

COBURG GROUP

COBURG GROUP PLC

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2011**

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Directors and Advisors

The Board of Directors

Konrad P Legg

(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

Bryan Stockley

(Managing Director)

Bryan Stockley joined the group in June 1999 and was appointed to director on 6/1/2011

Chris W Birkle ACA

(Non Executive Director)

Chris Birkle joined the company on 01 October 2004 and was group managing director from 03 May 2005 to 30 September 2010. He is also company secretary of Mint Design Ltd and a director of CUUB Ltd.

Jeremy S P Maynard MA, DipFM

(Non-Executive Director) †*

Jeremy Maynard was appointed as a non-executive director on 31 October 2009.

**Member of the Audit Committee*

†Member of the Remuneration committee

Louisa Pino

(Company Secretary)

Senior Management

Marisa Iannetta

(Financial Controller)

Marisa Iannetta joined the group in April 2006.

Head office and Registered office

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

Registered number 2956279

Auditors

Crowe 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

Simple Investments
1 High Street
Godalming
GU7 1AZ

Chairman's Statement

The results for the year as reflected in the Group Statement of Comprehensive Income shows a loss after of tax £146,000 compared with a profit of £124,000 (as restated) in the previous year. The loss was struck after providing for a write down of £50,000 in the carrying value of goodwill in the balance sheet.

The results also include, as normal, costs of about £60,000 relating to the maintenance of the Company's listing on the AIM Market. Overheads were well controlled but the main problem was a sharp deterioration in gross margins caused by our inability to pass on to customers the full impact of the big rise in green coffee prices experienced during the period.

The directors still believe the coffee roasting business has good prospects and are confident that the business will return to profitability in due course.

Sales in the second half showed an improvement over the first half. Present indications suggest that sales for the current year will be approximately £2 million. However it is unlikely that the coffee business can return to sustained profitability until the price pressure on raw coffee is reduced and price levels become more stable.

The directors are exploring various strategic scenarios to reduce the group's exposure to the coffee business. This may involve bringing in new investors or divesting all or part of the business so that future funding will no longer be the responsibility of Coburg Group plc shareholders.

Tudeley Holdings Ltd of which I am a director and major shareholder is a significant shareholder of the group, and has continued to provide a secured loan facility of £100,000 to the coffee roasting business. It has also agreed to provide some additional limited support should this be needed during this transition stage provided that Group's sales and cash flow continue broadly in line with the Group's forecasts.

In this way it is hoped that the AIM listed company can expand and develop in new directions. In due course this may require the Company to be 'reclassified' as an investing company which will require the approval of shareholders. The directors and major shareholders are hopeful that they will be able to identify suitable new opportunities for the Company.

K P LEGG
Chairman

Enquiries:

Konrad Legg	Coburg Group PLC	+44 (0)20 8317 0103
Colin Aaronson	Grant Thornton Corporate Finance	+44 (0)20 7383 5100
Nick Emerson	Simple Investments	+44 (0)14 8341 3500

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 2011.

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. A detailed business review for the Group is detailed in the Chairman's statement.

Results and dividends

The Group's revenue for the year was £1,749,725 (2010 - £3,160,237), yielding a gross profit of £576,000 (2010 - £860,000 profit) and an operating (loss) / profit of (£126,000) (2010 - £146,000).

The Group's loss for the year after taxation was £145,967 (2010 - £124,000 profit). This gives a basic loss per share of 51.84 pence (2010 – 44.02 pence earnings per share).

The Directors do not recommend payment of a dividend in respect of the year ended 30 April 2011 (2010: nil).

Report of the Directors

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 their 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:

- **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.

- **Commodity price trends**

The group purchases raw green coffee and there is a risk that the operating companies may not be able to pass on to their customers rises in the price of that commodity.

Report of the Directors

KEY PERFORMANCE INDICATORS

	Year ended 30 April 2011	Year ended 30 April 2010
Revenue growth ¹	(44.6) %	(11.6)%
Operating margin ²	(7.2)%	4.1%
Interest cover ³	(8.7)%	10.1%

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 2011.

K P Legg

C W Birkle

J S P Maynard

B Stockley

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 2011 there were 115 (2010 - 103) 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.

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 agencies.

Non-current assets

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

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2010' which requires the reasons for this decision to be explained.

The Group made a net loss of £146,000 during the year to 30 April 2011, at that date the Group's statement of financial position showed net current assets of £94,000. 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.

These conditions indicate the existence of a material uncertainty which may cast significant 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.

The Directors are addressing the cashflow shortages in the following manner:

- Careful management of working capital requirements
- Tudeley Holdings Limited, a company controlled by Konrad Legg a major shareholder and Director, has provided the group with £100,000 under a debenture facility. Tudeley Holdings Limited has confirmed that it will not call for repayment of this for at least 12 months from the date these financial statements are signed. In addition Tudeley Holdings Limited will provide some limited support for the group provided that sales and cash flow continue broadly in line with the Group's forecasts.
- The directors are exploring various strategic scenarios to reduce the group's exposure to the coffee business. This may involve bringing in new investors or divesting all or part of the business so that future funding will no longer be the responsibility of Coburg Group plc shareholders.

Despite the uncertainties highlighted above, as directors we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus we have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Report of the Directors

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.

Substantial shareholdings

As at 30 April 2011, shareholdings in excess of 3% of the company's issued ordinary share capital had been registered as follows:

	Number of Ordinary shares	Percentage
R Bruce Rowan	120,000	29.06%
K P Legg	92,550	22.41%
A G Summers	54,250	13.4%
Mr & Mrs Cronk	14,570	3.52%

Included in the above number of shares are 29,000 shares (7.02%) held by Tudeley Holdings, and 40,000 shares (9.69%) in Investco Overseas Holdings Limited, companies controlled by K P Legg.

Director's indemnities

An amount of £1,029 (2010 - £1,512) 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.

They are further responsible for ensuring that the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Coburg Group Plc website is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Report of the Directors

Auditors

Crowe Clark Whitehill LLP will be proposed for reappointment as auditors 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

B Stockley
Director

2011

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 package for the executive Director is structured to attract, motivate and retain the Director 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 consists 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 consists 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

	Short-term employment benefits		Post-employment benefits	Total 2011 £	Total 2010 £
	Salary and fees paid or receivable £	Other benefits £	Pension contributions £		
B Stockley	50,000	-	-	50,000	-
C W Birkle	6,000	3,791	-	9,791	58,871
K P Legg (i)	6,000	-	-	6,000	6,000
J S P Maynard	6,000	9,557	-	15,557	6,000
Totals	68,000	13,348	-	81,348	70,871

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

Notes:

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

(ii) C W Birkle's emoluments in the previous year include an ex-gratia payment of £18,000.

(iii) No director received any benefits in kind during the year.

(iv) C W Birkle held 3,500 share options in the company at the year end which had an estimated £nil value as disclosed in note 31.

(v) B Stockley held 750 share options in the company at the year end which had an estimated £nil value as disclosed in note 31.

Report of the Remuneration Committee

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 2011*	As at 30 April 2010
K P Legg	92,550	5,255,000
B Stockley	7,000	-
C W Birkle	900	90,000
J S P Maynard	10	1,500

*In October 2010 there was a reorganisation of share capital which resulted in every 100 shares being subdivided up into 1 share (see note 24 for further details)

Tudeley Holdings Limited owns 29,000 shares and Investco Overseas Holdings Limited 40,000 shares. Both companies are controlled by K P Legg. The shareholdings are included above.

Approved by the Remuneration
Committee signed on its behalf by:

Konrad Legg
Chairman of Remuneration Committee

2011

Independent Auditors' Report to the Shareholders of Coburg Group Plc

We have audited the consolidated financial statements of Coburg Group plc for the year ended 30 April 2011 which comprise the group statement of comprehensive income, group statement of financial position, company statement of financial position, group statement of changes in equity, company statement of changes in equity, group statement of cash flows, company statement of cash flows and related notes set out on pages 26 to 53.

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 Chapter 3 Part 16 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.

In addition, we read all the financial and non-financial information in the Directors' Report and any other surround information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors' Report to the Shareholders 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 30 April 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – going concern

In forming our opinion, which is not modified, 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 made a net loss of £146,000 during the year to 30 April 2011, at that date the Group's statement of financial position showed net current assets of £94,000. 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.

The Directors are addressing the cashflow shortages in the following manner:

- Careful management of working capital requirements
- Tudeley Holdings Limited, a company controlled by Konrad Legg a major shareholder and Director, has provided the group with £100,000 under a debenture facility. Tudeley Holdings Limited has confirmed that it will not call for repayment of this for at least 12 months from the date these financial statements are signed. In addition Tudeley Holdings Limited will provide some limited support for the group provided that sales and cash flow continue broadly in line with the Group's forecasts.
- The directors are exploring various strategic scenarios to reduce the group's exposure to the coffee business. This may involve bringing in new investors or divesting all or part of the business so that future funding will no longer be the responsibility of Coburg Group plc shareholders.

These conditions indicate the existence of a material uncertainty which may cast significant 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.

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

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
Crowe Clark Whitehill LLP
Chartered Accountants

Statutory Auditor
10 Palace Avenue
Maidstone
Kent
ME16 6NF

2011

Group Statement of Comprehensive Income

FOR THE YEAR ENDED 30 APRIL 2011

	<i>Note</i>	2011	<i>As restated</i> 2010
		£000	£000
Revenue		1,750	3,160
Cost of sales		<u>(1,174)</u>	<u>(2,300)</u>
Gross profit		576	860
Distribution costs		(156)	(206)
Administrative expenses		<u>(546)</u>	<u>(508)</u>
Group operating (loss)/profit		(126)	146
Finance costs	3	<u>(20)</u>	<u>(22)</u>
(Loss)/ profit before tax		(146)	124
Tax	6	<u>-</u>	<u>-</u>
 (Loss)/Profit after tax and total comprehensive income		 <u>(146)</u>	 <u>124</u>
 (Loss) / Profit per share expressed in pence per share:	 8		
Basic		(51.84)	44.02
Diluted		<u>(51.84)</u>	<u>44.02</u>

The (loss) / profit is attributable to equity holders

Group Statement of Changes in Equity

FOR THE YEAR ENDED 30 APRIL 2011

	Issued share capital £000	Share premium account £000	Other Reserves* £000	Retained earnings £000	Total £000
Balance as at 1 May 2009	1,190	418	426	(1,754)	280
Profit for the year as previously stated	-	-	-	106	106
Balance as at 30 April 2010	1,190	418	426	(1,648)	386
Balance as at 1 May 2010	1,190	418	426	(1,648)	386
Prior year adjustment (note 19)	-	-	-	18	18
Balance as at 1 May 2010 As restated	1,190	418	426	(1,630)	404
Loss for the year	-	-	-	(146)	(146)
Shares issued in the year	17	215	-	-	232
Balance as at 30 April 2011	1,207	633	426	(1,776)	490

*At the 30 April 2011 the other reserves consists of the merger relief reserve brought forward. At 1 May 2009 other reserves included £9,000 in respect of the share option reserve.

Company Statement of Changes in Equity

FOR THE YEAR ENDED 30 APRIL 2011

	Issued share capital £000	Share premium account £000	Other Reserves* £000	Retained earnings £000	Total £000
Balance as at 1 May 2009	1,190	418	426	(1,933)	101
Loss for the year	-	-	-	11	11
Balance as at 30 April 2010	1,190	418	426	(1,922)	112
Balance as at 1 May 2010	1,190	418	426	(1,922)	112
Loss for the year	-	-	-	(26)	(26)
Shares issued in the year	17	215	-	3	235
Balance as at 30 April 2011	1,207	633	426	(1,945)	321

*At the 30 April 2011 the other reserves consists of the merger relief reserve brought forward. At 1 May 2009 other reserves included £9,000 in respect of the share option reserve.

Group Statement of Financial Position

AS AT 30 APRIL 2011

	Note	2011 £000	As restated 2010 £000
Assets			
Non-current assets			
Goodwill	10	147	198
Intangible assets	11	-	-
Property, plant and equipment	12	271	293
Investments	13	19	-
		<u>437</u>	<u>491</u>
Current assets			
Inventories	14	258	208
Trade and other receivables	15	291	452
Cash and cash equivalents	16	54	72
		<u>603</u>	<u>732</u>
Liabilities			
Current liabilities			
Trade and other payables	17	438	713
Financial liabilities – borrowings			
Bank overdrafts		42	31
Interest bearing loans and borrowings		29	52
	20	<u>509</u>	<u>796</u>
Net current assets / (liabilities)		<u>94</u>	<u>(64)</u>
Non-current liabilities			
Trade and other payables	17	-	-
Financial liabilities – borrowings		40	-
Interest bearing loans and borrowings		1	23
	20	<u>41</u>	<u>23</u>
Net assets		<u>490</u>	<u>404</u>
Shareholders' equity			
Called up share capital	24	1,207	1,190
Share premium	25	633	418
Other reserves	25	426	426
Retained earnings	25	(1,776)	(1,630)
Total equity		<u>490</u>	<u>404</u>

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

2011

B Stockley
Director

Company Statement of Financial Position

AS AT 30 APRIL 2011

	<i>Note</i>	2011 £000	2010 £000
Assets			
Non-current assets			
Goodwill	10	21	97
Investments	13	77	59
		<u>98</u>	<u>156</u>
Current assets			
Trade and other receivables	15	275	66
Cash and cash equivalents	16	40	-
		<u>315</u>	<u>66</u>
Liabilities			
Current liabilities			
Trade and other payables	17	32	62
Financial liabilities – borrowings			
Bank overdrafts		-	-
Interest bearing loans and borrowings		20	33
	20	<u>52</u>	<u>95</u>
Net current assets		<u>263</u>	<u>(29)</u>
Non current liabilities			
Interest bearing loans and borrowings	20	40	15
		<u>40</u>	<u>15</u>
Net assets		<u>321</u>	<u>112</u>
Shareholders' equity			
Called up share capital	24	1,207	1,190
Share premium	25	633	418
Other reserves	25	426	426
Retained earnings	25	(1,945)	(1,922)
Total equity		<u>321</u>	<u>112</u>

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

2011

B Stockley
Director

Group Statement of Cash Flows

FOR THE YEAR ENDED 30 APRIL 2011

	<i>Notes to Cash Flow</i>	2011	2010
		£000	£000
Cash flows from operating activities			
Cash generated from operations	1	(192)	204
Interest paid		(17)	(16)
Interest element of hire purchase payments paid		(3)	(6)
		<u>(212)</u>	<u>182</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(33)	(29)
Sale of tangible fixed assets		6	-
Purchase of investments		(19)	-
		<u>(46)</u>	<u>(29)</u>
Cash flows from financing activities			
Issue of ordinary share capital		235	-
Loans advanced in the year		40	-
Bank loan repayments in the year		(37)	(34)
Hire purchase repayments in year		(12)	(9)
		<u>226</u>	<u>(43)</u>
Increase/(decrease) in cash and cash equivalents		(32)	110
Cash and cash equivalents at beginning of year	2	<u>42</u>	<u>(68)</u>
Cash and cash equivalents at end of year	2	<u>10</u>	<u>42</u>

Company Statement of Cash Flows

FOR THE YEAR ENDED 30 APRIL 2011

	<i>Notes to Cash Flow</i>	2011	2010
		£000	£000
Cash flows from operating activities			
Cash generated from operations	1	(163)	30
Interest paid		(1)	(2)
Net cash from operating activities		<u>(164)</u>	<u>28</u>
Cash flows from investing activities			
Purchase of investments		<u>(19)</u>	-
Net cash from investing activities		<u>(19)</u>	-
Cash flows from financing activities			
Loans advanced in the year		40	3
New shares issued in the year		235	-
Capital repayments in year		<u>(52)</u>	<u>(31)</u>
Net cash from financing activities		<u>223</u>	<u>(28)</u>
Increase in cash and cash equivalents		40	-
Cash and cash equivalents at beginning of year	2	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	2	<u><u>40</u></u>	<u><u>-</u></u>

Notes to the Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2011

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

	Group 2011	Group 2010 £000	Company 2011	Company 2010 £000
Operating (Loss)/Profit	(111)	130	(14)	(177)
Depreciation, amortisation and impairment charges	102	94	-	-
Profit on disposal of fixed assets	(1)	-	-	-
	(10)	224	(14)	(177)
(Increase)/Decrease in inventories	(69)	(6)	-	-
(Increase)/Decrease in trade and other receivables	162	21	(142)	62
Increase/(Decrease) in trade and other payables	(275)	(35)	(7)	145
Cash generated from operations	(192)	204	(163)	30

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 2011	Group 2011	Group 2010 £000	Company 2011	Company 2010 £000
Cash	54	72	40	-
Bank overdrafts	(44)	(30)	-	-
Total cash and cash equivalents	10	42	40	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

1. Accounting policies

Basis of preparation

Coburg Group Plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 2956279). The Company is domiciled in the United Kingdom and its registered address is Unit 3, Harrington Way, Warspite Road, Woolwich, London, SE18 5NU. The Company's shares are traded on the AIM market of the London Stock Exchange.

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.

The accounts have been prepared in £000's and figures have been rounded to the nearest thousand pounds.

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2010' which requires the reasons for this decision to be explained.

The Group made a net loss of £146,000 during the year to 30 April 2011, at that date the Group's statement of financial position showed net current assets of £94,000. 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.

These conditions indicate the existence of a material uncertainty which may cast significant 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.

The Directors are addressing the cashflow shortages in the following manner:

- Careful management of working capital requirements
- The Group has a small portfolio of listed shares which it intends to sell to support the cashflow requirements of the Group.
- Tudeley Holdings Limited, a company controlled by Konrad Legg a major shareholder and Director, has provided the group with £100,000 under a debenture facility. Tudeley Holdings Limited has confirmed that it will not call for repayment of this for at least 12 months from the date these financial statements are signed. In addition Tudeley Holdings Limited will provide some limited support for the group provided that sales and cash flow continue broadly in line with the Group's forecasts.
- The directors are exploring various strategic scenarios to reduce the group's exposure to the coffee business. This may involve bringing in new investors or divesting all or part of the business so that future funding will no longer be the responsibility of Coburg Group plc shareholders.

Despite the uncertainties highlighted above, as directors we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus we have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

1. Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all principal subsidiaries for the year ended 30 April 2011. 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.

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. 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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

1. Accounting policies (continued)

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.

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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

1. Accounting policies (continued)

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 a Black-Scholes based model. 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.

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 April 2010. There were no new standards, interpretations and amendments, applied for the first time from 1 April 2010, which have had an effect on the financial statements:

b) There are certain new standards, amendments and interpretations of existing standards that have been published and are effective for the Company's accounting periods beginning on or after 1 April 2010 and which are applicable to the Company, but which have not been adopted early. These are:

- Amendments to IAS 12 Deferred tax: Recovery of Underlying Assets - effective 01/01/2012
- IFRS 9 Financial Instruments - effective 01/01/2013
- Presentation of Items of Other Comprehensive Income (Amendments to IAS1) – effective 01/07/2012
- IFRS 10 Consolidated Financial Statements – effective 01/01/2013
- IFRS 13 Fair Value Measurement – effective 01/01/2013
- IAS19 Employee Benefits - effective 01/01/2013
- IAS 24 Related party disclosures – effective 01/01/2011

The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Company's loss for the year or equity. Application of these standards may result in some changes in presentation of information within the Company's financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

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 based on the estimated future cash flows based upon historic profits of the related cash generating unit over a rolling 5 years. A discount factor of 21.1% (2010 - 8.65%) is applied to obtain a current value ('value in use'). The discount factor used is the Groups Weighted Average Cost of Capital (WACC). The 'fair value less costs to sell' of an asset is used if this results in an amount in excess of 'value in use'. 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.

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 income generating unit in their current condition. Future cash flows therefore exclude benefits from major expansion projects requiring future capital expenditure.

Further details are set out in note 10.

Going concern

In assessing going concern the directors have prepared forecasts. The forecasts are based on factors including historical experience and expectations of future events which the directors believe to be reasonable. However, given the judgemental nature of such estimates, actual results could be different from the forecasts used. Further details regarding going concern are provided in the basis of accounting note and the director's report.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

2. Employees and directors

	2011 £000	2010 £000
Wages and salaries	382	523
Social security costs	30	41
	<u>412</u>	<u>564</u>

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

	2011	2010
Operational	10	15
Administration	4	2
	<u>14</u>	<u>17</u>

Details of directors' remuneration required by the Companies Act 2006 are provided within the report of the Remuneration Committee on page 13. The aggregate of directors emoluments for the year was £81,348 (2010 - £70,871) No amounts were paid to directors in respect of pension schemes (2010 - £nil).

The directors consider the directors to be the key management personnel.

3. Net finance costs

	2011 £000	2010 £000
Finance costs:		
Bank interest	15	14
Other interest payable	2	2
Hire purchase	3	6
	<u>20</u>	<u>22</u>

4. Loss/profit before tax

	2011 £000	2010 £000
The loss/profit before tax is stated after charging:		
Cost of inventories recognised as expense	1,457	1,565
Depreciation – owned assets	51	72
Depreciation – assets on hire purchase contracts	4	9
Property rentals payable under operating leases	57	79
Foreign exchange differences	-	(4)

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

5. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2011 £000	2010 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts		
Total audit fees	<u>7</u>	<u>7</u>
Fees payable to the Group's auditors for other services to the Group		
The audit of the Company's subsidiaries pursuant to legislation	5	5
Other services in relation to taxation	3	3
	<u>8</u>	<u>8</u>
	<u>15</u>	<u>15</u>

6. Tax

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2011 or for the year ended 30 April 2010.

As at the balance sheet date the group has tax adjusted trading losses of approximately £3,073,000 (2010 - £2,899,108) available for set off against future trading profits of the same trade subject to agreement by HM Revenue and Customs.

Deferred tax has not been recognised in respect of the losses as suitable taxable profits against which the asset could reverse are not expected to be available in the near future.

	2011 £000	2010 £000
Corporation tax	-	-
Deferred tax	<u>-</u>	<u>-</u>
	<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 2011

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% (2010: 21%). The differences are explained below:-

	2011 £000	2010 £000
TAX RECONCILIATION		
(Loss) / Profit per accounts before taxation	(146)	106
Tax on profit on ordinary activities at standard rate of 21% (2010 - 21%)	(30)	22
Expenses not deductible for tax purposes	11	(1)
Utilisation of tax losses and other deductions	-	(11)
Adjustments from previous periods	1	-
Utilisation of tax losses and other deductions	-	(10)
Unrelieved tax losses and other deductions arising in the period	18	-
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/> <hr/>	<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 £26,000 (2010 – £11,000 loss).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

8. Earnings per share

Basic earnings per share is calculated on the basis of dividing the profit/(loss) attributable to ordinary shareholders of the company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share options and warrants. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the exercise price attached to outstanding share options and warrants. Thus the total potential dilutive weighted average number of shares considers the number of shares that would have been issued assuming the exercise of the share options and warrants. If these are proved to be anti-dilutive (decrease the potential loss per share) they are omitted from the calculation, as the group has made a loss in the current year the options, warrants and convertible loan notes are anti-dilutive and diluted earnings per share are therefore not provided for the current year.

The weighted average number of shares have been adjusted by a time weighted factor to take into account the share reorganisation in the year and the issue of new shares (see note 24).

Reconciliations are set out below.

	Average earnings £000	2011 Weighted number of shares	Amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(146)	281,659	(51.84)
Effect of dilutive securities	-	-	-
Diluted EPS	-	-	-
Dilution from share options and warrants*	-	-	-
Adjusted earnings	<u>(146)</u>	<u>281,659</u>	<u>(51.84)</u>

	Average earnings £000	2010 Weighted number of shares	Amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	124	281,659**	44.02
Effect of dilutive securities	-	-	-
Diluted EPS	124	281,659**	44.02

* The incremental shares from assumed conversion are not included in the current year's calculation of diluted earnings per share as their inclusion would increase earnings per share and the effect would be anti-dilutive as explained above.**Restated for share reorganisation.

Note that deferred shares have been excluded from these calculations on the basis that they do not have any right to share in the profit of the group. In the previous year there were no warrants or options in issue at the year end.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

9. Segmental reporting

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The operating segments represent those assessed by the board and relate to the group's two trading companies. The principal activities are:-

- Coburg Coffee Company Ltd – The sourcing, roasting and distribution of quality coffee beans, the grinding and marketing of country originals and blended ground coffees and the sourcing, preparation and distribution of single estate and blended teas.
- CK Coffee Ltd – Supplier of coffee, tea and other beverages to offices, cafes, hotels and restaurants.

Year Ended 30 April 2011

	Coburg Coffee Company £'000s	CK Coffee £'000s	Total £'000s
Total Revenue	1,391	826	2,217
Revenue - Internal	(470)	-	(470)
External Revenue	921	826	1,747
Depreciation and amortisation	38	21	59
Operating (Loss) / Profit	(92)	23	(69)
Group and consolidation adjustments			(57)
Finance costs			(20)
Loss before tax			(146)
Tax			-
Profit after tax as per income statement			(146)

All turnover arose within the United Kingdom and related to external sales.

Information about the extent of the Group's reliance on its major customers is provided in note 15.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

9. Segmental reporting continued

Year Ended 30 April 2010

	Coburg Coffee Company £'000s	CK Coffee £'000s	Total £'000s
Total Revenue	2,814	933	3,747
Revenue - Internal	(614)	-	(614)
External Revenue	2,200	933	3,133
Depreciation and amortisation	54	40	94
Operating (Loss) / Profit	198	114	312
Group and consolidation adjustments			(166)
Finance costs			(22)
Profit before tax			124
Tax			-
Profit after tax as per income statement			124

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

9. Segmental reporting continued

Year ended 30 April 2011	Coburg Coffee Company £'000s	CK Coffee £'000s	Total Group £'000s
Segment assets	826	301	1,127
Unallocated assets			
Consolidation adjustments			(540)
Goodwill and investments			98
Trade and other receivables			316
Cash and cash equivalents			40
Total assets			1,041
Segment liabilities	674	249	923
Unallocated liabilities			
Consolidation adjustments			(464)
Trade and other payables			33
Borrowings			59
Total liabilities			551
Net operating assets	35	180	490
Year ended 30 April 2010	Coburg Coffee Company £'000s	CK Coffee £'000s	Total Group £'000s
Segment assets	9,613	122	1,083
Unallocated assets			
Consolidation adjustments			(81)
Goodwill			155
Trade and other receivables			66
Cash and cash equivalents			-
Total assets			1,223
Segment liabilities	755	90	845
Unallocated liabilities			
Consolidation adjustments			(138)
Trade and other payables			64
Borrowings			48
Total liabilities			819
Net operating assets	211	88	404

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

10. Goodwill

Group

£000

Cost

At 1 May 2009, 2010 and 30 April 2011

1,482

Impairment

At 1 May 2009 and 2010

1,284

Charged during the year

51

At 30 April 2011

1,335

Net book value

At 30 April 2011

147

At 30 April 2009 and 2010

198

Company

£000

Cost

At 1 May 2009 and 2010

223

Transfer to subsidiary

(77)

Impairment

-

At 30 April 2011

146

Amortisation

At 1 May 2009, 2010 & 30 April 2011

125

Net book value

At 30 April 2011

21

At 30 April 2009 and 2010

97

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

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:

	2011 £'000	2010 £'000
Aroma CGU	78	81
Rizzi CGU	68	97
CK Coffee CGU	-	20
	<hr/>	<hr/>
Carried forward at 30 April	146	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.

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 based on the estimated future cash flows based upon historic profits of the related cash generating unit over a rolling 5 years. A discount factor of 21.14% (2010) 8.65% is applied to obtain a current value ('value in use'). The discount factor used is the Groups Weighted Average Cost of Capital (WACC). The 'fair value less costs to sell' of an asset is used if this results in an amount in excess of 'value in use'.

Cash flows for impairment calculations take into account 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.

In the previous year an increase in the discount rate to 17% or a decrease in the Group's cash flow of 33% would have caused the Board to impair the carrying value of goodwill.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

11. Intangible assets

	Brands £'000
Cost	
At 1 May 2009, 2010 and 30 April 2011	<u>42</u>
Amortisation	
At 1 May 2009, 2010 and 30 April 2011	<u>42</u>
Net book value	
At 30 April 2011	<u>-</u>
At 30 April 2009 and 2010	<u>-</u>

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 2009	83	1,340	435	34	1,892
Additions	-	14	2	-	16
Disposals	-	(148)	(7)	(21)	(176)
At 30 April 2010	83	1,206	430	13	1,732
Additions	-	22	11	-	33
Disposals	-	(62)	(311)	-	(373)
At 30 April 2011	<u>83</u>	<u>1,166</u>	<u>130</u>	<u>13</u>	<u>1,392</u>
Depreciation					
At 1 May 2009	83	996	424	31	1,534
Charge for year	-	74	5	3	82
Disposals	-	(149)	(7)	(21)	(177)
At 30 April 2010	83	921	422	13	1,439
Charge for year	-	45	5	-	50
Disposals	-	(57)	(311)	-	(368)
At 30 April 2011	<u>83</u>	<u>909</u>	<u>116</u>	<u>13</u>	<u>1,121</u>
Net book value					
At 30 April 2011	<u>-</u>	<u>257</u>	<u>14</u>	<u>-</u>	<u>271</u>
At 30 April 2010	<u>-</u>	<u>285</u>	<u>8</u>	<u>-</u>	<u>293</u>
At 30 April 2009	<u>-</u>	<u>344</u>	<u>11</u>	<u>3</u>	<u>358</u>

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

	2011 £000	2010 £000
Group		
Plant and machinery	<u>60</u>	<u>72</u>

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

13. Investments

Group

	Shares in Listed Investments £000
Cost	
At 1 May 2010	-
Additions	19
At 30 April 2011	<u>19</u>
Provision for impairment	
At 1 May 2010 and 30 April 2011	<u>-</u>
Net book value	
At 30 April 2011	<u>19</u>
At 30 April 2010	<u>-</u>

The market value of the investments at 30 April 2011 was £16,604.

Company

	Shares in group undertakings £000	Shares in Listed Investments £000	Total £000's
Cost			
At 1 May 2010	4,247	-	4,247
Additions	-	19	19
At 30 April 2011	<u>4,247</u>	<u>19</u>	<u>4,266</u>
Provision for impairment			
At 1 May 2010 and 30 April 2011	<u>4,189</u>	<u>-</u>	<u>4,189</u>
Net book value			
At 30 April 2011	<u>58</u>	<u>19</u>	<u>77</u>
At 30 April 2010	<u>58</u>	<u>-</u>	<u>58</u>

The market value of the investments at 30 April 2011 was £16,604.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

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 2011

14. Inventories

	Group	
	2011	<i>As restated</i> 2010
		£000
Raw materials	122	90
Work-in-progress	46	25
Finished goods	90	93
	258	208

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

15. Trade and other receivables

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Current:				
Trade receivables	223	365	-	-
Amounts owed by group undertakings	-	-	260	47
Other receivables	38	44		10
VAT	2	2	2	2
Prepayments	28	41	13	7
	291	452	275	66

The following entities within the Group received revenues from transactions with a single external customer which amounted to 10% or more of their turnover for the year ended 30 April 2011.

	Percentage of turnover derived from a single customer	
DBC Food Service	-	32%
Caffe Nero Group PLC	12.75%	29%

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 2011. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
One month overdue	70	93	-	-
Two to six months overdue	8	24	-	-
Over six months overdue	-	-	-	-
	78	117	-	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

16. Cash and cash equivalents

	Group		Company	
	2011	2010	2011	2010
			£000	£000
Cash in hand	<u>54</u>	<u>72</u>	<u>40</u>	<u>-</u>

17. Trade and other payables

	Group		Company	
	2011	2010	2011	2010
		£000		£000
Current:				
Trade payables	369	647	19	19
Social security and other taxes	8	7	-	-
Amount owed to group undertakings	-	-	-	23
Other payables	7	4	-	-
Accrued expenses	<u>54</u>	<u>55</u>	<u>13</u>	<u>20</u>
	<u>438</u>	<u>713</u>	<u>32</u>	<u>62</u>
Non-current:				
Other payables	-	-	-	-
				-
Aggregate amounts	<u>438</u>	<u>713</u>	<u>32</u>	<u>62</u>

18. Financial borrowings – borrowings

The bank holds a cross guarantee debenture over the group in respect of the bank loan and overdrafts of £102,000 (2010 - £79,000) which are secured by a fixed and floating charge over the assets of the Group.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

19. Leasing agreements

Group

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

	2011 £000	2010 £000
Minimum payments		
Within one year	10	23
Between one and five years	3	12
	<u>13</u>	<u>35</u>
Less future finance charges	(2)	(8)
Present value of lease obligations	11	27
Net obligations repayable		
Less amounts due for settlement within 12 months	(9)	(19)
Amounts due for settlement between 2 – 5 years	2	8

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

It is the Group's policy to lease certain of its property, plant and equipment under finance leases. For the year ended 30 April 2011 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

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	
	2011	2010	2011	2010
	£000	£000	£000	£000
Loans and receivables				
Trade and other receivables	289	452	208	82
Cash and cash equivalents	54	72	14	-
	<u>343</u>	<u>524</u>	<u>222</u>	<u>82</u>

Financial liabilities by category

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Current liabilities				
Trade and other payables	438	713	32	62
Bank loans and overdrafts	62	64	20	33
Lease obligations	9	19	-	-
	<u>509</u>	<u>796</u>	<u>52</u>	<u>95</u>
Non current liabilities				
Trade and other payables	-	-	-	-
Bank loans and overdrafts	-	15	-	15
Other loans	40	-	40	-
Lease obligations	1	8	-	-
	<u>41</u>	<u>23</u>	<u>40</u>	<u>15</u>
Total liabilities	<u>550</u>	<u>819</u>	<u>92</u>	<u>110</u>

Liquidity

Historically the Group's policy has been to finance its business primarily with equity and short-term borrowings. At the year end £19,403 (2010 - £32,655) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

(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 2011 were as follows:

	2011		2010	
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Floating rate financial liabilities £000	Fixed rate financial liabilities £000
Bank loans	19	-	48	-
Bank overdraft	43	-	31	-
Hire purchase	-	10	-	27
Total	<u>62</u>	<u>10</u>	<u>79</u>	<u>27</u>

The bank loans and overdraft at 30 April 2011 carried average interest rates of 3.5% (2010 - 3.5%) and the hire purchase liabilities 7% to 12% (2010 - 4% to 10%).

(b) Borrowing facilities

The Group's revolving credit facilities comprise 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. The bank loan matures on 26 January 2012. The total amount outstanding under these facilities at the end of the year and maximum permitted borrowings were:

	2011		2010	
	Utilised at 30 April 2011 £000	Maximum availability £000	Utilised at 30 April 2010 £000	Maximum availability £000
Overdraft	19	100	31	115
Bank Loan/Business Internet Banking	43	120	48	120
Charge Cards	-	-	-	13
	<u>62</u>	<u>220</u>	<u>79</u>	<u>248</u>

(c) 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.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

20. Financial instruments (continued)

(d) Maturity profile

	Group		Company	
	2011 £000	2010 £000	2011 £000	2010 £000
Secured borrowings at amortised cost				
Bank loans and overdrafts:				
Due within one year	19	48	-	33
Due in more than one year	40	-	40	-
Net obligations under finance leases and hire purchase contracts:				
Due within one year	10	19	-	-
Due between one and two years	1	7	-	-
Due between two and five years	-	1	-	-
	70	75	40	33
Unsecured borrowings at amortised cost				
Bank loans and overdrafts:				
Due within one year	44	15	-	-
	44	15	-	-
	114	90	40	33

In addition to the concentration of Credit risk noted in note 15 there is a cross guarantee within the group which has been valued by the groups bankers at £450. Liquidity risk is covered in the maturity profile above. There are no derivative financial liabilities. A sensitivity analysis has not been provided as there are no significant risk variables.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

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	
	2011	2010
	£000	£000
On leases expiring:		
Within one to two years	70	83
Within two to five years	325	-
Over five years	343	-

	Land & Buildings	
	2011	2010
	£000	£000
Minimum lease payments under operating leases recognised as an expense in the year	57	79

On 8 June 2010 Coburg Coffee Company Ltd signed a lease agreement to continue leasing the company's current property for a further 10 years at an annual rent of £70,000 per annum for 3 years and £85,750 per annum for 7 years.

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:

	2011	2010
	£000	£000
Within two to six months	205	272

24. Called up share capital

	2011	2010
	£000	£000
Authorised:		
51,169,137 Ordinary shares of £0.05 each*	2,558	2,558
Allotted, issued and fully paid:		
412,909 of ordinary £0.10 shares	41	-
23,790 of deferred £49 shares	1,166	-
23,790,914 Ordinary shares or £0.05 each	-	1,190
	1,207	1,190

*In October 2010 the company successfully completed a reorganisation of its share capital which had the result of consolidating 100 former ordinary shares of 5 pence each into 1 new ordinary share of 10p.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

24 Called up share capital (continued)

In addition 23,790 deferred shares of £49 were issued to existing shareholders in proportion to their existing holdings. The deferred shares do not have any voting rights, or rights to receive a dividend. The owners of the deferred shares have a right to receive a return on the assets upon liquidation limited to the amount paid, this to be paid after the holders the ordinary shares have been paid up to a limit of £10,000.

In January 2011 the company issued an additional 175,000 10p ordinary shares for a consideration of £262,500. Subscribers also received one warrant for each additional ordinary share exercisable at a price of £1.75 a share. The right to exercise these expires on 31 March 2014. The warrants are not listed but are transferable.

The result of the above transactions is that the company now has 412,909 ordinary 10p shares and 23,790 of deferred £49 shares.

25. Reserves

	Retained earnings £000	Share premium £000	Other Reserves £000	Total £000
Group				
At 1 May 2010 as previously stated	(1,648)	418	426	(804)
Prior year adjustment (note 29)	18	-	-	18
At 1 May 2010 as restated	(1,630)	418	426	(786)
Loss for the year	(146)	-	-	(146)
New shares issued	-	215	-	215
At 30 April 2011	(1,776)	633	426	(717)

	Retained earnings £000	Share premium £000	Other Reserves £000	Total £000
Company				
At 1 May 2010	(1,922)	418	426	(1,078)
Loss for the year	(25)	-	-	(25)
New shares issues	-	215	-	215
Other movements *	3	-	-	3
At 30 April 2011	(1,944)	633	426	(885)

*In October 2010 the company reorganised its share capital which had the result of consolidating 100 former shares of 5p each into 1 share of 10p share. As part of this organisation the company was required to buy back any remaining shares. These shares were subsequently sold. The profit on this transaction has been credited to retained earnings.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

26. Cross guarantees

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 £134,403 (2010 - £141,500) of which £62,000 (2010 - £79,000) has been utilised. The bank has fair valued the cross guarantee at £450 (2010 £450).

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. The directors are considered to be the key management personnel.

28. Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Group		
Profit/(loss) for the financial year	(146)	106
Shares issued in the year	17	-
Increase in share premium account	215	-
	<hr/>	<hr/>
Net increase/(reduction) of shareholders' funds	86	106
Opening shareholders' funds	404	280
Prior year adjustment (Note 29)	-	18
Opening shareholders' funds as restated	404	298
	<hr/>	<hr/>
Closing shareholders' funds	490	404
	<hr/>	<hr/>
Company		
	2011 £000	2010 £000
Profit/(Loss) for the financial year	(23)	11
Shares issued in the year	17	-
Increase in share premium account	215	-
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	209	11
Opening shareholders' funds	112	101
	<hr/>	<hr/>
Closing shareholders' funds	321	112
	<hr/>	<hr/>

29. Prior Year Adjustment

A prior year adjustment has been made to correct a fundamental accounting error in accordance with International Accounting Standard 8 'Accounting policies, change in accounting estimates and errors' as overheads had not been correctly absorbed within stock as directed by International Accounting Standard 2 'Inventories'. The effect is to reduce the increase the previous year's closing stock figure and increase the previous years retained profit by £18,074.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

30. Related party transactions

At the year end £3,800 (2010 - £2,263) was due to be paid to Tudeley Holdings, a Company who owns shares in Coburg Group Plc and upon which K P Legg, director, is Chairman, in respect of fees.

A £40,000 debenture was received from Tudeley Holdings Limited during the year. At the year end £40,000 was outstanding. Interest of £2,381 has been accrued in the year. The loan was increased to £100,000 after the year end. The director of Tudeley Holdings Limited has indicated that the loan will not be recalled within 12 months from the date these financial statements are signed. There are no repayment terms and interest is accruing at 5.5%, equivalent to the interest rate payable on the Group's bank loan.

At the year end £5,000 (2010 - £4,000) was accrued in respect of unpaid fees for Jeremy Maynard, a director of Coburg Group plc.

At the year end £500 (2010 - £4,485.94) was accrued in respect of unpaid fees for Chris Birkle, a director of Coburg Group plc.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2011

31. Equity-settled share option scheme

425,000 options were issued during 2010 which are exercisable at £0.056. There are no vesting conditions. The options remain exercisable any time up to 5 October 2015, at this date the options expire.

Details of the share options outstanding during the year are as follows:

	2011 Number of share options	2011 Exercise price (£)
Outstanding at the beginning of the year	425,000	0.5625
Granted during the year	-	-
	<hr/>	<hr/>
Outstanding at the end of the year	425,000	0.5625
	<hr/>	<hr/>
Exercisable at the end of the year	<u>425,000</u>	

The weighted average remaining contractual life of the options outstanding at the year end is 4 years 158 days. The weighted average exercise price at the year end was £0.05625.

	2011	<i>2010</i>
IFRS 2 Fair value charge recognised as an expense	-	-

The inputs into the Black-Scholes option pricing model for the options granted on 27 May 2009 were as follows:

Expected volatility	64%
Risk-free rate	2.75%
Dividend yield	N/A
Weighted average share price on the grant date	£0.02
Exercise price	£0.056

Expected volatility was calculated mathematically as directed by IFRS 2.

Notice of AGM

FOR THE YEAR ENDED 30 APRIL 2011

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 12.00 p.m. on 24 November 2011 at which the following resolutions will be proposed:

Ordinary Business

1. To receive the company's financial statements for the year ended 30 April 2011 together with the directors' report, the directors' remuneration report and the auditors' report on those accounts.
2. To re-appoint Chris Birkle as a director who retired by rotation.
3. To confirm the appointment of Bryan Stockley who was appointed on 6 January 2011
4. To re-appoint Crowe 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.
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 to exercise all the powers of the Company to allot shares:
 - (a) up to an aggregate nominal amount of £100,000 for cash; and
 - (b) up to an aggregate nominal amount of £200,000 where such securities form the whole or part of the consideration for the acquisition of any other company or assets; 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 shares 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

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 interests 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 £100,000;

provided that 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 equity 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

Mrs L E Pino
Company Secretary
2011

Notice of AGM

FOR THE YEAR ENDED 30 APRIL 2011

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, (PXS), 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. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on the 24th November 2011 at 12.00pm and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction 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 the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
5. In Accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the company at 6:00pm on the 22 November 2011 or, in the event that this meeting is adjourned, in the register of members as at 6.00p.m on the day two days before the day of any adjourned meeting shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business on the 22 November 2011 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Proxy Form

FOR THE YEAR ENDED 30 APRIL 2011

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 24 November 2011.

I/We (block capitals)

.....
of (see note 1)
being (a) holder(s) of Ordinary Shares of 10p 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 24 November 2011 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.

Please tick here if this proxy appointment is one of multiple appointments being made

ORDINARY BUSINESS	FOR	AGAINST	VOTE WITHHELD
1. To receive the Company's financial statements for the year ended 30 April 2011 together with the reports of the directors and auditors thereon.			
2. To re-appoint Chris Birkle as a director who retired by rotation.			
3. To confirm the appointment of Bryan Stockley who was appointed on 6 January 2011			
4. To re-appoint Crowe 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.			
5. THAT in directors be and they are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares.			



Proxy Form (continued)

FOR THE YEAR ENDED 30 APRIL 2011

SPECIAL BUSINESS	FOR	AGAINST	VOTE WITHHELD
6. THAT the directors be generally empowered pursuant to Section 551 of the Act to allot equity			

Dated.....2011 Signature(s)

Notes:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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, (PXS), 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.
6. 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.
7. 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.



Business Reply
Licence Number
RSBH-UXKS-LRBC



PXS 34 Beckenham
Road BECKENHAM BR3
4TU