

Company Registration No. 05022607

Coffee Snobs Limited

Annual Report and Financial Statements

Year ended 31 December 2016

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Coffee Snobs Limited

Annual report and financial statements year ended 31 December 2016

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Coffee Snobs Limited

Directors' report and financial statements year ended 31 December 2016

Officers and professional advisers

Directors

Mrs Fadwa Al-Homaizi
Mr Saleh Al-Homaizi

Registered Office

3 Willen Field Road
Park Royal
London
NW10 7BQ

Bankers

Clydesdale Bank Plc
30 St. Vincent Place
Glasgow
G1 2HL

Auditor

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

Solicitors

Edwin Coe LLP
2 Stone Buildings
Lincoln's Inn
London
WC2A 3TH

Coffee Snobs Limited

Strategic report

The principal activity of Coffee Snobs Limited ("the Company") is that of quick service restaurants and specialised foods.

The Company operates 15 branches as a franchisee of Costa Coffee.

Financial highlights

	Year to 31 December 2016	Year to 31 December 2015	Movement
	£'000	£'000	£'000
Turnover	6,348	6,384	(36)
Gross (loss)/profit	(55)	880	(935)
Operating (loss)/profit	(348)	80	(428)

All information compiled within the financial highlights are taken from these financial statements.

Review of the company's operations

Coffee Snobs Limited's parent company is Kout Food Group Restaurants UK Limited (KFGR-UK).

KFGR-UK is wholly owned by Kout Food Group K.S.P.C, a company, which until recently was listed on the Kuwaiti Stock Exchange, and a member of the Al Homaizi Group.

Review of the company's progress

Coffee Snobs Limited. The Company's performance shows significant market growth and the longer term plan is to expand this brand.

Principal risks and uncertainties

The key risk for our business, as for other operators within the retail industry in the UK, is the current economic uncertainties following the vote for the UK to leave the European Union.

The Company's operational risks include:

- Health and Safety factors at the retail stores, with the main risk coming from findings from external audits by local authorities and the Franchisor. This risk is managed by a combination of internal technical and HR staff who undertake training and implement procedures and controls to ensure legal compliance as well as compliance with the Franchisor's operational standards.
- IT risks from power and equipment failures. This risk is managed by back-up procedures that are in place.
- Equipment failure at the stores. There are service contracts in place with various equipment maintenance companies to ensure that the functioning of critical equipment in the stores is maintained adequately.

Credit, market and liquidity risks

Credit risk is the risk of financial loss to the Company if a third party or related party fails to meet its contractual obligations. The Company does not trade with third parties on a credit basis and accordingly has no significant receivables due from third parties. At the reporting date there were no significant concentrations of credit risk.

Coffee Snobs Limited

Strategic report (continued)

Key performance indicators

Key financial performance indicators used to monitor the performance of the business include a monthly review against budget and comparisons against last period's position. Financial indicators are as per financial highlights section on page 2.

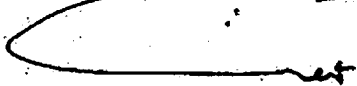
The Company monitors non financial key performance indicators of the business, including:

- Health and safety – accident rates;
- Staff turnover by operating unit; and
- Food service and customer service performance.

Future developments

The directors expect the general level of activity to continue in the future but plan to increase market share and growth as opportunity arises.

Approved by the Board and signed on its behalf by:



Fadwa Al Homaizi
Director

26 June 2017

3 Willen Field Road
Park Royal
London
NW10 7BQ

Coffee Snobs Limited

Directors' report

The Directors present their annual report on the affairs of Coffee Snobs Limited ("the Company"), together with the financial statements and auditor's report for the period to 31 December 2016.

Directors

The Directors who held office during the year and to the date of signing were as follows:

Mrs Fadwa Al-Homaizi
Mr Saleh Al-Homaizi

Post balance sheet events

There have been no significant post balance sheet events.

Dividends

No dividends were paid during the year, and no dividend is proposed in respect of the year ended 31 December 2016 (*December 2015: £nil*).

Going concern basis

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The ultimate parent company has provided written confirmation to the directors that for a period of at least twelve months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available if required for working capital or capital investment.

The directors consider that the continued availability of the ultimate parent company funding should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on its ultimate parent company for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Employees

The Company recognises its responsibilities towards disabled persons and gives full and fair consideration to applicants in positions suited to their own particular abilities where appropriate openings exist. Where employees become disabled in the course of their employment, every effort is made to provide them with continuing employment.

The Company maintains a regular dialogue with employees to appraise them of the performance of the Company and the strategy going forward. Bonus schemes are operated at restaurant and regional levels to incentivise the workforce and employees are encouraged to voice any views they have on the operations of the Company and staff welfare.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

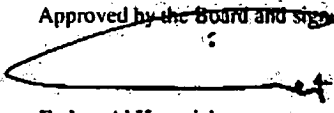
Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Moore Stephens LLP will therefore continue in office

Coffee Snobs Limited

Strategic report (continued)

Approved by the Board and signed on its behalf by:



Fadwa Al Homaizi
Director

26 June 2017

3 Willen Field Road
Park Royal
London
NW10 7BQ

Coffee Snobs Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Annual 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 financial statements are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company'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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Coffee Snobs Limited

Statement of comprehensive income For the year ended 31 December 2016

Independent Auditor's Report to the members of Coffee Snobs Limited

We have audited the financial statements of Coffee Snobs Limited for the year ended 31 December 2016 as set out in pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members 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 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

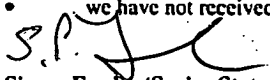
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or


Simon Fowles (Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

28 July 2017

Coffee Snobs Limited

Statement of comprehensive income For the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Turnover		6,348	6,384
Cost of sales		(6,403)	(5,504)
Gross profit		(55)	880
General and administrative expenses		(293)	(800)
Other operating income		-	-
Operating (loss) / profit	3	(348)	80
Interest payable and similar charges	5	-	(11)
Loss) / profit on ordinary activities before tax		(348)	69
Tax charge	6	49	-
Total comprehensive/(loss) / profit for the period		(299)	69

For the current year and preceding period, there is no other comprehensive income.

The results of the company stated above arise from continuing operations.

Notes on pages 11 to 20 form part of these financial statements.

Coffee Snobs Limited

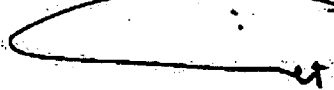
Statement of financial position As at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	7	36	35
Property, Plant and Equipment	8	1,861	1,898
		<u>1,897</u>	<u>1,933</u>
Current assets			
Inventory	9	36	38
Receivables due within one year	10	403	378
Cash and Cash Equivalents	11	189	226
		<u>627</u>	<u>642</u>
Creditors: Amounts falling due within a year			
Payables due within one year	12	(2,672)	(2,375)
NET CURRENT LIABILITIES		<u>(2,045)</u>	<u>(1,733)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(148)</u>	<u>200</u>
Creditors: amounts falling due after more than one year			
Deferred tax	6	(21)	(70)
NET LIABILITIES / ASSETS		<u>(169)</u>	<u>130</u>
Capital and reserves			
Share capital	13	-	-
Retained reserves		(169)	130
TOTAL SHAREHOLDER'S RESERVE		<u>(169)</u>	<u>130</u>

Notes on pages 11 to 20 form part of these financial statements.

The financial statements of Coffee Snobs Limited, registered number 05022607 were approved by the Board of directors and authorised for issue on 26 June 2017.

They were signed on its behalf by:



Fadwa Al-Homaizi
Director

Coffee Snobs Limited

Statement of changes in Equity For the Year Ended 31 December 2016

	Share Capital £'000	Retained Reserves £'000	Total Equity £'000
At 1 January 2016	-	130	130
Total comprehensive loss	-	(299)	(299)
At 31 December 2016	<u>-</u>	<u>(169)</u>	<u>(169)</u>
At 1 January 2015	-	61	61
Total comprehensive income	-	69	69
At 31 December 2015	<u>-</u>	<u>130</u>	<u>130</u>

Notes on pages 11 to 20 form part of these financial statements.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

1 General information

Coffee Snobs Limited is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given earlier in the financial statements. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 3.

These financial statements are presented in pounds sterling, rounded to the nearest thousand pounds, which is also the functional currency because that is the currency of the primary economic environment in which the company operates.

2 Accounting policies

Basis of Accounting

The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations.
- (b) the requirements of IFRS 7 Financial Instruments: Disclosures.
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- (d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 137
 - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment
 - (iii) paragraph 118(e) of IAS 38 Intangible Assets;
- (e) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements.
- (f) the requirements of IAS 7 Statement of Cash Flows.
- (g) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The principal accounting policies adopted are set out below.

Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The ultimate parent company has provided written confirmation to the directors that for a period of at least twelve months from the date of approval of these financial statements it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available if required for working capital or capital investment.

The directors consider that the continued availability of the ultimate parent company funding should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on its ultimate parent company for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of directly attributable overheads.

When parts of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Depreciation

Depreciation of property, plant and equipment is charged to the income statement so as to write off the cost of the assets over their estimated useful lives. Useful economic lives of assets have been established using historical experience and an assessment of the nature of the assets involved.

Plant and machinery	10%
Fixtures and fittings	10%
Leasehold improvements	Life of the lease

Other intangible assets

Other intangible assets, comprising of cost of franchiser trademarks and franchise fees, are stated at cost or fair value on recognition less accumulated amortisation and impairment losses. These assets acquired as part of a business combination are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Amortisation is calculated so as to write-off the cost or valuation of intangible assets over their estimated useful lives, using straight line method, over the life of the agreement.

Impairments

The carrying amounts of the Company's non-financial assets, other than inventory, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows of the identified cash-generating units are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company has produced projections for the next 5 years with the main assumptions being an annual sales growth of 5% for 2017, and 5% thereafter, with a consistent level of employment and fixed costs as a percentage of sales. These assumptions are based on assessments of the future direction of the business. The discount rate used was 7.5% which represents the Kout UK Group's of weighted average cost of capital.

A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

Turnover

Turnover is measured at the fair value of consideration received or receivable, net of returns, trade discounts, VAT and volume rebates. Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. Transfers of risks and rewards are consistent across all third party revenue. Transfer occurs upon receipt by the customer at any location. All revenue is derived from within the UK.

Operating Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense and are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where appropriate, overheads that have been incurred in bringing the stock to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Trade and other receivables

Trade and other receivables are stated at their nominal amount less impairment losses.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised taking the timing difference approach, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Trade and other payables

Trade and other payables are stated at amortised cost.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

Employee benefits

Pension schemes

The Company offers a stakeholder pension plan. In addition, contributions are made to personal pension plans for certain employees. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Significant judgements and estimates

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

In relation to the Company's property, plant and equipment and intangible assets: the useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. Assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to a potential impairment of the carrying value of such assets.

3 Operating profit /(loss)

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Profit/(loss) for the period has been arrived after charging:		
Depreciation		
- of property, plant and equipment	443	412
Amortisation	12	10
Operating lease rentals		
- land and buildings	799	495
Auditor's remuneration: Audit of the financial statements	10	10
Other services relating to taxation	-	3

4 Staff costs

a) Particulars of staff costs are shown below:

The average number of full time equivalent people employed by the Company during the period, analysed by category, was as follows:

	2016 Number	2015 Number
Management and administration	2	3
Operational	176	160
	178	163

All operational staff are part time.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

The aggregate payroll costs of these employees were as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Wages and salaries	1,752	1,732
Other payroll costs	109	85
	<u>1,861</u>	<u>1,817</u>

Directors' and key management personnel emoluments

There are no directors' and key management personnel emoluments in the current or prior period. The directors are excluded from staff numbers above.

5 Interest payable and similar items

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Bank loan interest	-	1
Foreign exchange loss on borrowings from the ultimate parent company	-	10
	<u>-</u>	<u>11</u>

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

6 Taxation

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Current tax expense		
UK corporation tax on (loss)/profit for the period	-	-
Prior period adjustment	-	-
Total current tax	-	-
UK deferred tax adjustment	(49)	-
Total deferred tax credit	(49)	-
Total tax credit	(49)	-
Reconciliation of tax expense		
	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
(Loss) / profit before tax	(348)	69
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	(70)	14
Group relief	-	(14)
Unutilised losses carried forward	7	-
Depreciation/ Capital Allowances differences	63	-
	-	-
	2016 £'000	2015 £'000
Deferred tax liability		
At beginning of the year	70	70
Released in the year	(49)	-
At end of the year	21	70

The deferred tax liability in the current year relates to accelerated capital allowances.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

7 Intangible assets

	Franchise fees £'000
Cost	
At 1 January 2016	86
Additions	13
At 31 December 2016	99
Amortisation	
At 1 January 2016	(51)
Amortisation during the year	(12)
At 31 December 2016	(63)
Carrying Amount	
At 31 December 2016	36
At 31 December 2015	35

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

8 Property, plant and equipment

	Leasehold	Property, Plant and equipment	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2016	2,704	1,994	-	6	4,704
Additions	314	48	44	-	406
At 31 December 2016	<u>3,018</u>	<u>2,042</u>	<u>44</u>	<u>6</u>	<u>5,110</u>
Depreciation					
At 1 January 2016	(1,483)	(1,318)	-	(5)	(2,806)
Charge during the year	(217)	(226)	-	-	(443)
At 31 December 2016	<u>(1,700)</u>	<u>(1,544)</u>	<u>-</u>	<u>(5)</u>	<u>(3,249)</u>
Carrying Amount					
At 31 December 2015	<u>1,318</u>	<u>498</u>	<u>44</u>	<u>1</u>	<u>1,861</u>
At 31 December 2016	<u>1,220</u>	<u>677</u>	<u>-</u>	<u>1</u>	<u>1,898</u>

There are no significant differences between the fair value and the carrying value of all the classes of property, plant and equipment.

There were no assets held under finance leases or hire-purchase contracts in either the current year or prior year.

9 Inventory

	2016 £'000	2015 £'000
Raw materials	<u>36</u>	<u>38</u>

There are no significant differences between the resale or fair value and the carrying value of inventories.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

10 Receivables: due within one year

	2016 £'000	2016 £'000
Trade receivables	18	115
Other receivables	77	43
Amounts due from the ultimate parent company	8	-
Prepayments	300	220
	<u>403</u>	<u>378</u>

11 Cash and cash equivalents

	2016 £'000	2015 £'000
Cash at bank and in hand	<u>189</u>	<u>226</u>

12 Payables due within one year

	2016 £'000	2015 £'000
Trade payables	308	164
Accruals	185	268
Taxation and social security	171	181
Amounts owed to group companies	246	-
Advances and loans due to the parent Company	1,762	1,762
	<u>2,672</u>	<u>2,375</u>

The directors consider that the carrying amount to trade payables approximates to their fair value. The average credit period is 30 working days. To date, no interest has been incurred on trade and other payables.

There are no fixed terms of repayment on Advances and loans due to the ultimate parent company and no interest is due.

Coffee Snobs Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

13. Share capital

	2016 £	2015 £
Authorised, Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

14. Contingencies and capital commitments

Operating Leases Arrangements

At 31 December, Coffee Snobs Limited had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Land and Buildings	2016 £'000	2015 £'000
Total future minimum lease payments:		
- not later than one year	714	707
- later than one year but less than five years	2,403	2,430
- later than five years	997	1,335
	4,114	4,472

15. Ultimate parent undertaking

The immediate parent company is Kout Food Group Restaurants UK Limited which is ultimately owned and controlled by Kout Food Group K.S.P.C. The largest and smallest group in which the results of the Company are consolidated is that headed by Kout Food Group K.S.P.C., incorporated in Kuwait. No other group financial statements include the results of the Company. Consolidated group accounts, which includes the Company are available at the Head Office of Kout Food Group at Al Homaizi Building, Al Soor Street, Kuwait.