

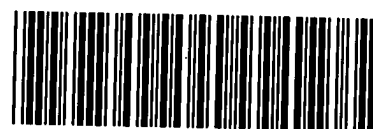
2021

Coffee Snobs Ltd

AUDITED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30TH JUNE 2021

KWSR & CO CHARTERED ACCOUNTANTS

THURSDAY



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OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Anis Wali Mohammad (appointed on 19th Aug 2020)

Afzal Wali Mohammad (appointed on 19th Aug 2020)

Akram Wali Mohammad (appointed on 19th Aug 2020)

Amin Wali Mohammad (appointed on 19th Aug 2020)

Arshad Wali Mohammad (appointed on 19th Aug 2020)

REGISTERED NUMBER

05022607

REGISTERED OFFICE

86 High Street
Maidenhead
Berkshire SL6 1PT

BANKERS

HSBC Bank Plc
60 Queen Victoria Street
London EC4N 4TR

AUDITOR

KWSR & Co. Chartered Accountants
136 Merton High Street
London SW19 1BA

COMPANY SECRETARY

Anis Wali Mohammad (appointed on 19th Aug 2020)

STRATEGIC REPORT

INTRODUCTION

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

The Company operates 14 branches as a franchisee of Costa Coffee.

FINANCIAL HIGHLIGHTS

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Turnover	3,387	5,481
Gross Profit	2,678	3,984
Operating Loss	(1,295)	(925)

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

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.
- Effect of COVID- 19, see below.

EFFECT OF COVID-19 AND POST BALANCE SHEET EVENTS

Since the Company's year end, the global economy has been adversely impacted by the outbreak of the COVID- 19 health pandemic. This has had an effect on the UK economy, but it remains too early to predict what the eventual impact of the downturn will be.

The effect of COVID-19 on the Company resulted in all sites closing in line with the government guidelines to keep the employees and customers safe. The Company has furloughed all the employees from 06 April 2020 and will be claiming the employee's wages through the Job Retention Scheme announced by the government.

The Company has decided not to open the stores in July and August 2020 as the stores will not be able to offer dine-in to customers and is planning on a phased opening in September 2020. On the opening, there is a need to train the employees on the requirements of maintaining social distancing and also meet the requirements of PPE as per the government guidelines to operate. For the supply chain needs, the Company will work with the Franchisor, who is the main supplier. The furloughed staff could be brought back to the stores as and when a decision has been taken to open the store.

The Director of the company is currently assessing the impact of the COVID-19 pandemic. The situation is evolving rapidly, and it is not possible at this stage to determine with any certainty the full impact on the company, its customers, employees and suppliers. The Director has forecasted different scenarios and believe that operational risks are mitigated by the current procedures in place and ongoing future risk planning. As such, and also explained in note 17 of the financial statements, the Director considers the COVID-19 pandemic to be a non-adjusting post balance sheet event.

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.

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 reported in the Financial highlights section of the Strategic Report

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.

Anis Wali Mohammad

Anis Wali Mohammad (Jan 31, 2024.)

Approved by the Board of Directors and signed on its behalf by:

Anis Wali Mohammad, Director

Date

THE DIRECTORS REPORT

The Directors present the annual report on the affairs of Coffee Snobs Limited ('the Company'), together with the financial statements and auditor's report for the period ended 30 June 2021.

THE DIRECTORS

The Directors who held office during the period and to the date of signing are as follows:

Anis Wali Mohammad (appointed on 19th Aug 2020)

Afzal Wali Mohammad (appointed on 19th Aug 2020)

Akram Wali Mohammad (appointed on 19th Aug 2020)

Amin Wali Mohammad (appointed on 19th Aug 2020)

Arshad Wali Mohammad (appointed on 19th Aug 2020)

POST REPORTING DATE EVENTS

Post reporting date events are covered in the Strategic Report under Effect of COVID-19 and Post Balance Sheet events.

GOING CONCERN

Risk assessments have taken place at a Global or relevant organizational unit level to identify the potential financial, strategic, operational, and regulatory impact of COVID – 19.

The directors have considered the applicability of these risks assessments to the company and based on these assessments there was no identified material impact for these financial statements. Further the directors have pledged to financially support the companies.

DIVIDENDS

No dividends were paid during the year, and no dividend is proposed in respect of the period ended 30 June 2021 (December 2019: (nil)).

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 incentivize 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 he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the 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 new auditor will be deemed to be appointed and KWSR & CO Ltd will therefore continue in office.

Anis Wali Mohammad

Approved by the Board of Directors and signed on its behalf by:
Anis Wali Mohammad (Jan 31, 2024,)

Anis Wali Mohammad, Director

Date

STATEMENT OF THE 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 regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102, 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 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.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF COFFEE SNOBS LTD

OPINION

We have audited the financial statements of Coffee Snobs Limited ('the Company') for the period ended 30 June 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102, and applicable law).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards, comprising FRS 102, and applicable law). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS 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 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 and The Director's report.

We have nothing to report in respect of the following matters in relation to which 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 the Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE DIRECTORS

As explained more fully in the Directors responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

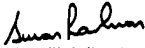
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that

includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

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.



Susan Rahman (Jan 31, 2024.)

Susan Rahman, Statutory Auditor

KWSR & Co. Limited Chartered Accountants & Registered Auditors

Date:

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Turnover		3,387	5,481
Cost of sales		(709)	(1,497)
Gross Profit		2,678	3,984
General and administrative expenses		(3,973)	(5,599)
Other operating income		-	690
Operating loss	3	(1,295)	(925)
Finance expense	4	-	(135)
Loss on ordinary activities before tax		(1,295)	(1,060)
Tax on loss	6	-	-
Comprehensive loss for the period		(1,295)	(1,060)

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

The notes on pages 16 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Fixed assets			
Intangible assets	7	14	29
Property, plant and equipment	0	534	3,561
		<u>548</u>	<u>3,590</u>
Current assets			
Inventory	9	44	46
Receivables due within one year	10	678	216
Cash and cash equivalents	11	320	127
		<u>1,042</u>	<u>389</u>
Total assets		<u>1,590</u>	<u>3,979</u>
Current liabilities			
Trade and other payables	12	(1,134)	(5,350)
Lease liabilities	13		(559)
		<u>(1,134)</u>	<u>(5,909)</u>
Total assets less current liabilities		<u>456</u>	<u>(1,930)</u>
Non-current liabilities			
Lease liabilities	13	-	(1,871)
		<u>-</u>	<u>(1,871)</u>
Total assets less liabilities		<u>456</u>	<u>(3,801)</u>
Capital and reserves			
Share capital	14	5,552	-
Retained deficit		(5,096)	(3,801)
Total shareholders' reserve		<u>456</u>	<u>(3,801)</u>

The notes on pages 16 to 26 form part of these financial statements.

Anis Wali Mohammad

Approved by the Board of Directors and signed on its behalf by:
Anis Wali Mohammad (Jan 31, 2024.)

Anis Wali Mohammad, Director

Date

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2021

	Share Capital £000s	Retained Deficit £000s	Total Equity £000s
As of 1 st Jan 2020	100	(3,801)	(3,701)
Equity Share Premium (New)	5,452		5,452
Total comprehensive loss	-	(1,295)	(1,295)
As of 30th Jun 2021	5,552	(5,096)	456
As of 1 st Jan 2019	-	(2,741)	(2,741)
Total comprehensive loss	-	(1,060)	(1,060)
As of 31 st Dec 2019	-	(3,801)	(3,801)

The notes on pages 16 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 102 (Financial Reporting Standard 102) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 102, the Company has taken advantage of the following disclosure exemptions under FRS102:

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.

Going concern

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

The directors have provided written confirmation that for a period of at least twelve months from the date of approval of these financial statements they 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 effect of the COVID-19 has disrupted the operations of the Company. Reliance in retaining staff and payment of employee's wages has been achieved through the government's Job Retention Scheme. The Coronavirus Retail, Hospitality and Leisure Grant Fund will also significantly assist the Company through this period. The Company has not sought any other loans as the Company will be able to seek funds from the directors of the company for financial support.

The Company has decided not to open the stores in July and August 2020 as the stores will not be able to offer dine-in to customers and is planning on a phased opening in September 2020. On the opening, there is a need to train the employees on the requirements of maintaining social distancing and also meet the requirements of PPE as per the government guidelines to operate. For the supply chain needs, the Company will work with the Franchisor, who is the main supplier. The furloughed staff could be brought back to the stores as and when a decision has been taken to open the store.

However, these financial statements do not include any adjustments that would be required if the going concern basis of preparation was inappropriate.

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 equipment	25% Straight Line
Fixtures and fittings	10% Straight Line
Leasehold improvements	over the life of the lease or 10 years straight line

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 and deferred tax, 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 4% with a consistent level of employment and fixed costs as a percentage of sales. These assumptions are based on the current year performance and assessments of the future direction of the business.

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 years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss, other than in respect of goodwill, 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.

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 are 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.

Financing income and costs

Financing income comprises interest receivable on inter-group receivables. Financing costs comprises interest payable on inter-group payables.

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.

Employee benefits and Pension schemes

The Company offers a stakeholder pension plan. 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 102 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.

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3 Operating loss

Operating loss is stated after charging the following:

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Depreciation		
• of owned plant, property and equipment	496	994
• amortisation of intangible assets	7	13
Transition from IFRS to FR102 operating lease charges adjustments	805	-
Auditor's remuneration	9	10
Other services relating to taxation	-	3

4 Finance expense

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Interest expense on lease liabilities	-	135

5 Staff costs

Particulars of staff costs are shown below:

The average number of full-time equivalent staff employed by the company during the period, analysed by category, was as follows:

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Management and administration	11	13
Operational	110	128
	<u>121</u>	<u>141</u>

The aggregate payroll costs of these employees were as follows:

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Wages and salaries	1,185	1,784
Social security costs	55	86
Pension costs	18	16
	<u>1,258</u>	<u>1,886</u>

The Directors and key management personnel's emoluments

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

6 Taxation

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Comprehensive loss before tax	(1,295)	(1,060)
UK corporation tax rate: 19% (2019: 19%)	(246)	(201)
Unutilised losses carried forward	246	114
Group relief	-	72
Differences: depreciation/capital allowances	-	20
Other differences	-	(5)

7 Intangible assets

There were no additions or disposals of intangible assets during the period.

	£000s
Cost	
As of 1 st Jan 2020	79
As of 30th Jun 2021	79
Amortisation	
As of 1 st Jan 2020	(50)
Amortisation during the period	(15)
As of 30th Jun 2021	(65)
Carrying amount	
As of 30th Jun 2021	14
As of 31 st Dec 2019	29

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8 Property, plant and equipment

	Leasehold Improvements £000s	Fixtures and Fittings £000s	Equipment £000s	Total £000s
Cost				
As of 1 st Jan 2020	3,082	2,311	72	5,465
Additions	72	48	213	333
Disposals	-	-	-	-
As of 30th Jun 2021	3,154	2,359	285	5,798
Depreciation				
As of 1 st Jan 2020	(2,310)	(2,068)	(25)	(4,403)
Charge during the period	(450)	(251)	(160)	(861)
As of 30th Jun 2021	(2,760)	(2,319)	(185)	(5,264)
Carrying amount				
As of 30th Jun 2021	394	40	100	534
As of 31 st Dec 2019	772	243	47	1,062

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

9 Inventory

	Period to 30th Jun 2021 £000s	Year to 31st Dec 2019 £000s
Raw materials	44	46

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

Stock recognised in Cost of Sales during the year was £709,000 (2019: £1,496,000). There are no significant differences between the resale or fair value and the carrying value of inventories.

10 Receivables due within one year

	Period to 30th Jun 2021 £000s	Year to 31st Dec 2019 £000s
Trade receivables	69	7
Prepayments	535	209
Other debtors	46	-
VAT	28	-
	678	216

11 Cash and cash equivalents

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Cash at bank and in hand	320	127

12 Trade and other payables

	Period to 30 th Jun 2021 £000s	Year to 31 st Dec 2019 £000s
Trade payables	550	238
Accruals	221	285
Other tax payables	2	169
Amounts owed to group companies	-	2,896
Amounts owed to parent company	361	1,762
	1,134	5,350

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 amounts due to the parent company and no interest is due.

13 Capital commitment

The company has the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

	Period to 30 th Jun 2021 £000s
Not later than 1 year	709
Later than one year and not later than five years	2,836
Later than five years	354

14 Share capital

Authorised, allotted, called up and fully paid

	Period to 30 th Jun 2021	Year to 31 st Dec 2019
100 ordinary shares of £1 each	100	100

Equity share premium (new)	5,551,638	-
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15 Ultimate parent undertaking

The ultimate parent company is Gerry's Offshore Incorporations Ltd owning 95% of the shares. The balance of the shares of 5% are owned by the directors.

16 Post balance sheet events

Since the Company's year end, the global economy has been adversely impacted by the outbreak of the COVID-19 health pandemic. This has had an effect on the UK economy, but it remains too early to predict what the eventual impact of the downturn will be. The downturn has adversely impacted the Company's trade post year end, with all sites closing following the Government's lockdown on 23 March 2020.

The effect of the COVID-19 has disrupted the operations of the Company. Reliance in retaining staff and payment of employee's wages has been achieved through the government's Job Retention Scheme. The Coronavirus Retail, Hospitality and Leisure Grant Fund will also significantly assist the Company through this period. The Company has not sought any other loans as the Company will be able to seek funds from the ultimate parent (Gerry's Offshore Incorporations Ltd or Directors of the company) to support financially.

DETAILED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2021

	Year to 30 th Jun 2021 £s	Year to 30 th Jun 2020 £s
Turnover		
Sales	3,387,132	5,480,975
	<u>3,387,132</u>	<u>5,480,975</u>
Cost of sales		
Purchases	578,863	1,481,238
Consumables	130,578	15,362
	<u>(709,441)</u>	<u>(1,496,600)</u>
Gross profit	2,677,691	3,984,375
Administrative expenses		
Staff training	1,525	4,925
Auditor's remuneration	8,600	-
Accountancy fees	-	17,937
Legal and professional fees (allowable)	12,605	371,716
Management service charges	113,078	-
Rates and water	38,372	267,344
Rent	531,049	715,225
General travel expenses	27,766	32,606
Bank charges	39,843	102,390
Depreciation charge – freehold properties	495,815	340,461
Amortisation – Right of Use assets	-	654,023
Amortisation (intangible fixed assets)	6,596	13,109
Royalty and marketing expenses	206,725	458,901
General insurance	12,215	-
Repairs and maintenance	111,198	198,610
Stationery and postage	-	5,152
Telephone, fax and internet	28,247	28,063
Sundry expenses	25,173	15,768
Entertainment (disallowable)	-	2,509
Service charges and outlet insurance	22,947	57,519
Direct wages	1,184,787	1,784,224
Selling – National Insurance	54,753	86,674
Selling – Carriages	116,825	219,239
Selling – Light and heat	73,957	158,007

		Year to 30 th Jun 2021 £s	Year to 30th Jun 2020 £s
Selling – Refuse and cleaning services	37,966	49,012	
Selling – Pensions	17,719	16,374	
Transition from IFRS to FR102 operating lease charges adjustments	805,145	-	
		(3,972,906)	(5,599,788)
Other operating income			
Rents received	-	690,200	
		-	690,200
Profit/(loss) on ordinary activities before taxation		(1,295,215)	(925,213)
Interest payable and similar charges			
Interest expense on lease liabilities	-	134,856	
		-	(134,856)
Profit/(loss) for the financial year		(1,295,215)	(1,060,069)

Coffee Snobs Limited

Reconciliations on transition to FRS 102

Profit and loss for the year ended 31 December 2021	£
Profit/(Loss) before transition to FRS 102	-£ 490,070.00
Operating lease charges adjustments	-£ 805,145.00
Profit/(Loss) post transition to FRS 102	-£ 1,295,215.00