

Company Registration No. 05668310 (England and Wales)

KANS & KANDY (HOLDINGS) LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

WEDNESDAY



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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

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KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report and financial statements for the year ended 30 June 2010

Principal activities and review of the business

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

Results and dividends

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

Directors

The following directors have held office since 1 July 2009

J Iqbal
I D Marley
M Razaq

	2010 £	2009 £
During the year the group made the following payments		
Charitable donations	74,368	48,185

The recipients, amounts and purpose of the charitable donations are as follows

Kans and Kandy Charitable Trust £69,000 purpose to support or promote any charitable purpose for the relief of poverty and the advancement of education

Auditors

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

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.

KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

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

7.12.10

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 2010 set out on pages 5 to 18. 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 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 2010 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

22nd December 2010

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 2010

		2010	2009
	Notes	£	£
Turnover	2	7,685,502	7,192,180
Cost of sales		(5,572,714)	(5,379,752)
Gross profit		2,112,788	1,812,428
Administrative expenses		(865,642)	(735,078)
Other operating income		75	-
Operating profit	3	1,247,221	1,077,350
Other interest receivable and similar income		-	5,140
Interest payable and similar charges	4	(515,448)	(593,930)
Profit on ordinary activities before taxation		731,773	488,560
Tax on profit on ordinary activities	5	(179,516)	(99,251)
Profit on ordinary activities after taxation		552,257	389,309

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 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Tangible assets	8 and 9	9,608,615	9,870,826	-	-
Investments	10	1	1	7	7
		<u>9,608,616</u>	<u>9,870,827</u>	<u>7</u>	<u>7</u>
Current assets					
Stocks	11	4,144,869	2,387,604	-	-
Debtors	12	1,378,307	1,070,810	1,462,999	1,462,999
Cash at bank and in hand		11,903	216	1	1
		<u>5,535,079</u>	<u>3,458,630</u>	<u>1,463,000</u>	<u>1,463,000</u>
Creditors, amounts falling due within one year	13	<u>(5,241,826)</u>	<u>(3,059,457)</u>	<u>(247,096)</u>	<u>(3,001)</u>
Net current assets		<u>293,253</u>	<u>399,173</u>	<u>1,215,904</u>	<u>1,459,999</u>
Total assets less current liabilities		<u>9,901,869</u>	<u>10,270,000</u>	<u>1,215,911</u>	<u>1,460,006</u>
Creditors' amounts falling due after more than one year	14	<u>(7,233,523)</u>	<u>(7,664,998)</u>	-	-
Provisions for liabilities	15	<u>(17,113)</u>	<u>(21,946)</u>	-	-
		<u>2,651,233</u>	<u>2,583,056</u>	<u>1,215,911</u>	<u>1,460,006</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	2,630,609	2,562,432	1,215,905	1,460,000
Shareholders' funds	18	<u>2,651,233</u>	<u>2,583,056</u>	<u>1,215,911</u>	<u>1,460,006</u>

Approved by the Board and authorised for issue on 21210



I D Marley
Director

Company Registration No 05668310

KANS & KANDY (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		1,375,587		281,432
Returns on investments and servicing of finance				
Interest received	-		5,140	
Interest paid	(515,448)		(593,930)	
Net cash outflow for returns on investments and servicing of finance		(515,448)		(588,790)
Taxation		(98,126)		(35,644)
Capital expenditure and financial investment				
Payments to acquire tangible assets	-		(13,490)	
Payments to acquire investments	-		(363,650)	
Receipts from sales of tangible assets	180,000		3,000	
Net cash inflow/(outflow) for capital expenditure		180,000		(374,140)
Equity dividends paid		(484,080)		(240,000)
Net cash inflow/(outflow) before management of liquid resources and financing		457,933		(957,142)
Financing				
New long term bank loan	459,870		4,015,000	
Other new long term loans	6,960		267,313	
Other new short term loans	14,628		1,888,486	
Repayment of long term bank loan	(821,730)		(3,483,451)	
Repayment of other long term loans	(76,575)		(14,095)	
Repayment of other short term loans	-		(2,121,364)	
Net cash (outflow)/inflow from financing		(416,847)		551,889
Increase/(decrease) in cash in the year		41,086		(405,253)

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

1 Reconciliation of operating profit to net cash inflow from operating activities		2010	2009
		£	£
Operating profit		1,247,221	1,077,350
Depreciation of tangible assets		76,400	89,259
Loss on disposal of tangible assets		5,811	419
(Increase)/decrease in stocks		(1,757,265)	106,166
(Increase)/decrease in debtors		(307,497)	2,192,377
Increase/(decrease) in creditors within one year		2,110,917	(3,184,139)
Net cash inflow from operating activities		1,375,587	281,432

2 Analysis of net debt	1 July 2009	Cash flow	Other non-cash changes	30 June 2010
	£	£	£	£
Net cash				
Cash at bank and in hand	216	11,687	-	11,903
Bank overdrafts	(1,497,726)	29,399	-	(1,468,327)
	(1,497,510)	41,086	-	(1,456,424)
Debts falling due within one year	(224,232)	(14,628)	-	(238,860)
Debts falling due after one year	(7,664,998)	431,475	-	(7,233,523)
	(7,889,230)	416,847	-	(7,472,383)
Net debt	(9,386,740)	457,933	-	(8,928,807)

3 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
Increase/(decrease) in cash in the year	41,086	(405,253)
Cash outflow/(inflow) from decrease/(increase) in debt	416,847	(551,889)
Movement in net debt in the year	457,933	(957,142)
Opening net debt	(9,386,740)	(8,429,598)
Closing net debt	(8,928,807)	(9,386,740)

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 2010. 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

1.7 Leasing

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 and work in progress

Stock and work in progress are 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 2010

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 wholly undertaken in the United Kingdom.

3 Operating profit	2010 £	2009 £
Operating profit is stated after charging		
Depreciation of tangible assets	76,400	89,259
Loss on disposal of tangible assets	5,811	419
Operating lease rentals		
- Plant and machinery	7,617	3,876
Fees payable to the group's auditor for the audit of the group's annual accounts (company £-, 2009 £-)	10,000	10,000
Remuneration of Auditors' for non-audit work	18,750	16,330

4 Interest payable	2010 £	2009 £
On bank loans and overdrafts	31,632	33,658
On other loans wholly repayable within five years	481,979	546,989
On overdue tax	3	145
Other interest	1,834	13,138
	515,448	593,930

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2010

5	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	184,349	98,126
	Adjustment for prior years	-	39
		<u>184,349</u>	<u>98,165</u>
	Current tax charge		
		184,349	98,165
	Deferred tax		
	Deferred tax charge/credit current year	(4,833)	1,086
		<u>179,516</u>	<u>99,251</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>731,773</u>	<u>488,560</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	<u>204,896</u>	<u>136,797</u>
	Effects of		
	Depreciation add back	17,354	5,990
	Capital allowances	(31,931)	(6,582)
	Tax losses utilised	(15,479)	(25,333)
	Other tax adjustments	9,509	(12,707)
		<u>(20,547)</u>	<u>(38,632)</u>
	Current tax charge	<u>184,349</u>	<u>98,165</u>
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		
		2010	2009
		£	£
	Holding company's profit for the financial year	<u>239,985</u>	<u>240,000</u>
7	Dividends	2010	2009
		£	£
	Ordinary interim paid	<u>484,080</u>	<u>240,000</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

8 Tangible fixed assets

Group

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 July 2009 & at 30 June 2010	527,784	236,738	764,522
Depreciation			
At 1 July 2009	143,203	124,850	268,053
Charge for the year	57,687	18,713	76,400
At 30 June 2010	200,890	143,563	344,453
Net book value			
At 30 June 2010	326,894	93,175	420,069
At 30 June 2009	384,581	111,888	496,469

9 Tangible fixed assets Investment properties

	Group £	Company £
Cost or valuation		
At 1 July 2009	9,374,357	-
Disposals	(185,811)	-
At 30 June 2010	9,188,546	-
Depreciation		
At 1 July 2009 & at 30 June 2010	-	-
Net book value		
At 30 June 2010	9,188,546	-
At 30 June 2009	9,374,357	-

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

10 Fixed asset investments Group

Shares in
group
undertakings
£

Cost or valuation

At 1 July 2009 & at 30 June 2010

1

Net book value

At 30 June 2010

1

At 30 June 2009

1

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 2009 & at 30 June 2010

7

Net book value

At 30 June 2010

7

At 30 June 2009

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

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

11 Stocks and work in progress

	Group 2010 £	2009 £	Company 2010 £	2009 £
Work in progress	2,144,303	1,334,675	-	-
Finished goods and goods for resale	2,000,566	1,052,929	-	-
	<u>4,144,869</u>	<u>2,387,604</u>	<u>-</u>	<u>-</u>

12 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	1,268,380	897,928	-	-
Amounts owed by group undertakings	-	-	1,462,999	1,462,999
Other debtors	64,153	133,232	-	-
Prepayments and accrued income	45,774	39,650	-	-
	<u>1,378,307</u>	<u>1,070,810</u>	<u>1,462,999</u>	<u>1,462,999</u>

13 Creditors . amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	1,707,187	1,721,958	-	-
Trade creditors	1,980,146	985,965	-	-
Amounts owed to group undertakings	-	-	247,096	3,001
Corporation tax	184,349	98,126	-	-
Taxes and social security costs	66,973	77,630	-	-
Directors current accounts	760,163	-	-	-
Other creditors	137,204	59,490	-	-
Accruals and deferred income	405,804	116,288	-	-
	<u>5,241,826</u>	<u>3,059,457</u>	<u>247,096</u>	<u>3,001</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

14 Creditors : amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	6,978,533	7,340,393	-	-
Other loans	254,990	324,605	-	-
	<u>7,233,523</u>	<u>7,664,998</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years by instalments				
Wholly repayable within five years	7,472,383	7,889,230	-	-
Included in current liabilities	(238,860)	(224,232)	-	-
	<u>7,233,523</u>	<u>7,664,998</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	238,860	224,232	-	-
In more than two years but not more than five years	716,580	672,696	-	-
In more than five years	6,039,223	6,768,070	-	-
	<u>6,039,223</u>	<u>6,768,070</u>	<u>-</u>	<u>-</u>

15 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 July 2009	21,946
Profit and loss account	(4,833)
Balance at 30 June 2010	<u>17,113</u>

The deferred tax liability is made up as follows:

	Group 2010 £	2009 £	Company 2010 £	2009 £
Accelerated capital allowances	<u>17,113</u>	<u>21,946</u>	<u>-</u>	<u>-</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

16 Share capital	2010 £	2009 £
Allotted, called up and fully paid		
6 Ordinary shares of each	6	6

17 Statement of movements on reserves Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2009	20,618	2,562,432
Profit for the year	-	552,257
Dividends paid	-	(484,080)
Balance at 30 June 2010	20,618	2,630,609

Company

	Profit and loss account £
Balance at 1 July 2009	1,460,000
Profit for the year	239,985
Dividends paid	(484,080)
Balance at 30 June 2010	1,215,905

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

18 Reconciliation of movements in shareholders' funds		2010	2009
Group		£	£
Profit for the financial year		552,257	389,309
Dividends		(484,080)	(240,000)
Net addition to shareholders' funds		68,177	149,309
Opening shareholders' funds		2,583,056	2,433,747
Closing shareholders' funds		2,651,233	2,583,056
Company		2010	2009
		£	£
Profit for the financial year		239,985	240,000
Dividends		(484,080)	(240,000)
Net depletion in shareholders' funds		(244,095)	-
Opening shareholders' funds		1,460,006	1,460,006
Closing shareholders' funds		1,215,911	1,460,006

19 Financial commitments

At 30 June 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date				
Within one year	103,000	103,000	-	-
Between two and five years	-	-	6,744	3,876
	103,000	103,000	6,744	3,876

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2010

20 Employees

Number of employees

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

2010 Number	2009 Number
14	14

Employment costs

	2010 £	2009 £
Wages and salaries	174,978	139,601
Social security costs	15,456	12,115
	190,434	151,716