

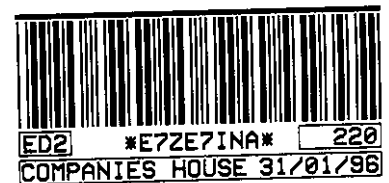
H.R. HIGGINS (COFFEE MAN) LIMITED

Company No. 450593

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 1995



H.R. Higgins (Coffee Man) Limited

Company Information

Directors

Mr. H.A. Higgins
Miss E.A. Higgins
Mr. D.A. Higgins

Secretary

Miss E.A. Higgins

Registered Office

79 Duke Street
London
W1M 6AS

Bankers

National Westminster Bank plc
Stratford Place Branch
P.O. Box 3BL
358 Oxford Street
London
W1A 3BL

Auditors

Kingston Smith
Devonshire House
146 Bishopsgate
London
EC2M 4JX

H.R. Higgins (Coffee Man) Limited

Directors' Report

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 1995.

Principal activity and business review

The principal activity of the company throughout the year was that of coffee and tea merchants. The company maintained its position as coffee merchants to Her Majesty the Queen. There were no changes in the year nor are any anticipated for the ensuing year.

Trading for the year resulted in a loss of £51,879 (1994 - Loss £40,415).

Results and dividend

The results of the company for the year are set out on page 3.

The directors do not recommend the payment of a dividend and it is proposed that the balance on profit and loss account of £179,764 be carried forward.

Events since the Year End

There have been no significant events since the year end which require disclosure.

Fixed assets

The movements in fixed assets are shown in the notes to the financial statements.

Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

	Ordinary shares of £1 each	
	31st March 1995	1st April 1994
Mr. H.A. Higgins	1,720	1,720
Miss E.A. Higgins	1,720	1,720
Mr. D.A. Higgins	1,000	1,000

In accordance with the Articles of Association, Mr. D.A. Higgins retires by rotation and being eligible offers himself for re-election.

Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board

.....
Miss E.A. Higgins
Secretary

79 Duke Street
London
W1M 6AS

Date:

H.R. Higgins (Coffee Man) Limited

Directors' Responsibilities and Report of the Auditors

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

Auditors' Report to the Members of H.R. Higgins (Coffee Man) Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

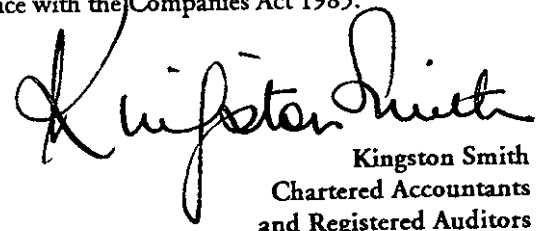
Basis of Opinion

We conducted our audit in accordance with Auditing Standards 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 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
146 Bishopsgate
London
EC2M 4JX

Date:

H.R. Higgins (Coffee Man) Limited
Profit and Loss Account
For the year ended 31st March 1995

	Notes	1995 £	1995 £	1994 £	1994 £
Turnover	2		592,426		515,747
Changes in stocks			84,002		14,224
			<u>676,428</u>		<u>529,971</u>
Raw materials and consumables		319,743		156,022	
Staff costs	3	188,222		187,837	
Depreciation and amortisation		25,561		26,448	
Other operating charges		<u>192,057</u>		<u>197,417</u>	
			725,583		567,724
Operating Loss			(49,155)		(37,753)
Interest receivable	5		15		418
Interest payable	6		(2,739)		(3,080)
Retained loss for the Financial Year	12		<u>(51,879)</u>		<u>(40,415)</u>

There are no recognised gains and losses in the year other than the loss for the year.

H.R. Higgins (Coffee Man) Limited

Balance Sheet at 31st March 1995

	Note	£	1995	£	1994	£
Fixed Assets						
Tangible assets	7			241,361		266,810
Current Assets						
Stock	8	203,403			119,401	
Debtors	9	53,438			47,962	
Cash at bank and in hand		2,451			3,308	
			259,292		170,671	
Creditors: Amounts falling due within one year	10	(303,243)			(188,191)	
Net Current Liabilities				(43,951)		(17,520)
Total Assets Less Current Liabilities				197,410		249,290
Provision for Liabilities and Charges						
Deferred taxation	11			(13,206)		(13,206)
Net Assets				184,204		236,084
Capital and Reserves						
Called up share capital - equity interests	12			4,440		4,440
Profit and loss account	12			179,764		231,644
				184,204		236,084

Approved by the board on

Mr. H.A. Higgins..... *H.A. Higgins* Director

H.R. Higgins (Coffee Man) Limited
Notes to the Financial Statements
For the year ended 31st March 1995

1 Principal Accounting Policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

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

Depreciation

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

Leasehold property and improvements	over the life of the lease
Leasehold property (excluding land)	2% straight line
Motor vehicles	25% reducing balance
Plant, fixtures and fittings	25% reducing balance

Stocks

Stocks of coffee and equipment for resale have been valued at the lower of cost and net realisable value.

Deferred taxation

Deferred tax 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.

2 Turnover

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

H.R. Higgins (Coffee Man) Limited
Notes to the Financial Statements
For the year ended 31st March 1995

3	Directors and Employees	1995 £	1994 £
	Staff costs during the year were as follows:		
	Wages and salaries	170,269	169,711
	Social security costs	15,741	16,414
	Other pension costs	2,212	1,712
		<u>188,222</u>	<u>187,837</u>
	The average weekly number of persons employed by the company, including directors, during the year was as follows:		
		Number	Number
	Administration	7	7
	Selling and distribution	8	8
		<u>15</u>	<u>15</u>
		£	£
	Directors' Emoluments:		
	As executives	<u>66,081</u>	<u>67,222</u>
	The division of directors'emoluments, excluding pension contributions, is as follows:-		
	Highest paid director	<u>32,612</u>	<u>34,580</u>
	The other directors fall within the following ranges:		
		Number	Number
	£10,001-£15,000	1	1
	£15,001-£20,000	<u>1</u>	<u>1</u>
4	Operating Loss	1995 £	1994 £
	The operating loss is stated after charging:		
	Auditors' remuneration	6,000	6,000
	Depreciation - owned tangible fixed assets	<u>25,561</u>	<u>26,448</u>
5	Interest Receivable and Similar Income	1995 £	1994 £
	Bank interest received	-	404
	Building society interest received	15	14
		<u>15</u>	<u>418</u>
6	Interest Payable and Similar Charges	1995 £	1994 £
	Bank interest	<u>2,739</u>	<u>3,080</u>

H.R. Higgins (Coffee Man) Limited
Notes to the Financial Statements
For the year ended 31st March 1995

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Tangible Assets	Freehold Property	Leasehold Property and Improvements	Motor Vehicles	Plant, Fixtures and Fittings	Total
Cost	£	£	£	£	£
At 1st April 1994	218,604	232,294	6,995	98,624	556,517
Additions	-	-	-	113	113
At 31st March 1995	218,604	232,294	6,995	98,737	556,630
Depreciation					
At 1st April 1994	40,859	154,208	6,295	88,346	289,708
Charge for the year	3,430	19,358	175	2,598	25,561
At 31st March 1995	44,289	173,566	6,470	90,944	315,269
Net Book Value					
At 31st March 1995	174,315	58,728	525	7,793	241,361
At 1st April 1994	177,745	78,086	700	10,278	266,809

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Stocks	1995	1994
	£	£
Unroasted coffee	18,779	10,431
Roasted coffee/mocca/biscuits	4,653	2,525
Unroasted coffee on contract	153,986	67,779
Tea	1,946	2,275
Packaging materials	11,692	21,104
Coffee making equipment	12,347	15,287
	203,403	119,401

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Debtors	1995	1994
	£	£
Trade debtors	42,524	37,141
Other debtors	1,949	697
Prepayments and accrued income	8,965	10,124
	53,438	47,962

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Creditors: Amounts Falling Due Within One Year	1995	1994
	£	£
Bank loans and overdrafts	46,877	51,746
Trade creditors	237,754	119,242
Social security and other taxes	4,770	4,609
Other creditors	2,830	2,806
Accruals and deferred income	11,012	9,788
	303,243	188,191

H.R. Higgins (Coffee Man) Limited

Notes to the Financial Statements

For the year ended 31st March 1995

11 Provisions for Liabilities and Charges

Deferred taxation

Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy described in Note 1. The amounts provided and the full potential liability are as follows:

	1995 Amount provided £	1995 Potential liability £	1994 Amount provided £	1994 Potential liability £
Accelerated capital allowances	32,121	32,121	34,087	34,087
Chargeable gain rolled over	13,206	13,206	13,206	13,206
	<u>45,327</u>	<u>45,327</u>	<u>47,293</u>	<u>47,293</u>
Less: Losses	(27,855)	(27,855)	(29,821)	(29,821)
Recoverable advanced corporation tax	(4,266)	(4,266)	(4,266)	(4,266)
	<u>13,206</u>	<u>13,206</u>	<u>13,206</u>	<u>13,206</u>

12 Shareholders' Funds

	Profit and Loss Account £	Called up Share Capital £	Total £
At 1st April 1994	231,643	4,440	236,083
Loss for the year	(51,879)	-	(51,879)
At 31st March 1995	<u>179,764</u>	<u>4,440</u>	<u>184,204</u>

	1995 £	1994 £
The share capital comprises:		
Authorised:		
8,000 Ordinary shares of £1 each	<u>8,000</u>	<u>8,000</u>
Called up, allotted and fully paid:		
4,440 Ordinary shares of £1 each	<u>4,440</u>	<u>4,440</u>

13 Pension Scheme

The company operates contributory pension schemes covering the directors and certain employees. The schemes' funds are administered by trustees and are independent of the company's finances. The schemes are fully funded and contributions are paid to the scheme in accordance with the recommendations of independent actuaries. The company's contributions are charged against profits in the year in which contributions are made.

H.R. Higgins (Coffee Man) Limited

Management Information

Based on the

Financial Statements

For the year ended

31st March 1995

H.R. Higgins (Coffee Man) Limited
Trading and Profit and Loss Account
For the year ended 31st March 1995

	1995 £	1994 £
Turnover	592,426	515,747
Cost of sales	308,553	234,555
Gross Profit	<u>283,873</u>	<u>281,192</u>
Administrative expenses	(333,028)	(318,945)
Operating Loss	<u>(49,155)</u>	<u>(37,753)</u>
Net interest	(2,724)	(2,662)
Loss on Ordinary Activities before Taxation	<u><u>(51,879)</u></u>	<u><u>(40,415)</u></u>

H.R. Higgins (Coffee Man) Limited
Trading and Profit and Loss Account
For the year ended 31st March 1995

	1995	1994
	£	£
Cost of Sales		
Opening stock	119,401	105,177
Closing stock	(203,403)	(119,401)
Delivery charges and packing	69,758	90,423
Purchases	319,743	156,022
Freight and insurance	3,054	2,201
Commission payable	-	133
	<u>308,553</u>	<u>234,555</u>
 Administrative Expenses		
Insurance	8,782	6,101
Light and heat	4,225	4,857
Telephone and telex	5,897	6,139
Wages and salaries	109,388	108,952
Employer's N.I. contributions	15,741	16,414
Directors' remuneration	60,881	60,759
Rent, rates and service charges	37,648	34,401
Repairs and renewals	1,534	256
Printing, postage and stationery	4,743	4,831
Advertising	21,701	18,431
Motor and travelling expenses	5,213	6,218
Entertaining	-	91
Audit and accountancy	7,043	7,411
Legal and professional fees	-	356
Bank charges	8,896	8,192
Bad and doubtful debts	3,093	208
Sundry expenses	3,823	3,924
Directors' pension costs	2,212	1,712
Depreciation	25,561	26,448
Computer training and maintenance	6,647	3,244
	<u>333,028</u>	<u>318,945</u>
 Net Interest		
Bank interest	2,739	3,080
Bank interest received	-	(404)
Building society interest received	(15)	(14)
	<u>2,724</u>	<u>2,662</u>