

Company Registration No. 3196005 (England and Wales)

KAN'S 'N' KANDY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2002



KAN'S 'N' KANDY LIMITED

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KAN'S 'N' KANDY LIMITED

INDEPENDENT AUDITORS' REPORT TO KAN'S 'N' KANDY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of the company for the year ended 31 May 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5 are properly prepared in accordance with those provisions.

Other information

On 14 July 2003 we reported, as auditors of Kan's 'n' Kandy Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 May 2002, and our audit report was as follows:

"We have audited the financial statements of Kan's 'n' Kandy Limited on pages 5 to 10 for the year ended 31 May 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

KAN'S 'N' KANDY LIMITED

INDEPENDENT AUDITORS' REPORT TO KAN'S 'N' KANDY LIMITED (CONTINUED) UNDER SECTION 247B OF THE COMPANIES ACT 1985

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because we were appointed auditors on 24th November 2002 and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stocks appearing in the balance sheet at £188,803. Any adjustment to this figure would have a consequential significant effect on the results for the year. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2002 or of its loss for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stocks:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit: and
- we were unable to determine whether proper accounting records have been maintained."



14 July 2003

Chartered Accountants
Registered Auditor

5 West lane
Chester le street
County Durham
DH3 3HJ


KAN'S 'N' KANDY LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MAY 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	2		160,788		148,395
Current assets					
Stocks		188,803		340,028	
Debtors		117,716		176,566	
Investments		3,750		-	
Cash at bank and in hand		5,208		7,672	
		<u>315,477</u>		<u>524,266</u>	
Creditors: amounts falling due within one year		<u>(296,358)</u>		<u>(441,309)</u>	
Net current assets			19,119		82,957
Total assets less current liabilities			179,907		231,352
Creditors: amounts falling due after more than one year			<u>(124,310)</u>		<u>(129,994)</u>
			<u>55,597</u>		<u>101,358</u>
Capital and reserves					
Called up share capital	3		4		4
Profit and loss account			55,593		101,354
Shareholders' funds			<u>55,597</u>		<u>101,358</u>

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

The financial statements were approved by the Board on 7.5.02


J Iqbal
Director

KAN'S 'N' KANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	0.8% straight line
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

1.4 Investments

Current asset investments are stated at the lower of cost and net realisable value.

2 Fixed assets

	Tangible assets £
Cost	
At 1 June 2001	199,102
Additions	52,181
Disposals	(22,522)
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At 31 May 2002	228,761
Depreciation	
At 1 June 2001	50,707
On disposals	(9,802)
Charge for the year	27,068
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At 31 May 2002	67,973
Net book value	
At 31 May 2002	160,788
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At 31 May 2001	148,395
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KAN'S 'N' KANDY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2002

3	Share capital	2002	2001
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	4 Ordinary shares of £ 1 each	4	4
		<u> </u>	<u> </u>