to auditors

In the case of the director in office at the date the director's report is approved, the following applies:

- a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

On behalf of the board

A D Hancock
Director



30 June 2010

Independent auditors' report to the members of World of Sweets Limited

We have audited the financial statements of World of Sweets Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Director's Responsibilities Statement on pages 2 and 3 the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of World of Sweets Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'Andrew Mair', with a long horizontal flourish extending to the right.

Andrew Mair (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

5 July 2016

World of Sweets Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	1	6,054,277	6,688,002
Operating costs	2	(5,860,260)	(6,441,554)
Operating profit		194,017	246,448
Net interest receivable		-	366
Profit on ordinary activities before taxation	3	194,017	246,814
Tax on profit on ordinary activities	6	(48,615)	(10,376)
Profit for the financial year	11	145,402	236,438

The results presented are all derived from continuing activities

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

There are no recognised gains or losses other than those stated above

World of Sweets Limited

Balance sheet as at 31 December 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	7	427	630
		427	630
Current assets			
Debtors	8	9,497,659	10,061,502
Cash at bank and in hand		186,951	8,131,792
		9,684,610	18,193,294
Creditors: amounts falling due within one year	9	(9,135,169)	(17,789,458)
Net current assets		549,441	403,836
Total assets less current liabilities		549,868	404,466
Net assets		549,868	404,466
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	549,867	404,465
Total shareholders' funds	12	549,868	404,466

These financial statements on pages 6 to 13 were approved by the director on *30th June, 2010*, and were signed on its behalf by

AD Hancock
Director



World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2009

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

These financial statements have been prepared on a going concern basis in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and under the historical cost accounting rules

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996), 'Cash Flow Statements' to prepare a cash flow statements as it is a wholly owned subsidiary undertaking of Hancocks Group Holdings Limited and its cash flows are included within the consolidated cash flow statement of that company

As the company is a wholly owned subsidiary of Hancocks Group Holdings Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard No 8, 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated 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

Plant and machinery	2-5 years
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Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the leases

Taxation

Deferred taxation is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes that have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard No 19, 'Deferred Tax'

Pensions

The company is part of the group defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Turnover

Turnover represents the amounts (excluding value added tax and trade discounts) derived from the provision of goods and services to customers during the year, recognised on delivery or collection of the goods and on performance of the services

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

2 Operating costs

	2009	2008
	£	£
Raw materials and consumables	5,356,685	5,935,195
Staff costs - wages and salaries	141,787	135,333
- social security costs	14,535	15,707
- other pension costs (note 15)	15,192	12,609
Depreciation written off tangible fixed assets	245	264
Other operating charges	331,816	342,446
Total operating costs	5,860,260	6,441,554

3 Profit on ordinary activities before taxation

This is stated after charging

	2009	2008
	£	£
Depreciation - owned assets	245	264
Hire of other assets - operating leases	13,397	14,198

All fees for audit work and other services are paid by Hancock Cash & Carry Limited

4 Remuneration of director

The director's emoluments in 2009 and 2008 were paid by and are disclosed in Hancocks Holdings Limited with no recharge made

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Staff numbers

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

	2009	2008
	Number	Number
Management	2	2

6 Taxation

	2009	2008
	£	£
UK Corporation tax		
Current tax on profits for the year	48,615	10,376
Tax charge on profit on ordinary activities	48,615	10,376

Factors affecting the tax charge for the year

The current tax charge for the year is lower (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009	2008
	£	£
Profit on ordinary activities before taxation	194,017	246,814
Profit on ordinary activities before taxation at 28% (2008 28.5%)	54,325	70,342
Effects of		
Expenses not deductible for tax purposes	816	1,162
Group relief not paid for	(5,269)	(57,254)
Tax at small companies rate	(1,257)	(3,874)
Total current tax charge	48,615	10,376

The company has no provided or unprovided deferred tax assets or liabilities (2008 £nil)

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Tangible fixed assets

	Plant and machinery
	£
Cost	
At 1 January 2009	1,320
Additions	255
Disposals	(660)
At 31 December 2009	915
Accumulated depreciation	
At 1 January 2009	690
Charge for the year	245
Disposals	(447)
At 31 December 2009	488
Net book amount	
At 31 December 2009	427
At 31 December 2008	630

8 Debtors

	2009	2008
	£	£
Trade debtors	966,910	1,519,778
Amounts owed by group undertakings	8,514,130	8,514,130
Other debtors	14,370	25,345
Prepayments and accrued income	2,249	2,249
	9,497,659	10,061,502

Amounts owed by and to group undertakings are interest free and have no fixed repayment dates

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Creditors: amounts falling due within one year

	2009	2008
	£	£
Amount owed to group undertakings	8,901,633	17,635,696
Corporation tax	48,615	10,627
Other creditors	35,566	26,695
Accruals and deferred income	149,355	116,440
	9,135,169	17,789,458

10 Called up share capital

	2009	2008
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted and fully paid		
1 ordinary share of £1	1	1

11 Profit and loss account

	£
At 1 January 2009	404,465
Profit for the financial year	145,402
At 31 December 2009	549,867

World of Sweets Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

12 Reconciliation of movement in shareholders' funds

	2009	2008
	£	£
Opening shareholders' funds	404,466	168,028
Profit for the financial year	145,402	236,438
Closing shareholders' funds	549,868	404,466

13 Commitments

Annual commitments under non-cancellable operating leases at 31 December 2009 were as follows

	Other	
	2009	2008
	£	£
Operating leases which expire:		
Within 2-5 years	13,497	13,497

14 Contingent liabilities

The company has given an unlimited cross guarantee to secure the bank overdrafts of other group companies excluding The Sweet Factory (UK) Limited and Sweet Factory Retail Limited. At 31 December 2009 group overdrafts subject to this guarantee were £7,051,524 (2008 £7,023,380)

15 Pension scheme

The company is part of a group defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £15,192 (2008 £12,609). There were no prepaid or accrued contributions at the beginning or end of the year.

16 Ultimate parent company and controlling parties

The immediate parent company is Hancocks Holdings Limited and the ultimate parent company, which prepares consolidated accounts, is Hancocks Group Holdings Limited, registered in England and Wales.

The ultimate controlling parties are AD Hancock and AP Hancock by virtue of their shareholdings in Hancocks Group Holdings Limited.

Copies of the accounts of Hancocks Group Holdings Limited can be obtained from the registrar of Companies, Companies House, Crown Way, Cardiff.