

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

COMPANY INFORMATION

Directors	P N G De Bruyne B A Shaw
Company number	05559181
Registered office	164 Old Brompton Road London SW5 0BA
Trading Address	164 Old Brompton Road London SW5 0BA
Accountants	Greenback Alan LLP Chartered Accountants 89 Spa Road London SE16 3SG
Bankers	National Westminster Bank Plc Bishopsgate Business Centre PO Box 34 15 Bishopsgate London EC2P 2AP

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED
REGISTERED NUMBER:05559181

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	4	124	399
Investments	5	51,723	163,620
		<u>51,847</u>	<u>164,019</u>
Current assets			
Stocks		-	5,894
Debtors	6	7,256	262,343
Cash at bank and in hand	7	895	9,614
		<u>8,151</u>	<u>277,851</u>
Creditors: amounts falling due within one year	8	(168,091)	(450,241)
		<u>(159,940)</u>	<u>(172,390)</u>
Net current liabilities		<u>(159,940)</u>	<u>(172,390)</u>
Total assets less current liabilities		<u>(108,093)</u>	<u>(8,371)</u>
Net liabilities		<u>(108,093)</u>	<u>(8,371)</u>
Capital and reserves			
Called up share capital		186,975	186,975
Profit and loss account		(295,068)	(195,346)
		<u>(108,093)</u>	<u>(8,371)</u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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 the 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 2020.

B A Shaw
Director

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

The financial statements have been prepared on a going concern basis which assumes the continuation of the company's activities for the foreseeable future. At the balance sheet date the liabilities exceeded assets by £108,093. The directors have indicated that they will continue to support the company going forward.

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 profit or loss 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 profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 profit or loss using the effective interest method.

1.6 Finance costs

Finance costs are charged to profit or loss 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 profit or loss in the year in which they are incurred.

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 profit or loss 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 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. Accounting policies (continued)

1.10 Tangible fixed assets (continued)

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

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 profit or loss.

1.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.12 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.

1.13 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. Accounting policies (continued)

1.14 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.

1.15 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.

1.16 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.

1.17 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 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.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2018 - 3).

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Tangible fixed assets

	Leasehold improvements	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 January 2019	13,140	48,503	61,643
At 31 December 2019	<u>13,140</u>	<u>48,503</u>	<u>61,643</u>
Depreciation			
At 1 January 2019	13,140	48,104	61,244
Charge for the year on owned assets	-	275	275
At 31 December 2019	<u>13,140</u>	<u>48,379</u>	<u>61,519</u>
Net book value			
At 31 December 2019	<u>-</u>	<u>124</u>	<u>124</u>
At 31 December 2018	<u>-</u>	<u>399</u>	<u>399</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Fixed asset investments

	Shares in group undertakings & participating inter £
Cost or valuation	
At 1 January 2019	163,620
Disposals	(90)
Amounts written off	(111,805)
At 31 December 2019	<u>51,725</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Debtors

	2019	2018
	£	£
Due after more than one year		
Amounts owed by group undertakings	-	106,381
	<hr/>	<hr/>
	-	106,381
Due within one year		
Trade debtors	5,801	143,898
Amounts owed by group undertakings	1,224	1,224
Other debtors	231	10,840
	<hr/>	<hr/>
	<u>7,256</u>	<u>262,343</u>

7. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	895	9,614
Less: bank overdrafts	(54,601)	(78,145)
	<hr/>	<hr/>
	<u>(53,706)</u>	<u>(68,531)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Creditors: Amounts falling due within one year**2019****2018**

	£	£
Bank overdrafts	54,601	78,145
Trade creditors	67,443	86,589
Amounts owed to group undertakings	30,607	27,162
Other taxation and social security	10,412	20,771
Other creditors	28	232,574
Accruals and deferred income	5,000	5,000
	<u>168,091</u>	<u>450,241</u>

The following liabilities were secured:

	2019 £	2018 £
Bank overdrafts	54,601	78,146
	<u>54,601</u>	<u>78,146</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. Pension commitments

The company operated 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 £nil (2018: £241). Contributions totalling £nil (2018: £nil) were repayable from the fund at the balance sheet date.

10. Related party transactions

Included in debtors due after one year is £nil (2018: £106,381) due from Mossmans Peak Farms Limited, a subsidiary of the company.

Included in creditors is £28 (2018: £28) due to B A Shaw, a director of the company.

Included in creditors within one year is £ nil (2018: £232,545 after one year) due to Proximity Advisors Limited, the former parent company. Included in amounts due to group companies is £9,647 (2018: £9,647) due to Sea Island Ecommerce Limited, £17,425 (2018: £17,425) due to Sea Island Coffee Limited and £3,535 due to Blue Mountain Island Group.

Included in turnover are group consultancy fees of £140,989. All transactions are on an arms length basis.

BLUE MOUNTAIN COFFEE (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Controlling party

On 1 January 2019, the ultimate controlling party became director P N G De Bruyne by way of his ownership of the entire share capital.