

# COBURG GROUP

**COBURG GROUP PLC**

**REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2012**

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# Directors and Advisors

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## The Board of Directors

### Chris W Birkle ACA

*(Chairman)*

Chris Birkle joined the company on 01 October 2004 and was group managing director from 03 May 2005 to 30 September 2010. He was appointed chairman on 28 November 2011. He is also a director of CUUB Ltd.

### Bryan Stockley

*(Non-Executive)*

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

### Konrad P Legg

*(Non-Executive Director) \* †*

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.

### 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

## FOR THE YEAR ENDED 30 APRIL 2012

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You will recall that I wrote to you in January explaining that the Company had agreed in principle to dispose of its coffee business and for the Company to become an investing company.

I am pleased to report that completion of these matters took place on 3 February. The coffee business was sold for a total consideration of £207,882 to New Coburg Ltd., a wholly owned subsidiary of Tudeley Holdings Ltd., a company owned by Konrad Legg who is a Director of the Company. The consideration for the offer was based on the net tangible assets of the coffee businesses at that date.

The results for the year given in the Group Statement of Comprehensive Income reflect the effect of these transactions. Revenue amounted to £1,470,000 for the nine months of the year before the coffee business was sold. The Group's net loss of £322,000 was struck after a loss of £107,000 being the write off of goodwill attached to the coffee business. As at 30 April the Group's statement of financial position shows the Group had total net tangible assets of £168,000.

Konrad Legg has indicated his willingness to provide a loan to the company to meet on going expenses should that become necessary.

Since the disposal of the coffee business on 3 February the Group has had no trading activities and has operated purely as an investing company under the AIM rules for Companies. In accordance with the new investing policy approved by shareholders on the same date, the Directors of Coburg anticipate making investments in unlisted as well as listed companies in the natural resource sector with a specific geographic focus on Africa, although we will consider other jurisdictions as well. At present the Group holds a small portfolio of listed shares in natural resource companies and we are hopeful that in the near future this portfolio will undergo significant expansion.

In due course it is anticipated that the company will change its name to reflect more appropriately its new status as an investing company.

Following the forthcoming Annual General Meeting it is my intention to stand down as a director of the company in order to concentrate on my other business interests.

### **C Birkle** **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

## FOR THE YEAR ENDED 30 APRIL 2012

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The directors present their report with the financial statements of the company and the group for the year ended 30 April 2012.

### **Company number**

The Company number is 2956279.

### **Principal activity**

The principal activity of the group in the year under review is to establish a small portfolio of listed shares in natural resource companies. It is now proposed to expand this portfolio to include agriculturally based businesses as well as mining and exploration companies.

### **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 £1,469,947 (2011 - £1,749,725), yielding a gross profit of £514,544 (2011 - £576,000) and an operating (loss) of £211,015 (2011 - (£126,000)).

The Group's loss for the year after taxation was £326,104 (2011 - £145,967). This gives a basic loss per share of (115.78) pence (2011 - 51.84 pence loss per share).

The Directors do not recommend payment of a dividend in respect of the year ended 30 April 2012 (2011: nil).

# Report of the Directors

## FOR THE YEAR ENDED 30 APRIL 2012

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### 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:

- **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. The directors mitigate the risk by using external legal advisors and promptly referring any claims to the Group's legal advisors

- **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.

- **Stock and currency markets movements**

Now that the company is an investing company its main risks are the adverse movement of stock and currency markets. It will also be indirectly exposed to overseas political risk and the movements of commodity prices and their potential impact on the valuation of the investment portfolio. The Directors mitigate these risks by ensuring adequate research on individual investments before acquisition by monitoring their performance closely after purchase and in the long run by ensuring that there is an adequate spread of investments to establish that the company is not unduly exposed to the performance of any one investment.

# Report of the Directors

FOR THE YEAR ENDED 30 APRIL 2012

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## KEY PERFORMANCE INDICATORS

	Year ended 30 April 2012	Year ended 30 April 2011
Revenue growth/(decline) <sup>1</sup>	(16.0) %	(44.6) %
Operating margin (loss) <sup>2</sup>	(14.4) %	(7.2)%
Interest cover <sup>3</sup>	(20.9) %	(8.7)%

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

## FOR THE YEAR ENDED 30 APRIL 2012

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### **Directors**

The directors shown below have held office during the year ended 30 April 2012.

K P Legg  
C W Birkle  
J S P Maynard  
B Stockley

### **Group's policy on payment of creditors**

As at 30 April 2012 there were no trade creditors. At the 30th April 2011 there were 115 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 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 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

## FOR THE YEAR ENDED 30 APRIL 2012

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### **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 2011' which requires the reasons for this decision to be explained.

The Group made a net loss of £326,104 during the year to 30 April 2012, at that date the Group's statement of financial position showed net current assets of £145,000. The Group's financial projections indicate that the Group has enough financial resources to continue to meet its liabilities as they fall due over the next 12 months.

Therefore, despite the Group's loss for the year, as directors we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore we have continued to adopt the going concern basis of accounting in preparing the annual financial statements. Konrad Legg has indicated his willingness to provide a loan to the company to meet on going expenses should that become necessary.

# Report of the Directors

## FOR THE YEAR ENDED 30 APRIL 2012

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### Capital

The capital structure of the Group consists of trade and other payables disclosed in note 17, 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 2012, 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	19,710	4.77%

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

### Director's indemnities

An amount of £1,543 (2011 - £1,029) was paid during the year in respect of directors indemnity insurance for the directors of the Group.

# Report of the Directors

## FOR THE YEAR ENDED 30 APRIL 2012

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### 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**

FOR THE YEAR ENDED 30 APRIL 2012

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## **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

5<sup>th</sup> October 2012

# Corporate Governance

## FOR THE YEAR ENDED 30 APRIL 2012

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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

FOR THE YEAR ENDED 30 APRIL 2012

## 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:

- (a) to ensure that individual rewards and incentives are directly aligned with the performance of the Group and the interests of the shareholders; and
- (b) 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	<b>Total 2012</b>	<i>Total 2011</i>
	Salary and fees paid or receivable £	Other benefits £	Pension contributions £		
B Stockley	37,950	- -	-	<b>37,950</b>	<i>50,000</i>
C W Birkle	4,950	- -	-	<b>4,950</b>	<i>9,791</i>
K P Legg (i)	4,950	- -	-	<b>4,950</b>	<i>6,000</i>
J S P Maynard	9,822	- -	-	<b>9,822</b>	<i>15,557</i>
<b>Totals</b>	<b>57,672</b>	- -	-	<b>57,672</b>	<i>81,348</i>

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

(iii) *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 32.*

(iv) *B Stockley held 750 share options in the company at the year end which had an estimated £nil value as disclosed in note 32.*

# Report of the Remuneration Committee

FOR THE YEAR ENDED 30 APRIL 2012

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## 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:

	<b>As at 30 April 2012</b>	<i>As at 30 April 2011</i>
K P Legg	<b>92,550</b>	<i>92,550</i>
B Stockley	<b>7,000</b>	<i>7,000</i>
C W Birkle	<b>900</b>	<i>900</i>
J S P Maynard	<b>10</b>	<i>10</i>

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

5<sup>th</sup> October 2012

# **Independent Auditor's Report to the Shareholders of Coburg Group Plc**

FOR THE YEAR ENDED 30 APRIL 2012

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We have audited the consolidated financial statements of Coburg Group plc for the year ended 30 April 2012 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 25 to 55.

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**

FOR THE YEAR ENDED 30 APRIL 2012

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## **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 2012 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.

## **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

FOR THE YEAR ENDED 30 APRIL 2012

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## **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  
ME15 6NF

5<sup>th</sup> October 2012

# Group Statement of Comprehensive Income

FOR THE YEAR ENDED 30 APRIL 2012

		Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
	<i>Note</i>	2012 £000	2012 £000	2012 £000	2011 £000	2011 £000	2011 £000
Revenue		-	1,470	1,470	3	1,747	1,750
Cost of sales		-	(955)	(955)	-	(1,174)	(1,174)
<b>Gross profit</b>		-	515	515	3	573	576
Distribution costs		-	(106)	(106)	-	(156)	(156)
Administrative expenses		(118)	(502)	(620)	(34)	(512)	(546)
<b>Operating loss</b>		(118)	(93)	(211)	(31)	(95)	(126)
Loss on disposal of subsidiaries		-	(107)	(107)	-	-	-
Finance costs	3	-	(8)	(8)	(1)	(19)	(20)
<b>Loss before tax</b>		(118)	(208)	(326)	(32)	(114)	(146)
Tax	6	-	-	-	-	-	-
<b>Loss for the year after tax attributable to owners of the parent</b>		(118)	(208)	(326)	(32)	(114)	(146)
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income attributable to owners of the parent</b>		(118)	(208)	(326)	(32)	(114)	(146)
<b>Attributable to:</b>							
<b>Equity holders of the Group</b>		(118)	(208)	(326)	(32)	(114)	(146)
Loss per share expressed as pence per share:	8						
Basic		(42.04)	(73.74)	(115.78)	(11.36)	(40.48)	(51.84)
Diluted		(42.04)	(73.74)	(115.78)	(11.36)	(40.48)	(51.84)

# Group Statement of Changes in Equity

FOR THE YEAR ENDED 30 APRIL 2012

	Issued share capital £000	Share premium account £000	Other Reserves* £000	Retained earnings £000	Total £000
<b>Balance as at 1 May 2010</b>	1,190	418	426	(1,648)	386
Prior year adjustment (note 29)	-	-	-	18	18
<b>Balance as at 1 May 2011 As restated</b>	1,190	418	426	(1,630)	404
Loss for the year	-	-	-	(146)	(146)
Shares issued in the year	17	215	-	-	232
<b>Balance as at 1 May 2011</b>	<u>1,207</u>	<u>633</u>	<u>426</u>	<u>(1,776)</u>	<u>490</u>
Loss for the year	-	-	-	(326)	(326)
<b>Balance as at 30 April 2012</b>	<u>1,207</u>	<u>633</u>	<u>426</u>	<u>(2,102)</u>	<u>164</u>

\*At the 30 April 2012 the other reserves consists of the merger relief reserve brought forward and £9,000 in respect of the share option accounting.

# Company Statement of Changes in Equity

FOR THE YEAR ENDED 30 APRIL 2012

	Issued share capital £000	Share premium account £000	Other Reserves* £000	Retained earnings £000	Total £000
<b>Balance as at 1 May 2010</b>	1,190	418	426	(1,922)	112
Loss for the year	-	-	-	(26)	(26)
Shares issued in the year	17	215	-	3	235
<b>Balance as at 30 April 2011</b>	<u>1,207</u>	<u>633</u>	<u>426</u>	<u>(1,945)</u>	<u>321</u>
<b>Balance as at 1 May 2011</b>	1,207	633	426	(1,945)	321
Loss for the year	-	-	-	(156)	(156)
Shares issued in the year	-	-	-	-	-
<b>Balance as at 30 April 2012</b>	<u>1,207</u>	<u>633</u>	<u>426</u>	<u>(2,101)</u>	<u>165</u>

\*At the 30 April 2012 the other reserves consists of the merger relief reserve brought forward and £9,000 in respect of the share option accounting.

# Group Statement of Financial Position

AS AT 30 APRIL 2012

Company Number: 2956279			
	<i>Note</i>	<b>2012</b>	<i>2011</i>
		<b>£000</b>	<b>£000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	10	-	147
Intangible assets	11	-	-
Property, plant and equipment	12	-	271
Investments	13	<b>19</b>	19
		<b>19</b>	<b>437</b>
<b>Current assets</b>			
Inventories	14	-	258
Trade and other receivables	15	<b>96</b>	291
Cash and cash equivalents	16	<b>86</b>	54
		<b>182</b>	<b>603</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	<b>37</b>	438
Financial liabilities – borrowings			
Bank overdrafts		-	42
Interest bearing loans and borrowings		-	29
	20	<b>37</b>	509
<b>Net current assets / (liabilities)</b>		<b>145</b>	<b>94</b>
<b>Non-current liabilities</b>			
Trade and other payables	17	-	-
Financial liabilities – borrowings		-	40
Interest bearing loans and borrowings		-	1
	20	-	41
<b>Net assets</b>		<b>164</b>	<b>490</b>
<b>Shareholders' equity</b>			
Called up share capital	24	<b>1,207</b>	1,207
Share premium	25	<b>633</b>	633
Other reserves	25	<b>426</b>	426
Retained earnings	25	<b>(2,102)</b>	(1,776)
<b>Total equity</b>		<b>164</b>	<b>490</b>

The financial statements were approved and authorised for issue by the board on 5<sup>th</sup> October 2012 and were signed on its behalf by:

B Stockley  
Director

# Company Statement of Financial Position

AS AT 30 APRIL 2012

Company Number: 2956279

	<i>Note</i>	<b>2012</b> <b>£000</b>	<i>2011</i> <i>£000</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	<i>10</i>	-	<i>21</i>
Investments	<i>13</i>	<u>19</u>	<u>77</u>
		<u>19</u>	<u>98</u>
<b>Current assets</b>			
Trade and other receivables	<i>15</i>	<b>88</b>	<i>275</i>
Cash and cash equivalents	<i>16</i>	<u>86</u>	<u>40</u>
		<u>174</u>	<u>315</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	<i>17</i>	<b>28</b>	<i>32</i>
Financial liabilities – borrowings			
Interest bearing loans and borrowings		-	<i>20</i>
	<i>20</i>	<u>28</u>	<u>52</u>
<b>Net current assets</b>		<u>146</u>	<u>263</u>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	<i>20</i>	-	<i>40</i>
		<u>-</u>	<u>40</u>
<b>Net assets</b>		<u>165</u>	<u>321</u>
<b>Shareholders' equity</b>			
Called up share capital	<i>24</i>	<b>1,207</b>	<i>1,207</i>
Share premium	<i>25</i>	<b>633</b>	<i>633</i>
Other reserves	<i>25</i>	<b>426</b>	<i>426</i>
Retained earnings	<i>25</i>	<u>(2,101)</u>	<u>(1,945)</u>
<b>Total equity</b>		<u>165</u>	<u>321</u>

The financial statements were approved and authorised for issue by the board on 5<sup>th</sup> October 2012 and were signed on its behalf by:

B Stockley  
Director

# Group Statement of Cash Flows

FOR THE YEAR ENDED 30 APRIL 2012

	<i>Notes to Cash Flow</i>	<b>2012</b>	<i>2011</i>
		<b>£000</b>	<i>£000</i>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(47)	(192)
Interest paid		(7)	(17)
Interest element of hire purchase payments paid		(1)	(3)
Net cash from operating activities		<u>(55)</u>	<u>(212)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(33)
Sale of tangible fixed assets		-	6
Purchase of investments		(4)	(19)
Net cash from investing activities		<u>(4)</u>	<u>(46)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital		-	235
Loans advanced in year		-	40
Proceeds from sale of subsidiaries	3	135	-
Bank loan repayments in the year		-	(37)
Hire purchase repayments in year		-	(12)
Net cash from financing activities		<u>135</u>	<u>226</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>76</b>	<b>(32)</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>10</b>	<b>42</b>
<b>Cash and cash equivalents at end of year</b>	2	<b>86</b>	<b>10</b>



# Company Statement of Cash Flows

FOR THE YEAR ENDED 30 APRIL 2012

	<i>Notes to Cash Flow</i>	<b>2012</b>	<i>2011</i>
		<b>£000</b>	<i>£000</i>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(85)	(163)
Interest paid		-	(1)
		<hr/>	<hr/>
Net cash from operating activities		<b>(85)</b>	<i>(164)</i>
<b>Cash flows from investing activities</b>			
Purchase of investments		(4)	(19)
		<hr/>	<hr/>
Net cash from investing activities		<b>(4)</b>	<i>(19)</i>
<b>Cash flows from financing activities</b>			
Loans advanced in the year		-	40
Proceeds from disposal of subsidiaries	3	135	-
New shares issued in the year		-	235
Capital repayments in year		-	(52)
		<hr/>	<hr/>
Net cash from financing activities		<b>135</b>	<i>223</i>
<b>Increase in cash and cash equivalents</b>		<b>46</b>	<i>40</i>
<b>Cash and cash equivalents at 1 May</b>	2	<b>40</b>	-
		<hr/>	<hr/>
<b>Cash and cash equivalents at 30 April</b>	2	<b>86</b>	<i>40</i>
		<hr/>	<hr/>

# Notes to the Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2012

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

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2012</b>	<i>2011</i>	<b>2012</b>	<i>2011</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Operating (Loss)/Profit	(211)	(111)	(118)	(14)
Depreciation, amortisation and impairment charges	4	102	4	-
Profit on disposal of fixed assets	106	(1)	38	-
	<u>(101)</u>	<u>(10)</u>	<u>(76)</u>	<u>(14)</u>
(Increase)/Decrease in inventories	27	(69)	-	-
(Increase)/Decrease in trade and other receivables	(102)	162	56	(142)
Increase/(Decrease) in trade and other payables	129	(275)	(65)	(7)
	<u>(47)</u>	<u>(192)</u>	<u>(85)</u>	<u>(163)</u>

## 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:

<b>Year ended 30 April 2012</b>	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2012</b>	<i>2011</i>	<b>2012</b>	<i>2011</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Cash	86	54	86	40
Bank overdrafts	-	(44)	-	-
	<u>86</u>	<u>10</u>	<u>86</u>	<u>40</u>
Total cash and cash equivalents	<u>86</u>	<u>10</u>	<u>86</u>	<u>40</u>

## 3. Cash flows arising on sale of a subsidiary

On 3 February 2012, Coburg Group Plc sold its 100 per cent holding in both Coburg Coffee Company Limited and C K Coffee Company Limited. The consideration received during the year ended 30 April 2012 was £135,000 and comprised of cash. In addition the sum of £21,990 is due to be paid 6 months after completion with a final payment of £50,892 12 months after completion. At the date of completion, the net assets of the subsidiary included in the consolidated statement of financial position were as follows.

# Notes to the Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2012

### 3. Cash flows arising on sale of a subsidiary (continued)

	£000
Property, plant and equipment	140
Intangible assets	91
Inventories	232
Accounts receivable	438
Cash	24
Trade payables	(526)
Long-term debt	(130)
	269

The cash flows relating to the discontinued activities are set out below:

	<i>Notes to Cash Flow</i>	2012	2011
		£000	£000
<b>Cash flows from operating activities</b>			
Cash generated from operations	A	38	(29)
Interest paid		(7)	(16)
Interest element of hire purchase payments		(1)	(3)
		30	(48)
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(33)
Sale of tangible fixed assets		-	6
		(4)	(27)
<b>Net cash from investing activities</b>			
<b>Cash flows from financing activities</b>			
Loans advanced in year		-	40
Proceeds from sale of subsidiaries net of cash and cash equivalents disposed of		111	-
		111	40
<b>Net cash from financing activities</b>			
<b>Increase/(Decrease) in cash and cash equivalents</b>			
		137	(35)
<b>Cash and cash equivalents at 1 May</b>	2	10	42
<b>Cash and cash equivalents at 30 April</b>	2	147	7

# Notes to the Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL 2012

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## 3 Cash flows arising on sale of a subsidiary (continued)

### A - Reconciliation of loss before tax to cash generated from discontinued operations

	<b>2012</b>	<i>2011</i>
	<b>£000</b>	<i>£000</i>
Operating (Loss)/Profit	<b>(93)</b>	<i>(97)</i>
Depreciation, amortisation and impairment charges	<b>-</b>	<i>102</i>
Profit on disposal of fixed assets	<b>68</b>	<i>(1)</i>
	<b>(25)</b>	<i>4</i>
(Increase)/Decrease in inventories	<b>27</b>	<i>(69)</i>
(Increase)/Decrease in trade and other receivables	<b>(158)</b>	<i>304</i>
Increase/(Decrease) in trade and other payables	<b>194</b>	<i>(268)</i>
<b>Cash generated from operations</b>	<b>38</b>	<i>(29)</i>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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## 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 2011' which requires the reasons for this decision to be explained.

The Group made a net loss of £326,104 during the year to 30 April 2012, at that date the Group's statement of financial position showed net current assets of £145,000. The Group's financial projections indicate that the Group has enough financial resources to continue to meet its liabilities as they fall due over the next 12 months.

Therefore, despite the Group's loss for the year, as directors we have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore 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 2012

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## 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 2012. 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
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### 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 equipment	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 2012

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## 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 2012

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### 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 in subsidiaries are stated at cost less provision for any impairment. Other investments are recognised at market value with changes in market value being recognised in the Group Statement of Comprehensive Income.

#### 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 32, IAS 39 and IFRS 7.

#### Changes in accounting policies

- a) New standards, interpretations and amendments effective from 1 April 2011. There were no new standards, interpretations and amendments, applied for the first time from 1 April 2011, 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 30 April 2012 and which are applicable to the Company, but which have not been adopted early. These are:

#### IFRS Standards and Interpretations issued (and EU adopted) but not yet effective

Title	Issued	Effective Date	
IAS 1 Amendment – Presentation of items of other comprehensive income	June 2011	Accounting periods beginning on or after	01/07/2012
IAS 19 Amendment – Employee Benefits	June 2011	Accounting periods beginning on or after	01/01/2013

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# Notes to the Financial Statements

## FOR THE YEAR ENDED 30 APRIL 2012

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### 1. Accounting policies (continued)

#### Changes in accounting policies (continued)

##### IFRS Standards and Interpretations issued by IASB but not yet EU approved

IAS 27 Separate Financial Statements	May 2011	Accounting periods beginning on or after	01/01/2013
IAS 28 Investments in Associates and Joint Ventures	May 2011	Accounting periods beginning on or after	01/01/2013
IFRS 9 Financial Instruments	Nov 2009	Accounting periods beginning on or after	01/01/2013
IFRS 10 Consolidated Financial Statements	May 2011	Accounting periods beginning on or after	01/01/2013
IFRS 11 Joint Arrangements	May 2011	Accounting periods beginning on or after	01/01/2013
IFRS 12 Disclosure of Interests in Other Entities	May 2011	Accounting periods beginning on or after	01/01/2013
IFRS 13 Fair Value Measurement	May 2011	Accounting periods beginning on or after	01/01/2013
IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine	Oct 2011	Accounting periods beginning on or after	01/01/2013

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.

#### **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.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 1. Accounting policies (continued)

### 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.

## 2. Employees and directors

	2012 £000	2011 £000
Wages and salaries	231	382
Social security costs	18	30
	249	412

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

	2012	2011
Operational	9	10
Administration	4	4
	13	14

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 £57,672 (2011 - £81,348). No amounts were paid to directors in respect of pension schemes (2011 - £nil). The directors consider the directors to be the key management personnel.

## 3. Net finance costs

	2012 £000	2011 £000
Finance costs:		
Bank interest	7	15
Other interest payable	-	2
Hire purchase	1	3
	8	20

## 4. Loss before tax

	2012 £000	2011 £000
The loss before tax is stated after charging:		
Cost of inventories recognised as expense	1,263	1,457
Depreciation – owned assets	34	51
Depreciation – assets on hire purchase contracts	-	4
Property rentals payable under operating leases	50	57

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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### 5. Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	<b>2012</b>	<i>2011</i>
	<b>£000</b>	<i>£000</i>
<b>Fees payable to the Company's auditors for the audit of the Company's annual accounts</b>		
Total audit fees	<u>7</u>	<u>7</u>
<b>Fees payable to the Group's auditors for other services to the Group</b>		
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 2012 or for the year ended 30 April 2011.

As at the balance sheet date the group has tax adjusted trading losses of approximately £100,000 (2011 - £3,073,000) 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.

	<b>2012</b>	<i>2011</i>
	<b>£000</b>	<i>£000</i>
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 2012

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### 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 20% (2011: 21%). The differences are explained below:-

	2012 £000	2011 £000
<b>TAX RECONCILIATION</b>		
<b>Loss per accounts before taxation</b>	<b>(326)</b>	<b>(146)</b>
Tax on profit on ordinary activities at standard rate of 21% (2011 - 21%)	<b>(68)</b>	<b>(30)</b>
Expenses not deductible for tax purposes	<b>29</b>	<b>11</b>
Adjustments from previous periods	<b>1</b>	<b>1</b>
Unrelieved tax losses and other deductions arising in the period	<b>38</b>	<b>18</b>
	<b>-</b>	<b>-</b>
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

### 7. Loss 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 £156,800 (2011 – £26,000 loss).

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 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.

Reconciliations are set out below.

	Average earnings £000	2012 Weighted number of shares	Amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	(326)	281,659	(115.78)
Effect of dilutive securities *	-	-	-
<b>Diluted EPS</b>			
Dilution from share options and warrants*	-	-	-
Total adjusted earnings	(326)	281,659	(115.78)
Earnings from continuing operations	(118)	281,659	(42.04)
Earnings from discontinuing operations	(208)	281,659	(73.74)

	Average earnings £000	2011 Weighted number of shares	Amount pence
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholders	(146)	281,659	(51.84)
Effect of dilutive securities	-	-	-
<b>Diluted EPS</b>			
Dilution from share options and warrants*	-	-	-
Total adjusted earnings	(146)	281,659	(51.84)
Earnings from continuing operations	(32)	281,659	(11.36)
Earnings from discontinuing operations	(114)	281,659	(40.48)

\*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.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 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 2012

	Coburg Coffee Company £'000s	CK Coffee £'000s	Total £'000s
Total Revenue	1,238	540	1,778
Revenue - Internal	(308)	-	(308)
<b>External Revenue</b>			<b>(1,470)</b>
Depreciation and amortisation	<b>25</b>	<b>14</b>	<b>39</b>
<b>Operating (Loss) / Profit</b>	<b>(281)</b>	<b>188</b>	<b>(93)</b>
Group and consolidation adjustments			(118)
Loss on disposal of subsidiaries			(107)
Finance costs			(8)
<b>Loss before tax</b>			<b>(326)</b>
Tax			-
<b>Profit after tax as per income statement</b>			<b>(326)</b>

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 2012

## 9. Segmental reporting (continued)

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)
<b>External Revenue</b>	<b>921</b>	<b>826</b>	<b>1,747</b>
Depreciation and amortisation	38	21	59
<b>Operating (Loss) / Profit</b>	<b>(92)</b>	<b>23</b>	<b>(69)</b>
Group and consolidation adjustments			(57)
Finance costs			(20)
<b>Loss before tax</b>			<b>(146)</b>
Tax			-
<b>Profit after tax as per income statement</b>			<b>(146)</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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## 9. Segmental reporting (continued)

Year ended 30 April 2011	Coburg Coffee Company £'000s	CK Coffee £'000s	Total Group £'000s
<b>Segment assets</b>	826	301	1,127
Unallocated assets			
Consolidation adjustments			(540)
Goodwill			98
Trade and other receivables			316
Cash and cash equivalents			40
			1,041
<b>Total assets</b>			1,041
<b>Segment liabilities</b>	674	249	923
Unallocated liabilities			
Consolidation adjustments			(464)
Trade and other payables			33
Borrowings			59
			551
<b>Total liabilities</b>			551
<b>Net operating assets</b>	35	180	490

Due to the disposal of the two trading businesses during the year all segment assets and liabilities relate to the parent company at the year end.



## Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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### 10. Goodwill

#### Group

	£000
<b>Cost</b>	
At 1 May 2011	1,482
Disposal	<u>(1,482)</u>
At 30 April 2012	<u>-</u>
<b>Impairment</b>	
At 1 May 2011	1,335
Charged during the year	12
Disposal	<u>(1,347)</u>
At 30 April 2012	<u>-</u>
<b>Net book value</b>	
At 30 April 2012	<u>-</u>
At 30 April 2011	<u><u>147</u></u>

#### Company

	£000
<b>Cost</b>	
At 1 May 2011	146
Disposal	<u>(146)</u>
At 30 April 2012	<u>-</u>
<b>Amortisation</b>	
At 1 May 2011	125
Charged during the year	-
Disposal	<u>(125)</u>
At 30 April 2012	<u>-</u>
<b>Net book value</b>	
At 30 April 2012	<u>-</u>
At 30 April 2011	<u><u>21</u></u>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 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:

	<b>2012</b>	<i>2011</i>
	<b>£'000</b>	<i>£'000</i>
<b>Aroma CGU</b>	-	78
<b>Rizzi CGU</b>	-	69
<b>CK Coffee CGU</b>	-	-
	<hr/>	<hr/>
<b>Carried forward at 30 April</b>	<b>-</b>	<i>147</i>

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 8.65% was 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 2012

## 11. Intangible assets

	Brands £'000
<b>Cost</b>	
At 1 May 2010, 2011 and 30 April 2012	<u>42</u>
<b>Amortisation</b>	
At 1 May 2010, 2011 and 30 April 2012	<u>42</u>
<b>Net book value</b>	
At 30 April 2012	<u>-</u>
At 30 April 2010 and 2011	<u>-</u>

Intangible assets relate to brands acquired.

## 12. Property, plant and equipment

Group	Improvement to property £000	Plant & equipment £000	Fixtures & fittings £000	Motor vehicles £000	Totals £000
<b>Cost</b>					
At 1 May 2010	83	1,206	430	13	1,732
Additions	-	22	11	-	33
Disposals	-	(62)	(311)	-	(373)
At 30 April 2011	83	1,166	130	13	1,392
Additions	2	5	-	-	7
Disposals	(85)	(1,171)	(130)	(13)	(1,399)
At 30 April 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Depreciation</b>					
At 1 May 2010	83	921	422	13	1,439
Charge for year	-	45	5	-	50
Disposals	-	(57)	(311)	-	(368)
At 30 April 2011	83	909	116	13	1,121
Charge for year	-	4	-	-	4
Disposals	(83)	(913)	(116)	(13)	(1,125)
At 30 April 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>					
At 30 April 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>

The net book value of plant and equipment includes £17,850 (2011 - £60,000) in respect of assets held under hire purchase contracts in the previous year.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

### 13. Investments

#### Group

	Shares in Listed Investments £000
<b>Cost</b>	
At 1 May 2011	19
Additions	4
Revaluation	(4)
At 30 April 2012	19
<b>Provision for impairment</b>	
At 1 May 2011 and 30 April 2012	-
<b>Net book value</b>	
At 30 April 2012	19
At 30 April 2011	19

#### Company

	Shares in group undertakings £000	Shares in Listed Investments £000	Total £000's
<b>Cost</b>			
At 1 May 2011	4,247	19	4,266
Additions	-	4	4
Disposals	(4,247)	-	(4,247)
Revaluation	-	(4)	(4)
At 30 April 2012	-	19	19
<b>Provision for impairment</b>			
At 1 May 2011	4,189	-	4,189
Disposals	(4,189)	-	(4,189)
At 30 April 2012	-	-	-
<b>Net Book Value</b>			
At 30 April 2012	-	19	19
At 30 April 2011	58	19	77

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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## 13. Investments (continued)

### Subsidiary undertakings

The company's non-listed investments at the balance sheet date in the share capital of subsidiary companies include the following:

#### Subsidiaries

##### 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 and were dormant in the current and previous year.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 14. Inventories

	Group	
	2012 £000	2011 £000
Raw materials	-	122
Work-in-progress	-	46
Finished goods	-	90
	<u>-</u>	<u>258</u>

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

## 15. Trade and other receivables

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Current:				
Trade receivables	18	223	-	-
Amounts owed by group undertakings	-	-	11	260
Other receivables	74	38	-	-
VAT	-	2	73	2
Prepayments	4	28	4	13
	<u>96</u>	<u>291</u>	<u>88</u>	<u>275</u>

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 2012.

	Percentage of turnover derived from a single customer	
WRVS	16%	8%
Caffe Nero Group PLC	0%	12.75%

Some of the trade receivables are past due as at 30 April 2012. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
One month overdue	-	70	-	-
Two to six months overdue	-	8	-	-
Over six months overdue	-	-	-	-
	<u>-</u>	<u>78</u>	<u>-</u>	<u>-</u>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 15 Trade and other receivables (continued)

The recoverability of receivables is not considered to be an issue to the Group as the main receivables were 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. At the end of the current year trade receivables related to a few sundry debtors following the disposal of the trading subsidiaries.

## 16. Cash and cash equivalents

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Cash in hand	<u>86</u>	<u>54</u>	<u>86</u>	<u>40</u>

## 17. Trade and other payables

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Current:				
Trade payables	27	369	19	19
Social security and other taxes	-	8	-	-
Amount owed to group undertakings	-	-	-	-
Other payables	10	7	-	-
Accrued expenses	-	54	9	13
	<u>37</u>	<u>438</u>	<u>28</u>	<u>32</u>
Non-current:				
Other payables	-	-	-	-
Aggregate amounts	<u>37</u>	<u>438</u>	<u>28</u>	<u>32</u>

## 18. Financial borrowings – borrowings

The bank held a cross guarantee debenture over the group in respect of the bank loan and overdrafts of £102,000 in the previous year which was secured by a fixed and floating charge over the assets of the Group. At the year end the bank facility had been withdrawn along with the associated security.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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### 19. Leasing agreements

#### Group

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

	2012 £000	2011 £000
Minimum payments		
Within one year	-	10
Between one and five years	-	3
	-	13
Less future finance charges	-	(2)
Present value of lease obligations	-	11
Net obligations repayable		
Less amounts due for settlement within 12 months	-	(9)
Amounts due for settlement between 2 – 5 years	-	2

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 2012

### 20. Financial instruments

The Group's financial instruments comprise of some cash and various items, such as trade receivables, trade payables etc which 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	
	2012 £000	2011 £000	2012 £000	2011 £000
<b>Non-Current Assets</b>				
Listed investments	19	19	19	19
<b>Current Assets</b>				
Trade and other receivables	96	289	147	208
Cash and cash equivalents	86	54	22	14
	<b>182</b>	<b>343</b>	<b>169</b>	<b>222</b>

#### Financial liabilities by category

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
<b>Current liabilities</b>				
Trade and other payables	37	438	28	32
Bank loans and overdrafts	-	62	-	20
Lease obligations	-	9	-	-
	<b>37</b>	<b>509</b>	<b>28</b>	<b>52</b>
<b>Non current liabilities</b>				
Other loans	-	40	-	40
Lease obligations	-	1	-	-
	<b>-</b>	<b>41</b>	<b>-</b>	<b>40</b>
<b>Total liabilities</b>	<b>37</b>	<b>550</b>	<b>28</b>	<b>92</b>

#### Liquidity

Historically the Group's policy has been to finance its business primarily with equity and short-term borrowings. At the year end £Nil (2011 - £19,403) 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.

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

### 20. Financial instruments (continued)

#### (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, were as follows:

	2012		2011	
	Floating rate financial liabilities £000	Fixed rate financial liabilities £000	Floating rate financial liabilities £000	Fixed rate financial liabilities £000
Bank loans	-	-	19	-
Bank overdraft	-	-	43	-
Hire purchase	-	-	-	10
<b>Total</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>10</b>

The bank loans and overdraft at 30 April 2011 carried average interest rates of 3.5%. The overdraft facility was withdrawn during the year and the Group no longer has an overdraft facility. The hire purchase liabilities carried average interest rates 7% to 12% (2011 – 4% to 10%).

#### (b) Borrowing facilities

The Group's overdraft, charge card and business internet banking/loan facilities were all withdrawn in the year. In the previous year the Group's revolving credit facilities comprised of a sterling overdraft, charge card and business internet banking/loan facilities, in addition to the liabilities under hire purchase contracts in existence. Bank loans and overdrafts had annual interest rates of 3.0% above the base rate. The total amount outstanding under these facilities at the end of the year and maximum permitted borrowings were:

	2012		2011	
	Utilised at 30 April 2012 £000	Maximum availability £000	Utilised at 30 April 2011 £000	Maximum availability £000
Overdraft	-	-	19	100
Bank Loan/Business Internet Banking	-	-	43	120
Charge Cards	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>220</b>

#### (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 2012

### 20. Financial instruments (continued)

#### (d) Maturity profile

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
<b>Secured borrowings at amortised cost</b>				
Bank loans and overdrafts:	-	-	-	-
Due within one year	-	19	-	-
Due in more than one year	-	40	-	40
Net obligations under finance leases and hire purchase contracts:	-	-	-	-
Due within one year	-	10	-	-
Due between one and two years	-	1	-	-
Due between two and five years	-	-	-	-
	-	70	-	40
<b>Unsecured borrowings at amortised cost</b>				
Trade and other payables	37	438	28	32
Bank loans and overdrafts:				
Due within one year	-	44	-	-
	37	482	28	32
	37	552	28	72

In addition to the concentration of Credit risk noted in note 15 there was a cross guarantee within the group which had been valued by the groups bankers at £450, this guarantee was not in place at the current year end. 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 2012

### 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	
	2012	2011
	£000	£000
On leases expiring:		
Within one to two years	-	70
Within two to five years	-	325
Over five years	-	343
	Land & Buildings	
	2012	2011
	£000	£000
Minimum lease payments under operating leases	-	-
recognised as an expense in the year	-	57
	<u>          </u>	<u>          </u>

On 8 June 2011 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 previous 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:

	2012	2011
	£000	£000
Within two to six months	-	205
	<u>          </u>	<u>          </u>

### 24. Called up share capital

	2012	2011
	£000	£000
<b>Allotted, issued and fully paid:</b>		
412,909 of ordinary £0.10 shares	41	41
23,790 of deferred £49 shares	1,166	1,166
	<u>          </u>	<u>          </u>
	<u>1,207</u>	<u>1,207</u>

## Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

### 25. Reserves

<b>Group</b>	<b>Retained earnings</b> £000	<b>Share premium</b> £000	<b>Other Reserves</b> £000	<b>Total</b> £000
At 1 May 2011	(1,776)	633	426	(717)
Loss for the year	(326)	-	-	(326)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2012	(2,102)	633	426	(1,043)

  

<b>Company</b>	<b>Retained earnings</b> £000	<b>Share premium</b> £000	<b>Other Reserves</b> £000	<b>Total</b> £000
At 1 May 2011	(1,945)	633	426	(886)
Loss for the year	(156)	-	-	(156)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2012	(2,101)	633	426	(1,042)

### 26. Cross guarantees

The company previously 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 £NIL (2011 - £134,403) of which £NIL (2011 - £62,000) has been utilised. The bank previously fair valued the cross guarantee at £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.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

## 28. Reconciliation of movements in shareholders' funds

<b>Group</b>	<b>2012</b>	<i>2011</i>
	<b>£000</b>	<i>£000</i>
Loss for the financial year	<b>(326)</b>	<i>(146)</i>
Shares issued in the year	-	<i>17</i>
Increase in share premium account	-	<i>215</i>
	<hr/>	<hr/>
Net increase of shareholders' funds	<b>(326)</b>	<i>86</i>
Opening shareholders' funds	<b>490</b>	<i>404</i>
Prior year adjustment (Note 29)	-	-
	<hr/>	<hr/>
Opening shareholders' funds as restated	<b>490</b>	<i>404</i>
Closing shareholders' funds	<b>164</b>	<i>490</i>
	<hr/> <hr/>	<hr/> <hr/>
 <b>Company</b>	 <b>2012</b>	 <i>2011</i>
	<b>£000</b>	<i>£000</i>
Loss for the financial year	<b>(156)</b>	<i>(23)</i>
Shares issued in the year	-	<i>17</i>
Increase in share premium account	-	<i>215</i>
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	<b>(156)</b>	<i>209</i>
Opening shareholders' funds	<b>321</b>	<i>112</i>
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>165</b>	<i>321</i>
	<hr/> <hr/>	<hr/> <hr/>

## 29. Prior Year Adjustment

A prior year adjustment was made in the previous year, 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 increase the 2010 closing stock figure and increase the previous years retained profit by £18,074.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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## 30. Related party transactions

K P Legg is a director of Tudeley Holdings Limited. At the year end £1,584 (2011 - £3,800) was due to Tudeley Holdings Limited in respect of K P Legg's fees as a director of Coburg Group Plc.

During the year the entire share capital of Coburg Coffee Company Limited and CK Coffee Limited was sold to New Coburg Limited, a company in which K P Legg is a director and which is owned by Tudeley Holdings Limited. The total sales price was £207,882. At the year end £72,882 was due to Coburg Group Plc in respect of this. £21,990 is due 180 days after completion with the balance of £50,892 being due 360 days after completion. At the year end Coburg Coffee Company Limited owed Coburg Group Plc £17,973 and CK Coffee Limited owed Coburg Group Plc £792.

At the year end £50 (2011 - £5,000) was accrued in respect of unpaid fees for Jeremy Maynard, a director of Coburg Group plc.

At the year end £50 (2011 - £500) was accrued in respect of unpaid fees for Chris Birkle, a director of Coburg Group plc.

## 31. Exceptional costs

During the year Coburg Group plc disposed of two of its subsidiaries, Coburg Coffee Company Limited and CK Coffee Limited. The total consideration for the disposal of the two subsidiaries was £207,882 which included £77,882 of deferred consideration which was due to be paid 1 year after completion.

A loss on disposal of £106,614 was recorded on the disposal of these two subsidiaries and has been disclosed on the face of the Group statement of income.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 APRIL 2012

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## 32. 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:

	<b>2012</b>	<b>2012</b>
	<b>Number</b>	<b>Exercise</b>
	<b>of share</b>	<b>price (£)</b>
	<b>options</b>	
Outstanding at the beginning of the year	4,250	5.625
Granted during the year	-	-
	<hr/>	<hr/>
<b>Outstanding at the end of the year</b>	<b>4,250</b>	<b>5.625</b>
	<hr/>	<hr/>
Exercisable at the end of the year	<u>4,250</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 £0.056.

	<b>2012</b>	<i>2011</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	<b>64%</b>
Risk-free rate	<b>2.75%</b>
Dividend yield	<b>N/A</b>
Weighted average share price on the grant date	<b>£0.02</b>
Exercise price	<b>£0.056</b>

Expected volatility was calculated mathematically as directed by IFRS 2.



## NOTICE OF ANNUAL GENERAL MEETING

### COBURG GROUP PLC

NOTICE IS HEREBY GIVEN THAT the ANNUAL GENERAL MEETING of the above-named company (the "Company") will be held at the institute of Directors, 116 Pall Mall, London, SW1Y 5ED at 11.30 am 31 October 2012 at which the following resolutions will be proposed:

#### Ordinary Resolutions

1. To receive the company's financial statements for the year ended 30 April 2012 together with the directors' report, the directors' remuneration report and the auditors' report on those accounts.
2. To re-appoint Konrad Legg as a director who retires by rotation.
3. To re-appoint 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.
4. 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 in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights"):
  - (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 or Rights form the whole or part of the consideration for the acquisition of shares or securities 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 and grant Rights pursuant to an offer or agreement made by the Company on or before that date as if such authority had not expired.

## Special Resolution

5. THAT in substitution for all existing authorities to the extent unused, and subject to the passing of resolution 4 and in accordance with Section 570 of the Companies Act 2006 ("Act") the directors be and they are generally empowered to allot equity securities (within the meaning of Section 560 of the Act) pursuant to the authority conferred by resolution 4 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:

- (a) up to an aggregate nominal amount of £100,000 for cash;
- (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 shares or securities of any other company, or assets; and
- (c) in connection with a rights issue or other pre-emptive issue of equity securities 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

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  
5<sup>th</sup> October 2012

# Notice of AGM

## FOR THE YEAR ENDED 30 APRIL 2012

### 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 31st October 2012 at 11.30am 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 29 October 2012 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 29 October 2012 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 2012

Proxy for use at the Annual General Meeting to be held at the institute of directors, 116 Pall Mall, London, SW1Y 5ED on 31 October 2012 at 11.30 am.

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 31 October 2012 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/her discretion as to how he/she votes and whether or not he/she abstains from voting.

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

<b>ORDINARY BUSINESS</b>	<b>FOR</b>	<b>AGAINST</b>	<b>VOTE WITHHELD</b>
1. To receive the Company's financial statements for the year ended 30 April 2012 together with the reports of the directors and auditors thereon.			
2. To re-appoint Konrad Legg as a director who retired by rotation.			
3. 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.			
4. 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 2012

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

Dated.....2012 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