

Company Registration No 05668310 (England and Wales)

KANS & KANDY (HOLDINGS) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

THURSDAY



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COMPANIES HOUSE

KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS AND ADVISERS

Directors	J Iqbal I D Marley M Razaq
Secretary	M Razaq
Company number	05668310
Registered office	Unit 9 Simonside East Industrial Estate Waldrige Way South Shields Tyne & Wear NE34 9PZ
Registered auditors	Rowlands Rowlands House Portobello Road Birtley Chester le Street Co Durham DH3 2RY
Business address	Unit 9 Simonside East Industrial Estate Waldrige Way South Shields Tyne & Wear NE34 9PZ

KANS & KANDY (HOLDINGS) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Balance sheets	6
Consolidated cash flow statement	7
Notes to the consolidated cash flow statement	8
Notes to the financial statements	9 - 22

KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and financial statements for the year ended 30 June 2012

Principal activities and review of the business

The principal activity of the company continued to be that of a holding company

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future. The group has continued to expand turnover during these difficult trading times. This has been achieved by reducing margins but not to the overall detriment of the company.

The principal risk to the business at present is the general trading conditions within the country though the directors are confident they can continue to expand the business.

The directors continue to use the level of stock held and turnover as key performance indicators of the business and monitor these on a regular basis.

Results and dividends

The consolidated profit and loss account for the year is set out on page 5.

An interim ordinary dividend was paid amounting to £450,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 July 2011:

J Iqbal
I D Marley
M Razaq

Charitable Donations	2012 £	2011 £
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During the year the group made the following payments:

Charitable donations	127,013	63,443
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During the year the company donated £110,000 (2011 £54,000) to Kans and Kandy (Wholesale) Charitable Trust. The trust makes continued contributions to a food and medicines program in India as well as making various sundry donations to UK based charities.

Auditors

The auditors, Rowlands, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 group will continue in business.

The directors are 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



M Razaq

Director

12.12.12

KANS & KANDY (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KANS & KANDY (HOLDINGS) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Kans & Kandy (Holdings) Limited for the year ended 30 June 2012 set out on pages 5 to 22. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are 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 and express an opinion on 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.

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 group's and 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 group's and parent company's affairs as at 30 June 2012 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

KANS & KANDY (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF KANS & KANDY (HOLDINGS) LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Mr Colin Chater (Senior Statutory Auditor)
for and on behalf of Rowlands

13th December 2012

Chartered Accountants
Statutory Auditor

Rowlands House
Portobello Road
Birtley
Chester le Street
Co Durham
DH3 2RY

KANS & KANDY (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2011 £
Turnover	2	13,394,785	12,951,495
Cost of sales		(10,545,335)	(10,509,045)
Gross profit		2,849,450	2,442,450
Administrative expenses		(1,022,096)	(972,346)
Other operating income		2	-
Operating profit	3	1,827,356	1,470,104
Other interest receivable and similar income		5,975	-
Interest payable and similar charges	4	(514,348)	(510,780)
Profit on ordinary activities before taxation		1,318,983	959,324
Tax on profit on ordinary activities	5	(346,396)	(278,925)
Profit on ordinary activities after taxation		972,587	680,399

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

KANS & KANDY (HOLDINGS) LIMITED

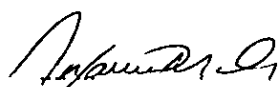
BALANCE SHEETS

AS AT 30 JUNE 2012

	Notes	Group 2012 £	2011 £	Company 2012 £	2011 £
Fixed assets					
Tangible assets	8 and 9	9,652,762	9,682,893	-	-
Investments	10	2	2	7	7
		<u>9,652,764</u>	<u>9,682,895</u>	<u>7</u>	<u>7</u>
Current assets					
Stocks	11	2,827,065	3,036,293	-	-
Debtors	12	2,321,747	1,319,948	1,462,999	1,462,999
Cash at bank and in hand		62,130	38,300	1	1
		<u>5,210,942</u>	<u>4,394,541</u>	<u>1,463,000</u>	<u>1,463,000</u>
Creditors' amounts falling due within one year	13	<u>(4,281,711)</u>	<u>(3,976,984)</u>	<u>(247,125)</u>	<u>(247,111)</u>
Net current assets		<u>929,231</u>	<u>417,557</u>	<u>1,215,875</u>	<u>1,215,889</u>
Total assets less current liabilities		<u>10,581,995</u>	<u>10,100,452</u>	<u>1,215,882</u>	<u>1,215,896</u>
Creditors' amounts falling due after more than one year	14	<u>(6,925,559)</u>	<u>(6,967,996)</u>	<u>-</u>	<u>-</u>
Provisions for liabilities	15	<u>(42,216)</u>	<u>(40,823)</u>	<u>-</u>	<u>-</u>
		<u>3,614,220</u>	<u>3,091,633</u>	<u>1,215,882</u>	<u>1,215,896</u>
Capital and reserves					
Called up share capital	16	6	6	6	6
Revaluation reserve	17	20,618	20,618	-	-
Profit and loss account	17	3,593,596	3,071,009	1,215,876	1,215,890
Shareholders' funds	18	<u>3,614,220</u>	<u>3,091,633</u>	<u>1,215,882</u>	<u>1,215,896</u>

Approved by the Board and authorised for issue on

12.12.12



I D Marley
Director

Company Registration No. 05668310

KANS & KANDY (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
£	£	£
Net cash inflow from operating activities	1,715,493	1,710,670
Returns on investments and servicing of finance		
Interest received	5,975	-
Interest paid	(514,348)	(510,780)
Net cash outflow for returns on investments and servicing of finance	(508,373)	(510,780)
Taxation	(359,442)	(184,408)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(5,424)	(6,615)
Payments to acquire investments	(4,595)	(133,473)
Receipts from sales of tangible assets	9,667	-
Net cash outflow for capital expenditure	(352)	(140,088)
Equity dividends paid	(450,000)	(240,000)
Net cash inflow before management of liquid resources and financing	397,326	635,394
Financing		
New long term bank loan	453,630	440,195
Other new long term loans	5,037	4,738
Other new short term loans	(194,139)	14,940
Repayment of long term bank loan	(520,112)	(705,733)
Repayment of other long term loans	(5,014)	(4,727)
Capital element of hire purchase contracts	4,571	-
Net cash outflow from financing	(256,027)	(250,587)
Increase in cash in the year	141,299	384,807

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
		£	£
	Operating profit	1,827,356	1,470,104
	Depreciation of tangible assets	52,350	65,810
	Loss on disposal of tangible assets	2,908	-
	Decrease in stocks	209,228	1,108,576
	(Increase)/decrease in debtors	(1,001,799)	58,359
	Increase/(decrease) in creditors within one year	625,450	(992,179)
	Net cash inflow from operating activities	1,715,493	1,710,670

2	Analysis of net debt	1 July 2011	Cash flow	Other non-cash changes	30 June 2012
		£	£	£	£
	Net cash				
	Cash at bank and in hand	38,300	23,830	-	62,130
	Bank overdrafts	(1,109,917)	117,469	-	(992,448)
		(1,071,617)	141,299	-	(930,318)
	Finance leases	-	(29,347)	-	(29,347)
	Debts falling due within one year	(253,800)	194,139	-	(59,661)
	Debts falling due after one year	(6,967,996)	66,460	-	(6,901,536)
		(7,221,796)	231,252	-	(6,990,544)
	Net debt	(8,293,413)	372,551	-	(7,920,862)

3	Reconciliation of net cash flow to movement in net debt	2012	2011
		£	£
	Increase in cash in the year	141,299	384,807
	Cash outflow from decrease in debt	231,252	250,587
	Movement in net debt in the year	372,551	635,394
	Opening net debt	(8,293,413)	(8,928,807)
	Closing net debt	(7,920,862)	(8,293,413)

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2012. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

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

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies (continued)

1.10 Deferred taxation

Deferred taxation 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.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates 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 profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2012 £	2011 £
Geographical segment		
UK	9,643,197	11,047,665
Europe	2,419,694	1,682,582
Worldwide	1,331,894	221,249
	<u>13,394,785</u>	<u>12,951,496</u>

3 Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	52,350	65,810
Loss on disposal of tangible assets	7,075	-
Operating lease rentals		
- Plant and machinery	6,812	6,780
- Other assets	15,191	1,500
Fees payable to the group's auditor for the audit of the group's annual accounts (company £Nil, 2011 £Nil)	21,000	10,000
Remuneration of Auditors' for non-audit work	31,935	11,500
and after crediting		
Profit on disposal of tangible assets	(4,167)	-
Profit on foreign exchange transactions	(7,727)	(15,947)
	<u></u>	<u></u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

4	Interest payable	2012 £	2011 £
	On bank loans and overdrafts	22,383	35,085
	On other loans wholly repayable within five years	483,384	464,601
	Hire purchase interest	433	-
	On overdue tax	736	210
	Other interest	7,412	10,884
		<u>514,348</u>	<u>510,780</u>
5	Taxation	2012 £	2011 £
	Domestic current year tax		
	U K corporation tax	344,679	255,156
	Adjustment for prior years	324	59
	Total current tax	<u>345,003</u>	<u>255,215</u>
	Deferred tax		
	Deferred tax charge/credit current year	1,393	23,710
		<u>346,396</u>	<u>278,925</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,318,983</u>	<u>959,324</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2011 - 28.00%)	<u>342,936</u>	<u>268,611</u>
	Effects of		
	Non deductible expenses	3,998	-
	Depreciation add back	2,774	18,427
	Capital allowances	(3,862)	(25,246)
	Tax losses utilised	-	(23,704)
	Adjustments to previous periods	84	-
	Chargeable disposals	1,840	-
	Other tax adjustments	(2,767)	17,127
		<u>2,067</u>	<u>(13,396)</u>
	Current tax charge for the year	<u>345,003</u>	<u>255,215</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2012	2011
	£	£
Holding company's profit for the financial year	<u>449,986</u>	<u>239,985</u>

7 Dividends

	2012	2011
	£	£
Ordinary interim paid	<u>450,000</u>	<u>240,000</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

8 Tangible fixed assets

Group

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost or valuation			
At 1 July 2011	527,784	243,353	771,137
Additions	-	30,200	30,200
Disposals	-	(25,550)	(25,550)
At 30 June 2012	527,784	248,003	775,787
Depreciation			
At 1 July 2011	249,924	160,339	410,263
On disposals	-	(12,975)	(12,975)
Charge for the year	41,679	10,671	52,350
At 30 June 2012	291,603	158,035	449,638
Net book value			
At 30 June 2012	236,181	89,968	326,149
At 30 June 2011	277,860	83,014	360,874

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Net book values			
At 30 June 2012	-	29,823	29,823
Depreciation charge for the year			
30 June 2012	-	378	378

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

9 Tangible fixed assets

Investment properties

	Group	Company
	£	£
Cost or valuation		
At 1 July 2011	9,322,019	-
Additions	4,594	-
	<hr/>	<hr/>
At 30 June 2012	9,326,613	-
	<hr/>	<hr/>
Depreciation		
At 1 July 2011 & at 30 June 2012	-	-
	<hr/>	<hr/>
Net book value		
At 30 June 2012	9,326,613	-
	<hr/>	<hr/>
At 30 June 2011	9,322,019	-
	<hr/>	<hr/>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

10 Fixed asset investments

Group

Shares in
group
undertakings
£

Cost or valuation

At 1 July 2011 & at 30 June 2012

2

Net book value

At 30 June 2012

2

At 30 June 2011

2

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

Company

Shares in
group
undertakings
£

Cost

At 1 July 2011 & at 30 June 2012

7

Net book value

At 30 June 2012

7

At 30 June 2011

7

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

11 Stocks

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Finished goods and goods for resale	2,827,065	3,036,293	-	-

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

12 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	2,168,905	1,117,363	-	-
Amounts owed by group undertakings	17,243	14,470	1,462,999	1,462,999
Other debtors	64,233	122,232	-	-
Prepayments and accrued income	71,366	65,883	-	-
	<u>2,321,747</u>	<u>1,319,948</u>	<u>1,462,999</u>	<u>1,462,999</u>

13 Creditors . amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	1,052,109	1,363,717	-	-
Net obligations under finance lease and hire purchase contracts	5,324	-	-	-
Trade creditors	1,862,913	1,708,188	-	-
Amounts owed to group undertakings	60,390	60,389	247,125	247,111
Corporation tax	240,717	255,156	-	-
Taxes and social security costs	73,375	55,169	-	-
Directors current accounts	190,729	-	-	-
Other creditors	-	101,410	-	-
Accruals and deferred income	796,154	432,955	-	-
	<u>4,281,711</u>	<u>3,976,984</u>	<u>247,125</u>	<u>247,111</u>

Included in trade creditors is £1,169,401 (2011 £760,130) relating to money advanced in respect of an invoice finance agreement. At the balance sheet date the outstanding factored debts were £1,297,887 (2011 £838,289).

The bank overdraft and invoice finance facilities are secured by a debenture creating a fixed and floating charge over the assets of the company and by a charge over the debtor book of the company.

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

14 Creditors . amounts falling due after more than one year

	Group 2012 £	2011 £	Company 2012 £	2011 £
Bank loans	6,646,513	6,712,995	-	-
Other loans	255,023	255,001	-	-
Net obligations under finance leases and hire purchase agreements	24,023	-	-	-
	<u>6,925,559</u>	<u>6,967,996</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years by instalments	6,695,732	6,746,845	-	-
Wholly repayable within five years	265,465	474,951	-	-
	<u>6,961,197</u>	<u>7,221,796</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(59,661)	(253,800)	-	-
	<u>6,901,536</u>	<u>6,967,996</u>	<u>-</u>	<u>-</u>
Instalments not due within five years	<u>6,695,732</u>	<u>6,746,845</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	255,000	474,951	-	-
In more than five years	<u>6,695,732</u>	<u>6,746,845</u>	<u>-</u>	<u>-</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	5,324	-	-	-
Repayable between one and five years	24,023	-	-	-
	<u>29,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(5,324)	-	-	-
	<u>24,023</u>	<u>-</u>	<u>-</u>	<u>-</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

15 Provisions for liabilities

Group

Deferred
taxation
£

Balance at 1 July 2011

40,823

Profit and loss account

1,393

Balance at 30 June 2012

42,216

The deferred tax liability is made up as follows:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	42,216	40,823	-	-

16 Share capital

Allotted, called up and fully paid
6 Ordinary shares of £1 each

2012
£

6

2011
£

6

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

17 Statement of movements on reserves

Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2011	20,618	3,071,009
Profit for the year	-	972,587
Dividends paid	-	(450,000)
Balance at 30 June 2012	<u>20,618</u>	<u>3,593,596</u>

Company

	Profit and loss account £
Balance at 1 July 2011	1,215,890
Profit for the year	449,986
Dividends paid	(450,000)
Balance at 30 June 2012	<u>1,215,876</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

18 Reconciliation of movements in shareholders' funds	2012	2011
Group	£	£
Profit for the financial year	972,587	680,399
Dividends	(450,000)	(240,000)
Net addition to shareholders' funds	522,587	440,399
Opening shareholders' funds	3,091,633	2,651,234
Closing shareholders' funds	3,614,220	3,091,633
Company	2012	2011
	£	£
Profit for the financial year	449,986	239,985
Dividends	(450,000)	(240,000)
Net depletion in shareholders' funds	(14)	(15)
Opening shareholders' funds	1,215,896	1,215,911
Closing shareholders' funds	1,215,882	1,215,896

19 Financial commitments

At 30 June 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	203,000	203,000	-	-
Between two and five years	-	-	6,812	6,816
	203,000	203,000	6,812	6,816

20 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	28,849	25,230

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Number of employees	16	15

Employment costs

	2012 £	2011 £
Wages and salaries	251,820	218,122
Social security costs	25,695	19,767
	277,515	237,889

22 Control

The company is not under the ultimate control of any one person

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

23 Related party relationships and transactions

Loans to directors

Transactions in relation to loans with directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
I D Marley	4.00	5,483	242,245	1,645	(440,103)	(190,730)
J Iqbal	4.00	7,610	380,978	501	(381,651)	7,438
M Razaq	4.00	16,046	291,639	(3,604)	(293,354)	10,727
		<u>29,139</u>	<u>914,862</u>	<u>(1,458)</u>	<u>(1,115,108)</u>	<u>(172,565)</u>

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below

	2012 £	2011 £
I D Marley	75,000	40,000
J Iqbal	75,000	40,000
M Razaq	75,000	40,000
	<u>225,000</u>	<u>120,000</u>