

COBURG GROUP

COBURG GROUP PLC

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th APRIL 2009**

Contents

Directors and Advisers	2
Chairman's Statement	3
Report of the Directors	4
Corporate Governance	11
Report of the Remuneration Committee	12
Independent Auditors' Report	14
Consolidated Income Statement	17
Consolidated Statement of Changes in Equity	18
Company Statement of Changes in Equity	19
Consolidated Balance Sheet	20
Company Balance Sheet	21
Consolidated Cash Flow Statement	22
Company Cash Flow Statement	23
Notes to the Cash Flow Statement	24
Notes to the Financial Statements	25
Notice of Annual General Meeting	47
Form of Proxy	49

Directors and Advisers

The Board of Directors

Konrad P Legg

(Non-Executive Chairman) †*

Konrad Legg was appointed as a director of the company on 8 July 1999 and is also a director of M.P. Evans Group PLC (Age 65).

Chris W Birkle ACA

(Executive Group Managing Director)

Chris Birkle joined the company on 1 October 2004 and was appointed as Group Managing Director on 3 May 2005. (Age 43).

Jeremy S P Maynard

(Non-Executive Director) †*

Jeremy Maynard was appointed as a non-executive director on 31 October 2008. (Age 55).

**Member of the Audit Committee*

†Member of the Remuneration committee

Head office and Registered office

Unit 3, Harrington Way
Warspite Road
Woolwich
London SE18 5NU
020 8317 0103

Registered number 2956279

Auditors

Horwath Clark Whitehill LLP
10 Palace Avenue
Maidstone
Kent
ME 15 6NF

Banker

Barclays Bank Plc Level 27
1 Churchill Place London
E14 5HP

Nominated Adviser

Grant Thornton Corporate Finance
30 Finsbury Square
London EC2P 2YU

Registrar

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA

Brokers

Merchant Capital Ltd
7th Floor, Aldermay House
10-15 Queen Street
London EC4N 1TX

Chairman's Statement

Overview

Whilst it was gratifying that sales for the year were only slightly down at £3,544,000 in a difficult economic environment and that the Loss before tax was slightly reduced at £123,000, we were nonetheless very disappointed to have to report another year of trading losses, given the hopes we had for a positive result.

During the year we continued with our programme of cost reductions and we were on target to produce a breakeven position for the year ending April 2009. However, during the second half of the year there was a dramatic change in the sterling dollar exchange rate which had the effect of substantially increasing the cost of green coffee purchases.

The inevitable delay in being able to pass some of these cost increases on to our customers contributed to the loss reported above. While this was a disappointing loss, it was an improvement of £10,000 over the previous year and hides some real fundamental improvements in the underlying profitability of the Group. Since the end of the financial year, the margins have recovered after price increases were successfully passed through to customers and we look forward to reporting first half profits in this new financial year.

Recently, in a trading update we reported that Caffè Nero our largest customer had taken the decision to do its roasting 'in house' and that this would have a material adverse effect on profitability of the Company particularly in the next financial year. The financial effect on the current year will be mitigated by the transitional arrangements that we have entered into with Caffè Nero to ensure a smooth transfer of their business. Gerry Ford, CEO and Chairman of Caffè Nero, said recently: *"Coburg has successfully maintained the high quality of coffee that we demand with an unblemished record of on-time delivery and we would like to thank them for all their work since the inception of Caffè Nero. We wish Coburg every success for the future"*.

While we are disappointed by the loss of an important customer your board remains confident about the long term prospects of the business as it concentrates on supplying outstanding coffee to a wide spread of catering and retail industry outlets. In view of the fact that Caffè Nero's departure takes place relatively late in the financial year, and with the Company being ever more conscious of the need to control costs, we expect to be able to report an improved performance in the current financial year.

Chris Birkle the Managing Director of the Company since 2005 is relinquishing his executive responsibilities. Chris has done a great deal to improve our factory processes, internal systems and, generally, to raise the profile of the business in the industry. He has also been responsible for the restructuring of the group into two operating companies. Coburg Coffee Company Ltd specialises as a contract coffee roaster. The other, Café d'Or Coffee Services, acts as a coffee distributor supplying our well established coffee brands. I am delighted to report that Chris has agreed to remain on the board as a non-executive director of the Company. He has also agreed to provide consultancy services to the group as appropriate.

I will become part-time Executive Chairman of the Company and am pleased to report that Bryan Stockley, currently our Production Manager, has accepted a new role as General Manager of the Company and will be responsible for all day to day operations. With previous experience in general management at Ashbys, I am confident that Bryan will bring all the necessary skills to the role.

In order to mitigate the financial effects of the changes in our business profile it has been necessary to make a number of long serving factory employees redundant. This is very much regretted and I would like to thank them for all their hard work and support over the years.

There is no doubt that we shall have a very difficult time during the next year. However I believe that there will be increasing opportunities for consolidation in our sector. The board continues to look at a number of acquisition and co-operation opportunities.

Konrad P Legg

Chairman

Date: 06 October 2009

Report of the Directors

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2009.

Company number

The Company number is 2956279

Principal activity

The principal activity of the group in the year under review was that of roasting, packing and distribution of coffee beans and the blending, packing and distribution of tea. The principal customers of the group were in the catering and food distribution sectors.

Business review and future developments

The results for the year and financial position of the company are as shown in the annexed financial statements.

Coburg Coffee Company

Sales for Coburg Coffee Company Limited decreased by £151,000 on the full year and gross profit decreased by £122,000. The sales drop is mainly due to the transfer of business from Coburg Coffee Company Limited to CK Coffee Limited on 20 March 2009 to allow Coburg Coffee Company Limited to focus on private label roasting and Group coffee brands roasting.



The other business of Coburg Coffee Company has traded fairly steadily in a difficult economic climate though shows a small decline overall. The business has continued to see stronger growth from its own label customer base than its branded customer base and this accounts for the dilution in percentage margin in the business from 30.1% to 27.5%.

Furthermore, once again as with last financial year, we saw coffee prices escalate very materially during the last four months of the financial year and these cost increases were only able to be passed on to customers during the first two months of the subsequent financial year. This has had an adverse effect on margins during the year ended 30 April 2009 though margin recovery in the long term has been possible. Had it not been for this increase, we believe the Group would have shown a profit for the year ended 30 April 2009. Administrative and distribution expenses have been kept under control and overall have fallen in comparison to the previous year.

With the transfer of the direct business into the newly created Café d'Or Coffee Services trading out of CK Coffee Ltd, Coburg Coffee Company is now a dedicated roasting business producing both Group coffee and tea brands and private label coffees. Selling solely to distributors and wholesalers, the roasting operation is now an independent supplier of coffees to distributors across the country. Over the last year, the business has begun roasting Rainforest Alliance coffees in addition to Fairtrade coffees and is also certified to roast organic coffees. Distributors and private label contracts remain an important focus and 17 new distributors have been secured since May 2008. Private label contracts remain a key element of the strategy. With Caffè Nero planning to withdraw their coffee volumes from the business in order to roast it in their own, newly acquired roasting facility, there is an increased emphasis on securing further large private label contracts.

Report of the Directors

Business review and future developments (continued)

CK Coffee Limited

Within CK Coffee Limited turnover during the year increased from £199,986 to £232,625 which was due to CK Coffee Limited taking on the servicing of all other direct accounts of Coburg Group Plc from 20 March 2009. Under this transition, CK Coffee Limited trades as Café d'Or Coffee Services and sells all Group products directly to end-user establishments. As a result, CK Coffee Limited's turnover will increase significantly from now on representing a much larger share of Group turnover than before.



CK Coffee Limited's margins have increased during the year due to improvements in the product mix from bought in products to manufactured products and the inclusion at the end of the year of higher margin business transferred from Coburg Coffee Company Limited.

The creation of Café d'Or Coffee Services as the trading name of CK Coffee Ltd gives this new coffee service distributor a strong position from which to build over the next few years. With main centres of business in the London and Bournemouth areas, the business can cover the south of England very effectively. The product range the business now supplies is wide-ranging and includes both fresh roast and ground coffees produced by its sister company Coburg Coffee Company, pod systems such as Flavia and Kenco Singles as well as vending products and a range of coffee machines. Fairtrade coffees are naturally part of the range and will continue to grow in importance over the coming years. Alongside the Group's main coffee brands - Langdons, Rizzi, and CK – Café d'Or coffee, which has recently been secured as a registered trademark by parent company Coburg Group plc, will now be pursued as a central plank for future growth.

Results and dividends

The Group's revenue for the year was £3,544,000 (2008 - £3,586,000), yielding a gross profit of £1,030,000 (2008 - £1,297,000) and an operating loss of £84,000 (2008 - £107,000).

The Group's loss for the year after taxation was £123,000 (2008 - £133,000). This gives a basic loss per share of 0.52 pence (2008 – 0.56p).

The Directors do not recommend payment of a dividend in respect of the year ended 30 April 2009 (2008: nil).

Risks and uncertainties

The operation of a public listed company involves a series of inherent risks and uncertainties across a range of strategic, commercial, operational and financial areas. The Board has outlined our perception of particular risks and uncertainties facing the Group below. These risks and uncertainties could cause the actual results to vary from those experienced previously or described in forward looking statements within the annual report:

Report of the Directors

Risks and uncertainties (continued)

- **Changing Consumer Trends**

The Group could be impacted by changing consumer trends. The Group may also be affected by any adverse scientific comment upon its products or the health aspects of its products.

- **Litigation and dispute risk**

From time to time, the Group may be involved in litigation. This litigation may include, but is not limited to, contractual claims, personal injury claims, employee claims and environmental claims. If a successful claim is pursued against the Group, the litigation may adversely impact the sales, profits or financial performance of the Group. Any claim, whether successful or not, may adversely impact on the Company's share price. There is a risk that should the Group seek redress against another party to its contracts by way of litigation or other dispute resolution processes, these processes may incur significant Group resources, the cost of pursuing such actions may be prohibitive and a successful result is not assured.

- **General economic conditions**

Changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group. Factors which may contribute to that general economic climate include the level of direct and indirect competition against the Group, industrial disruption, the rate of growth of the Group's sectors, interest rates and the rate of inflation.

The Group's exposure to interest rate risk, credit risk and liquidity risk are detailed in the Financial Instruments section of the Directors' Report below.

KEY PERFORMANCE INDICATORS

	Year ended 31 March 2009	Year ended 31 March 2008
Revenue growth ¹	(1.1)%	9.1%
Operating margin ²	(2.4)%	3.0%
Interest cover ³	102.6%	128.6%

1 *Percentage decrease in Revenue.*

2 *Operating margin is calculated by dividing the Group's operating loss by revenue.*

3 *Interest cover is calculated by dividing EBITDA (earnings before Interest, Tax, Depreciation and Amortisation) by net interest payments (gross interest payable less interest receivable).*

Non Financial Key Performance Indicators

The directors do not consider there to be any relevant non-financial KPIs given the size and complexity of the Group.

Report of the Directors

Directors

The directors shown below have held office during the year ended 30 April 2009.

K P Legg

C W Birkle

D R Forrester (resigned 10/11/2008)

R Hendy (resigned 5/11/2008)

A G Summers (resigned 5/11/2008)

J S P Maynard (appointed 31/10/2008)

Group's policy on payment of creditors

The Group's policy is to agree terms of payment at the start of business with all suppliers, to abide by these terms and to pay in accordance with its contractual and other legal obligations. At 30 April 2009 there were 85 (2008 - 76) creditor days outstanding.

Employees

The Group's employment policy provides equal opportunities for all employees regardless of sex, race, religion or marital status. The same criteria for training, career development and promotion apply to disabled persons as to any other employee.

The company is committed to the further development of employee information and consultation ensuring at all times that employees are informed of developments affecting the company.

Financial instruments

The Group's financial instruments comprise, a bank term loan and an overdraft facility, hire purchase and finance leases, cash and various items arising directly from its operations, such as trade receivables and trade payables. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

During the current and previous year the company breached one of the financial covenants which applies to its overdraft and loan facility with Barclays Bank Plc as disclosed in note 20(b). The bank is aware of the breaches and has not taken any action nor has it issued a waiver letter.

Full details of the Group's financial assets and liabilities are set out in note 20 to the financial statements.

Liquidity risk

Short term flexibility is available through existing bank facilities and the netting off of surplus funds.

Interest rate risk

The Group's hire purchase contracts are at a fixed rate of interest and so are not affected by interest rate movements. The Group is exposed to interest rate fluctuations on its bank loan and overdraft which have an interest rate of 3.0% above base rate. However, due to the amount of the loan and overdraft a significant rise in interest rates would be required to have a significant impact on the Group's results.

Report of the Directors

Credit risk

The Group's principal financial assets are cash and trade receivables. The credit risk associated with the cash is limited. A portion of sales are credit sales, and these are to companies with which the Group has long standing relationships. The credit risk is minimised by ensuring that these relationships are nurtured and monies are collected as they fall due and through the use of credit rating agreements.

Capital

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 18, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 24 and 25.

Non-current assets

Details of changes in non-current assets are given in notes 10-13 to the financial statements.

Post balance sheet events

Caffe Nero the Company's largest customer has indicated that it proposes to bring the roasting of its coffee blend 'in house' and is planning to establish its own coffee roasting facility. This policy is in line with that pursued by their major competitors Starbucks and Costa Coffee.

Coburg's relationship with Caffe Nero remains positive and the Company will continue to provide services to Caffe Nero during the transition period.

The loss of the Caffe Nero business is likely to have an adverse impact on Coburg's profitability. The directors have initiated a number of measures that will mitigate the financial impact of this development as described in the business review section.

Substantial shareholdings

As at 31 August 2009, shareholdings in excess of 3% of the company's issued ordinary share capital had been registered as follows:

	Number of Ordinary shares	Percentage
K P Legg	5,255,000	22.09%
A G Summers	4,425,000	18.60%
Pershing Nominees Ltd	1,705,569	7.17%
J M Finn Nominees Ltd	1,502,540	6.32%
C Maitland	1,000,000	4.20%
R C McGuire	882,500	3.71%

Included in the above number of shares are 2,900,000 shares (12.2%) held by Tudeley Holdings, a company controlled by K P Legg.

Directors indemnities

An amount of £1,408 was paid during the year in respect of directors indemnity insurance for the directors of the Group.

Report of the Directors

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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 International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the company and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors

Auditors

FW Stephens resigned as auditor in the year. Horwath Clark Whitehill LLP were appointed to fill the vacancy arising.

Horwath Clark Whitehill will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement as to disclosure of information to Auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing his report and to establish that the company's auditor is aware of that information.

ON BEHALF OF THE BOARD

C W Birkle – Director

Date: 06 October 2009

Corporate Governance

The Financial Services Authority requires listed companies (but not companies traded on the Alternative Investment Market (“AIM”)) incorporated in the UK to state in their report and accounts whether they comply with the Combined Code and identify and give reasons for any areas of non-compliance. The Group is listed on AIM and therefore no disclosures are required.

The Board is aware of the requirements of the Combined Code and the need for appropriate controls and systems to safeguard the Group’s assets. However, full compliance with the Combined Code is not possible because of the size and resource constraints within the Group and because of the relative cost benefit assessment of putting in place the additional procedures.

This is not a statement of compliance as required by the Combined Code and should therefore not be relied upon to give the disclosure which would normally be made.

The Board maintains an appropriate relationship with the Group’s auditors through the Audit Committee. The auditors provide other services in addition to conducting the Group’s audits as detailed in note 5. Procedures are in place to ensure auditor independence is not compromised.

The remuneration packages for executive Directors are structured to attract, motivate and retain Directors with the experience, capabilities and ambition required to achieve the Group’s strategic aims. The Remuneration Committee is responsible for determining and reviewing the annual remuneration packages of executive Directors. The committee comprises of Konrad Legg and Jeremy Maynard.

The salaries of executive Directors are set by the committee and reviewed annually, taking into account the performance of the Group, and the individual, and salary increases given to other Group employees.

Report of the Remuneration Committee

The Remuneration Committee

The Remuneration Committee was established to keep under review the remuneration and terms of employment of executive directors and to recommend such remuneration and terms and changes thereof to the Board. The Committee's composition, responsibilities and operation comply with the Combined Code. In forming its remuneration policy, the Committee confirms that it has complied with the Combined Code. The Committee comprised of Konrad Legg and Jeremy Maynard.

Remuneration policy

The Group's executive remuneration policy objectives are:

- to ensure that individual rewards and incentives are directly aligned with the performance of the Group and the interests of the shareholders; and
- to maintain a competitive programme which enables the Group to attract and retain high calibre executives.

Directors' emoluments

	30 April 2009		30 April 2008	
	Salaries & fees £	Total emoluments £	Salaries & fees £	Total emoluments £
C W Birkle	78,750	78,750	78,750	78,750
D R Forrester (resigned 10/11/08)	417	417	5,000	5,000
R Hendy (resigned 05/11/08)	417	417	5,000	5,000
K P Legg (i)	208	208	5,000	5,000
J S P Maynard (appointed 31/10/2008)	3,000	3,000	-	-
A G Summers (resigned 05/11/08)	225	225	17,500	17,500
	83,017	83,017	111,250	111,250

Key management personnel are considered to be only the Company's Directors.

Notes:

(i) K P Legg's fees were paid to Tudeley Holdings Limited.

Directors' interests

The respective interests, all of which are beneficial, in the shares of the company for the members of the Board at the year end and subsequent to that date are stated below:

	As at 30 April 2009	As at 30 April 2008
K P Legg	5,255,000	5,255,000
C W Birkle	90,000	90,000
J S P Maynard	1,500	1,500

Of the 22.09% shareholding held by K P Legg, 12.19% is held by Tudeley Holdings Limited, a company in which he is the majority shareholder.

Report of the Remuneration Committee

Directors' Interests in Share Options

Under the Group's executive share option scheme the following directors have the right to acquire Ordinary shares. The options were granted on 6 October 2005 and are exercisable on or before 5 October 2015.

The mid-market price of the ordinary shares on 30 April 2009 was 2.38p and the range during the year was 1.13p to 3.25p.

All share options were cancelled during the year.

	As at 30 April 2009	As at 30 April 2008
C W Birkle	-	350,000 at 10p
C W Birkle	-	350,000 at 12.5p

Approved by the Remuneration
Committee signed on its behalf by:

Konrad Legg
Chairman of Remuneration Committee

Date: 06 October 2009

Independent Auditors' Report to the Members of Coburg Group Plc

We have audited the financial statements of Coburg Group Plc for the year ended 30 April 2009 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, Company Cash Flow Statement, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, and the notes set out on pages 24 to 46.

The financial reporting framework that has been applied in the preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 to 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an Auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Independent Auditors' Report to the Members of Coburg Group Plc

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent company's affairs as at the year end and of the Group's and the Parent company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Emphasis of matter – going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company and Group's ability to continue as a going concern.

The Group incurred a net loss of £123,000 during the year to 30 April 2009 and at that date the Group's balance sheet showed a retained loss of £1,754,000. The Group's financial projections indicate that the Group requires additional cash resources to continue to meet its liabilities as they fall due over the next 12 months following the loss of Caffè Nero as disclosed in the Report of the Directors and note 29.

The Group is currently in discussion with its bankers to secure the facilities required to ensure that the Company and Group can continue as a going concern. In addition the directors have entered into an arrangement with Caffè Nero to help resolve its short term working capital requirements of the Group through a supply agreement to supply the company with green coffee until May 2010. The Group's major shareholder has also indicated his willingness to provide additional funding via a loan from his company, Tudeley Holdings Limited, to bridge the forecast shortfall in funding.

These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of an uncertainty which may cast doubt about the Company's and Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company and Group were unable to continue as a going concern.

Independent Auditors' Report to the Members of Coburg Group Plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Keith Newman ACA
Senior Statutory Auditor

for and on behalf of
Horwath Clark Whitehill LLP
Chartered Accountants

Statutory Auditor
10 Palace Avenue
Maidstone
Kent
ME16 6NF

Date: 06 October 2009

Consolidated Income Statement

FOR THE YEAR ENDED 30 APRIL 2009

	<i>Note</i>	2009 £000	2008 £000
Revenue		3,544	3,586
Cost of sales		(2,514)	(2,289)
Gross profit		1,030	1,297
Distribution costs		(308)	(494)
Administrative expenses		(806)	(910)
Group operating loss		(84)	(107)
Loss on sale of property, plant and equipment		-	(5)
		(84)	(112)
Finance costs	3	(39)	(21)
Loss before tax	4	(123)	(133)
Tax	5	-	-
Loss for the year		(123)	(133)
Loss per share expressed in pence per share:	8		
Basic		(0.52)	(0.56)
Diluted		(0.52)	(0.56)

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 APRIL 2009

	Issued share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
Balance as at 1 May 2007	1,190	418	437	(1,498)	547
Loss for the year	-	-	-	(133)	(133)
Decrease in share option reserve	-	-	(2)	-	(2)
Balance as at 30 April 2008	1,190	418	435	(1,631)	412
Balance as at 1 May 2008	1,190	418	435	(1,631)	412
Loss for the year	-	-	-	(123)	(123)
Decrease in share option reserve	-	-	(9)	-	(9)
Balance as at 30 April 2009	1,190	418	426	(1,754)	280

Company Statement of Changes in Equity

FOR THE YEAR ENDED 30 APRIL 2009

	Issued share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total £000
Balance as at 1 May 2007	1,190	418	437	(2,025)	20
Profit for the year	-	-	-	80	80
Decrease in share option reserve	-	-	(2)	-	(2)
Balance as at 30 April 2008	1,190	418	435	(1,945)	98
Balance as at 1 May 2008	1,190	418	435	(1,945)	98
Profit for the year	-	-	-	12	12
Decrease in share option reserve	-	-	(9)	-	(9)
Balance as at 30 April 2009	1,190	418	426	(1,933)	101

Consolidated Balance Sheet

AS AT 30 APRIL 2009

	<i>Note</i>	2009 £000	2008 £000
Assets			
Non-current assets			
Goodwill	10	198	198
Intangible assets	11	-	12
Property, plant and equipment	12	358	465
		556	675
Current assets			
Inventories	14	211	255
Trade and other receivables	15	446	413
Cash and cash equivalents	16	2	2
		659	670
Liabilities			
Current liabilities			
Trade and other payables	17	741	640
Financial liabilities – borrowings			
Bank overdrafts	20	70	40
Interest bearing loans and borrowings	20	96	125
		907	805
Net current liabilities		(248)	(135)
Non-current liabilities			
Trade and other payables	17	6	84
Financial liabilities – borrowings			
Interest bearing loans and borrowings	20	22	44
		28	128
Net assets		280	412
Shareholders' equity			
Called up share capital	24	1,190	1,190
Share premium	25	418	418
Other reserves	25	426	435
Retained earnings	25	(1,754)	(1,631)
Total equity		280	412

The financial statements were approved and authorised for issue by the board on 06 October 2009 and were signed on its behalf by:

C W Birkle
Director

Company Balance Sheet

AS AT 30 APRIL 2009

	<i>Note</i>	2009 £000	2008 £000
Assets			
Non-current assets			
Goodwill	10	97	97
Investments	13	59	59
		<u>156</u>	<u>156</u>
Current assets			
Trade and other receivables	15	82	93
Liabilities			
Current liabilities			
Trade and other payables	17	61	67
Financial liabilities – borrowings			
Bank overdrafts	20	-	9
Interest bearing loans and borrowings	20	76	75
		<u>137</u>	<u>151</u>
Net current assets		<u>(55)</u>	<u>(58)</u>
Net assets		<u>101</u>	<u>98</u>
Shareholders' equity			
Called up share capital	24	1,190	1,190
Share premium	25	418	418
Other reserves	25	426	435
Retained earnings	25	(1,933)	(1,945)
Total equity		<u>101</u>	<u>98</u>

The financial statements were approved and authorised for issue by the board on 06 October 2009 and were signed on its behalf by:

C W Birkle
Director

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2009

	<i>Notes to Cash Flow</i>	2009	2008
		£000	£000
Cash flows from operating activities			
Cash generated from operations	1	66	165
Interest paid		(27)	(9)
Interest element of hire purchase payments paid		(12)	(12)
Net cash from operating activities		27	144
Cash flows from investing activities			
Purchase of shares in subsidiary undertaking		-	(9)
Purchase of tangible fixed assets		(6)	(48)
Net cash from investing activities		(6)	(57)
Cash flows from financing activities			
Loans advanced in the year		29	-
Capital repayments in year		(80)	(33)
Net cash from financing activities		(51)	(33)
Increase/(decrease) in cash and cash equivalents		(30)	54
Cash and cash equivalents at beginning of year	2	(38)	(92)
Cash and cash equivalents at end of year	2	(68)	(38)

Company Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2009

	<i>Notes to Cash Flow</i>	2009 £000	2008 £000
Cash flows from operating activities			
Cash generated from operations	1	13	106
Interest paid		(6)	(5)
Net cash from operating activities		<u>7</u>	<u>101</u>
Cash flows from investing activities			
Purchase of shares in subsidiary undertaking		-	(8)
Net cash from investing activities		<u>-</u>	<u>(8)</u>
Cash flows from financing activities			
Loans advanced in the year		29	-
Capital repayments in year		(27)	-
Net cash from financing activities		<u>2</u>	<u>-</u>
Increase in cash and cash equivalents		9	93
Cash and cash equivalents at beginning of year	2	<u>(9)</u>	<u>(102)</u>
Cash and cash equivalents at end of year	2	<u><u>-</u></u>	<u><u>(9)</u></u>

Notes to the Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2009

1. Reconciliation of loss before tax to cash generated from operations

	Group	Group	Company	Company
	2009	2008	2009	2008
	£000	£000	£000	£000
Operating Loss	(84)	(107)	17	85
Depreciation, amortisation and impairment charges	125	133	-	-
(Decrease) in share option provision	(9)	(2)	(9)	(2)
	32	24	8	83
Decrease in inventories	44	6	-	-
(Increase) in trade and other receivables	(33)	(2)	11	-
Increase in trade and other payables	23	137	(6)	23
Cash generated from operations	66	165	13	106

2. Cash and cash equivalents

The amounts disclosed in the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

Year ended 30 April 2009	Group	Group	Company	Company
	2009	2008	2009	2008
	£000	£000	£000	£000
Cash	2	2	-	-
Bank overdrafts	(70)	(40)	-	(9)
	(68)	(38)	-	(9)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

1. Accounting policies

Basis of preparation

These consolidated financial statements have been presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been prepared in accordance with AIM rules and the Companies Act 2006, as applicable to companies reporting under IFRS.

These consolidated financial statements have been prepared in accordance with the accounting policies set out below, and under the historical cost convention, except where modified by the revaluation of certain financial instruments and commodities.

The Group incurred a net loss of £123,000 during the year ended 30 April 2009 and at that date the Group's balance sheet showed a retained loss of £1,754,000.

The Group's financial projections indicate that the Group requires additional cash resources to continue to meet its liabilities as they fall due over the next 12 months following the loss of a key customer as disclosed in the Report of Directors and note 29.

In order to ensure the company can continue as a going concern the directors are:

- Discussing its banking facilities with its bankers; and
- Have negotiated a supply agreement with Caffè Nero to supply green coffee which would provide additional working capital.

The Group's major shareholder has also indicated his willingness to provide additional funding via a loan from his company, Tudeley Holdings Limited, to bridge the forecast shortfall in funding should it be required.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all principal subsidiaries for the year ended 30 April 2009. The results of any subsidiaries acquired during the year are included in the statements from the effective date of acquisition.

Revenue recognition

Revenue is sales, excluding recovery of duty where appropriate, and other trading income of the Group, after eliminating intra Group transactions and excluding VAT. Revenue is after deducting rebates and discounts and is recognised when the significant risk and reward of ownership are transferred to a third party.

Impairment

Goodwill is reviewed for impairment annually and as part of this process assets are grouped at the lowest levels for which there are separately identifiable cash flows, as a result some assets are tested individually and some are tested at cash generating unit level.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

1. Accounting policies (continued)

Impairment (continued)

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell, and value in use. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. Impairment losses are recognised in the income statement.

Intangibles

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. The charge for the year is included in administration expenses within the income statement.

Intangibles	25% on cost
-------------	-------------

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	25% on cost
Plant and machinery	5-25% on cost
Fixtures and fittings	20-33.3% on cost
Motor vehicles	25% on cost

Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. Cost is calculated using the standard cost method on a FIFO basis appropriate to the materials and production processes involved. Net realisable value is based upon estimated selling price allowing for all further costs of completion and disposal

Current and deferred income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred tax is recognised on all temporary differences. This involves comparison of the carrying amount of assets and liabilities in the consolidated financial statements with their respective tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are provided for in full. Deferred tax assets and liabilities are calculated without discounting, at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (tax laws) that have been enacted or substantively enacted by the balance sheet date. All changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

1. Accounting policies (continued)

Current and deferred income tax (continued)

Tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currencies

Transactions completed in foreign currencies during the year are translated at the appropriate ruling rates of exchange. Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. All translation differences are dealt within the income statement.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs and are valued at amortised cost.

Share based payments

For equity-settled share-based payment transactions the Group, in accordance with IFRS 2 measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date, using the trinomial method. The expense is apportioned over the vesting period of the financial instrument and is based on the number which are expected to vest and the fair value of those financial instruments at the date of grant. If the equity instruments granted vest immediately, the expense is recognised in full.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Derivative financial instruments

The Group uses embedded derivative financial instruments to reduce exposure to foreign exchange risk and movements. The Group does not hold or issue derivative financial instruments for speculative purposes. Embedded derivatives are accounted for in accordance with IAS 22, IAS 39 and IFRS 7.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

1. Accounting policies (continued)

Standards in force but not yet adopted

The following IFRS standards, amendments and interpretations have been released but are not effective for the current period. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's profit for the year or equity

IFRIC 13 Customer Loyalty Programmes	Jun-07	Accounting periods beginning on or after 01/07/2008
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	Jul-08	Accounting periods beginning on or after 01/10/2008
IAS 1 Presentation of Financial Statements (revised 2007)	Sep-07	Accounting periods beginning on or after 01/01/2009
IFRS 8: Operating Segments	Nov-06	Accounting periods beginning on or after 01/01/2009
IAS 32 Financial Instruments – Presentation (Amendments) (revised)	Feb-08	Accounting periods beginning on or after 01/01/2009
Amendment to IFRS 2: Share-based Payment - Vesting conditions and cancellations	Jan-08	Accounting periods beginning on or after 01/01/2009
IAS 23 Borrowing Costs (revised)	Mar-07	Accounting periods beginning on or after 01/01/2009
IAS 27 Consolidated and Separate Financial Statements (revised)	Jan-08	Accounting periods beginning on or after 01/07/2009
IFRS 3 Business Combinations (revised)	Jan-08	Acquisitions in accounting periods beginning on or after 01/07/2009
IFRIC 15 Agreements for the Construction of Real Estate	Jul-08	Accounting periods beginning on or after 01/01/2009
IAS 39 Financial Instruments: Recognition and Measurement (Amendment) - Eligible Hedged Items	Jul-08	Accounting periods beginning on or after 01/07/2009
Reclassification of Financial Assets (Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures)	Oct-08	Accounting periods beginning on or after 01/07/2008
IFRIC 17 Distributions of Non-cash Assets to Owners	Nov-08	Accounting periods beginning on or after 01/07/2009
IFRS 1 First- time Adoption of International Financial Reporting Standards (revised)	Nov-08	Accounting periods beginning on or after 01/07/2009
Reclassification of Financial Assets – Effective Date and Transition (Amendments to IAS 39 Financial instruments : Recognition and Measurement and IFRS 7 Financial Instruments : Disclosures)	Nov-08	Accounting periods beginning on or after 01/07/2008
IFRS 7 Improving Disclosures about Financial Instruments Amendments to IFRS 7 Financial Instruments: Disclosures	Mar-09	Accounting periods beginning on or after 01/01/2009

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

1. Accounting policies (continued)

Critical accounting estimates

In order to prepare these consolidated financial statements in accordance with the accounting policies set out in note 1, management has used estimates and judgements to establish the amounts at which certain items are recorded. Critical accounting estimates and judgements are those that have the greatest impact on the financial statements and require the most difficult, subjective and complex judgements about matters that are inherently uncertain. Estimates are based on factors including historical experience and expectations of future events that management believe to be reasonable. However, given the judgemental nature of such estimates, actual results could be different from the assumptions used. The critical accounting policies are set out below.

Impairment of goodwill

An impairment of goodwill has the potential to significantly impact upon the group's income for the year. In order to determine whether impairments are required the Group estimates the recoverable amount of the goodwill. This calculation is usually based on projecting future cash flows over a rolling nineteen-year period. A discount factor, based upon the Group's weighted average cost of capital is applied to obtain a current value ('value in use'). The 'fair value less costs to sell' of an asset is used if this results in an amount in excess of 'value in use'.

Estimated future cash flows for impairment calculations are based on management's expectations of future volumes and margins based on plans and best estimates of the productivity of the assets in their current condition. Future cash flows therefore exclude benefits from major expansion projects requiring future capital expenditure where that expenditure has not been approved at the balance sheet date.

Future cash flows are discounted using a discount rate based on the Group's weighted average cost of capital, adjusted if appropriate for circumstances specific to the asset being tested. The weighted average cost of capital is impacted by estimates of interest rates, equity returns and market related risks. The Group's weighted average cost of capital is reviewed on an annual basis.

Further details are set out in note 10.

Share-based payments

The Group has applied the requirements of IFRS 2 'Share-based payment', as amended by IFRIC Interpretation 2 – IFRS 2 Group and Treasury share transactions.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. Where services are from employees fair value is determined indirectly by reference to the fair value of the instrument granted. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital.

Fair value is measured based upon a Trinomial Valuation model.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

1. Accounting policies (continued)

2. Employees and directors

	2009 £000	2008 £000
Wages and salaries	654	730
Social security costs	61	70
	<u>715</u>	<u>800</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Operational	19	23
Administration	7	5
	<u>26</u>	<u>28</u>

Details of directors' remuneration required by the Companies Act 2006 are provided within the report of the Remuneration Committee on page 13, and form part of these audited financial statements.

3. Net finance costs

	2009 £000	2008 £000
Finance costs:		
Bank interest	17	3
Other interest payable	10	6
Hire purchase	12	12
	<u>39</u>	<u>21</u>

4. Loss before tax

	2009 £000	2008 £000
The loss before tax is stated after charging:		
Cost of inventories recognised as expense	2,265	2,097
Depreciation – owned assets	81	108
Depreciation – assets on hire purchase contracts	9	17
Impairment of tangible assets	23	-
Loss on disposal of fixed assets	-	5
Amortisation of intangible assets	9	9
Impairment of intangible assets	2	-
Property rentals payable under operating leases	106	105
Auditors' remuneration	18	17
Foreign exchange differences	11	9

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

5. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2009 £000	2008 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts		
Total audit fees	<u>9</u>	<u>9</u>
Fees payable to the Group's auditors for other services to the Group		
The audit of the Company's subsidiaries pursuant to legislation	7	6
Other services in relation to taxation	2	2
	<u>9</u>	<u>8</u>
	<u>18</u>	<u>17</u>

6. Tax

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2009 nor for the year ended 30 April 2008.

As at the balance sheet date the group has tax adjusted trading losses of approximately £2,954,203 (2008 – £2,634,256) available for set off against future trading profits of the same trade subject to agreement by HM Revenue and Customs.

	2009 £000	2008 £000
Corporation tax	-	-
Deferred tax	-	-
Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

6. Tax (continued)

Factors affecting tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 21% (2008: 20%). The differences are explained below:-

	2009 £000	2008 £000
TAX RECONCILIATION		
Profit per accounts before taxation	(123)	(133)
Tax on profit on ordinary activities at standard rate of 21% (2008 - 20%)	(26)	(27)
Expenses not deductible for tax purposes	-	-
Ineligible depreciation	4	-
Capital allowances in excess of depreciation	(10)	(19)
Unrelieved tax losses and other deductions arising in the period	32	46
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/>	<hr/>

7. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the income statement of the Parent company is not presented as part of these financial statements. The Parent company's loss for the financial year was £11,193 (2008 – (£79,538) loss).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

8. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Average earnings £000	2009 Weighted number of shares	Amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(123)	23,790,914	(0.52)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>(123)</u>	<u>23,790,914</u>	<u>(0.52)</u>
	Average earnings £000	2008 Weighted number of shares	Amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(133)	23,790,914	(0.56)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	<u>(133)</u>	<u>23,790,914</u>	<u>(0.56)</u>

All share options were cancelled at the year end and therefore there were no dilutive securities.

9. Equity settled share based payments

The measurement requirements of IFRS 2 have been implemented in respect of share-options that were granted after 7 November 2002. The expense recognised for share based payments made during the year is shown in the following table:

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Total expense arising from equity settled share based payments	<u>(9)</u>	<u>(2)</u>	<u>(9)</u>	<u>(2)</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

9. Equity settled share based payments (continued)

The share-based payment plan is described below.

Coburg Group Plc Executive Share Option Scheme

In accordance with the Executive Share Option Scheme, approved and unapproved share options are granted to full time directors and employees who devote at least 25 hours per week to the performance of duties or employment with the company.

The exercise price of the options is set at a level higher than the market price of the shares at the date of grant. The options vest three years from the date of grant and if the option holder ceases to be a director or employee of the company due to injury, disability, redundancy or retirement on reaching pensionable age or any other age at which he is bound to retire in accordance with the terms of his contract of employment, the option may be exercised within a period of six months after the option holders so ceasing, although the Board may at its discretion extend this period by up to 36 months after the date of cessation.

If the option holder ceases employment for any other reason, the option may not be exercised, unless the Board permits. The approved and unapproved options will be forfeited where they remain unexercised, at the end of their respective contractual lives of ten and seven years.

The fair value of share options granted is estimated at the date of grant using a Trinomial Pricing Model, taking into account all the terms and conditions upon which the options were granted.

Movements in Issued Share Options during the Year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

	2009	2008
Outstanding at the beginning of the year	1,465,000	1,465,000
Granted during the year	-	-
Forfeited/cancelled during the year	1,465,000	-
Exercised during the year	-	-
Outstanding at the end of the year	-	1,465,000
Exercisable at the end of the year	-	1,465,000

The share option scheme was cancelled during the year and all options forfeited

The weighted average exercise price was 11.25p (2008 – 11.25p).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

9. Equity settled share based payments (continued)

Inputs to the Trinomial Pricing Model

The fair value of share options granted is estimated at the time of grant using a Trinomial Pricing Model, taking into account all the terms and conditions upon which the options were granted.

The following table lists the inputs to the Trinomial Model

Expected dividend yield	2009 £0.00
Expected volatility	30.3%
Contractual life of the options	10 years
Weighted average risk free interest rate	4.5%
Weighted average fair value	4.49

The expected volatility was estimated by reference to the historical volatility of the company's share price on grant. The risk free rate of return is estimated in accordance with the Bank of England Base Rate as at 6 October 2005.

10. Goodwill

Group

	£000
Cost	
At 1 May 2008 & 30 April 2009	<u>1,482</u>
Impairment	
At 1 May 2008 & 30 April 2009	<u>1,284</u>
Net book value	
At 30 April 2009	<u>198</u>
At 30 April 2008	<u>198</u>

Company

	£000
Cost	
At 1 May 2008 & 30 April 2009	<u>222</u>
Amortisation	
At 1 May 2008 & 30 April 2009	<u>125</u>
Net book value	
At 30 April 2009	<u>97</u>
At 30 April 2008	<u>97</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

10. Goodwill (continued)

Goodwill acquired on business combinations is allocated at acquisition to the Cash Generating Units (CGU) that are expected to benefit from that business combination. Before any recognition of impairment losses, the carrying amount of goodwill has been allocated as follows:

	2009 £'000	2008 £'000
Aroma CGU	81	81
Rizzi CGU	97	97
CK Coffee CGU	20	20
Carried forward at 30 April	198	198

In line with International Financial Standards, goodwill has not been amortised. Instead the Group tests goodwill annually for impairment or more frequently if there are indications that goodwill may be impaired. The directors have concluded that goodwill is not impaired.

The recoverable amounts of the Cash Generating Units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates and expected changes to selling prices and direct costs.

The rate used to discount the forecast cash flows is the Group's pre-tax weighted average cost of capital of 6.6% (2008 – 8.7%). The Group prepares cash flow forecasts derived from the most recent financial plans approved by the board for the next financial year and extrapolates this over a rolling 5 years assuming a zero growth rate for the purpose of conducting the impairment review. A period of 5 years has been applied as the Directors used this period to assess the viability of the acquisition when the businesses were acquired. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

An increase in the Group's weighted average cost of capital to above 20% (2008 – 50%) or a decrease in the Group's cashflow of 23% (2008 – 78%) would cause the Board to impair the carrying value of goodwill.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

11. Intangible assets

Brands
£'000

Cost

At 1 May 2008 and 30 April 2009

42

Amortisation

At 1 May 2008

30

Amortisation for year

10

Impairment charge in the year

2

At 30 April 2009

42

Net book value

At 30 April 2009

-

At 30 April 2008

12

Intangible assets relate to brands acquired.

12. Property, plant and equipment

Group

	Improvement to property £000	Plant & machinery £000	Fixtures & fittings £000	Motor vehicles £000	Totals £000
Cost					
At 1 May 2008	83	1,339	430	34	1,886
Additions	-	1	5	-	6
At 30 April 2009	<u>83</u>	<u>1,340</u>	<u>435</u>	<u>34</u>	<u>1,892</u>
Depreciation					
At 1 May 2008	70	914	409	28	1,421
Charge for year	8	64	15	3	90
Impairment charge in the year	5	18	-	-	23
At 30 April 2009	<u>83</u>	<u>996</u>	<u>424</u>	<u>31</u>	<u>1,534</u>
Net book value					
At 30 April 2009	<u>-</u>	<u>344</u>	<u>11</u>	<u>3</u>	<u>358</u>
At 30 April 2008	<u>13</u>	<u>425</u>	<u>21</u>	<u>6</u>	<u>465</u>

The net book value in respect of assets held under hire purchase contracts is as follows:

	2009 £000	2008 £000
Group		
Plant and machinery	103	213
Fixtures and fittings	-	-
Motor vehicles	-	6
	<u>103</u>	<u>219</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

13. Investments

Company

	Shares in group undertakings £000
Cost	
At 1 May 2008 & 30 April 2009	<u>4,247</u>
Provision for impairment	
At 1 May 2008 and 30 April 2009	<u>4,188</u>
Net book value	
At 30 April 2009	<u>59</u>
At 30 April 2008	<u>59</u>

The Group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Coburg Coffee Company Limited

Nature of business: Buying, roasting, blending and selling

Class of shares: holding
Ordinary 100.00%

CK Coffee Limited

Nature of business: Provision of on site quality coffee service

Class of shares: holding
Ordinary 100.00%

Capital Coffee Limited

Nature of business: Non trading

Class of shares: holding
Ordinary 100.00%

G & M Rizzi Coffee Company Limited

Nature of business: Non trading

Class of shares: holding
Ordinary 100.00%

All subsidiaries listed above are registered and incorporated in England and Wales

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

14. Inventories

	Group	
	2009 £000	2009 £000
Raw materials	115	110
Work-in-progress	20	21
Finished goods	76	124
	<u>211</u>	<u>255</u>

No inventory was written down in the current or previous year.

15. Trade and other receivables

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Current:				
Trade receivables	356	302	-	-
Amounts owed by group undertakings	-	-	66	78
Other receivables	53	42	10	10
VAT	2	19	2	3
Prepayments	35	50	4	2
	<u>446</u>	<u>413</u>	<u>82</u>	<u>93</u>

The recoverability of receivables is not considered to be an issue to the Group as the main receivables are restricted to large blue chip companies with whom there is a long standing relationship. Small companies have individually very small amounts owing to the Group therefore the risk of a significant bad debt is low.

Some of the trade receivables are past due as at 30 April 2009. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
One month overdue	82	50	-	-
Two to six months overdue	14	1	-	-
Over six months overdue	-	-	-	-
	<u>96</u>	<u>51</u>	<u>-</u>	<u>-</u>

16. Cash and cash equivalents

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Cash in hand	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

17. Trade and other payables

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Current:				
Trade payables	617	478	22	32
Social security and other taxes	36	24	-	-
Other payables	58	4	29	10
Accrued expenses	30	134	10	25
	741	640	61	67
Non-current:				
Other payables	6	84	-	-
	6	84	-	-
Aggregate amounts	747	724	61	67

18. Financial borrowings – borrowings

Bank loans and overdrafts of £134,000 (2008 – £106,000) are secured by a fixed and floating charge over the assets of the Group.

19. Leasing agreements

Group

Minimum lease payments under hire purchase contracts fall due as follows:

	2009 £000	2008 £000
Minimum payments		
Within one year	25	56
Between one and five years	27	50
	52	106
Less future finance charges	10	12
Present value of lease obligations	42	94
Net obligations repayable		
Less amounts due for settlement within 12 months	20	50
Amounts due for settlement between 2 – 5 years	22	44

Hire purchase and finance lease liabilities are secured upon the underlying assets.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

19. Leasing agreements (continued)

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. For the year ended 30 April 2009 the average effective borrowing rate was 10%. Interest rates are fixed at the contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in sterling.

The Group did not enter into any finance lease and hire purchase agreements in the year.

The fair value of the Group's lease obligations approximates to their carrying amount.

20. Financial instruments

The Group's financial instruments comprise borrowings, some cash and liquid resources, and various items, such as trade receivables, trade payables etc. that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The accounting policies for financial instruments have been applied to the line items below:

Financial assets by category

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Loans and receivables				
Trade and other receivables	446	413	82	93
Cash and cash equivalents	2	2	-	-
	<u>448</u>	<u>415</u>	<u>82</u>	<u>93</u>

Financial liabilities by category

	Group		Company	
	2009	2008	2009	2008
	£000	£000	£000	£000
Current liabilities				
Trade and other payables	741	640	61	67
Bank loans and overdrafts	147	115	76	84
Lease obligations	20	50	-	-
Non current liabilities				
Trade and other payables	6	84	-	-
Bank loans and overdrafts	-	-	-	-
Lease obligations	22	44	-	-
	<u>936</u>	<u>933</u>	<u>137</u>	<u>151</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

20. Financial instruments (continued)

Liquidity

Historically the Group's policy has been to finance its business primarily with equity and short-term borrowings. At the year end £184,000 (2008 – £165,000) of the group's borrowings were due to mature within one year.

Foreign currency risk

The majority of goods purchased by the Group originate from overseas, however they are almost all purchased in sterling through UK intermediaries.

The disclosure below excludes short term current trade receivables and payables.

(a) Interest rate and maturity profile of financial liabilities

The interest rate profile of the Group's financial liabilities all of which are in sterling at 30 April 2009 were as follows:

	2009		2008	
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Floating rate financial liabilities £000	Fixed rate financial liabilities £000
Bank loans	76	-	75	-
Bank overdraft	70	-	40	-
Hire purchase	-	42	-	94
Total	<u>146</u>	<u>42</u>	<u>115</u>	<u>194</u>

The bank loans and overdraft at 30 April 2009 carried average interest rates of 6.5% (2008 – 8%) and the hire purchase liabilities 4% to 10% (2008 – 4% to 10%).

(b) Borrowing facilities

During the current and previous company breached one of the financial covenants which applies to its overdraft and loan facility with Barclays Bank Plc. The agreement requires that the loan and overdraft facility is covered at all times at least twice by all unencumbered UK book debts less than 90 days old. The company breached this covenant several times in the current and previous year. Under the terms of the agreement the bank has the right to demand immediate repayment following such a breach. The bank is aware of the breaches and has not taken any action nor has it issued a waiver letter. In accordance with IAS 1 'Presentation of Financial Statements' the loan has been classified as due within 1 year although the bank has not indicated that it will exercise its right to demand immediate repayment. The amount of the loan at the balance sheet date was £75,546.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

20. Financial instruments (continued)

(c) Borrowing facilities (continued)

The Group's revolving credit facilities, which are available until September 2010, comprise of a sterling overdraft, charge card and business internet banking/loan facilities, in addition to the liabilities under hire purchase contracts in existence. Bank loans and overdrafts have annual interest rates of 3.0% above the base rate, with the exception of a bank overdraft facility of £15,000 incurring 5.75% per annum above the base rate as from April 2009. The charge card has a fixed interest rate of 2.0% per month on any unpaid balances. The total amount outstanding under these facilities at the end of the year and maximum permitted borrowings were:

	2009		2008	
	Utilised at 30 April 2009 £000	Maximum availability £000	Utilised at 30 April 2008 £000	Maximum availability £000
Overdraft	70	135	40	135
Bank Loan/Business Internet Banking	76	120	75	120
Charge Cards	-	17	-	17
	146	272	115	272

(d) Fair value of financial assets and liabilities

The fair values of the Group's financial assets and liabilities are not materially different from their carrying value in the accounts.

(e) Maturity profile

	Group		Company	
	2009 £000	2008 £000	2009 £000	2008 £000
Secured borrowings at amortised cost				
Bank loans and overdrafts:				
Due within one year	133	106	76	84
Due in more than one year	-	-	-	-
Net obligations under finance leases and hire purchase contracts:				
Due within one year	20	50	-	-
Due between one and two years	20	19	-	-
Due between two and five years	2	25	-	-
	177	200	76	84
Unsecured borrowings at amortised cost				
Bank loans and overdrafts:				
Due within one year	13	9	-	-
	13	9	-	-
	190	209	76	84

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

21. Material non cash transactions

There were no material non cash transactions.

22. Operating lease commitments

At the balance sheet date the Group had commitments for future minimum lease payments under non cancellable operating leases which fall due as follows:

	Land & Buildings	
	2009	2008
	£000	£000
On leases expiring:		
Within one to two years	102	-
Within two to five years	-	95

	Land & Buildings	
	2009	2008
	£000	£000
Minimum lease payments under operating leases recognised as an expense in the year	96	95

Operating lease payments represent rentals payable by the Group in respect of its properties. For properties the lease periods were negotiated for an average of seven years with five year reviews.

23. Other financial commitments

During the year, the Group has entered into forward contracts for the purchase and delivery of raw coffee. As at the balance sheet date, settlements for these contracts were due as follows:

	£000
Within two to six months	679

24. Called up share capital

	2009	2008
	£000	£000
Authorised:		
51,169,137 Ordinary shares of £0.05 each	2,558	2,558
Allotted, issued and fully paid:		
23,790,914 Ordinary shares or £0.05 each	1,190	1,190

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

25. Reserves

	Retained earnings £000	Share premium £000	Other Reserves £000	Total £000
Group				
At 1 May 2008	(1,631)	418	435	(778)
Deficit for the year	(123)	-	-	(123)
Decrease in share option reserve	-	-	(9)	(9)
	(1,754)	418	426	(910)
At 30 April 2009	(1,754)	418	426	(910)
Company				
At 1 May 2008	(1,945)	418	435	(1,092)
Profit for the year	12	-	-	12
Decrease in share option reserve	-	-	(9)	(9)
	(1,933)	418	426	(1,089)
At 30 April 2009	(1,933)	418	426	(1,089)

26. Contingent liabilities

The company has entered into cross guarantees with the bankers of the Coburg Coffee Company Limited for all bank borrowing between the two companies. As at the balance sheet date the maximum exposure the Group is subject to is £233,000 (2008 – £175,000) of which £133,000 (2008 – £105,500) has been utilised.

27. Control

The day to day administration and financial supervision of the group is the responsibility of the directors as set out in page 2 of the financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2009

28. Reconciliation of movements in shareholders' funds

Group	2009	2008
	£000	£000
Loss for the financial year	(98)	(133)
Decrease in share option reserve	(9)	(2)
	<hr/>	<hr/>
Net reduction of shareholders' funds	(107)	(135)
Opening shareholders' funds	412	547
	<hr/>	<hr/>
Closing shareholders' funds	305	412
	<hr/>	<hr/>
Company	2009	2008
	£000	£000
Profit/(Loss) for the financial year	12	80
Decrease in share option reserve	(9)	(2)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	3	78
Opening shareholders' funds	98	20
	<hr/>	<hr/>
Closing shareholders' funds	101	98
	<hr/>	<hr/>

29. Events after the balance sheet date

There were no material events after the balance sheet date other than those disclosed in the Report of the Directors.

30. Related party transactions

During the year the company received management fees from the subsidiaries noted below. These fees are with regard to the provision of administration services and infrastructure, aiding each of the subsidiaries operations and have duly been eliminated in consolidation.

Coburg Coffee Company Limited	£190,000
CK Coffee Company Limited	£Nil

As at the year end each of the above companies were wholly owned by Coburg Group Plc.

At the year end £2,447 was due to be paid to Tudeley Holdings, a Company who owns shares in Coburg Group Plc and upon which K Legg, director, is Chairman, in respect of fees.

At the year end £3,000 were accrued in respect of unpaid fees for Jeremy Maynard.

Notice of AGM

FOR THE YEAR ENDED 30 APRIL 2009

Annual General Meeting

The directors advise that this document contains the formal Notice of the Annual General Meeting of Coburg Group Plc which you will find on page 48. The Notice convenes the Annual General Meeting of the company to be held at Unit 3 Harrington Way, Warspite Road, Woolwich, London. SE18 5NU for 11.00 a.m. on 30 October 2009 at which the following resolutions will be proposed:

Ordinary Business

1. To receive the company's financial statements for the year ended 30 April 2009 together with the directors' report, the directors' remuneration report and the auditors' report on those accounts.
2. To re-appoint Konrad Legg as a director who retires by rotation.
3. To re-appoint Horwath Clark Whitehill LLP as auditors of the company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the company at a remuneration to be determined by the directors.

Special Business

To consider and if thought fit pass the following resolutions as Ordinary Resolutions:

4. To approve the directors' remuneration report for the financial year ended 30 April 2009.
5. THAT in substitution for all existing authorities to the extent unused the directors be and they are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("the Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section):
 - (a) up to an aggregate nominal amount of £250,000 for cash; and
 - (b) up to an aggregate nominal amount of £600,000 where such securities form the whole or part of the consideration for the acquisition of any other company;provided this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the directors may allot relevant securities pursuant to an offer or agreement made by the Company on or before that date as if such authority had not expired.

Notice of AGM

FOR THE YEAR ENDED 30 APRIL 2009

SPECIAL RESOLUTION

To consider and if thought fit pass the following resolutions as a Special Resolution:

6. THAT in substitution for all existing authorities to the extent unused, and subject to the passing of the resolution 5 the directors be generally empowered pursuant to Section 551 of the Act to allot equity securities (within the meaning of Section 560 of the Act) pursuant to the authority conferred by resolution 5 as if Section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

- (i) in connection with a rights issue or other pre-emptive share issue in favour of ordinary shareholders where the securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly may be) to the respective number of ordinary shares held by them but subject to such exclusions or arrangements as the directors may deem necessary or expedient to deal with fractional entitlements arising or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or exchange or otherwise; and
- (ii) otherwise than pursuant to sub-paragraph (a) above for cash up to an aggregate nominal value of £250,000;

provided this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the directors may allot relevant securities pursuant to an offer or agreement made by the Company on or before that date as if such authority had not expired.

Registered office.

Unit 3 Harrington Way
Warspite Road
Woolwich
London SE18 5NU

By order of the Board
C Birkle
Managing Director
06 October 2009

Notes.

1. Holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder and returned in the same envelope. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. All Proxy Forms must be signed and, to be effective, must be lodged with Capita Registrars, (PROXIES), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time.
2. The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described in note 3) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
3. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita (ID RA10) not later than 48 hours before the time fixed for the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. As at 5th October 2009, being the latest practicable date prior to the publication of this document, the Company's issued share capital consists of 23,790,914 ordinary shares, carrying one vote each. Therefore the total voting rights in the Company as at 5 October 2009 are 23,790,914.
5. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.
6. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members at 6:00pm on the day which is two days before the day of the meeting or, if the meeting is adjourned, shareholders entered on the Company's register of members at 6.00 p.m. on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.

Proxy Form

FOR THE YEAR ENDED 30 APRIL 2009

Proxy for use at the Annual General Meeting to be held at the company registered offices Unit 3, Harrington Way, Warspite Road, Woolwich, London SE18 5NU on 30 October 2009.

I/We (block capitals)

of..... (see note 1)
being (a) holder(s) of Ordinary Shares of 5p each in the capital of the Company, hereby appoint the Chairman of the meeting

or
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 30 October 2009 and at any adjournment thereof in relation to the proposed resolutions and any amendments thereof.
I/We direct my/our proxy to vote in the manner indicated by an X in the appropriate column. Unless otherwise indicated, or upon any matter properly put before the meeting but not referred to below, my/our proxy may exercise his discretion as to how he votes and whether or not he abstains from voting.

ORDINARY BUSINESS	FOR	AGAINST	VOTE WITHHELD
1. To receive the Company's financial statements for the year ended 30 April 2009 together with the reports of the directors and auditors thereon.			
2. To re-appoint the following director who retires by rotation: Konrad Legg.			
3. To re-appoint Horwath Clark Whitehill LLP as auditors of the company to hold office from the conclusion of the AGM to the conclusion of the next AGM at which the accounts are laid before the company at a remuneration to be determined by the directors.			
SPECIAL BUSINESS			
4. To approve the directors' remuneration report for the financial year ended 30 April 2009.			
ORDINARY RESOLUTION			
5. Pursuant to S551 Companies Act 2006 to authorise the directors to allot relevant securities (a) up to an aggregate nominal amount of £250,000 for cash; (b) up to an aggregate nominal amount of £600,000 as consideration in acquisitions.			
SPECIAL RESOLUTION			
6. To empower the directors to allot equity securities as if S561 Companies Act 2006 did not apply limited to such equity securities being allotted in connection with: (a) a rights issue or other pre-emptive share issue in favour of ordinary shareholders; (b) for cash up to an aggregate nominal value of £250,000.			

Dated.....2009 Signature(s)

Notes:

- Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company but must attend the meeting in person) of his own choice to attend and to vote in his/her place. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. If a member wishes to appoint a proxy other than the Chairman, delete the words "the Chairman of the Meeting or," initial the alteration and insert the name of the person you wish to appoint as your proxy. All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
- If you indicate that you want your vote withheld your proxy may abstain from voting and therefore there is no vote at law to be counted in the calculation of the proportion of votes for and against the resolution.
- If a member is a corporation, this form of proxy must be executed under its common seal or by the signature of an officer or attorney duly authorised in writing.
- In the case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated, and the vote of the senior holder who tenders a vote will be accepted to the exclusion of the vote(s) of other joint holder(s), seniority being determined by the order in which the names stand in the register of members of the Company.
- In order to be valid, this form of proxy, duly executed together with any power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must be lodged at the Company's Registrars; Capita Registrars, (PROXIES), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the meeting or any adjournment of the meeting.
- The return of a completed Proxy Form, other such instrument or any CREST Proxy Instruction (as described in note 3 of the notes to the Notice) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
- CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message, regardless of whether it constitutes the appointment of a proxy of an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Registrars (ID RA 10) by no later 48 hours prior to the meeting. Please refer to the notes of the notice of the meeting for further information on proxy appointments through CREST.

First Fold

Second Fold

BUSINESS REPLY SERVICE
Licence No MB122



**Capita Registrars,
Proxy Department,
PO Box 25,
Beckenham,
Kent BR3 4BR**

Third Fold

First Fold

