

# H.R. HIGGINS (COFFEE-MAN) LIMITED

Company No. 00450593

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 1999



# **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  
North Audley Street  
PO Box 4UQ  
30 North Audley Street  
London  
W1A 4UQ

### **Auditors**

Kingston Smith  
Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# H.R. Higgins (Coffee-Man) Limited

## Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 1999.

### 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.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### 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 as the funds of the company are fully employed.

### 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 1999	1st April 1998
Mr. H.A. Higgins	1,840	1,840
Miss E.A. Higgins	1,720	1,720
Mr. D.A. Higgins	880	880

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

### Donations

The company made charitable contributions during the year amounting to £500. There were no political contributions.

### The Year 2000

Assuring the ongoing operation of our business and computer systems into the next millennium is a key focus of the directors. A comprehensive review of all the systems has been carried out to ensure that:

- (1) all business and computer systems will correctly process future dates; and
- (2) our trading relationships with suppliers and customers will continue to operate without disruption.

The total estimated costs of these reviews have not been quantified but are not expected to be material.

### Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board

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

79 Duke Street  
London  
W1M 6AS

Date: *28th November 1999*

# **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, as modified by the revaluation of certain fixed assets 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 1999 and of its profit 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  
60 Goswell Road  
London  
EC1M 7AD

Date: 6<sup>th</sup> December 1999

**H.R. Higgins (Coffee-Man) Limited**  
**Profit and Loss Account**  
**For the year ended 31st March 1999**

	Note	1999 £	1998 £
Turnover	2	773,771	843,071
Changes in stocks		(14,314)	23,009
		<u>759,457</u>	<u>866,080</u>
Raw materials and consumables		(208,534)	(258,990)
Staff costs	6	(334,994)	(246,091)
Depreciation and amortisation		(8,062)	(25,550)
Other operating charges		(194,703)	(222,552)
Operating profit	5	<u>13,164</u>	<u>112,897</u>
Interest receivable and similar income	3	5,632	808
		<u>18,796</u>	<u>113,705</u>
Interest payable and similar charges	4	(893)	-
Profit on ordinary activities before taxation		<u>17,903</u>	<u>113,705</u>
Taxation	7	(992)	(18,952)
Retained profit for the Financial Year	13	<u><u>16,911</u></u>	<u><u>94,753</u></u>

All amounts relate to continuing activities.

There are no recognised gains or losses in the year other than the profit for the year.

# H.R. Higgins (Coffee-Man) Limited

## Balance Sheet at 31st March 1999

	Note	£	1999	£	1998	£
<b>Fixed Assets</b>						
Tangible assets	8			172,532		172,969
<b>Current Assets</b>						
Stock	9	141,540			155,854	
Debtors	10	53,767			58,723	
Cash at bank and in hand		211,852			145,817	
			407,159		360,394	
<b>Creditors: Amounts falling due within one year</b>	11	(196,757)			(168,327)	
<b>Net Current Assets</b>				210,402		192,067
<b>Total Assets Less Current Liabilities</b>				382,934		365,036
<b>Provision for Liabilities and Charges</b>						
Deferred taxation	12		(33,146)		(32,159)	
<b>Net Assets</b>				349,788		332,877
<b>Capital and Reserves</b>						
Called up share capital - equity interests	13		4,440		4,440	
Profit and loss account	13		345,348		328,437	
<b>Shareholders' Funds</b>				349,788		332,877

Approved by the board on 28<sup>th</sup> November 1999

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 1999

#### 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, less estimated residual value, of each asset over its expected useful life as follows:

Freehold land	nil
Freehold buildings	2% straight line
Leasehold property	straight line over the period of the lease
Motor vehicles	25% reducing balance
Plant, fixtures and fittings	10% reducing balance

##### Stocks

Stock 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.

##### Pension scheme arrangements

The company makes contributions to a money purchase contribution scheme, the assets of the scheme being held separately from the assets of the company. The pension cost charge represents contributions paid to the scheme during the year (see note 13).

#### 2 Turnover

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

#### 3 Interest Receivable and Similar Income

	1999	1998
	£	£
Bank interest received	5,616	792
Building society interest received	16	16
	<u>5,632</u>	<u>808</u>

#### 4 Interest Payable and Similar Charges

	1999	1998
	£	£
Other interest payable	893	-
	<u>893</u>	<u>-</u>

#### 5 Operating Profit

	1999	1998
	£	£
The operating profit is stated after charging:		
Auditors' remuneration	5,600	5,500
Depreciation - owned tangible fixed assets	<u>8,062</u>	<u>25,550</u>

**H.R. Higgins (Coffee-Man) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 1999**

6 Directors and Employees	1999 £	1998 £
Staff costs during the year were as follows:		
Wages and salaries	244,743	201,071
Social security costs	22,039	17,308
Pension costs - money purchase scheme	68,212	27,712
	<u>334,994</u>	<u>246,091</u>

The average monthly number of persons employed by the company, including directors, during the year was as follows:

	Number	Number
Administration	7	7
Selling and distribution	9	8
	<u>16</u>	<u>15</u>
Directors' Emoluments:	£	£
Emoluments	<u>187,350</u>	<u>101,057</u>

7 Taxation	1999 £	1998 £
U.K. Corporation tax at the rate of 21% (1998 - 25%)	5	-
Deferred taxation	987	18,952
	<u>992</u>	<u>18,952</u>

8 Tangible Assets	Leasehold Land and Buildings	Motor Vehicles	Plant, fixtures and Fittings	Total
Cost	£	£	£	£
At 1st April 1998	232,294	7,910	99,883	340,087
Additions	-	-	8,595	8,595
Disposals	-	-	(12,925)	(12,925)
At 31st March 1999	<u>232,294</u>	<u>7,910</u>	<u>95,553</u>	<u>335,757</u>
Depreciation				
At 1st April 1998	231,638	3,461	96,044	331,143
Charge for the year	654	1,112	2,866	4,632
Eliminated on disposal	-	-	(11,955)	(11,955)
At 31st March 1999	<u>232,292</u>	<u>4,573</u>	<u>86,955</u>	<u>323,820</u>
Net Book Value				
At 31st March 1999	<u>2</u>	<u>3,337</u>	<u>8,598</u>	<u>11,937</u>
At 31st March 1998	<u>656</u>	<u>4,449</u>	<u>3,839</u>	<u>8,944</u>



**H.R. Higgins (Coffee-Man) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 1999**

9	<b>Stocks</b>	<b>1999</b>	<b>1998</b>
		£	£
	Roasted coffee/mocca/biscuits	4,224	11,922
	Unroasted coffee	23,385	22,847
	Unroasted coffee on contract	79,269	84,084
	Coffee making equipment	10,477	10,980
	Tea	4,293	3,123
	Packaging materials	19,892	22,898
		<u>141,540</u>	<u>155,854</u>
10	<b>Debtors</b>	<b>1999</b>	<b>1998</b>
		£	£
	Trade debtors	41,105	48,209
	Other debtors	1,731	1,859
	Prepayments and accrued income	10,931	8,655
		<u>53,767</u>	<u>58,723</u>
11	<b>Creditors: Amounts Falling Due Within One Year</b>	<b>1999</b>	<b>1998</b>
		£	£
	Trade creditors	131,852	152,452
	Corporation tax	5	-
	Social security and other taxes	9,181	5,310
	Other creditors	48,138	3,138
	Accruals and deferred income	7,581	7,427
		<u>196,757</u>	<u>168,327</u>

**12 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:

	<b>1999</b>	<b>1999</b>	<b>1998</b>	<b>1998</b>
	<b>Amount</b>	<b>Potential</b>	<b>Amount</b>	<b>Potential</b>
	<b>provided</b>	<b>liability</b>	<b>provided</b>	<b>liability</b>
	£	£	£	£
Accelerated capital allowances	24,205	24,205	27,002	27,002
Chargeable gain rolled over	13,206	13,206	13,206	13,206
	<u>37,411</u>	<u>37,411</u>	<u>40,208</u>	<u>40,208</u>
Less: Losses	-	-	(3,783)	(3,783)
Recoverable advanced corporation tax	(4,265)	(4,265)	(4,266)	(4,266)
	<u>33,146</u>	<u>33,146</u>	<u>32,159</u>	<u>32,159</u>

**H.R. Higgins (Coffee-Man) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 1999**

**13 Shareholders' Funds**

	Profit and Loss Account £	Share Capital £	Total £
<b>1999</b>			
At 1st April 1998	328,437	4,440	332,877
Profit for the year	16,911	-	16,911
At 31st March 1999	<u>345,348</u>	<u>4,440</u>	<u>349,788</u>

	1999 £	1998 £
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>

The movements in shareholders' funds in the previous year are set out below:

	Profit and Loss Account £	Share Capital £	Total £
<b>1998</b>			
At 1st April 1997	233,684	4,440	238,124
Profit for the year	94,753	-	94,753
At 31st March 1998	<u>328,437</u>	<u>4,440</u>	<u>332,877</u>

**14 Pension Scheme**

The company operates contributory pension schemes covering two of the directors. The scheme's 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.