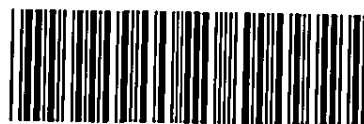


Register

Company Registration No. 5559181 (England and Wales)

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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COMPANIES HOUSE

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

COMPANY INFORMATION

Directors	P N G De Bruyne B A Shaw
Secretary	P N G De Bruyne
Company number	5559181
Registered office	69 Cranmore Lane Aldershot Hampshire GU11 3AP
Auditors	Greenback Alan LLP 11 Raven Wharf Lafone Street London SE1 2LR
Bankers	National Westminster Bank Plc Bishopsgate Business Centre PO Box 34 15 Bishopsgate London EC2P 2AP

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

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BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company is continued to be that of importers, distributors and traders of coffee beans and products

Directors

The following directors have held office since 1 January 2007

P N G De Bruyne

B A Shaw

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Greenback Alan LLP be reappointed as auditors of the company will be put to the Annual General Meeting

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

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.

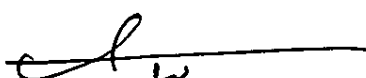
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure 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 of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



P N G De Bruyne

Director

23 October 2008

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

We have audited the financial statements of Blue Mountain Coffee (Europe) Limited for the year ended 31 December 2007 set out on pages 5 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' 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 give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' 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 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.

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED


INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Greenback Alan LLP

23 October 2008

Chartered Accountants

Registered Auditor

11 Raven Wharf
Lafone Street
London
SE1 2LR

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover		1,091,607	1,261,896
Cost of sales		(966,327)	(1,106,098)
Gross profit		125,280	155,798
Administrative expenses		(159,614)	(84,538)
Operating (loss)/profit	2	(34,334)	71,260
Other interest receivable and similar income	3	4	-
Interest payable and similar charges		(13,022)	(8,506)
(Loss)/profit on ordinary activities before taxation		(47,352)	62,754
Tax on (loss)/profit on ordinary activities	4	7,050	(13,344)
(Loss)/profit for the year	10	(40,302)	49,410

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

There are no recognised gains and losses other than those passing through the profit and loss account

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

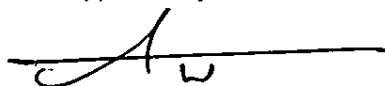
BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	5		3,434		-
Current assets					
Stocks		34,358		10,089	
Debtors	6	459,999		471,832	
Cash at bank and in hand		6,113		11,134	
		<u>500,470</u>		<u>493,055</u>	
Creditors. amounts falling due within one year	7	(393,167)		(342,016)	
Net current assets			<u>107,303</u>		<u>151,039</u>
Total assets less current liabilities			<u>110,737</u>		<u>151,039</u>
Creditors: amounts falling due after more than one year	8		<u>(100,629)</u>		<u>(100,629)</u>
			<u>10,108</u>		<u>50,410</u>
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss account	10		9,108		49,410
Shareholders' funds	11		<u>10,108</u>		<u>50,410</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on 23 October 2008



P N G De Bruyne
Director

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided 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	25% straight line
Fixtures, fittings & equipment	25% straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.8 Foreign currency translation

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

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

2	Operating (loss)/profit	2007 £	2006 £
	Operating (loss)/profit is stated after charging		
	Depreciation of tangible assets	1,211	-
	Loss on foreign exchange transactions	7,692	-
	Operating lease rentals	8,438	-
	Auditors' remuneration	6,000	3,000
	Directors' emoluments	4,477	1,603
	and after crediting		
	Profit on foreign exchange transactions	-	(453)
		<u> </u>	<u> </u>
3	Investment income	2007 £	2006 £
	Bank interest	4	-
		<u> </u>	<u> </u>
		4	-
		<u> </u>	<u> </u>

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

4	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	(7,050)	13,344
	Current tax charge	<u>(7,050)</u>	<u>13,344</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(47,352)</u>	<u>62,754</u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2006 - 19.00%)	<u>(8,997)</u>	<u>11,923</u>
	Effects of		
	Non deductible expenses	2,224	1,421
	Depreciation add back	230	-
	Capital allowances	(441)	-
	Other tax adjustments	(66)	-
		<u>1,947</u>	<u>1,421</u>
	Current tax charge	<u>(7,050)</u>	<u>13,344</u>

The company has estimated unprovided deferred tax assets of £333 (2006 £Nil)

5	Tangible fixed assets	Plant and machinery etc £
	Cost	
	At 1 January 2007	-
	Additions	4,645
	At 31 December 2007	<u>4,645</u>
	Depreciation	
	At 1 January 2007	-
	Charge for the year	1,211
	At 31 December 2007	<u>1,211</u>
	Net book value	
	At 31 December 2007	<u>3,434</u>

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

6	Debtors	2007 £	2006 £
	Trade debtors	103,215	103,309
	Other debtors	356,784	368,523
		<u>459,999</u>	<u>471,832</u>
7	Creditors: amounts falling due within one year	2007 £	2006 £
	Bank loans and overdrafts	76,142	-
	Trade creditors	77,942	65,646
	Taxation and social security	-	13,344
	Other creditors	239,083	263,026
		<u>393,167</u>	<u>342,016</u>
8	Creditors: amounts falling due after more than one year	2007 £	2006 £
	Other creditors	<u>100,629</u>	<u>100,629</u>
	Analysis of loans		
	Wholly repayable within five years	286,604	300,955
	Included in current liabilities	(185,975)	(200,326)
		<u>100,629</u>	<u>100,629</u>
	Loan maturity analysis		
	In more than one year but not more than two years	100,629	-
	In more than two years but not more than five years	-	100,629
		<u>100,629</u>	<u>100,629</u>

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

9	Share capital	2007	2006
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 January 2007		49,410
	Loss for the year		(40,302)
			<u> </u>
	Balance at 31 December 2007		9,108
			<u> </u>
11	Reconciliation of movements in shareholders' funds	2007	2006
		£	£
	(Loss)/Profit for the financial year	(40,302)	49,410
	Proceeds from issue of shares	-	1,000
		<u> </u>	<u> </u>
	Net (depletion in)/addition to shareholders' funds	(40,302)	50,410
	Opening shareholders' funds	50,410	-
		<u> </u>	<u> </u>
	Closing shareholders' funds	10,108	50,410
		<u> </u>	<u> </u>
12	Financial commitments		
	At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008		
		Land and buildings	
		2007	2006
		£	£
	Operating leases which expire		
	Within one year	13,750	-
		<u> </u>	<u> </u>

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

13 Transactions with directors

Included in other creditors due within one year is a loan of £185,975 (2006 £200,236) due to Mr B A Shaw, a director of the company. The loan is interest free.

Included in other creditors due after more than one year is a loan of £100,629 (2006 £100,629) due to Mr B A Shaw, a director of the company. The loan bears interest at 6% per annum. This loan is intended to be capitalised during 2008.

14 Control

The company is controlled by Insula Group S A by virtue of it owning 100% of the issued share capital.

15 Related party transactions

Part of the company premises are sublet to Mr B A Shaw, a director of the company, on an arm's length basis.

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

13 Transactions with directors

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