

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	399	1,403
Investments	5	163,620	163,620
		<u>164,019</u>	<u>165,023</u>
Current assets			
Stocks		5,894	11,497
Debtors	6	262,343	579,321
Cash at bank and in hand	7	9,614	27,652
		<u>277,851</u>	<u>618,470</u>
Creditors: amounts falling due within one year	8	(450,241)	(707,198)
		<u>(172,390)</u>	<u>(88,728)</u>
Net current liabilities			
		<u>(172,390)</u>	<u>(88,728)</u>
Total assets less current liabilities		<u>(8,371)</u>	<u>76,295</u>
Creditors: amounts falling due after more than one year	9	-	(160,802)
		<u>(8,371)</u>	<u>(84,507)</u>
Net liabilities		<u>(8,371)</u>	<u>(84,507)</u>
Capital and reserves			
Called up share capital		186,975	186,975
Profit and loss account		(195,346)	(271,482)
		<u>(8,371)</u>	<u>(84,507)</u>

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED
REGISTERED NUMBER:05559181

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.

B A Shaw
Director

The notes on pages 3 to 10 form part of these financial statements.

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Going concern

During the year the company made a profit of £76,136 (2017: £101,236) and at the balance sheet date the company's liabilities exceeded its assets by £8,371 (2017: £84,507). The financial statements have been prepared on a going concern basis which assumes the continuation of the company's activities for the foreseeable future and the continuing support of its directors and parent company, Proximity Advisors Limited.

1.3 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the term of the lease
Plant and machinery	- 25% straight line
Fixtures, fittings and equipment	- 25% straight line
Office equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. General information

Blue Mountain Coffee (Europe) Limited is a private company limited by shares which was incorporated in the United Kingdom and registered in England and Wales. The registration number of the company is 05559181 and the registered and principal business address is 164 Old Brompton Road, London, SW5 0BA.

The average monthly number of employees, including directors, during the year was 3 (2017 - 3).

4. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 January 2018	13,140	48,503	61,643
At 31 December 2018	<u>13,140</u>	<u>48,503</u>	<u>61,643</u>
Depreciation			
At 1 January 2018	13,140	47,100	60,240
Charge for the year on owned assets	-	1,004	1,004
At 31 December 2018	<u>13,140</u>	<u>48,104</u>	<u>61,244</u>
Net book value			
At 31 December 2018	<u>-</u>	<u>399</u>	<u>399</u>
At 31 December 2017	<u>-</u>	<u>1,403</u>	<u>1,403</u>

5. Fixed asset investments

	Shares in group undertakings & participating inter	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 1 January 2018	111,896	51,724	163,620
At 31 December 2018	<u>111,896</u>	<u>51,724</u>	<u>163,620</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Debtors

	2018	2017
	£	£
Due after more than one year		
Amounts owed by group undertakings	106,381	109,433
	<u>106,381</u>	<u>109,433</u>
Due within one year		
Trade debtors	143,898	446,318
Amounts owed by group undertakings	1,224	224
Other debtors	10,840	11,598
Prepayments and accrued income	-	11,748
	<u>262,343</u>	<u>579,321</u>

7. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	9,614	27,652
Less: bank overdrafts	(78,145)	(73,422)
	<u>(68,531)</u>	<u>(45,770)</u>

8. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank overdrafts	78,145	73,422
Trade creditors	86,589	375,923
Amounts owed to group undertakings	27,162	90
Other taxation and social security	20,771	-
Other creditors	232,574	222,998
Accruals and deferred income	5,000	34,765
	<u>450,241</u>	<u>707,198</u>

The following liabilities were secured:

	2018	2017
	£	£
Bank overdrafts	78,146	73,422
	<u>78,146</u>	<u>73,422</u>

Details of security provided:

The bank overdraft is secured by way of a fixed and floating charge over the undertaking and all property and assets present and future including goodwill.

9. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Amounts owed to group undertakings	-	160,802
	<u>-</u>	<u>160,802</u>

10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £241 (2017: £271). Contributions totalling £nil (2017: £83) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Related party transactions

Included in debtors due after one year is £106,381 (2017: £109,433) due from Mossmans Peak Farms Limited, a subsidiary of the company..

Included in creditors is £28 (2017: £222,916) due to B A Shaw, a director of the company.

Included in creditors within one year is £232,545 (2017: £160,802 after one year) due to Proximity Advisors Limited, the parent company.

Included within trade debtors is an amount of £120,000 (2017:£nil) due from Proximity Advisors Limited. Included in other creditors is £9,647 (2017: £nil) due from Sea Island Ecommerce Limited.

All transactions are on an arms length basis.

12. Controlling party

The company's controlling parent company is Proximity Advisors Limited by virtue of its holding of 100% of the issued share capital. The ultimate controlling party is director B A Shaw.