

Company Registration No. 5559181 (England and Wales)

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

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BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

COMPANY INFORMATION

Directors	P N G De Bruyne (Appointed 9 September 2005) B A Shaw (Appointed 9 September 2005)
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 PERIOD ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the period ended 31 December 2006

Principal activities

The company was incorporated on 9 September 2005 and commenced trading on 16 February 2006. The principal activity of the company is that of importers, distributors and traders of coffee beans and products.

Directors

The following directors have held office since 9 September 2005

P N G De Bruyne	(Appointed 9 September 2005)
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B A Shaw	(Appointed 9 September 2005)
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Auditors

Greenback Alan LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

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.

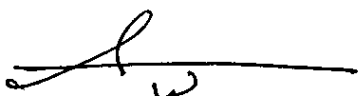
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any 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

30 August 2007

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 period ended 31 December 2006 set out on pages 5 to 10. 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 2006 and of its profit for the period then ended,
- the information given in the directors' report is consistent with the financial statements



Greenback Alan LLP

30 August 2007

**Chartered Accountants
Registered Auditor**

**11 Raven Wharf
Lafone Street
London
SE1 2LR**

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2006

		Period ended 31 December 2006 £
	Notes	
Turnover		1,261,896
Cost of sales		(1,106,098)
Gross profit		<u>155,798</u>
Distribution costs		(23,347)
Administrative expenses		(61,191)
Operating profit	2	<u>71,260</u>
Interest payable and similar charges		(8,506)
Profit on ordinary activities before taxation		<u>62,754</u>
Tax on profit on ordinary activities	3	(13,344)
Profit for the period	8	<u><u>49,410</u></u>

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

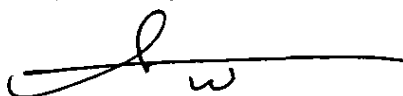
BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£
Current assets			
Stocks		10,089	
Debtors	4	471,832	
Cash at bank and in hand		11,134	
		<u>493,055</u>	
Creditors' amounts falling due within one year	5	(141,690)	
Total assets less current liabilities			351,365
Creditors' amounts falling due after more than one year	6		(300,955)
			<u>50,410</u>
Capital and reserves			
Called up share capital	7		1,000
Profit and loss account	8		49,410
Shareholders' funds	9		<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 30 August 2007



P N G De Bruyne
Director

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2006

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 Stock

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

1.5 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

1.6 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

2 Operating profit	2006
	£
Operating profit is stated after charging	
Auditors' remuneration	3,000
Directors' emoluments	1,603
and after crediting	
Profit on foreign exchange transactions	(453)

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

3	Taxation	2006
		£
	Domestic current year tax	
	U K corporation tax	13,344
	Current tax charge	13,344
	Factors affecting the tax charge for the period	
	Profit on ordinary activities before taxation	62,754
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00%	11,923
	Effects of	
	Non deductible expenses	1,421
	Current tax charge	13,344
4	Debtors	2006
		£
	Trade debtors	103,309
	Other debtors	368,523
		471,832
5	Creditors' amounts falling due within one year	2006
		£
	Trade creditors	65,646
	Taxation and social security	13,344
	Other creditors	62,700
		141,690

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

6	Creditors: amounts falling due after more than one year	2006
		£
	Other creditors	300,955
		<u>300,955</u>
	Analysis of loans	
	Wholly repayable within five years	300,955
		<u>300,955</u>
	Loan maturity analysis	
		<u></u>
	Other creditors include a loan of £300,955 due to Mr B A Shaw, a director of the company Interest of £8,422 has been accrued in the period	
7	Share capital	2006
		£
	Authorised	
	1,000 Ordinary shares of £1 each	1,000
		<u>1,000</u>
	Allotted, called up and fully paid	
	1,000 Ordinary shares of £1 each	1,000
		<u>1,000</u>
8	Statement of movements on profit and loss account	
		Profit and loss account
		£
	Profit for the period	49,410
		<u>49,410</u>

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

9	Reconciliation of movements in shareholders' funds	2006
		£
	Profit for the financial period	49,410
	Proceeds from issue of shares	1,000
		<hr/>
	Net addition to shareholders' funds	50,410
	Opening shareholders' funds	-
		<hr/>
	Closing shareholders' funds	<u>50,410</u>

10 Control

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