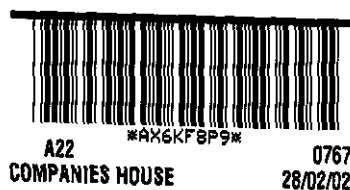


KANS 'N' KANDY LIMITED
COMPANY NO: 3196005
ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MAY 2001



RAZAK & CO
CHARTERED CERTIFIED ACCOUNTANTS
6 HUTTON TERRACE
JESMOND
NEWCASTLE UPON TYNE
NE2 1QT

ABBREVIATED FINANCIAL STATEMENTS
REPORT OF THE AUDITORS TO KANS 'N' KANDY LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have abbreviated the accounts set out on pages 2 to 6 together with the financial statements for the company for the year ended 31 May 2001 prepared under the 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 section 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 opinion

We have carried out the procedures we consider 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 section 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

6 Hutton Terrace
Jesmond
Newcastle upon Tyne
NE2 1QT

Dated: 21/02/02


.....
RAZAK & CO
REGISTERED AUDITORS

KANS 'N' KANDY LIMITED
ABBREVIATED BALANCE SHEET AS AT 31 MAY 2001

	NOTES	£ 2001	£ 2000
<u>FIXED ASSETS</u>			
Tangible Assets	(2)	148,395	215,138
<u>CURRENT ASSETS</u>			
Stocks		340,028	354,069
Debtors		176,566	216,188
Cash at Bank & In Hand		7,672	36,286
		524,266	606,543
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN 12 MONTHS</u>			
	(3)	441,309	497,244
<u>NET CURRENT ASSETS/ (LIABILITIES)</u>			
		82,957	109,299
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
		231,352	324,437
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>			
	(4)	129,994	186,786
<u>NET ASSETS</u>			
		101,358	137,651
<u>CAPITAL & RESERVES</u>			
Called Up Share Capital			
- Equity Interests	(5)	4	4
Profit and Loss Account		101,354	137,647
		101,358	137,651

KANS 'N' KANDY LIMITED
ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MAY 2001

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities. (Effective March 2000).

Approved by the Board on 20 February 2002

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M RAZAO
DIRECTOR

KANS 'N' KANDYLIMITED
NOTES TO ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MAY 2001

1) **ACCOUNTING POLICIES**

(a) **Accounting Basis and Standards**

The financial statements have been prepared under the historical cost convention.

(a) **Depreciation**

Depreciation on fixed assets is provided at rates estimated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

- Long Lease Property: Straight Line Over The Period Of Lease
- Fixtures fittings and Equipment: 15% Reducing balance
- Motor Vehicles: 25% Reducing Balance

(b) **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition. Including where appropriate, a portion of manufacturing overheads.

(c) **Turnover**

Turnover represents the invoiced value of goods and services provided net of value added tax.

(d) **Deferred Taxation**

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

(e) **Hire Purchase Commitments**

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

The interest element of the agreement is charged to the profit and loss account on a straight-line basis over the life of the agreement.

KANS 'N' KANDY LIMITED**NOTES TO ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MAY 2001 CONT.....****2) TANGIBLE ASSETS**

	<u>TOTAL</u>
<u>Cost</u>	£
At Cost	
B/Fwd	249,836
Additions	106,966
Disposals	(157,700)
At 31 May 2001	199,102
<u>Depreciation</u>	
Charge	
B/Fwd	34,698
Disposals	(6,000)
Charge for Year	22,009
At 31 May 2001	50,707
NBV AT	
31 May 2001	148,395
	=====
NBV AT	
31 May 2000	215,138
	=====

3) CREDITORS: AMOUNTS DUE WITHIN 12 MONTHS

Creditors include bank loans and overdrafts of £146,560 which are secured by a first legal charge on the long leasehold property at Unit F Mayoral Way, Team Valley, Gateshead, on bank standard form 552 dated 03 September 1996.

4) CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

Creditors include bank loans of £55,216 which are secured by the charge stated above.

KANS 'N' KANDY LIMITED

**NOTES TO ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MAY 2001 CONT.....**

5) SHAREHOLDERS' FUNDS

	NO.	£
As at 31 May 2000 and 31 May 2001		
The authorised Share Capital Comprises: Ordinary Shares of £1 Each	1,000	1,000
	=====	=====
Called up, allotted and Fully Paid: Ordinary shares	4	4
	=====	=====

6) Directors Interest In Contracts

a)The directors are shareholders and directors in Kans and Kandy (Wholesale) Ltd. During the year the company purchased £132,431 (£51,687) goods on normal commercial terms from this company.

b)The directors are also the owners and directors of Men at Work (NE) Ltd .This company sublets part of the premises from which it trades to Men at Work (NE) Ltd on normal commercial terms.

The company also paid for certain works (improvements and fixtures fittings and equipment) on behalf of Men at Work (NE) Ltd which is reflected as a non interest bearing loan on the balance sheet.