

Company Registration No. 05668310 (England and Wales)

KANS & KANDY (HOLDINGS) LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2014

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KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS AND ADVISERS

Directors	J Iqbal I Marley M Razaq
Secretary	M Razaq
Company number	05668310
Registered office	9 Foxcover Distribution Park Admiralty Way Seaham Co Durham SR7 7DN
Registered auditors	Rowlands Rowlands House Portobello Road Birtley Co Durham DH3 2RY

KANS & KANDY (HOLDINGS) LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Statement of recognised gains and losses	7
Balance sheets	8
Consolidated cash flow statement	9
Notes to the consolidated cash flow statement	10
Notes to the financial statements	11 - 24

KANS & KANDY (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2014

Review of the business

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 continued contacts with international suppliers to sell on their surplus stock.

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.



.....
M Razaq

Secretary

27/11/2014

KANS & KANDY (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and financial statements for the year ended 30 June 2014.

Principal activities

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

The principal activities of the group continued to be that of wholesalers and of holding investment property.

Results and dividends

The consolidated profit and loss account for the year is set out on 6.

An interim ordinary dividend was paid amounting to £570,000. The directors do not recommend payment of a final dividend.

Post balance sheet events

Since the balance sheet date the group has sold leasehold land and buildings for proceeds net of VAT of £1.73m.

Future developments

We are confident that the group can continue to expand and are actively looking at alternative ways to get our products into the market place.

Directors

The following directors have held office since 1 July 2013:

J Iqbal
I Marley
M Razaq

Charitable donations

	2014	2013
	£	£

During the year the group made the following payments:

Charitable donations	222,343	168,493
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During the year the group donated £210,000 (2013 £160,000) 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 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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.

By order of the board


.....
M Razaq

Secretary

27/11/2014

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 2014 set out on pages 6 to 24. 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 2 - 3, 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 parent 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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 Strategic Report and 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.

Rowlands

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

Chartered Accountants
Statutory Auditor

28th November 2014

Rowlands House
Portobello Road
Birtley
Co Durham
DH3 2RY

KANS & KANDY (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 £	2013 £
Turnover	2	18,992,220	17,111,025
Cost of sales		(14,294,212)	(12,979,960)
Gross profit		4,698,008	4,131,065
Administrative expenses		(1,620,581)	(1,317,048)
Other operating income		-	785,970
Operating profit	3	3,077,427	3,599,987
Other interest receivable and similar income		2,363	8,450
Interest payable and similar charges	4	(406,909)	(463,113)
Profit on ordinary activities before taxation		2,672,881	3,145,324
Tax on profit on ordinary activities	5	(610,350)	(650,358)
Profit on ordinary activities after taxation		2,062,531	2,494,966

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

KANS & KANDY (HOLDINGS) LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2014

	2014 £	2013 £
Profit for the financial year	2,062,531	2,494,966
Prior year adjustment	-	79,658
	<hr/>	<hr/>
Total gains and losses recognised since last financial statements	2,062,531	2,574,624
	<hr/>	<hr/>

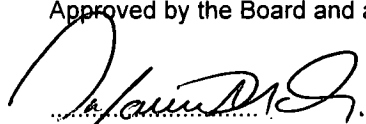
KANS & KANDY (HOLDINGS) LIMITED

BALANCE SHEETS

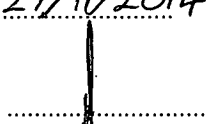
AS AT 30 JUNE 2014

	Notes	Group 2014 £	2013 £	Company 2014 £	2013 £
Fixed assets					
Tangible assets	8 & 9	9,650,592	9,569,880	-	-
Investments	10	3	3	9	9
		<u>9,650,595</u>	<u>9,569,883</u>	<u>9</u>	<u>9</u>
Current assets					
Stocks	11	5,652,088	4,247,460	-	-
Debtors	12	3,469,959	2,999,169	1,462,999	1,462,999
Cash at bank and in hand		388,366	428,516	1	1
		<u>9,510,413</u>	<u>7,675,145</u>	<u>1,463,000</u>	<u>1,463,000</u>
Creditors: amounts falling due within one year	13	(6,675,853)	(5,704,092)	(247,127)	(247,127)
Net current assets		<u>2,834,560</u>	<u>1,971,053</u>	<u>1,215,873</u>	<u>1,215,873</u>
Total assets less current liabilities		<u>12,485,155</u>	<u>11,540,936</u>	<u>1,215,882</u>	<u>1,215,882</u>
Creditors: amounts falling due after more than one year	14	(5,187,068)	(5,762,977)	-	-
Provisions for liabilities	15	(66,712)	(39,115)	-	-
		<u>7,231,375</u>	<u>5,738,844</u>	<u>1,215,882</u>	<u>1,215,882</u>
Capital and reserves					
Called up share capital	16	1,200	6	1,200	6
Revaluation reserve	17	20,618	20,618	-	-
Profit and loss account	17	7,209,557	5,718,220	1,214,682	1,215,876
Shareholders' funds	18	<u>7,231,375</u>	<u>5,738,844</u>	<u>1,215,882</u>	<u>1,215,882</u>

Approved by the Board and authorised for issue on 27/11/2014



I Marley
Director



M Razag
Director

Company Registration No. 05668310

KANS & KANDY (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
£	£	£
Net cash inflow from operating activities	1,945,824	3,141,184
Returns on investments and servicing of finance		
Interest received	2,363	8,450
Interest paid	(406,909)	(463,113)
Net cash outflow for returns on investments and servicing of finance	(404,546)	(454,663)
Taxation	(826,953)	(466,040)
Capital expenditure		
Payments to acquire tangible assets	(8,000)	-
Net cash outflow for capital expenditure	(8,000)	-
Equity dividends paid	(570,000)	(450,000)
Net cash inflow before management of liquid resources and financing	136,325	1,770,481
Financing		
Repayment of long term bank loan	(370,565)	(1,032,436)
Capital element of hire purchase contracts	(10,018)	(7,506)
Net cash outflow from financing	(380,583)	(1,039,942)
(Decrease)/increase in cash in the year	(244,258)	730,539

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	3,077,427	3,599,987
	Depreciation of tangible assets	92,388	97,982
	Increase in stocks	(1,404,628)	(1,420,395)
	Increase in debtors	(470,790)	(585,078)
	Increase in creditors within one year	651,427	1,448,688
	Net cash inflow from operating activities	1,945,824	3,141,184

2	Analysis of net debt	1 July 2013	Cash flow	Other non-cash changes	30 June 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	428,516	(40,150)	-	388,366
	Bank overdrafts	(628,295)	(204,108)	-	(832,403)
		(199,779)	(244,258)	-	(444,037)
	Finance leases	(36,940)	(5,083)	-	(42,023)
	Debts falling due within one year	(194,252)	(207,071)	-	(401,323)
	Debts falling due after one year	(5,734,509)	577,637	-	(5,156,872)
		(5,965,701)	365,483	-	(5,600,218)
	Net debt	(6,165,480)	121,225	-	(6,044,255)

3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	(Decrease)/increase in cash in the year	(244,258)	730,539
	Cash outflow from decrease in debt	365,483	1,024,843
	Movement in net debt in the year	121,225	1,755,382
	Opening net debt	(6,165,480)	(7,920,862)
	Closing net debt	(6,044,255)	(6,165,480)

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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 2014. 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, profits and balances are eliminated fully on consolidation. The group has taken advantage of the exemption in FRS 8 from disclosing transactions or balances eliminated on consolidation and with wholly owned members of the group.

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 other than freehold land 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:

Land and buildings Freehold	Land is not depreciated
Land and buildings Leasehold	2% straight line
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.

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 2006 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.

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

1 Accounting policies

(Continued)

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.

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.

1.12 Debt factoring

Factored debts are recorded as an asset together with a corresponding liability in respect of the proceeds received from the factor following the separate presentation method.

2 Turnover

£472,844 (2013 £517,286) of the group turnover related to rental income derived from the investment properties held by the group. All other group turnover related to wholesale operations.

Segmental analysis by geographical area

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

	2014 £	2013 £
Geographical segment		
UK	14,989,087	13,218,689
Europe	2,682,288	2,502,341
Worldwide	1,320,845	1,389,995
	<u>18,992,220</u>	<u>17,111,025</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

3	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	92,388	97,982
	Operating lease rentals		
	- Plant and machinery	12,590	10,413
	- Other assets	-	2,957
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £Nil; 2013: £Nil)	20,000	21,000
	and after crediting:		
	Profit on foreign exchange transactions	(6,535)	(1,422)
		<u><u> </u></u>	<u><u> </u></u>
4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	397,340	437,846
	Hire purchase interest	2,743	2,628
	On overdue tax	6,017	310
	Other interest	809	22,329
		<u><u> </u></u>	<u><u> </u></u>
		406,909	463,113
		<u><u> </u></u>	<u><u> </u></u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	586,471	630,177
	Adjustment for prior years	(3,718)	23,282
	Total current tax	<u>582,753</u>	<u>653,459</u>
	Deferred tax		
	Deferred tax charge/credit current year	27,597	(3,101)
		<u>27,597</u>	<u>(3,101)</u>
		<u>610,350</u>	<u>650,358</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>2,672,881</u>	<u>3,145,324</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.43% (2013 - 23.72%)	<u>599,527</u>	<u>746,071</u>
	Effects of:		
	Non deductible expenses	10,703	4,816
	Depreciation add back	20,013	23,241
	Capital allowances	(43,772)	(9,997)
	Adjustments to previous periods	(3,718)	23,282
	Adjustment on part disposal of lease	-	(133,954)
		<u>(16,774)</u>	<u>(92,612)</u>
	Current tax charge for the year	<u>582,753</u>	<u>653,459</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:

	2014 £	2013 £
Holding company's profit for the financial year	<u>570,000</u>	<u>450,000</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

7	Dividends	2014 £	2013 £
	Ordinary interim paid	570,000	450,000

8 Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost or valuation					
At 1 July 2013	494,957	2,368,051	527,784	263,103	3,653,895
Additions	-	-	-	173,100	173,100
At 30 June 2014	494,957	2,368,051	527,784	436,203	3,826,995
Depreciation					
At 1 July 2013	-	47,361	327,030	173,229	547,620
Charge for the year	-	47,361	30,113	14,914	92,388
At 30 June 2014	-	94,722	357,143	188,143	640,008
Net book value					
At 30 June 2014	494,957	2,273,329	170,641	248,060	3,186,987
At 30 June 2013	494,957	2,320,690	200,754	89,874	3,106,275

All leasehold land and buildings are held under long leasehold.

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

8 Tangible fixed assets

(Continued)

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 2014	-	46,905	46,905
At 30 June 2013	-	38,750	38,750
	<u> </u>	<u> </u>	<u> </u>
Depreciation charge for the year			
30 June 2014	-	5,813	5,813
30 June 2013	-	6,172	6,172
	<u> </u>	<u> </u>	<u> </u>

9 Tangible fixed assets

Investment properties

	Group £	Company £
Cost or valuation		
At 1 July 2013 & at 30 June 2014	6,463,605	-
	<u> </u>	<u> </u>
Depreciation		
At 1 July 2013 & at 30 June 2014	-	-
	<u> </u>	<u> </u>
Net book value		
At 30 June 2014	6,463,605	-
	<u> </u>	<u> </u>
At 30 June 2013	6,463,605	-
	<u> </u>	<u> </u>

The directors are of the opinion that there is no significant difference between the market value of the investment properties and the amounts they are recorded in the accounts.

The historical cost of investment properties included at valuation is £6,442,987 (2013 £6,442,987).

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

10 Fixed asset investments Group

	Shares in group undertakings £
Cost or valuation	
At 1 July 2013 & at 30 June 2014	3
	<hr/>
Net book value	
At 30 June 2014	3
	<hr/>
At 30 June 2013	3
	<hr/>

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

Company

	Shares in group undertakings £
Cost	
At 1 July 2013 & at 30 June 2014	9
	<hr/>
Net book value	
At 30 June 2014	9
	<hr/>
At 30 June 2013	9
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in group 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 2014

10 Fixed asset investments

(Continued)

Holdings of more than 20%

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

Company	Principal activity
Subsidiary undertakings (100% of ordinary shares held)	
Kans and Kandy (Wholesale) Limited	Wholesalers
Kans and Kandy (Properties) Limited	Property investment
Kans and Kandy (Commodities) Limited	Dormant
Cosmetics By Candy Limited	Online sales
Kans and Kandy (Carlisle) Limited	Property management
Kans and Kandy (Property Development) Limited	Property Development
Participating interests (50% of ordinary shares held)	
Grey Street Properties Limited	Property Development

11 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Finished goods and goods for resale	5,652,088	4,247,460	-	-

12 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	3,319,668	2,685,685	-	-
Amounts owed by group undertakings	11,250	11,251	1,462,999	1,462,999
Corporation tax	3,844	3,844	-	-
Other debtors	53,578	208,367	-	-
Prepayments and accrued income	81,619	90,022	-	-
	3,469,959	2,999,169	1,462,999	1,462,999

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

13 Creditors : amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans and overdrafts	1,233,726	822,547	-	-
Net obligations under finance lease and hire purchase contracts	11,827	8,472	-	-
Trade creditors	3,013,869	2,950,450	-	-
Amounts owed to group undertakings	60,391	60,391	247,127	247,127
Amounts owed to participating interests	4,506	4,506	-	-
Corporation tax	187,780	431,980	-	-
Taxes and social security costs	68,426	59,588	-	-
Directors current accounts	324,097	413,519	-	-
Other creditors	22,570	11,373	-	-
Accruals and deferred income	1,748,661	941,266	-	-
	<u>6,675,853</u>	<u>5,704,092</u>	<u>247,127</u>	<u>247,127</u>

Included in trade creditors is £1,378,558 (2013 £1,237,744) relating to money advanced in respect of an invoice finance agreement. At the balance sheet date the outstanding factored debts were £2,037,689 (2013 £2,477,357).

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

Net obligations under hire purchase agreements are secured against the assets to which they relate.

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

14 Creditors : amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans	5,156,872	5,734,509	-	-
Net obligations under finance leases and hire purchase agreements	30,196	28,468	-	-
	<u>5,187,068</u>	<u>5,762,977</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years by instalments:				
	2,896,562	5,928,761	-	-
Wholly repayable within five years	2,661,633	-	-	-
	<u>5,558,195</u>	<u>5,928,761</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(401,323)	(194,252)	-	-
	<u>5,156,872</u>	<u>5,734,509</u>	<u>-</u>	<u>-</u>
Instalments not due within five years	<u>1,188,821</u>	<u>1,586,807</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	434,633	401,323	-	-
In more than two years but not more than five years	3,533,418	3,746,379	-	-
In more than five years	<u>1,188,821</u>	<u>1,586,807</u>	<u>-</u>	<u>-</u>

The bank loans are secured by a debenture creating a fixed and floating charge over the assets of the group.

Net obligations under hire purchase agreements are secured against the assets to which they relate.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	11,827	8,472	-	-
Repayable between one and five years	30,196	28,468	-	-
	<u>42,023</u>	<u>36,940</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(11,827)	(8,472)	-	-
	<u>30,196</u>	<u>28,468</u>	<u>-</u>	<u>-</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

15 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 July 2013	39,115
Profit and loss account	27,597
Balance at 30 June 2014	66,712

The deferred tax liability is made up as follows:

	Group 2014 £	2013 £	Company 2014 £	2013 £
Accelerated capital allowances	66,712	39,115	-	-

16 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
600 Ordinary shares of £1 each	600	6
600 Preference shares of £1 each	600	-
	1,200	6

During the year a bonus issue of 594 ordinary £1 shares and a bonus issue of 600 preference £1 shares was made through capitalisation of revenue reserves.

17 Statement of movements on reserves Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2013	20,618	5,718,220
Profit for the year	-	2,062,531
Bonus issue of shares	-	(1,194)
Dividends paid	-	(570,000)
Balance at 30 June 2014	20,618	7,209,557

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

17 Statement of movements on reserves

(Continued)

Company

	Profit and loss account £
Balance at 1 July 2013	1,215,876
Profit for the year	570,000
Bonus issue of shares	(1,194)
Dividends paid	(570,000)
Balance at 30 June 2014	<u>1,214,682</u>

18 Reconciliation of movements in shareholders' funds

Group	2014 £	2013 £
Profit for the financial year	2,062,531	2,494,966
Dividends	(570,000)	(450,000)
Net addition to shareholders' funds	<u>1,492,531</u>	<u>2,044,966</u>
Opening shareholders' funds	5,738,844	3,693,878
Closing shareholders' funds	<u>7,231,375</u>	<u>5,738,844</u>

Company	2014 £	2013 £
Profit for the financial year	570,000	450,000
Dividends	(570,000)	(450,000)
Net depletion in shareholders' funds	-	-
Opening shareholders' funds	<u>1,215,882</u>	<u>1,215,882</u>
Closing shareholders' funds	<u>1,215,882</u>	<u>1,215,882</u>

KANS & KANDY (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

19 Financial commitments

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Other	
	2014	2013
	£	£
Expiry date:		
Between two and five years	12,588	12,588

20 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	30,829	29,340

21 Employees

Number of employees

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

	2014	2013
	Number	Number
Directors	3	3
Administration	8	7
Warehouse	9	10
	20	20

Employment costs

	2014	2013
	£	£
Wages and salaries	348,796	339,262
Social security costs	30,194	25,151
	378,990	364,413

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 2014

23 Post Balance Sheet Events

Group

Since the balance sheet date the group has sold leasehold land and buildings for proceeds net of VAT of £1.73m.

24 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 £
J Iqbal	4.00	116,114	199,528	557	(304,290)	11,909
I D Marley	4.00	(282,145)	599,337	755	(406,080)	(88,133)
M Razaq	4.00	(131,375)	199,528	-	(304,119)	(235,966)
		<u>(297,406)</u>	<u>998,393</u>	<u>1,312</u>	<u>(1,014,489)</u>	<u>(312,190)</u>

Dividends to Directors

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

	2014 £	2013 £
I Marley	95,000	75,000
J Iqbal	95,000	75,000
M Razaq	95,000	75,000
	<u>285,000</u>	<u>225,000</u>

Other transactions

During the year the group was charged the following amounts of interest by directors who provided loans to the group: £Nil (2013 £400) from Mr J Iqbal, £809 (2013 £20,633) from Mr I Marley. The loans were unsecured and repayable on demand.

The group owns 50% of the share capital of Grey Street Properties Limited. At the year end the group owed £60,389 (2013 £60,389) to Grey Street Properties Limited.

During the year the group made donations of £210,000 (2013 £160,000) to Kans and Kandy (Wholesale) Charitable Trust, a charity in which the directors are all trustees.