

4620714

SATURDAY



\*A2HCU6UH\*

A26

21/09/2013

#334

COMPANIES HOUSE

**BBCM GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2012**

**BBCM GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

---

| <b>CONTENTS</b>   | <b>PAGE</b> |
|---|-------------|
| Officers and professional advisers                          | 1           |
| Directors' report   | 2           |
| Auditors' report  | 5           |
| Consolidated profit & loss account                          | 7           |
| Consolidated statement of total recognised gains and losses | 8           |
| Company profit & loss account                               | 9           |
| Consolidated balance sheet                                  | 10          |
| Company balance sheet                                       | 11          |
| Consolidated cash flow statement                            | 12          |
| Accounting Policies   | 15          |
| Notes to the consolidated financial statements              | 17          |

**BBCM GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

---

|                               |  |  |  |
|-------------------------------|--|--|--|
| <b>The board of directors</b> | John Ryall<br>David Sykes<br>Patrick Claffey<br>Lisa Comerford   |  |  |
| <b>Secretary</b>              | Helen Malone   |  |  |
| <b>Registered office</b>      | 200 Strand<br>London<br>United Kingdom<br>WC2R 1DJ   |  |  |
| <b>Auditors</b>               | Grant Thornton<br>Chartered Accountants<br>& Statutory Auditors<br>Mill House<br>Henry Street<br>Limerick<br>Ireland |  |  |
| <b>Bankers</b>                | Bank of Scotland<br>123 St Vincent Street<br>Glasgow<br>G2 5EA   |  | Barclays Bank Plc<br>Business Banking<br>PO Box 299<br>Birmingham<br>B13PF |
|                               | Allied Irish Bank<br>St Helens 1 Undershaft<br>London<br>EC3A 8AB  |  | Allied Irish Banks Plc<br>26 Patrick St<br>Cork<br>Ireland                 |
|                               | J P Morgan International Bank<br>1 Boulevard du Roi Albert II<br>B-1210 Brussels<br>Belgium                          |  |  |
|                               | Ulster Bank Limited<br>Dooradoyle<br>Limerick  |  |  |
|                               | National Westminster Bank Plc<br>PO Box 12263<br>1 Princes Street<br>London<br>EC2R 8PH                              |  |  |
|                               |  |  |  |
| <b>Solicitors</b>             | Glovers Solicitors<br>& Privy Council Agents<br>6 York Street<br>London<br>W1U 6QD                                   | Kennedys<br>Ulysses House<br>Foley Street<br>Dublin 1<br>Ireland | Kerman & Co<br>200 Strand<br>London<br>WC2R 1DJ                            |

**BBCM GROUP LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2012**

---

The directors present their report and group financial statements for the year ended 31 December 2012

**Results and dividends**

The profit for the group for the year after taxation and minority interest was £2,168,107

**Principal activity and review of business**

The group's principal activity during the year was that of coffee shop proprietors and franchisors. The trading results for the year, and the group and company's financial position at the end of the year are shown in the attached financial statements

The Directors acknowledge the trading results for the year ended 31 December 2012

The directors have prepared the accounts on a going concern basis. This assumes that the company will continue in operational existence for the foreseeable future having adequate resources to meet its obligations as they fall due. The validity of a going concern basis is dependent upon the continued support (financial and otherwise) from the company's shareholders, bankers and long term creditors.

The directors are satisfied that the company's shareholders, bankers and long term creditors will continue to provide appropriate support to the company for the foreseeable future. In light of this, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

**Significant Events**

There have been no significant events since the year end

**Principal risks and uncertainties**

The Directors recognise that the degree of exposure to certain risks, and the Group's ability to manage those risks effectively, will influence how successful the business is. The Board therefore reviews the risks associated with the business, and has established internal control systems designed to identify those risks that may restrict or seriously impact the ability of the Group to carry on its operations or may prevent it from taking advantage of opportunities for growth, or which may lead to negative sentiment or damage to its reputation.

Topics included on the Board calendar for regular review include

*People*

Our greatest asset is our employees. It is critical to our success to attract, retain, develop and motivate the best people with the right capabilities at all levels of operations. We review our people policies regularly and are committed to investing in training and development and incentives for our people.

*Health and safety*

Failure to maintain health and safety standards in food preparation could lead to injuries and impact our brand reputation. The health and safety of our team, our customers and our contractors is of primary importance to us. We aim to ensure that each of the tasks we carry out achieves and maintains the highest standards of health and safety.

*Brand protection*

The BB's Coffee and Muffins brand is a key asset, failure to protect the brand through mismanagement of our trademarks could reduce the value of our brand.

*Economic uncertainty*

The Directors recognise that economic uncertainty can lead to challenging market conditions. The Directors are taking appropriate action to control costs, together with focusing on maintaining high standards of customer service.

**BBCM GROUP LIMITED**  
**THE DIRECTORS' REPORT** *(continued)*  
**YEAR ENDED 31 DECEMBER 2012**

---

**Key Performance Indicators**

The executive management team reviews detailed weekly and monthly information covering a range of financial and non-financial indicators

The Company uses bank loans, shareholders loans and its working capital of cash, trade debtors and trade creditors derived from operations to raise finance for the Company's activities

**Commercial Risk**

The company's turnover is exposed to changes in the general economic climate

**Interest Rate Risk**

The Company finances its operations through retained earnings, bank loans and shareholders loans. The interest charge on these loans is variable

**Liquidity Risk**

The Company's policy is to ensure that sufficient resources are available either from cash balances, cash flows and near cash liquid investments to ensure all obligations can be met when they fall due and to invest in cash assets safely and profitably

**Currency Risk**

The Company's foreign activities are carried out primarily in the domestic currency of the respective country. This results in a level of foreign currency transaction risk

**Credit Risk**

The Company has no significant concentrations of credit risk. Customers who wish to trade on credit terms are subject to strict verification procedures in advance of credit being awarded and are continually being monitored

**Directors and secretary and their interests**

The directors who served during the year and their beneficial interests in the share capital of the company were as follows

| <b>Ordinary Shares of £1 each</b> |                       |                                |                                |
|-----------------------------------|-----------------------|--------------------------------|--------------------------------|
|                                   | <b>Class of share</b> | <b>At<br/>31 December 2012</b> | <b>At<br/>31 December 2011</b> |
| David Sykes                       | Ordinary              | 102                            | 102                            |
| John Ryall                        | Ordinary              | -                              | -                              |
| Lisa Comerford                    | Ordinary              | -                              | -                              |
| Patrick Claffey                   | Ordinary              | -                              | -                              |
| Helen Malone                      | Ordinary              | -                              | -                              |
|                                   |                       | <u>          </u>              | <u>          </u>              |

BBCM Group Limited is a 58% subsidiary of Baycliffe Limited

**Directors and secretary and their interests in the shares of Baycliffe Limited**

The directors and secretary who served the company during the year together with their beneficial interests in the shares of the ultimate parent company, Baycliffe Limited, were as follows

| <b>Ordinary Shares of £1 each</b> |  |                                |                                |
|-----------------------------------|--|--------------------------------|--------------------------------|
|                                   |  | <b>At<br/>31 December 2012</b> | <b>At<br/>31 December 2011</b> |
| David Sykes                       |  | -                              | -                              |
| John Ryall                        |  | -                              | -                              |
| Lisa Comerford                    |  | -                              | -                              |
| Patrick Claffey                   |  | -                              | -                              |
| Helen Malone                      |  | -                              | -                              |
|                                   |  | <u>          </u>              | <u>          </u>              |

The directors and secretary do not hold shares in any of the other group companies other than disclosed above

**BBCM GROUP LIMITED**

**THE DIRECTORS' REPORT (continued)**

**YEAR ENDED 31 DECEMBER 2012**

---

**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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 of the profit or loss of the company for that year.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Disabled employees**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

**Employee involvement**

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

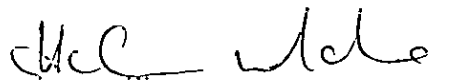
**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Grant Thornton will therefore continue in office.

**Registered office:**

200 Strand  
London  
United Kingdom  
WC2R 1DJ

**Signed on behalf of the directors**



H Malone  
Company Secretary

Approved by the directors on the

26/7/13

# **BBCM GROUP LIMITED**

## **INDEPENDENT REPORT OF THE AUDITORS' TO THE SHAREHOLDERS OF BBCM GROUP LIMITED**

**YEAR ENDED 31 DECEMBER 2012**

---

We have audited the consolidated financial statements of BBCM Group Limited & subsidiaries for the year ended 31 December 2012. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the consolidated 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 (APB'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 directors, and the overall presentation of the financial statements.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the consolidated financial statements

give a true and fair view of the state of the Group and Parent company's affairs as at 31 December 2012 and of its result for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTERS 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 consolidated financial statements.

**BBCM GROUP LIMITED**

**INDEPENDENT REPORT OF THE AUDITORS' TO THE SHAREHOLDERS OF BBCM GROUP  
LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2012**

---

**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 parent company 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

Mill House  
Henry Street  
Limerick



DAMIAN GLEESON  
Senior Statutory Auditor  
For and on behalf of  
GRANT THORNTON  
Chartered Accountants  
& Statutory Auditors

Dated 26/7/13

**BBCM GROUP LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2012**

|   | Note | Year Ended<br>31 Dec 12<br><br>£ | Year Ended<br>31 Dec 11<br><br>£ |
|---|------|----------------------------------|----------------------------------|
| <b>TURNOVER</b>   | 2    | 12,114,762                       | 12,556,912                       |
| Cost of sales   |      | (2,755,041)                      | (2,970,221)                      |
| <b>GROSS PROFIT</b>   |      | <b>9,359,721</b>                 | <b>9,586,691</b>                 |
| Administrative expenses   |      | (6,446,144)                      | (9,454,633)                      |
| <b>OPERATING PROFIT</b>   | 3    | 2,913,577                        | 132,058                          |
| Attributable to:  |      |                                  |                                  |
| Operating profit before exceptional items   |      | 831,604                          | 132,058                          |
| Exceptional items   | 4    | 2,081,973                        | -                                |
|   |      | 2,913,577                        | 132,058                          |
| Interest receivable   |      | 844                              | 658                              |
| Interest payable  | 7    | (691,034)                        | (985,500)                        |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b>                       |      | <b>2,223,387</b>                 | <b>(852,784)</b>                 |
| Tax on profit/ (loss) on ordinary activities  | 8    | -                                | 31,939                           |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>                        |      | <b>2,223,387</b>                 | <b>(820,845)</b>                 |
| Minority Interests  |      | (55,280)                         | (272,071)                        |
| <b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR<br/>AFTER TAXATION AND MINORITY INTERESTS</b> |      | <b>2,168,107</b>                 | <b>(1,092,916)</b>               |
| Balance brought forward   |      | <u>(13,127,271)</u>              | <u>(12,034,355)</u>              |
| Balance carried forward   |      | <u>(10,959,164)</u>              | <u>(13,127,271)</u>              |

All of the activities of the group are classed as continuing  
There is no difference between the consolidated profit/(loss) on ordinary activities before taxation  
and the profit/(loss) for the year stated above and their historical cost equivalents

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**YEAR ENDED 31 DECEMBER 2012**

---

|   | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11   |
|---|-------------------------|---------------------------|
|   | £                       | £                         |
| Profit/(Loss) for the financial year attributable to the shareholders | 2,119,900               | (1,106,964)               |
| Foreign Exchange Difference arising on retranslation                  | <u>48,207</u>           | <u>14,048</u>             |
| Total profit/( loss) recognised since the last annual report          | <u><b>2,168,107</b></u> | <u><b>(1,092,916)</b></u> |

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**COMPANY PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2012**

|   | Note | Year Ended<br>31 Dec 12<br>£ | Year Ended<br>31 Dec 11<br>£ |
|---|------|------------------------------|------------------------------|
| <b>TURNOVER</b>   |      | -                            | -                            |
| Administrative expenses                                     |      | 339,694                      | 172,663                      |
| <b>OPERATING PROFIT</b>                                     |      | <u>339,694</u>               | <u>172,663</u>               |
| Interest receivable   |      | 296,104                      | 39,081                       |
| Interest payable and similar charges                        | 7    | (605,344)                    | (640,640)                    |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |      | <u>30,454</u>                | <u>(428,896)</u>             |
| Tax on profit/ (loss) on ordinary activities                |      | -                            | -                            |
| <b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |      | <u>30,454</u>                | <u>(428,896)</u>             |
| Balance brought forward                                     |      | (7,972,808)                  | (7,543,912)                  |
| Balance carried forward                                     |      | <u><u>(7,942,354)</u></u>    | <u><u>(7,972,808)</u></u>    |

All of the activities of the company are classed as continuing  
There is no difference between the profit/(loss) on ordinary activities before taxation  
and the profit/ (loss) for the year stated above and their historical cost equivalents

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**YEAR ENDED 31 DECEMBER 2012**

|   | Note | 31 Dec 12           |   | 31 Dec 11           |   |
|---|------|---------------------|---|---------------------|---|
|   |      | £                   | £ | £                   | £ |
| <b>FIXED ASSETS</b>   |      |                     |   |                     |   |
| Intangible assets   | 9    | 4,568,766           |   | 5,044,453           |   |
| Intellectual property   | 10   | 1,069,043           |   | 1,069,043           |   |
| Tangible assets   | 11   | 1,127,079           |   | 922,770             |   |
|   |      | <u>6,764,888</u>    |   | <u>7,036,266</u>    |   |
| <b>CURRENT ASSETS</b>   |      |                     |   |                     |   |
| Stocks  | 13   | 134,782             |   | 149,627             |   |
| Debtors   | 14   | 949,040             |   | 1,218,967           |   |
| Cash at bank and in hand                                      |      | 605,667             |   | 755,940             |   |
|   |      | <u>1,689,489</u>    |   | <u>2,124,534</u>    |   |
| <b>CREDITORS</b> Amounts falling due within one year          | 15   | (3,873,594)         |   | (5,775,032)         |   |
| <b>NET CURRENT LIABILITIES</b>                                |      | <u>(2,184,105)</u>  |   | <u>(3,650,498)</u>  |   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                  |      | <u>4,580,783</u>    |   | <u>3,385,768</u>    |   |
| <b>CREDITORS</b> Amounts falling due after more than one year | 16   | 15,671,912          |   | 16,700,284          |   |
| <b>CAPITAL AND RESERVES</b>                                   |      |                     |   |                     |   |
| Called-up share capital                                       | 19   | 350                 |   | 350                 |   |
| Share Premium   |      | 131,956             |   | 131,956             |   |
| Profit and loss account                                       |      | (10,959,164)        |   | (13,127,271)        |   |
| <b>EQUITY SHAREHOLDERS' DEBT</b>                              | 20   | <u>(10,826,858)</u> |   | <u>(12,994,965)</u> |   |
| Minority interests  |      | (264,271)           |   | (319,551)           |   |
|   |      | <u>4,580,783</u>    |   | <u>3,385,768</u>    |   |

These financial statements were approved by the directors on 26/7/13 and are signed on their behalf by



D Sykes  
Director

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**COMPANY BALANCE SHEET**  
**YEAR ENDED 31 DECEMBER 2012**

|  |      | 31 Dec 12        |                    | 31 Dec 11        |                    |
|--|------|------------------|--------------------|------------------|--------------------|
|  | Note | £                | £                  | £                | £                  |
| <b>FINANCIAL ASSETS</b>  |      |                  |                    |                  |                    |
| Investments  | 12   |                  | 4,007,698          |                  | 4,007,616          |
| <b>CURRENT ASSETS</b>  |      |                  |                    |                  |                    |
| Debtors  | 14   | 5,302,524        |                    | 2,592,117        |                    |
| Cash at bank   |      | 21,464           |                    | 21,364           |                    |
|  |      | <u>5,323,988</u> |                    | <u>2,613,481</u> |                    |
| <b>CREDITORS:</b>  |      |                  |                    |                  |                    |
| Amounts falling due within one year                            | 15   | (1,700,393)      |                    | (31,497)         |                    |
|  |      |                  |                    | <u></u>          |                    |
| <b>NET CURRENT ASSETS</b>                                      |      |                  | 3,623,595          |                  | 2,581,984          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |                  | <u>7,631,293</u>   |                  | <u>6,589,600</u>   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 16   |                  | 15,441,341         |                  | 14,430,102         |
| <b>CAPITAL AND RESERVES</b>                                    |      |                  |                    |                  |                    |
| Called-up share capital  | 19   | 350              |                    | 350              |                    |
| Share premium account  |      | 131,956          |                    | 131,956          |                    |
| Profit and loss account  |      | (7,942,354)      |                    | (7,972,808)      |                    |
|  | 20   |                  | <u>(7,810,048)</u> |                  | <u>(7,840,502)</u> |
|  |      |                  | <u>7,631,293</u>   |                  | <u>6,589,600</u>   |

These financial statements were approved by the directors on the 26/7/13 and are signed on their behalf by



D Sykes  
Director

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**CONSOLIDATED CASHFLOW STATEMENT**  
**YEAR ENDED 31 DECEMBER 2012**

|  |          | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|--|----------|-------------------------|-------------------------|
|  | Note     | £                       | £                       |
| <b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>                             | <b>A</b> | <b>3,370,954</b>        | <b>1,399,928</b>        |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>                       |          |                         |                         |
| Interest received  |          | 844                     | 658                     |
| Interest paid  |          | (691,034)               | (985,500)               |
| <b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b> |          | <b>(690,190)</b>        | <b>(984,842)</b>        |
| <b>TAXATION</b>  |          | <b>26,815</b>           | <b>31,939</b>           |
| <b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>                          |          |                         |                         |
| Payments to acquire tangible fixed assets                                    |          | (840,965)               | (559,215)               |
| Receipts from sale of fixed assets   |          | 8,708                   | 7,300                   |
| <b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>    |          | <b>(832,257)</b>        | <b>(551,915)</b>        |
| <b>Cash inflow/ (outflow) before financing</b>                               |          | <b>1,875,322</b>        | <b>(104,890)</b>        |
| <b>FINANCING</b>   |          |                         |                         |
| (Decrease) in bank loans   |          | (4,011,213)             | (2,207,490)             |
| Increase in long term creditors  |          | 1,985,618               | 2,301,889               |
| <b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>                              |          | <b>(2,025,595)</b>      | <b>94,399</b>           |
| <b>(DECREASE) IN CASH FOR THE YEAR</b>                                       |          | <b><u>(150,273)</u></b> | <b><u>(10,491)</u></b>  |

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**CONSOLIDATED CASHFLOW STATEMENT (Continued)**  
**YEAR ENDED 31 DECEMBER 2012**

**A. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

|   | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|---|-------------------------|-------------------------|
|   | £                       | £                       |
| Operating Profit                          | 2,913,577               | 132,058                 |
| <b>Add-backs/(Deductions)</b>             |                         |                         |
| Amortisation                              | 422,890                 | 422,892                 |
| Depreciation                              | 683,200                 | 674,675                 |
| Decrease /(Increase) in stocks            | 14,845                  | 10,657                  |
| Decrease /(Increase) in debtors           | 244,027                 | 461,013                 |
| (Decrease)/ Increase in creditors         | (905,130)               | (248,570)               |
| Acquisition of Goodwill                   | -                       | (52,797)                |
| Profit on disposal of fixed assets        | (2,455)                 | -                       |
|   | <u>3,370,954</u>        | <u>1,399,928</u>        |
| Net cash inflow from operating activities | <u>3,370,954</u>        | <u>1,399,928</u>        |

**B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|   | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|---|-------------------------|-------------------------|
|   | £                       | £                       |
| (Decrease) in cash in the year                      | (150,273)               | (10,491)                |
| Net cash outflow in respect of bank loans           | 4,011,213               | 2,207,490               |
| Net cash (inflow) in respect of long term creditors | (1,985,618)             | (2,301,889)             |
|   | <u>1,875,322</u>        | <u>(104,890)</u>        |
| Change in net debt                                  | <u>1,875,322</u>        | <u>(104,890)</u>        |
| Net debt at 1 January 2012                          | (18,629,358)            | (18,524,468)            |
|   | <u>(16,754,036)</u>     | <u>(18,629,358)</u>     |
| Net debt at 31 December 2012                        | <u>(16,754,036)</u>     | <u>(18,629,358)</u>     |

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**CONSOLIDATED CASHFLOW STATEMENT (Continued)**  
**YEAR ENDED 31 DECEMBER 2012**

**C. ANALYSIS OF CHANGES IN NET DEBT**

|                          | At 1 Jan 12         | Cash flows       | At 31 Dec 12        |
|--------------------------|---------------------|------------------|---------------------|
|                          | £                   | £                | £                   |
| <i>Net Cash</i>          |                     |                  |                     |
| Cash in hand and at bank | 755,940             | (150,273)        | 605,667             |
| <i>Debt</i>              |                     |                  |                     |
| Due within one year      | (2,685,014)         | 997,223          | (1,687,791)         |
| Due after one year       | (16,700,284)        | 1,028,372        | (15,671,912)        |
| Net Debt                 | <u>(18,629,358)</u> | <u>1,875,322</u> | <u>(16,754,036)</u> |

The accounting policies and notes on pages 15 to 26 form part of these financial statements

**BBCM GROUP LIMITED**  
**ACCOUNTING POLICIES**  
**YEAR ENDED 31 DECEMBER 2012**

---

**Accounting convention**

The financial statements are prepared in accordance with generally accepted principles under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England & Wales

**Basis of preparation**

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing support of the Group's bankers and shareholders. It is the Directors' opinion that the financial statements should be prepared on a going concern basis.

**Basis of consolidation**

The group financial statements consolidate the accounts of BBCM Group Limited and its subsidiaries made up to 31 December 2012.

**Turnover**

The turnover shown in the profit and loss account represents the amount of goods and/or services provided, stated net of value added tax, and are attributable to the principal activity of the company.

**Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an intangible asset on the balance sheet and amortised over its estimated useful life up to a maximum of 20 years. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

**Amortisation**

Amortisation is calculated so as to write off the costs of an asset, less its estimated residual value, over the useful economic life of that asset.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                       |   |                            |
|-----------------------|---|----------------------------|
| Fixtures and fittings | - | straight-line over 5 years |
| Motor vehicles        | - | straight-line over 5 years |
| Equipment             | - | straight-line over 5 years |

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**BBCM GROUP LIMITED**  
**ACCOUNTING POLICIES**  
**YEAR ENDED 31 DECEMBER 2012**

---

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken to the profit and loss account

**Franchisee Agreement**

The landlord grants a head lease to the main operating companies within the group, who in turn issue a Franchise Agreement and a Deed of Guarantee to the respective Franchisee. The accounting treatment of Rents and Service Charges is that the liabilities to the landlords are included in Trade Creditors and the corresponding amounts due from the Franchisees are shown as Trade Debtors

**Impairment**

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the assets recoverable amount is estimated and recorded

**Comparatives**

Comparative figures have been reanalysed where necessary

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**1. BASIS OF PREPARATION**

The accounts have been prepared on a going concern basis. This assumes that the company will continue in operational existence for the foreseeable future having adequate resources to meet its obligations as they fall due. The validity of a going concern basis is dependent upon the continued support (financial and otherwise) from the company's shareholders, bankers and long term creditors.

The directors are satisfied that the company's shareholders, bankers and long term creditors will continue to provide appropriate support to the company for the foreseeable future. In light of this, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

**2. GEOGRAPHICAL ANALYSIS**

|                 | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|-----------------|-------------------------|-------------------------|
|                 | £                       | £                       |
| <b>Turnover</b> |                         |                         |
| United Kingdom  | 4,910,336               | 4,825,316               |
| Ireland         | 7,204,426               | 7,731,596               |
|                 | <u>12,114,762</u>       | <u>12,556,912</u>       |

**3. OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS**

|   | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|---|-------------------------|-------------------------|
|   | £                       | £                       |
| Operating loss before exceptional items stated after charging |                         |                         |
| Amortisation  | 422,892                 | 422,892                 |
| Depreciation of owned fixed assets                            | 683,200                 | 674,675                 |
| Group auditors' remuneration                                  |                         |                         |
| - as auditors   | 35,263                  | 39,100                  |
| Foreign exchange (gain)                                       | <u>(427,070)</u>        | <u>(217,565)</u>        |

**4. EXCEPTIONAL ITEM**

|                  | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|------------------|-------------------------|-------------------------|
|                  | £                       | £                       |
| Bank restructure | <u>2,081,973</u>        | <u>-</u>                |

Existing bank debt owed by group companies in the amount of £4,598,688 was assigned to BBCM Group Limited in March 2012 for a payment of £2,516,715. This resulted in a gain to the group in the amount of £2,081,973.

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**5 PARTICULARS OF EMPLOYEES**

The average number of staff employed by the group during the financial year amounted to

|                                | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|--------------------------------|-------------------------|-------------------------|
| Number of administrative staff | 10                      | 10                      |
| Number of store employees      | <u>240</u>              | <u>250</u>              |
|                                | <u>250</u>              | <u>260</u>              |

The aggregate payroll costs of the above were:

|                       | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|-----------------------|-------------------------|-------------------------|
|                       | £                       | £                       |
| Wages and salaries    | 3,215,922               | 3,374,352               |
| Social security costs | 239,578                 | 282,234                 |
|                       | <u>3,455,500</u>        | <u>3,656,586</u>        |

**6 DIRECTORS' EMOLUMENTS**

|            | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|------------|-------------------------|-------------------------|
|            | £                       | £                       |
| Emoluments | <u>81,837</u>           | <u>87,528</u>           |

**7 INTEREST PAYABLE**

|  | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 | Year<br>Ended<br>31 Dec 11 |
|--|-------------------------|-------------------------|-------------------------|----------------------------|
|  | Group                   | Company                 | Group                   | Company                    |
|  | £                       | £                       | £                       | £                          |
| Interest payable on bank borrowing               | 261,393                 | 175,703                 | 571,775                 | 319,996                    |
| Interest payable on other loans                  | 429,641                 | 429,641                 | 243,695                 | 320,644                    |
| Interest and penalties on late payments of taxes | -                       | -                       | 170,030                 | -                          |
|  | <u>691,034</u>          | <u>605,344</u>          | <u>985,500</u>          | <u>640,640</u>             |

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**8. TAXATION ON ORDINARY ACTIVITIES**

|  | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| Current Tax  |                         |                         |
| UK/Irish Corporation tax based on the results for the year at 28%/12.5 %<br>(2010 28%/12.5%) | -                       | -                       |
| Over/under provision   | -                       | (31,939)                |
| Total current tax  | <u>-</u>                | <u>(31,939)</u>         |

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

|  | Year Ended<br>31 Dec 12 | Year Ended<br>31 Dec 11 |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| Profit/Loss on ordinary activities before tax                            | <u>2,223,387</u>        | <u>(852,784)</u>        |
| Loss per accounts at UK tax rate of 28% (2011 28%)                       | (117,265)               | (86,395)                |
| Profit/ (Loss) per accounts at Irish tax rate of 12.5% (2011 12.5%)      | 90,413                  | (115,211)               |
| Factors affecting tax charge   |                         |                         |
| Expenses not deductible for tax purposes by rate of tax                  | 54,646                  | 86,316                  |
| Depreciation for the year in excess of capital allowances by rate of tax | 4,873                   | (17,380)                |
| Deductions by rate of tax  | (12,003)                | (32,723)                |
| Consolidation adjustments by rate of tax                                 | -                       | 56,415                  |
| Losses carried forward   | 43,907                  | 108,978                 |
| Losses forward utilised  | (406,613)               | -                       |
| Loan Write off   | 342,042                 | -                       |
| Over/Under provision   | -                       | (31,939)                |
| Total current tax  | <u>-</u>                | <u>(31,939)</u>         |

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**9 INTANGIBLE FIXED ASSETS**

|                                 | <b>Goodwill<br/>£</b>   |
|---------------------------------|-------------------------|
| <b>Cost</b>                     |                         |
| At 1 January 2012               | 9,287,521               |
| Transfer                        | (52,797)                |
| <b>As at 31 December 2012</b>   | <u><b>9,234,724</b></u> |
| <b>Accumulated amortisation</b> |                         |
| At 1 January 2012               | 4,243,068               |
| Amortisation charge for year    | 422,890                 |
| <b>As at 31 December 2012</b>   | <u><b>4,665,958</b></u> |
| <b>Carrying Amount</b>          |                         |
| <b>At 31 December 2012</b>      | <u><b>4,568,766</b></u> |
| At 31 December 2011             | <u>5,044,453</u>        |

The group tests annually for impairment or more frequently if there are indications that goodwill might be impaired

**10. INTELLECTUAL PROPERTY**

|                       | <b>31 Dec 12<br/>£</b>  | <b>31 Dec 11<br/>£</b>  |
|-----------------------|-------------------------|-------------------------|
| Intellectual Property | <u><b>1,069,043</b></u> | <u><b>1,069,043</b></u> |

The Intellectual Property represents the amount paid to BB's Coffee & Muffins Australia in respect of the Brand Name, "BB's Coffee & Muffins"

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**11 TANGIBLE FIXED ASSETS**

| <b>Group</b>             | <b>Fixtures<br/>&amp; Fittings<br/>£</b> | <b>Motor<br/>Vehicles<br/>£</b> | <b>Equipment<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------|--|---------------------------------|------------------------|--------------------|
| <b>Cost</b>              |  |                                 |                        |                    |
| At 1 January 2012        | 4,344,373                                | 46,694                          | 233,027                | 4,624,094          |
| Additions                | 835,237                                  | -                               | 5,728                  | 840,965            |
| Disposals                | (1,618,318)                              | (14,184)                        | (19,071)               | (1,651,573)        |
| Transfers                | 48,305                                   | -                               | 4,492                  | 52,797             |
| At 31 December 2012      | <u>3,609,597</u>                         | <u>32,510</u>                   | <u>224,176</u>         | <u>3,866,283</u>   |
| <b>Depreciation</b>      |  |                                 |                        |                    |
| At 1 January 2012        | 3,527,771                                | 33,501                          | 140,052                | 3,701,324          |
| Charge for the year      | 649,944                                  | 4,734                           | 28,522                 | 683,200            |
| Depreciation on disposal | (1,612,065)                              | (14,184)                        | (19,071)               | (1,645,320)        |
| Transfers                | (1,749)                                  | -                               | 1,749                  | -                  |
| At 31 December 2012      | <u>2,563,901</u>                         | <u>24,051</u>                   | <u>151,252</u>         | <u>2,739,204</u>   |
| <b>Net Book Value</b>    |  |                                 |                        |                    |
| At 31 December 2012      | <u>1,045,696</u>                         | <u>8,459</u>                    | <u>72,924</u>          | <u>1,127,079</u>   |
| At 31 December 2011      | <u>816,602</u>                           | <u>13,193</u>                   | <u>92,975</u>          | <u>922,770</u>     |

The group decided to complete a “store refit” program. This resulted in significant disposals of assets that were fully depreciated.

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**12 INVESTMENTS**

The company has the following subsidiaries all of which are held by BB's Holdings Limited unless otherwise stated, consolidated in the group financial statements, and registered in England and Wales unless otherwise stated

| <b>Name of company</b>                      | <b>% Holding of Ordinary shares</b> | <b>Activity</b>         |
|---|-------------------------------------|-------------------------|
| BB's Holdings Limited (6)                   | 92%                                 | Holding Company         |
| BB's Coffee & Muffins Holdings Limited (3)  | 92%                                 | Holding Company         |
| BB's Coffee & Muffins Europe Limited (1)    | 92%                                 | Holding Company         |
| RFG Administration Services Limited (2) (3) | 92%                                 | Administration Services |
| RFG Ireland Limited (2) (7)                 | 92 4%                               | Coffee shop proprietors |
| BBD2 Limited (6)                            | 100%                                | Coffee shop proprietors |
| Kapelad Limited (6)                         | 100%                                | Coffee shop proprietors |
| RFG Ireland Marketing Limited (2) (5)       | 92%                                 | Marketing company       |
| RFG Ireland Balbriggan Limited (2) (4)      | 92%                                 | Coffee shop proprietors |
| RFG Ireland (Hanover Quay) Limited (6)      | 100%                                | Non Trading             |

(1) Held directly by BB's Coffee & Muffins Holdings Limited

(2) Registered in Ireland

(3) Held directly by BB's Holdings Limited

(4) Held directly by RFG Ireland Limited

(5) Held directly by RFG Administration Services Limited

(6) Held directly by BBCM Group Limited

(7) Held indirectly by BBCM Group Limited through RFG Administration Services Limited

**13. STOCKS**

| <b>Group</b>     | <b>31 Dec 12<br/>£</b> | <b>31 Dec 11<br/>£</b> |
|------------------|------------------------|------------------------|
| Goods for resale | <u>134,782</u>         | <u>149,627</u>         |

In the opinion of the directors, the replacement cost of the above stock did not differ significantly from the figures shown

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**14. DEBTORS**

|                                  | Group<br>31 Dec 12 | Company<br>31 Dec 12 | Group<br>31 Dec 11 | Company<br>31 Dec 11 |
|----------------------------------|--------------------|----------------------|--------------------|----------------------|
|                                  | £                  | £                    | £                  | £                    |
| Trade debtors                    | 454,538            | -                    | 512,621            | -                    |
| Other debtors                    | 87,725             | -                    | 161,837            | -                    |
| Prepayments and accrued income   | 365,857            | -                    | 389,976            | -                    |
| Amounts due from group companies | -                  | 350,603              | -                  | 156,911              |
| Shareholder loans receivable     | 40,920             | 2,435,206            | 42,000             | 2,435,206            |
| Loans to group companies         | -                  | 2,516,715            | -                  | -                    |
| VAT recoverable                  | -                  | -                    | 86,633             | -                    |
| Corporation Tax recoverable      | -                  | -                    | 25,900             | -                    |
|                                  | <u>949,040</u>     | <u>5,302,524</u>     | <u>1,218,967</u>   | <u>2,592,117</u>     |

**15. CREDITORS. AMOUNTS FALLING DUE IN LESS THAN ONE YEAR**

|                                    | Group<br>31 Dec 12 | Company<br>31 Dec 12 | Group<br>31 Dec 11 | Company<br>31 Dec 11 |
|------------------------------------|--------------------|----------------------|--------------------|----------------------|
|                                    | £                  | £                    | £                  | £                    |
| Bank loans and overdrafts          | 1,687,791          | 1,636,800            | 2,685,014          | -                    |
| Trade creditors                    | 1,275,498          | -                    | 1,533,155          | -                    |
| Other taxation and social security | 264,537            | -                    | 426,896            | -                    |
| Accruals and deferred income       | 644,853            | 27,888               | 1,127,456          | 3,500                |
| Amounts owed to group undertakings | -                  | 35,705               | -                  | 27,997               |
| Other creditors                    | -                  | -                    | 2,511              | -                    |
| Corporation Tax                    | 915                | -                    | -                  | -                    |
|                                    | <u>3,873,594</u>   | <u>1,700,393</u>     | <u>5,775,032</u>   | <u>31,497</u>        |

**Retention of title clause**

At the balance sheet date some trade creditors had reserved title to goods supplied. Since the extent to which these creditors are effectively secured at any time depends on a number of conditions, the validity of which is not readily determinable, it is not possible to indicate how much of the above amount was effectively secured by reservation of title.

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**16. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

|                    | Group<br>31 Dec 12 | Company<br>31 Dec 12 | Group<br>31 Dec 11 | Company<br>31 Dec 11 |
|--------------------|--------------------|----------------------|--------------------|----------------------|
|                    | £                  | £                    | £                  | £                    |
| Bank loans         | 3,458,969          | 3,228,398            | 6,472,959          | 4,202,777            |
| Shareholders Loans | 12,212,943         | 12,212,943           | 10,227,325         | 10,227,325           |
|                    | <u>15,671,912</u>  | <u>15,441,341</u>    | <u>16,700,284</u>  | <u>14,430,102</u>    |

National Westminster Bank Plc holds a debenture over the assets of BBD2 Limited as security for the company's borrowings

A composite company guarantee and debenture dated 30 October 2009 was granted by the parent company BBCM Group Limited in favour of Baycliffe Limited and David Sykes for all monies owed to them by the group. This debenture is secured by a way of second legal charge on the assets of the group.

BBCM Group Limited holds security by way of debenture over the assets of certain BB's group companies. This debenture is secured by a way of first legal charge on the assets over the certain BB's group companies.

**17. COMMITMENTS UNDER OPERATING LEASES AND CONTINGENCIES**

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below:

|                               | 31 Dec 12<br>£   | 31 Dec 11<br>£   |
|-------------------------------|------------------|------------------|
| <b>Group</b>                  |                  |                  |
| Operating leases which expire |                  |                  |
| Within 1 to 5 years           | 414,324          | 639,892          |
| After more than 5 years       | 3,139,447        | 2,950,796        |
|                               | <u>3,553,771</u> | <u>3,590,688</u> |

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

---

**18. RELATED PARTY TRANSACTIONS**

**BBCM GROUP LIMITED**

BBCM Group Limited received shareholders loans from Baycliffe Limited during the year At 31 December 2012 £11,935,068 was owed by BBCM Group Limited to Baycliffe Limited (2011 £9,949,450)

At 31 December 2012 £277,875 was owed by BBCM Group Limited to David Sykes (2011 £277,875)

**RFG Administration Services Limited**

RFG Administration Services Limited paid rents in the amount of €119,700 to the Henry Partnership, directors David Sykes and John Ryall are partners in this partnership

In 2011 consultancy fees were paid to Bonamahon Coast Properties SL in the amount of €90,000 and Proudslane T/A Patrick McCarthy in the amount of €81,500, which are controlled by director Patrick McCarthy There were no such transactions this year

**Kapelad Limited**

Kapelad Limited paid consultancy fees in the amount of £109,941 to Azuza Consultancy Limited during the year, Andrew Moyes director of Kapelad Ltd is a director of this company

**BBD2 Limited**

Consultancy fees in the amount of £144,900 were paid to Proudslane T/A Patrick McCarthy during the year Proudslane is controlled by Patrick McCarthy who is a director of a number of the BBCM Group companies

All of the above transactions were carried out at an arm's length basis under normal commercial terms

**19 SHARE CAPITAL**

Authorised share capital

|                            | Group and Company<br>31 Dec 12 |            | Group and Company<br>31 Dec 11 |            |
|----------------------------|--------------------------------|------------|--------------------------------|------------|
|                            | No.                            | £          | No.                            | £          |
| Ordinary Shares of £1 each | <u>400</u>                     | <u>400</u> | <u>400</u>                     | <u>400</u> |

Allotted, called up and fully paid

|                            | 31 Dec 12  |            | 31 Dec 11  |            |
|----------------------------|------------|------------|------------|------------|
|                            | No.        | £          | No.        | £          |
| Ordinary Shares of £1 each | <u>350</u> | <u>350</u> | <u>350</u> | <u>350</u> |

**BBCM GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2012**

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' (DEBT)**

|                                      | Group<br>31 Dec 12          | Company<br>31 Dec 12        | Group<br>31 Dec 11          | Company<br>31 Dec 11        |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                      | £                           | £                           | £                           | £                           |
| Opening shareholder's equity         | (12,994,965)                | (7,840,502)                 | (11,902,049)                | (7,411,606)                 |
| Profit/(Loss) for the financial year | 2,168,107                   | 30,454                      | (1,092,916)                 | (428,896)                   |
|                                      | <u>                    </u> | <u>                    </u> | <u>                    </u> | <u>                    </u> |
| Closing shareholder's equity         | <u>(10,826,858)</u>         | <u>(7,810,048)</u>          | <u>(12,994,965)</u>         | <u>(7,840,502)</u>          |

**21. PARENT COMPANY**

The profit dealt within the accounts of BBCM Group Limited for the year was £30,454

**22. ULTIMATE CONTROLLING PARTY**

The company is controlled by Baycliffe Limited a company with its registered office at 3<sup>rd</sup> Floor, Barclays House, Victoria Street, Douglas, Isle of Man, IM1 2LE. Baycliffe Limited is in turn controlled by Denis O'Brien