

KENNEDY'S FINE CHOCOLATES LIMITED

ABBREVIATED ACCOUNTS

For the Period ended 31st May 1997

COMPANY NUMBER : SC129566

DIRECTORS

DN Kennedy

AM Kennedy

SECRETARY

AM Kennedy

REPORTING ACCOUNTANTS

Turnbull Kemp & Co CA

66 Tay Street

Perth PH2 8RA

BANKERS

Clydesdale Bank plc

Wakefield Road

Kingstown

Carlisle

Cumbria CA3 0AG

SOLICITORS

Miller Hendry WS

Solicitors, Notaries & Estate Agents

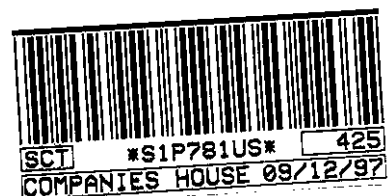
10 Blackfriars Street

Perth PH1 5NS

REGISTERED OFFICE

66 Tay Street

Perth PH2 8RA



ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF KENNEDY'S FINE CHOCOLATES LIMITED

The following reproduces the text of the report prepared for the purposes of section 249A (2) of the Companies Act 1985 in respect of the company's annual accounts, from which the abbreviated accounts set out on pages 2 to 4 have been prepared.

We report on the accounts for the period ended 31st May 1997 set out on pages 4 to 10.

Respective responsibilities of directors and reporting accountants

As described on page 1, the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

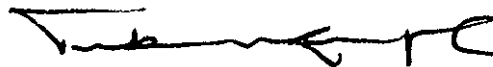
Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C (6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A (4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B (1).



TURNBULL KEMP & CO CA
Reporting Accountants

66 Tay Street
PERTH PH2 8RA

14th November 1997

KENNEDY'S FINE CHOCOLATES LIMITED

ABBREVIATED BALANCE SHEET as at 31st May 1997

29.2.96		NOTE	
£	£		£
189,074			
	FIXED ASSETS		
	Tangible Assets	2	190,953
	CURRENT ASSETS		
	11,187 Stocks		12,555
	18,164 Debtors		7,853
	29,351		20,408
	CREDITORS: amounts falling due within one year	3 4	37,212
(94,717)	Net Current Liabilities		(16,804)
94,357	TOTAL ASSETS LESS CURRENT LIABILITIES		174,149
	CREDITORS: amounts falling due after more than one year		132,489
	73,923		
	13,329 ACCRUALS AND DEFERRED INCOME		13,329
87,252			145,818
7,105			28,331
	CAPITAL AND RESERVES		
2	CALLED UP SHARE CAPITAL	5	7,650
7,103	PROFIT & LOSS ACCOUNT		20,681
7,105	SHAREHOLDERS' FUNDS (EQUITY)		28,331

For the period ended 31st May 1997 the company is entitled to the exemption from an annual audit permitted by subsection (2) of section 249A of the Companies Act 1985 and no notice has been deposited under subsection (2) of section 249B by a member requiring an audit. The directors are responsible for keeping accounting records which give a true and fair view and which otherwise comply with the requirements of the Companies Act 1985 applicable to small companies.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Signed on behalf of the Directors D.N. Kennedy DN Kennedy, Director
14th November 1997

The notes on pages 3 and 4 form an integral part of these accounts.

KENNEDY'S FINE CHOCOLATES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the period ended 31st May 1997

1 ACCOUNTING POLICIES

a) Accounting Convention

The accounts have been prepared under the historical cost convention.

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under Financial Reporting Standard No 1 not to prepare a cash flow statement.

b) Turnover

Turnover represents net invoiced sales of goods, excluding value added tax, which was earned wholly in the United Kingdom.

c) Depreciation

Depreciation is calculated by the reducing balance method and aims to write off the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful economic lives.

The rates generally applicable are:-

Shopfitting & Counters	:	10% reducing balance
Equipment	:	15% reducing balance
Motor Vehicles	:	25% reducing balance

d) Deferred Grants

Grants received in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income in the period to which they relate.

e) Stocks

Stocks are valued at the lower of cost and net realisable value.

f) Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallize in the foreseeable future.

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KENNEDY'S FINE CHOCOLATES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS continued

1 g) Leasing & Hire Purchase Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the obligations is charged to the profit and loss account over the period of the lease or hire purchase contract.

Rental paid under operating leases are charged to income on a straight line basis over the lease term.

2 TANGIBLE FIXED ASSETS

COST	
At 1st March 1996	£ 205,640
Additions	22,567
Disposals	(2,350)

At 31st May 1997	£ 225,857

DEPRECIATION	
At 1st March 1996	£ 16,566
On disposals	(925)
Charge for period	19,263

At 31st May 1997	£ 34,904

NET BOOK VALUE	
At 31st May 1997	£ 190,953
	=====
At 29th February 1996	£ 189,074
	=====

3 CREDITORS

Included in creditors are £ 102,536 of secured liabilities (1996:£ 116,020).

4 BANK LOANS

Creditors include:

Not wholly repayable within 5 years:-

	1997	1996
	-----	-----
Repayable by instalments	£ 76,975	£ -
	=====	=====
Amounts repayable by instalments after 5 years	£ 61,574	£ -
	=====	=====

The bank loan is secured.

5 SHARE CAPITAL

	Authorised		Allotted, called-up & fully paid			
	1997	1996	1997		1996	
	-----	-----	-----		-----	
			No	£	No	£
			---	---	---	---
Ordinary shares of £1 each	100,000	100,000	7,650	7,650	2	2
	=====	=====	=====	=====	=	=