

Sweet Essentials International Limited

**Directors' Report and Financial Statements
for the year ended**

30 April 2009

FRIDAY



LOIJOJL2

L14

30/04/2010

142

COMPANIES HOUSE

**Company's registered number
05618401 (England & Wales)**

Sweet Essentials International Limited

COMPANY INFORMATION

Directors M Frost
C Cleverly

Secretary J Gleave

Registered Office 1st Floor Centre Heights
137 Finchley Road
London
NW3 6JG

Auditors Welbeck Associates
Registered auditor
31 Harley Street
London
W1G 9QS

Sweet Essentials International Limited

Reports

Directors' report

Statement of directors' responsibilities

Independent auditors' report

Financial statements

Profit and loss account

Balance sheet

Notes to the financial statements

Sweet Essentials International Limited

REPORT OF THE DIRECTORS for the year ended 30 April 2009

The Directors present their report and the financial statements for the year ended 30 April 2009

Principal activities

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

Registered number

The Company's registered number is 05618401

Results for the year and dividends

The loss for the year after taxation was £1,446 (2008 profit £15,824)

The Directors do not recommend the payment of a dividend

Directors

The Directors who served during the year were

M Frost

J Gleave (resigned 26 March 2009)

On 17 December 2009 Mr C Cleverly was appointed a director

Disclosure of information to Auditors

So far as the directors are aware, there is no relevant audit information of which the company'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 company's auditors are aware of that information

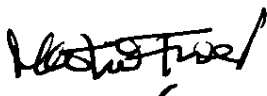
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Auditors

Welebeck Associates, who were appointed as auditors during the year, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next Annual General Meeting

This report has been prepared in accordance with Part VII of the Companies Act 1985 relating to small companies.

**Approved by the Board of Directors
and signed on behalf of the Board**



**M Frost
23 April 2010**

Sweet Essentials International Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sweet Essentials International Limited

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SWEET ESSENTIALS INTERNATIONAL LIMITED

We have audited the financial statements of Sweet Essentials International Limited for the year ended 30 April 2009 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 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 the director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the director's report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of director's remuneration specified by law are not made.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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 director 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 17 to the financial statements.

Sweet Essentials International Limited

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SWEET ESSENTIALS INTERNATIONAL LIMITED

Opinion

In our opinion

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its profit for the year then ended, and
- the information given in the director's report is consistent with the financial statements



Mr. Jonathan Bradley-Hoare (Senior Statutory Auditor)
for and on behalf of Welbeck Associates

28 April 2010

Chartered Accountants
Statutory Auditor

31 Harley Street
London
W1G 9QS

Sweet Essentials International Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 April 2009

	Notes	2009 £	2008 £
Administrative expenses		(18,776)	(411,111)
Operating loss	2	(18,776)	(411,111)
Other income	4	17,330	426,935
(Loss)/profit on ordinary activities before taxation		(1,446)	15,824
Tax on (loss)/profit on ordinary activities	5	-	-
(Loss)/profit on ordinary activities after taxation		(1,446)	15,824
Accumulated loss brought forward		(23,155)	(38,979)
Accumulated loss carried forward		(24,601)	(23,155)

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

There are no recognised gains or losses for the financial year other than the loss disclosed in the Income Statement

Sweet Essentials International Limited

BALANCE SHEET as at 30 April 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	6	-	7,559
Investments	7	1	1
		<hr/>	<hr/>
		1	7,560
		<hr/>	<hr/>
Current assets			
Debtors	8	31,310	35,224
Cash at bank and in hand		169	10,144
		<hr/>	<hr/>
		31,479	45,368
		<hr/>	<hr/>
Creditors: amounts falling due within one year	9	(56,079)	(76,081)
		<hr/>	<hr/>
Net current liabilities		(24,600)	(30,713)
		<hr/>	<hr/>
Total assets less current liabilities		(24,599)	(23,153)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(24,601)	(23,155)
		<hr/>	<hr/>
	11	(24,599)	(23,153)
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 23 April 2010



M Frost
Director

Sweet Essentials International Limited

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The Company has taken advantage of the exemption in Financial Reporting Standard No1 from the requirement to produce a cash flow statement on the grounds that it is a small company

The Company is reliant on the support of its parent company, Sweet China plc to continue as a going concern. The Directors of the parent company have prepared a group cash flow forecast which indicates that the group will require additional equity funds to enable it to continue as a going concern. The Directors have a reasonable expectation that they will be able to secure the necessary additional equity, and for this reason, they continue to adopt the going concern basis in preparing the financial statements

1.2 Tangible fixed assets and depreciation

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

Plant and machinery	4 years straight line
---------------------	-----------------------

1.3 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

1.4 Investments

Fixed asset investments are stated at cost less any provision for permanent diminution in value

1.5 Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current assets and liabilities on a net basis

Sweet Essentials International Limited

NOTES TO THE FINANCIAL STATEMENTS

1.6 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

1.7 Group accounts

The accounts present information about the Company as an individual undertaking and not about its group The Company has not prepared group accounts as it is exempt from the requirement to do so by Section 400 of the Companies Act 2006, as it is a subsidiary undertaking of Sweet China plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company

2	Operating loss	2009 £	2008 £
	The operating loss is stated after charging		
	Depreciation of owned tangible fixed assets	7,560	15,538
	Operating lease rentals		
	- Other assets	-	41,856
	Loss on disposal of tangible assets	-	13,468
	Auditors' remuneration	1,500	5,000
		<hr/>	<hr/>

3 Employees

Number of employees

The average number of employees during the year was

	2009 Number	2008 Number
The operating loss is stated after charging		
Administration	-	2
Sales	-	2
	<hr/>	<hr/>
	-	4
	<hr/>	<hr/>

Employment costs

	£	£
Wages and salaries	-	178,957
Social security costs	-	19,962
Other pension costs	-	3,480
	<hr/>	<hr/>
	-	202,399
	<hr/>	<hr/>

4	Other income	2009 £	2008 £
	Management charges	17,330	426,935
		<hr/>	<hr/>
		17,330	426,935
		<hr/>	<hr/>

Sweet Essentials International Limited

NOTES TO THE FINANCIAL STATEMENTS

5	Tax on loss on ordinary activities	2009 £	2008 £
	UK corporation tax	-	-
		<hr/>	<hr/>
	Factors affecting the tax charge for the year:		
	(Loss)/ profit on ordinary activities before taxation	(1,446)	15,824
		<hr/>	<hr/>
	Tax on loss on ordinary activities at standard UK corporation tax rate of 21% (2008 20 1%)	(304)	3,165
	Effects of		
	Expenses not deductible for tax purposes	-	263
	Depreciation in the year in excess of capital allowances	-	4,910
	Movement in tax losses	(304)	(8,338)
		<hr/>	<hr/>
	Current tax charge	-	-
		<hr/>	<hr/>

The Company has unutilised losses of approximately £21,400 (2008 £21,100) The Company has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits

6	Property, plant and equipment	Plant and machinery £'000
	Cost	
	At 1 May 2008 and at 30 April 2009	23,097
	Depreciation	
	At 1 May 2008	15,538
	Depreciation for period	7,559
	At 31 December 2008	23,097
	Net book value at 30 April 2009	-
	Net book value at 30 April 2008	7,559

7	Fixed asset investments	Shares in Subsidiary undertakings £
	Cost	
	At 1 May 2008 and 30 April 2009	1
	At 30 April 2008	1

Sweet Essentials International Limited

NOTES TO THE FINANCIAL STATEMENTS

7 Fixed asset investments (continued)

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

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

Name of company	Principal activity	Country of incorporation	Class	% shares held
Sweet Essentials Limited	Seller and distributor of confectionery and related products	Hong Kong	Ordinary	100%
* Lings Limited	Dormant	United Kingdom	Ordinary	100%
* Candycraft (Quality Superb) Limited	Dormant	United Kingdom	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Profit for the year
	£	£
Sweet Essentials Limited	189,633	7,890
Lings Limited	1	-
Candycraft (Quality Superb) Limited	1	-

8 Debtors

	2009	2008
	£	£
Amounts owed by group undertakings	31,286	32,390
Other debtors	24	1,900
Prepayments and accrued income	-	934
	<u>31,310</u>	<u>35,224</u>

9 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	3,331	10,073
Amounts owed to group undertakings	51,248	52,440
Taxes and social security costs	-	5,356
Accruals and deferred income	1,500	8,212
	<u>56,079</u>	<u>76,081</u>

Sweet Essentials International Limited

NOTES TO THE FINANCIAL STATEMENTS

10	Called up share capital	2009 £	2008 £
	Authorised		
	1,000 ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
	Allotted, called up and fully paid		
	2 ordinary shares of £1 each	2	2
		<hr/>	<hr/>

11 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss)/profit for the financial year	(1,446)	15,824
Opening shareholders' funds	(23,155)	(38,977)
	<hr/>	<hr/>
Closing shareholders' funds	(24,601)	(23,153)
	<hr/>	<hr/>

10 Related party transactions

With the exception of transactions with the Company's ultimate parent company, there were no transactions which fell to be disclosed as related party transactions during the year. The Company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with its ultimate parent company.

11 Controlling parties

The Company is a subsidiary of Sweet China plc, which is the largest and smallest group for which group accounts have been prepared. The group accounts can be obtained from 1st Floor Centre Heights, 137 Finchley Road, London, NW3 6JG.