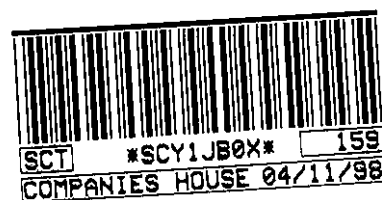


Company No: SC 153721

COFFEE PARTNERS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998



COFFEE PARTNERS LIMITED

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OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS

D S Leggate
S J Senior
C J C Whimster

COMPANY SECRETARY

J Jardine

REGISTERED OFFICE

77 Hanover Street
Edinburgh EH2 1EE

SOLICITORS

Gillespie MacAndrew WS
31 Melville Street
Edinburgh EH3

BANKERS

National Westminster Bank plc
80 George Street
Edinburgh EH2 3DZ

AUDITORS

Stevenson Associates
Chartered Accountants
6 Wemyss Place
Edinburgh EH3 6DH

**AUDITORS' REPORT TO COFFEE PARTNERS 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 March 1998 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS & 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 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 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.

Stevenson Associates

STEVENSON ASSOCIATES
Chartered Accountants & Registered Auditors
6 Wemyss Place
Edinburgh EH3 6DH

30 October 1998

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible Assets		135,955	128,818
		-----	-----
CURRENT ASSETS			
Stocks		24,590	24,915
Debtors		4,880	6,378
Cash at Bank and in Hand		86,647	37,364
		-----	-----
		116,117	68,657
CREDITORS - Amounts falling due within one year	1	185,638	167,804
		-----	-----
NET CURRENT LIABILITIES		(69,521)	(99,147)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		66,434	29,671
CREDITORS - Amounts falling due after more than one year	2	7,481	28,756
		-----	-----
		58,953	915
		=====	=====
Financed by:			
CAPITAL & RESERVES			
Called Up Share Capital	3	6,000	6,000
Profit & Loss Account		52,953	(5,085)
		-----	-----
		58,953	915
		=====	=====

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

The notes on pages 4 and 5 form part of the financial statements.

These financial statements were approved by the directors on 30 October 1998.

S. J. [Signature]

.....
Director

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998

ACCOUNTING POLICIES

- (a) Accounting Convention
The accounts have been prepared in accordance with the Companies Act 1985 and with applicable Accounting Standards.
- (b) Turnover
Turnover represents the value of sales made in the period, excluding Value Added Tax.
- (c) Fixed Assets
Provision is made for the depreciation of fixed assets in order to write off the cost or valuation of these assets over their expected useful lives. The annual depreciation rates and methods are as follows:
- | | |
|------------------|------------------------|
| Office Equipment | - 25% reducing balance |
| Cafe Equipment | - 25% reducing balance |
- (d) Stocks
Stocks are stated at the lower of cost and net realisable value.
- (e) Leasing and Hire Purchase Commitments
Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and their estimated useful lives.
- The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments.
- Rentals paid under operating leases are charged to the profit and loss account on a straight line over the lease term.
- (f) Deferred Tax
Provision is made for deferred tax on all timing differences to the extent that it is probable that assets and liabilities will crystallise in the foreseeable future.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

- 1 CREDITORS - Amounts falling due
within one year -

The company's bank overdraft is secured by way
of a floating charge over the assets of the
company.

2	CREDITORS - Amounts falling due after more than one year -	1998 £	1997 £
	Hire purchase contracts	7,481	28,756
3	SHARE CAPITAL		
	<u>Authorised</u> 100,000 ordinary shares of £1 each	100,000	100,000
	<u>Allotted, Issued & fully paid</u> 6,000 ordinary shares of £1 each	6,000	6,000