Costa Express Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

Company number: 03145187

COSTA EXPRESS LIMITED

Contents

COSTA EXPRESS LIMITED

Company Information

Directors

A Cook
N Lake
S Martin
N Orrin

Company secretary

S Savjani

Registered office

3 Knaves Beech Business Centre,
Davies Way,
Loudwater,
High Wycombe,
Buckinghamshire,
HP10 9QR

Registered number

03145187

Statutory auditor

Ernst & Young LLP
400 Capability Green,
Luton,
Bedfordshire,
LU1 3LU

Strategic Report for the Year Ended 31 December 2021

The Directors present their Strategic Report on Costa Express Limited (also referred to as the 'Company') for the year ended 31 December 2021.

Principal activity

The principal activity of the Company during the year was the sale of espresso based coffee and other beverages from branded self-serve machines. The Company also sells Costa Express coffee machines to international Costa entities either through direct channels or through the Coca-Cola network.

Business review

The year began with the UK in its third national lockdown and Government restrictions remaining in place until July. Despite this, Costa Express demonstrated strong resilience with revenue growth from higher like-for-like volumes and new machine installations year-on-year, although performance in the final quarter of the year was again impacted with the rapid rise of the Omicron variant. The business was further supported through the VAT relief provided to the hospitality sector with VAT paid at the reduced rate of 5% during January to September, increasing to 12.5% from October to December.

Costa Express continued to innovate in respect of its coffee vending technology, and invest in its sales and marketing and customer service departments through the year. The Company trialled the world's first integrated hot and cold beverage machine, with placements in service stations and Bristol city centre. Iced coffee now accounts for one in five global purchases and this offer ensures that the business is well placed to deliver the next level of growth, capitalising on the Coca-Cola strength and complimentary expertise in vending.

The profit for the year, after taxation, is £60,664,000 (2020: £39,564,000).

2021 Performance highlights

The Company's key financial and other performance indicators during the year were as follows:

		2021 £'000	2020 £'000	Change
Turnover (continuing operations)		331,270	264,734	25 %
Operating profit		73,223	46,306	58 %
Net new installations	Units	2,885	837	245 %
Total machines	Units	13,159	10,274	28 %

Principal risks and uncertainties for the Costa Group

Brand perception

Risk: A long-term decline in the customer perception of the Company's brand impacts its ability to grow and achieve appropriate levels of return.

Mitigation: The Company ensures we have a well-known brand that is well marketed to consumers. With a large database of loyalty consumers in the UK, perception and performance data is significant and accessible, and drives marketing investment decisions. Across all key markets, regular consumer research is done to measure sentiment, net promoter score and share, in order to constantly check brand performance. As a total coffee company, the Company's brand perception is built through multiple touchpoints including store experiences and FMCG products, as well as self-serve (Express) experiences. Marketing spend therefore is wide-ranging across stores, digital programmes, shopper environments and advertising to ensure brand awareness and equity are continually invested in. This enables the brand to flex marketing investment to ensure brand and business objectives are met.

Principal risks and uncertainties for the Costa Group (continued)

Political and economic climate impact

Risk: Uncertain/volatile political and economic climate results in a decline in GDP, consumer and business spending and inflation pressure impacting growth plans. Brexit results in disruption to coffee exports, raw material imports, the availability of labour, an increased financial exposure on foreign exchange and duty tariffs, and a UK supply base that is not prepared for the changes in regulatory framework relating to the export of composite food or food contact materials.

Mitigation: There is a rigorous business planning process in place which considers many scenarios with appropriate responses. The Company also has strong site selection teams with well-established processes in place based on market and economic fundamentals, both at a macro and micro level. These are supported by sensitivity analysis and a robust investment appraisal process to help deliver good levels of return and good progress is being made with the efficiency programme that aims to deliver significant savings over the coming years.

The Brexit risks being identified and mitigated are split between macro-economic risks relating to consumer attitude and behaviour, and micro-economic risks relating to the export supply of roasted coffee, raw material imports, the hiring and retention of labour, plus financial related risks around foreign exchange and duty tariffs. Contingency plans are in place and continue to evolve with our major suppliers to help maintain the supply of key product lines and alternatives. The Costa group has established third party roasting, manufacturing, and warehousing relationships to service its growing international customer base.

Roastery

Risk: There is an inability to operate the Costa roastery for more than one week.

Mitigation: The workforce at the roastery is long standing and experienced thereby mitigating this risk and use is made of an independent risk engineering report. There is also a contingency plan which includes roasting coffee elsewhere if required, the supplier regularly grind and pack coffee for our business. In addition to holding sufficient stocks of roasted beans, we also have a selection of coffee roasters that regularly roast-pack coffee on our behalf for local markets.

Climate Change

Risk: Climate change may impact coffee bean prices.

Mitigation: The Company plans to undertake a review of potential risks that may result from climate change and that could potentially impact its business during the next financial year. An update on this work and any changes to principal risks and uncertainties associated with climate change will be provided in the Company's next Strategic Report.

Principal risks and uncertainties for the Costa Group (continued)

Staff engagement and retention

Risk: Failure to maintain staff engagement and retention in a tightening labour market.

Mitigation: The success of the Company's businesses would not be possible without the passion and commitment of its teams. Team engagement is fundamental. This is monitored closely through our regular engagement surveys 'Costa and Me', the results of which are reviewed by the Executive Committee and the Board, with trends analysed and appropriate actions reviewed and agreed. Human resource systems are also being upgraded to provide greater insight. Team retention is a key component of the Company's review of performance.

Global Pandemic

Risk: A global pandemic results in significant uncertainty for the UK/global economy.

Mitigation: Ensuring the safety of its employees, customers, and consumers, whilst adhering to government and local guidelines, was the Company's number one priority during the Coronavirus (COVID-19) global pandemic that began in 2020. The Company's Directors also took steps to protect the business and manage cash through the crisis in order to ensure that the business emerged from it stronger and ready to grow in the future. The procedures and learnings developed as a consequence of the COVID-19 pandemic continue to form part of the Company's ongoing approach to its disaster recovery and risk planning.

Cyber and data security

Risk: Cyber and data security reduces the effectiveness of systems or results in a loss of data. This in turn could result in loss of income and/or reputational damage.

Mitigation: A series of IT security controls are in place, including up-to-date antivirus software across the estate, network/system monitoring and regular penetration testing to identify vulnerabilities. A continuous security improvement programme is in place improving security and data controls. Specifically, during the year network security has been enhanced and a framework of industry-recognised security standards is being implemented.

Change management

Risk: The Company's ability to execute the significant volume of change.

Mitigation: The Company has an ongoing extensive programme of change, supported and co-ordinated by regional, functional and central transformation teams. Change programmes include developing and rolling out enabling systems in Finance and Supply Chain, at point of sale, as well as customer relationship management and human resource systems to improve end to end processes and facilitate evolving business models. This is alongside the Company's on-going efficiency programme, as well as continuous upgrading of digital capability and customer propositions, enabling Costa to deliver its growth plans over the coming years. To help ensure the successful delivery of these change projects, internal project delivery expertise and capability has been significantly enhanced, and governance frameworks are in place, coupled with regular reporting to the Executive Committee.

Section 172 statement
The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

This Section 172 Statement, explains how the Directors have acted in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its member as a whole, and in doing so have regard (among other matters) to:

- the likely consequences of any decision in the long term and the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- employee interests, the need to foster the Company's business relationships with suppliers, customers, and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

Ahead of matters being put to the Company Board for consideration, significant levels of engagement are often undertaken by the broader business ahead of many of Costa projects or activities.

The following summarises how the Directors have performed their duties during the period:

Community and the environment
The Directors have implemented sustainability practices, planning and initiatives that operate with the guiding principle to inspire the world to love great coffee. This year Costa reviewed and revised its existing Behind the Beans sustainability strategy. As part of this review the business carried out a materiality review which involved engagement with key internal and external stakeholders to identify its most important sustainability issues.

Work to develop this new programme - called Coffee with Commitment - was largely complete by the end of 2021. This new programme is the Company's action plan to drive positive change in the areas where we can have the greatest impact, and that matter most to our teams, suppliers, partners, and our consumers. It sets out four global priorities: Coffee; Cups & Packaging; Climate; and Community. These priority themes are supported by other important issues we need to progress: Other Ingredients; Nutrition; Resources; and People.

Coffee
We recognise that to have a sustainable coffee business we need to invest in a sustainable coffee supply, ensuring that our coffee is grown in a way that protects the environment and allows the communities growing our coffee to thrive. We continue to buy 100% of our coffee from Rainforest Alliance certified farms. The Rainforest Alliance is a non-profit organisation, working to create a future in which people and nature thrive in harmony. By working together with farmers, businesses and consumers, its aim is to protect forests, improve the livelihoods of farmers and farming communities, and help them adapt to climate change. Although we can have an impact on our own, we know that we can achieve much more when we work together with our suppliers, knowledgeable partners, and the wider coffee industry. Over the coming years, we commit to openly sharing the learnings from our current and future coffee sustainability projects, as well as being inspired by the work of others around us.

Section 172 statement (continued)
Community and the environment (continued)

Cups & packaging
We know that packaging is a complex issue, and we are proud of the steps we have taken to reduce our environmental impact so far, and committed to working together with our suppliers, partners, and the wider industry to drive further progress in future. Our ambition is to create circular packaging solutions. This means removing any packaging we don't need from our products, removing any chemicals that might damage the planet, recycling materials into new packaging to give it a longer life, and creating opportunities for refilling and reuse. Ultimately, we believe that the best way to create a more sustainable future for packaging is to move towards reuse. We work to make it easier for our customers to choose reuse, with innovative solutions and additional incentives like discounts helping to seal the deal. During the year, Costa introduced cups made from 100% plant-based materials in its UK coffee shops and vending machines. The carbon footprint of these cups, when recycled, is 26% lower than standard to-go cups.

Climate
In July 2020, Costa joined the British Retail Consortium's Climate Roadmap as one of the founding signatories, This roadmap includes a commitment to tackle climate change that will accelerate the UK's progress to becoming Net Zero by 2040, ahead of the Government's 2050 target. To further this commitment during the year the Company evaluated its entire value chain, from coffee farms through to its unique takeaway waffle cups using 2019 as a base year. This was used to develop the following science-based reduction targets: to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year and to reduce scope 3 GHG emissions 50% per coffee serving within the same timeframe. These targets were submitted to the Science Based Targets Initiative to assess and validate that the targets were aligned with their methodology. This approval was granted in September 2021. The Company has begun to create a transition roadmap to help it achieve its goals.

Community
We aim to listen and really understand the most important issues and topics that matter to our communities, because the people we serve know what they need better than we do. In coffee-growing regions, we know from in-depth research and conversations that the best way for us to make a positive impact is by providing them with access to a safe, quality education. By supporting the Costa Foundation charity, Costa helps fund the construction of brand-new schools that give whole communities a better future. During the year, the Costa Foundation built its hundredth school in Ethiopia.

Further details on the Company's sustainability programme can be found on its website www.costa.co.uk.

Engagement with employees
The Directors receive regular updates on matters relating to its workforce, including feedback from employee engagement surveys and health and safety reviews. These are taken into consideration when considering organisational changes, employee remuneration and rewards and capital investments in operational and support service infrastructure.

Costa & Me, our communication and engagement framework which launched in 2021, will also add to those activities, and create even more listening opportunities for our teams to get involved and shape business decisions. Team views and feedback are taken into consideration when considering organisational changes, employee remuneration and rewards and capital investments in store, operational and support service infrastructure. We have robust governance in place over all employee remuneration and reward matters, which are overseen by the Costa Remuneration Committee. There were no significant changes to remuneration or incentive structures during 2021.

Section 172 statement (continued)

Engagement with employees (continued)

Our Costa Values of Passion, Courage, Warmth and Trust and the required behaviour are reinforced throughout the Group through our recognition programmes and training - including our Code of Conduct, and leadership behaviours. An independently run 'Speaking out Helpline' allows the Company's employees to confidentially report anything that is not in line with the Company's Code of Conduct or that is harmful to our team members, customers, or Costa Coffee's reputation.

The Directors advocate passionately for diversity in the Cc mpany's workforce, in the knowledge that this diversity helps the business to thrive in the communities it serves. Directors review diversity reporting for leadership roles including gender and ethnicity balance in shortlists and offers.

Engagement with suppliers, customers, and other relationships

Customers

As the operator of a global brand, the views of the Company's end consumers are very important. Consumer views on our brand, product quality, product delivery and value for money are regularly assessed by the Directors and are considered in each subsidiary company's product and supply chain planning, loyalty programs, store operating models, digital offerings, and other areas. The Company conducts a quarterly report on brand equity to monitor consumers' views on Costa's mental, physical and emotional availability, as well as an expression panel with loyalty customers. Each time a new product is introduced or a recipe is changed, Costa undertake extensive research and trials with consumers to hear their views.

Suppliers

Suppliers are regularly assessed for their standards and compliance with Costa Coffee supplier guiding principles, the details of which can be found in the responsible sourcing section of the Costa brand website www.costa.co.uk.

Shareholders and other capital providers

The Company and the Costa group was acquired by European Refreshments, a wholly owned subsidiary of The Coca-Cola Company, on 3 January 2019. The Company only has debt with fellow Costa group subsidiaries, meaning that the interests of all capital providers are aligned.

Principal Decisions

We define Principal decisions taken by the Board as those decisions that are of a strategic nature and / or significant to any of our key stakeholder groups. Our key stakeholders are shareholders, employees / workforce, communities, customers, and strategic partners

The principal decisions made during the year related to the approval of capital expenditure, entering into contracts for IT services and customer agreements.

Capital Expenditure

During the period the Company invested £36.5m in new Costa Express machines, either to be placed with customers during the period or in the next financial year, and in relation to research and development for its vending machines. Of the £36.5m in capital expenditure, £21.4m related to the UK market.

Section 172 statement (continued)
Principal Decisions (continued)

Finance ERP
The group invested a further £8.3m in its Finance ERP in 2021 (2020: £28.0m), by transforming finance process and capability across accounts, purchasing, and invoicing away from legacy systems and services to modern, automated Microsoft Dynamics solution. Costa is now running on a modern, cloud-based solution globally supported by Microsoft and in line with Coca-Cola strategy and standards. The platform is able to support growth, scale and international ambitions.

IT Service Contracts
During the period the Group started its transition from the existing IT Service Provider Fujitsu, to new contracts with Ultimate and Coforge to provide hosting and IT services respectively and Exponential-e to provide network services, with the transition work completing in 2022.

Customer Agreements
During the year the Company renewed a number of significant customer agreements with long established partners along with a number of new customer agreements in line with our strategy for growth.

Approved by the Board on 14 December 2022 and signed on its behalf by:

DocuSigned by:

Mel Orrin

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N Orrin
Director

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the audited financial statements for the year to 31 December 2021.

Principal activity

The principal activity of the Company during the year was the sale of espresso based coffee and other beverages from branded self-serve machines. The Company also sells Costa Express coffee machines to international Costa entities either through direct channels or through the Coca-Cola network.

Directors of the Company

The Directors who held office during the year and to the date of this report (except as noted) were as follows:
N Lake (appointed 19 March 2021)
S Martin
N Orrin
R Willan (appointed 19 March 2021 and resigned 2 November 2022)
A Cook (appointed 6 January 2022)

The secretaries who held office during the year and to the date of this report (except as noted) were as follows:
R Fairhurst (resigned 14 May 2021)
S Savjani (appointed 23 April 2021)

Dividends

The Company did not declare or pay any dividend during the year (2020: £nil).

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

Price risk is the risk that the movement in the price of key materials will adversely affect the profitability of the business. The Company has no major exposure to price risk.

Credit risk and impairment

Credit risk is the risk that one party to a financial instrument will cause a financial loss of the other party by failing to discharge an obligation. The Company is exposed to a small amount of credit risk attributable to its trade and other receivables. This is minimised by dealing with counterparties who demonstrate an appropriate payment history and/or with good credit ratings and who satisfy the Company's credit worthiness procedures. The amounts included in the balance sheet are net of expected credit losses, which have been estimated by management based on prior experience and any known factors at the balance sheet date. The Company's maximum exposure on its trade and other receivables is the carrying amount.

The Company minimises the risk of default in relation to cash and cash equivalents by spreading these deposits across a number of counterparties and dealing in accordance with The Coca-Cola Company Group Treasury Policy which specifies acceptable credit ratings and maximum investments for any counterparty.

Price risk, credit risk, liquidity risk and cash flow risk (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Excess cash used in managing liquidity is placed on interest-bearing deposits and managed by The Coca-Cola Company Group Treasury team under the Group Treasury Policy.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. The Company mitigates cash flow risk through various measures including regularly updating business plans, conducting market research, tighter debt control and conducting cash flow analysis and forecasts.

Foreign exchange risk

Foreign exchange risk is currently not significant to the Company and is managed by The Coca-Cola Company Group Treasury team under its Group Treasury Policy.

Interest rate risk

Interest rate risk is currently not significant to the Company and is managed by The Coca-Cola Company Group Treasury team under its Group Treasury Policy.

Capital risk management

The Company's primary objective in regard to capital management is to ensure that it continues to operate as a going concern and has sufficient funds at its disposal to grow the business for the benefit of shareholders. The Company aims to maintain sufficient funds for working capital and future investment in order to meet growth targets.

Employment of disabled persons

The Costa Group has a range of employment policies covering such issues as diversity, employee wellbeing and equal opportunities. The Costa Group of Companies takes its responsibilities to the disabled seriously and seeks not to discriminate under any circumstances (including in relation to training, career development and promotion) against current or prospective employees because of any disability or for any other reason. Fair and full consideration is given to applications for employment made by disabled persons, having regard to their aptitudes and abilities. Employees who become disabled during their career at Costa will be retained in employment wherever possible and given help with rehabilitation and training.

Employee involvement

The importance of good relations and communications with employees is fundamental to the continued success of our business. Each of the Costa Group of Companies' operating businesses maintains employee relations and consults employees as appropriate to its own needs. In addition, our employee opinion survey, 'Costa and Me', is conducted regularly to provide insight into the views of employees.

Employment Policies

The Costa Group of Companies has robust employment policies in place to ensure equality of opportunity for all employees and potential employees regardless of disability, age, diversity, gender, race, ethnicity, religion, pregnancies, married or civil partnership status and sexual orientation.

Anti-bribery

There are mandatory training modules and ongoing assessments for employees giving them the clear understanding of areas with bribery risks and how to mitigate them. The Costa Group of Companies have procedures and policies on how they engage with suppliers and other third-party contractors to prevent bribery.

Modern Slavery Act
The Company's Modern Slavery Act 2015 statement is reviewed by the board annually and published on the Costa Group's website. Costa Limited and its subsidiaries have necessary measures to ensure that policies and procedures on slavery and human trafficking are not being practiced in its supply chain. Please refer to the Costa Group's website for further information.

Future developments
No significant future developments are expected.

Events after the balance sheet date
On 2 November 22, Costa Express Limited paid a dividend of £275 million to its direct parent, Costa Express Holdings Limited.

Going concern
The Directors have adopted the going concern basis for the preparation of the financial statements of the Company for the financial period ended 31 December 2021.

To support the Directors' assessment of going concern, the Company has received a parental letter of support from Costa Limited. This confirms that Costa Limited will support the Company as necessary to meet its liabilities as they fall due and has the ability to do so for the period to 31 December 2023. The Costa Group has a cash-pooling arrangement; as such, the going-concern assessment has been conducted on a Group basis. In forming their view on going concern, the Directors considered the Company's and Group strategic plan, balance sheet position, agreed financing and forward-looking forecasts up to the end of 2023.

The Directors stress tested the assumptions that fed into this exercise, considering the impacts of various risks occurring in isolation and in combination, as well as various risk mitigating actions that could be taken.

In each of the stress test scenarios modelled, the Company remained within its agreed financing levels. In some severe but possible scenarios modelled, the Company remained within its agreed financing only if appropriate mitigating capital management actions were taken. These included reductions in non-essential capital expenditure and discretionary spend. Reverse stress testing indicated to the Directors that the Company would only need to seek additional financing in a highly unlikely scenario, where multiple improbable events occurred simultaneously or in short succession.

The review supported the Directors view that the Company will be able to continue to operate and meet its liabilities as they fall due for the period to 31 December 2023.

Sensitivity Analysis
Management have produced cashflows based off the Group budget position through to 31st December 2023. Various sensitivity analyses were performed on the cash flow, including a worst-case scenario to determine the periods in which the group will experience a cash deficit should performance be unfavourable to the plan. The sensitivities have been performed taking into consideration full discretionary spend and reduced discretionary spend. The scenarios considered are;

1. Base - deliver Sales and OI (operating income) to June RE (revised estimate) and LRP (long-range plan)
2. 90% Sales/95% COGs (cost of goods sold) - deliver sales 10% below plan with only 5% reduction in COGs, DME (direct marketing expense) and Capex (capital expenditure) in line with base
3. 70% Sales/COGs, 50% DME/Capex - deliver sales 30% below plan, marketing spend and Capex reduced by 50% with all other operating costs in line with base.

Going concern (continued)

Scenario 3 should be considered a worst-case scenario. This is a sales shortfall of 30% versus forecast that would result in decisions taken to reduce investment across the full forecast, and it is reasonable to assume that if sales were missed by this amount, then decisions would be taken to reduce investment and discretionary spend within Capex and Marketing respectively (assumed 50% cut). The reduction in Capex and Marketing spend would impact longer term growth initiatives, but would not impact on short term trading. These decisions could realistically be taken with 3 months notice based on lead times of machines and marketing campaigns. No assumption has been included that any government support schemes would be available (such as rates relief or other support schemes), which would improve the cash position. All operating expenses are assumed to remain in line with the Base scenario, however should a reduction in performance versus plan occur, a review of the cost base would take place and it is expected that other costs (i.e. salaries and wages) would reduce which again would improve the cash position.

In all scenarios a positive cash balance is maintained for a period to 31 December 2023. A negative cash balance is not experienced.

Covid-19, 2022 War in Ukraine and inflationary considerations
Throughout 2022 the UK experienced increased inflation, primarily driven by an increase in demand post Covid-19 and has been exacerbated by the ongoing war in Ukraine. This has resulted in an increase in the cost of raw materials used in our retail business, significant increases in gas and electricity prices, and has also contributed to a drop in retail footfall as customers reduce household spend. The Company has considered such effects on operating overheads and has embedded inflationary increases and reduced footfall into its forecasts used in our above sensitivity analysis. Furthermore, the Company has fully hedged its energy prices to March 2024. Whilst the effects of such economic pressures are significant, we do not believe it to impact on our conclusions reached over going concern and viability.

Should it be required, the group could seek external debt, however, at present management have no plans or requirements to do so. Costa Limited currently has no external debt outside of The Coca-Cola Company. The UK entity has no internal debt outside of normal intercompany trading.

After taking into consideration the circumstances described above, the financial statements have been prepared on the assumption that the Group is a going concern.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Streamlined Energy and Carbon Reporting (SECR)

The company has gathered data regarding scope one and scope two carbon emissions (as defined by the GHG Protocol) for the financial year spanning 1st January 2021 to 31st December 2021 from its UK operations for inclusion in Company Reporting (2021) as defined by the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation.

The combined scope one and scope two carbon emissions for the period was recorded at 794 TCO2e this is an increase of 49% over the previously reported year. The increase is a direct result of the post pandemic return to normal operations, which has seen a considerable increase in travel/delivery requirements.

The intensity rate for the period is calculated at 0.0024 tC02e per £100,000 of revenue from the company group operations. In line with the absolute change, this is a relative increase of 19% over the previous year.

Streamlined Energy and Carbon Reporting (SECR) (continued)

Greenhouse gas emissions and energy use data:	2021	2020	Change (%)
Energy consumption used to calculate emissions (kWh)	3,229,551	2,047,158	58%
Scope 1 emissions in metric tonnes (tCO2e)	696	435	60%
Scope 2 emissions in metric tonnes (tCO2e) Purchased electricity	98	100	(2)%
Total gross emissions in metric tonnes (tCO2e)	**794**	**535**	**49%**
Intensity ratio (tCO2e) per £100,000 of turnover	0.002	0.002	19%
Methodology	GHG Protocol	GHG Protocol	

During the reporting period considerable operational changes have been forced upon the retail sector due to the global pandemic. Regardless of this the company considers its social responsibility and environmental impact of high importance.

During the reporting period the Company evaluated its entire global value chain, from coffee farms through to its unique takeaway waffle cups using 2019 as a base year. This was used to develop the following science-based reduction targets: to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year and to reduce scope 3 GHG emissions 50% per coffee serving within the same timeframe. These targets were submitted to the Science Based Targets Initiative to assess and validate that our targets were aligned with their methodology. This approval was granted in September 2021. Further details are available on the Company's website www.costa.co.uk.

Political and charitable donations

During the year the Company did not make donations to any political party or other political organisation and did not incur any political expenditure within the meanings of sections 362 to 379 of the Companies Act 2006 (2020: £nil).

Directors' liabilities

A qualifying indemnity provision (as defined in section 236(1) of the Companies Act 2006) is in force for the benefit of the Directors and remains in place at the date of this report.

Reappointment of auditor

The Company reviews and makes recommendations each year in accordance with section 485 of the Companies Act 2006 with regard to the appointment of external auditors. The auditors, Ernst & Young Chartered Accountants, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed and approved at a meeting of the board of Directors.

Approved by the board on 14 December 2022 and signed on its behalf by:

DocuSigned by:

MI Orrin

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N Orrin
Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, including FRS 101, 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 appropriate to presume that the company will not 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 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Costa Group website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSTA EXPRESS LIMITED

Opinion

We have audited the financial statements of Costa Express Limited for the year ended 31 December 2021 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 31 December 2023 .

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other infonnation and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSTA EXPRESS LIMITED (continued)

Other information (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 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 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSTA EXPRESS LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS101, Companies Act 2006, UK tax legislations, GDPR, UK Bribery Act, The Equality Act, Competition laws, Consumer rights laws, Environmental regulations, Health and Safety Laws, Employment regulations, Modern Slavery Act, Foods Standards Agency requirements, Government food labelling requirement.
- We understood how Costa Express Limited is complying with those frameworks by making enquiries of those charged with governance and management. We understood the potential incentive and ability to override the controls. We considered management's attitude and tone from the top to embed a culture of honesty and ethical behaviour whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and considered the compliance with the above laws.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by might occur by obtaining and reading internal policies, holding enquiries of management and those charged with governance and the in-house legal counsel as to any fraud risk framework within the entity.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
    - Enquiry of management and those charged with governance as to any fraud risk framework within the entity, including whether a formal fraud risk assessment is completed.
    - Enquiry of management, those charged with governance and the entity's in-house legal team around actual and potential litigation and claims.
    - Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations, including communications with regulators and tax authorities.
    - Reading minutes of meetings of those charged with governance.
    - Enquiry of management over reports to whistleblowing hotlines.
    - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
    - Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness agreeing back to source documentation or independent confirmations.
    - Using data analytics to highlight potentially anomalous transactions in areas of the business which are determined to have an elevated fraud risk.
    - Evaluating the business rationale of significant transactions outside the normal course of business, and;
    - Challenging judgements made by management. This included corroborating the inputs and considering contradictory evidence.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COSTA EXPRESS LIMITED (continued)

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.

Ernst & Young LLP

Joanne Mason (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton, UK
Date 15 December 2022

Income Statement for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Revenue	4	331,270	264,734
Other income	5	560	-
Operating costs		(258,607)	(218,428)
Operating profit	6	**73,223**	**46,306**
Finance income	7	1	9
Finance costs	8	(38)	(42)
Profit before tax		**73,186**	**46,273**
Tax expense	11	(12,522)	(6,709)
Profit for the year		**60,664**	**39,564**

The above results were derived from continuing operations.

There are no items to be included in the Statement of Comprehensive Income and accordingly a separate Statement of Comprehensive Income has not been presented.

The notes on pages 22 to 41 form an integral part of these financial statements.

COSTA EXPRESS LIMITED

Balance Sheet as at 31 December 2021

Company number
03145187

	Note	2021 £ 000	2020 £ 000
Assets			
Non-current assets			
Property, plant and equipment	13	72,049	62,441
Right-of-use assets	14	1,846	2,122
Intangible assets	12	18,648	15,856
Deferred tax assets	11	2,423	3,040
		94,966	83,459
Current assets			
Inventories	16	9,245	9,087
Trade and other receivables	17	204,393	163,630
Cash and cash equivalents		27,649	4,296
		241,287	177,013
Total assets		**336,253**	**260,472**
Current liabilities			
Trade and other payables	18	(41,038)	(25,680)
Non-current liabilities			
Long-term lease liabilities	15	(1,608)	(1,849)
Net assets		**293,607**	**232,943**
Equity			
Called-up share capital	19	72	72
Share premium reserve		4,652	4,652
Profit and loss account		288,883	228,219
Total equity		**293,607**	**232,943**

Approved by the Board on 14 December 2022 and signed on its behalf by:

DocuSigned by:

Mel Orrin

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N Orrin
Director

The notes on pages 22 to 41 form an integral part of these financial statements.

COSTA EXPRESS LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2021

	Called-up share capital £ 000	Share premium reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	72	4,652	188,655	193,379
Profit for the year	-	-	39,564	39,564
Total comprehensive income	-	-	39,564	39,564
At 31 December 2020	**72**	**4,652**	**228,219**	**232,943**

	Called-up share capital £ 000	Share premium reserve £ 000	Profit and loss £ 000	Total £ 000
At 1 January 2021	72	4,652	228,219	232,943
Profit for the year	-	-	60,664	60,664
Total comprehensive income	-	-	60,664	60,664
At 31 December 2021	**72**	**4,652**	**288,883**	**293,607**

The notes on pages 22 to 41 form an integral part of these financial statements.

1 General information and basis for preparation

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The address of its registered office is:
3 Knaves Beech Business Centre,
Davies Way,
Loudwater,
High Wycombe,
Buckinghamshire,
HP10 9QR

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council (FRC). The financial statements have therefore been prepared in accordance with FRS 101.

The Company claims the exemption from preparing group financial statements under section 400 of the Companies Act 2006 as it is included in the group financial statements of The Coca-Cola Company, incorporated in Delaware, United States of America. These financial statements present information about the Company as an individual undertaking and not as a group.

The financial statements are presented in pounds sterling, rounded to the nearest thousand.

Going concern

The Directors have adopted the going concern basis for the preparation of the financial statements of the Company for the financial period ended 31 December 2021.

To support the Directors' assessment of going concern, the Company has received a parental letter of support from Costa Limited. This confirms that Costa Limited will support the Company as necessary to meet its liabilities as they fall due and has the ability to do so for the period to 31 December 2023. The Costa Group has a cash-pooling arrangement; as such, the going-concern assessment has been conducted on a Group basis. In forming their view on going concern, the Directors considered the Company's and Group strategic plan, balance sheet position, agreed financing and forward-looking forecasts up to the end of 2023.

The Directors stress tested the assumptions that fed into this exercise, considering the impacts of various risks occurring in isolation and in combination, as well as various risk mitigating actions that could be taken.

In each of the stress test scenarios modelled, the Company remained within its agreed financing levels. In some severe but possible scenarios modelled, the Company remained within its agreed financing only if appropriate mitigating capital management actions were taken. These included reductions in non-essential capital expenditure and discretionary spend. Reverse stress testing indicated to the Directors that the Company would only need to seek additional financing in a highly unlikely scenario, where multiple improbable events occurred simultaneously or in short succession.

The review supported the Directors view that the Company will be able to continue to operate and meet its liabilities as they fall due for the period to 31 December 2023.

1 General information and basis for preparation (continued)

Going concern (continued)

Sensitivity Analysis
Management have produced cash flows based off the Group budget position through to 31st December 2023. Various sensitivity analyses were performed on the cash flow, including a worst-case scenario to determine the periods in which the group will experience a cash deficit should performance be unfavourable to the plan. The sensitivities have been performed taking into consideration full discretionary spend and reduced discretionary spend. The scenarios considered are;

1. Base - deliver Sales and OI (operating income) to June RE (revised estimate) and LRP (long-range plan)
2. 90% Sales/95% COGs (cost of goods sold) - deliver sales 10% below plan with only 5% reduction in COGs, DME (direct marketing expense) and Capex (capital expenditure) in line with base
3. 70% Sales/COGs, 50% DME/Capex - deliver sales 30% below plan, marketing spend and Capex reduced by 50% with all other operating costs in line with base.

Scenario 3 should be considered a worst-case scenario. This is a shortfall of 30% versus forecast, that was result in decisions taken to reduce investment across the full forecast, and it is reasonable to assume that if sales were missed by this amount, then decisions would be taken to reduce investment and discretionary spend within Capex and Marketing respectively (assumed 50% cut). The reduction in Capex and Marketing spend would impact longer term growth initiatives, but would not impact on short term trading. These decisions could realistically be taken with 3 months notice based on lead times of machines and marketing campaigns. No assumption has been included that any government support schemes would be available (such as rates relief or other support schemes), which would improve the cash position. All operating expenses are assumed to remain in line with the Base scenario, however should a reduction in performance versus plan occur, a review of the cost base would take place and it is expected that other costs (i.e. salaries and wages) would reduce which again would improve the cash position.

In all scenarios a positive cash balance is maintained for a period to 31 December 2023. A negative cash balance is not experienced.

Covid-19, 2022 War in Ukraine and inflationary considerations
Throughout 2022 the UK experienced increased inflation, primarily driven by an increase in demand post Covid-19 and has been exacerbated by the ongoing war in Ukraine. This has resulted in an increase in the cost of raw materials used in our retail business, significant increases in gas and electricity prices, and has also contributed to a drop in retail footfall as customers reduce household spend. The Company has considered such effects on operating overheads and has embedded inflationary increases and reduced footfall into its forecasts used in our above sensitivity analysis. Furthermore, the Company has fully hedged its energy prices to March 2024. Whilst the effects of such economic pressures are significant, we do not believe it to impact on our conclusions reached over going concern and viability.

Should it be required, the group could seek external debt, however, at present management have no plans or requirements to do so. Costa Limited currently has no external debt outside of The Coca-Cola Company. The UK entity has no internal debt outside of normal intercompany trading.

After taking into consideration the circumstances described above, the financial statements have been prepared on the assumption that the Group is a going concern.

2 Accounting policies

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment;

(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 1;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;

(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;

(h) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;

(i) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

(j) the requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total; and

(k) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on the financial statements.

Revenue recognition

Recognition

The Company earns revenue through the sale of espresso based coffee and other beverages from branded self-service machines.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

2 Accounting polices (continued)

Revenue recognition (continued)

Sale of food and beverage
The contract is established when the customer orders the drink item and the performance obligation is the provision of drinks by the branded self-service machines. The performance obligation is satisfied when the customer receives the drink, and revenue is recognised at this point at the price for the items purchased. Payment is made on the same day and consequently there are no contract assets or liabilities.

Sale of machines
The contract is established when the order for the machine is placed and the performance obligation is satisfied upon delivery of the machine, at which point revenue is recognised.

Finance income and finance costs
Finance income is recognised as the interest accrues, using the effective interest method.

Finance costs are recognised as an expense in the period in which they are incurred, except for gross interest costs incurred on the financing of major projects, which are capitalised until the time that the projects are available for use.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Income tax
The income tax charge represents both the income tax payable, based on profit for the year and deferred income tax.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the income statement.

Deferred income tax is recognised in full, using the liability method, in respect of temporary differences between the tax base of the Company's assets and liabilities and their carrying amounts that have originated but have not been reversed by the balance sheet date. No deferred tax is recognised if the temporary difference arises from goodwill, or the initial recognition of an asset or liability, in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred income tax is recognised in respect of taxable temporary differences associated with investments in associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

2 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Gross interest costs incurred on the financing of qualifying assets are capitalised until the time that the assets are available for use.

The carrying values of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Any impairment in the values of property, plant and equipment is charged to the income statement.

Profits and losses on disposal of property, plant and equipment reflect the difference between net selling price and carrying amount at the date of disposal and are recognised in the income statement.

Payments made on entering into, or acquiring, leaseholds that are accounted for as operating leases are amortised on a straight-line basis over the lease term.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as shown below and charged through profit and loss. The residual values are reviewed annually.

Asset class	Depreciation method and rate
Land and buildings	over the period of the lease
Furniture, fittings, and equipment	4 - 7 years

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated on a straight-line basis over the estimated life of the asset and charged to profit and loss as follows:

Asset class	Amortisation method and rate
Internally generated software development costs	Over estimated useful life of five years
Internally generated computer software costs	Over three to six years
Trademarks	Indefinite useful life hence not amortised
Other intangibles	Over ten years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Stocks

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the basis of first in, first out and net realisable value is the estimated selling price less any costs to sell.

2 Accounting policies (continued)

Leases

Definition

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date a lessee recognises a right-of-use asset and a lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Initial recognition and measurement

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are separately identifiable on the statement of financial position, the detail of which is in Note 14.

2 Accounting policies (continued)
Leases (continued)

Subsequent measurement

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses.

IFRS 16 Leases - COVID-19-Related Rent Concessions

The COVID-19-Related Rent Concessions amendment to IFRS 16 Leases was adopted by the IASB on 28 May 2020. The amendment applies to accounting periods from 1 January 2020. The amendment allows for a simplified approach to accounting for rent concessions occurring as a direct result of COVID-19 and for which the following criteria are met:

- The revised consideration is substantially the same, or less than, the consideration prior to the change;
- The concessions affect only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

Lessees are not required to assess whether eligible rent concessions are lease modifications, allowing the lessee to account for eligible rent concessions as if they were not lease modifications.

During the period, the Company has agreed rent concessions in the form of rent forgiveness where the landlord has agreed to forgive all or a portion of rents due with no obligation to be repaid in the future. The Company has chosen to account for eligible rent forgiveness as negative variable lease payments. The rent concession has been recognised once a legally binding agreement is made between both parties by derecognising the portion of the lease liability that has been forgiven and recognising the benefit in the Income Statement.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Impairment of non-financial assets

The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped, for impairment assessment purposes, at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating units or CGUs). If such indication of impairment exists, or when annual impairment testing for an asset group is required, the Company makes an estimate of the recoverable amount.

Property, plant and equipment

Express machines within the Company are treated as one CGU. For the year ended 31 December 2021 the Company continues to be a profit-making business with income generated predominantly by its express machines, therefore there are no indicators of impairment.

2 Accounting policies (continued)

Impairment of non-financial assets (continued)

Intangible assets
Each individual intangible asset is reviewed for indicators of impairment. Any intangible asset with a net book value less then £0.5m that is still in use is deemed to have no indicators of impairment, if the asset is no longer in use then it is fully impaired. Intangible assets greater then £0.5m are individually reviewed using the following criterion for indicators of impairment:
- assessment of market value declines;
- negative changes in technology, markets, economy, or laws;
- increase in market interest rates;
- net assets of the company and higher than market capitalisation.

At the period end date there were no indicators of impairment.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimated future cashflows used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's carrying amount, less any residual value, on a straight-line basis over its remaining useful life.

For the purposes of impairment testing, all centrally held assets are allocated in line with IAS 36 to CGUs based on management's view of the consumption of the asset. Any resulting impairment is recorded against the centrally held asset.

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, excluding tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ("FVTPL") are recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e. the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the market place.

2 Accounting policies (continued)

Financial instruments (continued)

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Classification and measurement
Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-
· financial assets at amortised cost;
· financial assets at fair value through other comprehensive income (FVTOCI); or
· financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-
· financial liabilities at amortised cost; or
· financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through the profit or loss (FVTPL)
Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost
All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss
Financial liabilities not measured at amortised cost are classified and measured at FVTPL. This classification includes derivative liabilities.

2 Accounting policies (continued)

Modification of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to the cash flows from the original financial asset are deemed to expire. In this case the original financial asset is derecognised and a new financial asset is recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Financial liabilities

If the terms of a financial liabilities are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual obligations from the cash flows from the original financial liabilities are deemed to expire. In this case the original financial liabilities are derecognised and new financial liabilities are recognised at either amortised cost or fair value.

If the cash flows are not substantially different, then the modification does not result in derecognition of the financial liabilities. In this case, the Company recalculates the gross carrying amount of the financial liabilities and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the statement of income.

Impairment of financial assets

Measurement of Expected Credit Losses

The Company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVTPL, namely:

- Financial assets that are debt instruments
- Accounts and other receivables
- Financial guarantee contracts issued; and
- Loan commitments issued.

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the Company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the Company recognises the lifetime ECL.

The Company measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they are measured as a 12-month ECL:

2 Accounting policies (continued)

Impairment of financial assets (continued)

- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

Evidence that the financial asset is credit-impaired include the following;

- Significant financial difficulties of the borrower or issuer;
- A breach of contract such as default or past due event;
- The restructuring of the loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the security because of financial difficulties; or
- There is other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Company or economic conditions that correlate with defaults in the Company.

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates.

Estimation uncertainty relates to assumptions about the future and other sources of estimation uncertainty. Judgements relate to something other than assumptions about the future or making estimates and to the application of accounting standards and the Group's accounting policies.

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment

Impairment tests of property, plant and equipment, intangible assets, right of use assets and amounts owed by related parties are conducted each financial period. In these impairment tests, the carrying value of assets are compared with estimates of their value in use or recoverable amount. In forming these valuation estimates assumptions are applied, in particular in assessing future cash flow generation from value in use, discounting those future cash flow estimates and FVLCTS.

The judgements and estimates underlying impairment testing have resulted in property, plant and equipment being impaired by £Nil in the period (2020: £Nil); intangibles assets being impaired by £Nil in the period (2020: £Nil); and right of use assets being impaired by £Nil in the period (2020: £nil). The prior year provision against amounts owed by related parties of £1,012,000 was reversed in full, with an additional £7,078,000 being recognised for new provisions in the period.

4 Turnover

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Sale of goods	330,103	263,277
Rendering of services	928	683
Other revenue	239	774
	331,270	264,734

Revenue generated in the United Kingdom was £322,266,000 (2020: £249,712,000) and non-UK revenue was £9,004,000 (2020: £15,022,000).

5 Other Income

	2021 £ 000	2020 £ 000
R&D credits	560	-

6 Operating profit

Arrived at after charging/(crediting)

Included in operating costs:	2021 £ 000	2020 £ 000
Depreciation of tangible fixed assets	18,069	15,908
Depreciation on right-of-use assets	272	277
Amortisation expense	3,904	2,625
Operating lease expense	1,057	989
Loss/(profit) on disposal of plant and equipment	714	(110)
Reversal of impairment of tangible assets	(2,304)	-
Impairment of tangible assets	-	3,365
Inventory consumed	25,711	23,869
Foreign exchange losses	710	439

7 Finance income

	2021 £ 000	2020 £ 000
Interest income on bank deposits	-	9
Other finance income	1	-
	1	9

Interest has not accrued on amounts owed by group undertakings since 3 January 2019, as further detailed in Note 17.

8 Finance costs

	2021 £ 000	2020 £ 000
Interest expense on leases - Property	38	42

9 Staff costs

The Company has no employees (2020: no employees) other than the Directors.

Directors remuneration for the year of £1,258,000 (2020: £633,000) were borne by Costa Limited. The highest paid key management personnel received £674,000 (2020: £339,000)

10 Auditors' remuneration

Audit fees for the audit of financial statements for the year of £265,000 were borne by Costa Limited (2020: £265,000).

11 Taxation

Tax charged in the income statement

	2021 £ 000	2020 £ 000
Current income tax		
UK corporation tax on profits for the period	5,741	7,357
Group relief payable/(receivable)	6,893	-
UK corporation tax adjustment to prior periods	(738)	(30)
Total current tax	11,896	7,327
Double taxation relief	(102)	-
Foreign tax	102	31
Foreign tax adjustment to prior periods	9	-
Total current income tax	**11,905**	**7,358**

Deferred tax		
Arising from origination and reversal of temporary differences	763	(648)
Arising from previously unrecognised tax loss, tax credit, or temporary difference of prior periods	813	(1)
Effect of increased/decreased tax rate on opening balance	(959)	-
Total deferred tax	617	(649)
Total tax charge in the income statement	**12,522**	**6,709**

The UK corporation tax rate is 19%. Finance Act 2021 increased the main rate of corporation tax to 25% effective from 1 April 2023.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

11 Taxation (continued)

The differences are reconciled below:	2021 £ 000	2020 £ 000
Profit before tax	73,186	46,273
Corporation tax at standard rate	13,905	8,792
Decrease in current tax from adjustment for prior periods	(729)	(30)
Increase from effect of capital allowances depreciation	205	326
Decrease from effect of changes in tax rates	(582)	(282)
Increase from effect of expenses not deductible in determining taxable profit	1,537	203
Decrease from transfer pricing adjustments	(2,521)	(2,299)
Decrease from R&D expenditure credits	(106)	-
Deferred tax expense/(credit) from unrecognised temporary difference from a prior period	813	(1)
Total tax charge	**12,522**	**6,709**

The corporation tax balance is a liability of £5,157,000 (2020: £6,501,000).

Deferred tax

Deferred tax movement during the prior year:

	At 1 January 2020 £ 000	Recognised in income £ 000	At 31 December 2020 £ 000
Deferred tax asset	2,391	649	3,040
	2,391	**649**	**3,040**

Deferred tax movement during the year:

	At 1 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Deferred tax asset	3,040	(617)	2,423
	3,040	**(617)**	**2,423**

The deferred tax asset movement in the period is predominantly due to accelerated tax depreciation on PPE.

12 Intangible assets

	Internally generated software development costs £ 000	Other intangible assets £ 000	Total £ 000
Cost or valuation			
At 1 January 2021	21,631	300	21,931
Additions	6,696	-	6,696
At 31 December 2021	28,327	300	28,627
Amortisation			
At 1 January 2021	5,851	224	6,075
Amortisation charge	3,875	29	3,904
At 31 December 2021	9,726	253	9,979
Carrying amount			
At 31 December 2021	**18,601**	**47**	**18,648**
At 31 December 2020	**15,780**	**76**	**15,856**

Included within internally generated software development at 2021 was an amount of £7,916,000 (2020: £4,883,000) relating to expenditure for machines in the course of construction.

13 Property, plant and equipment

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Total £ 000
Cost or valuation			
At 1 January 2021	1,004	139,993	140,997
Additions	-	32,097	32,097
Disposals	-	(11,126)	(11,126)
At 31 December 2021	1,004	160,964	161,968
Depreciation			
At 1 January 2021	318	78,238	78,556
Charge for the year	89	17,980	18,069
Disposals	-	(4,402)	(4,402)
Impairment	-	(2,304)	(2,304)
At 31 December 2021	407	89,512	89,919
Carrying amount			
At 31 December 2021	**597**	**71,452**	**72,049**
At 31 December 2020	686	61,755	62,441

Included within furniture fittings and equipment in the current year was an amount of £16,568,000 (2020: £11,442,000) relating to expenditure for machines in the course of construction.

14 Right-of-use assets

	Property £ 000
Cost or valuation	
At 1 January 2021	2,578
Modifications	(4)
At 31 December 2021	**2,574**
Depreciation	
At 1 January 2021	456
Charge for the year	272
At 31 December 2021	**728**
Carrying amoount	
At 31 December 2021	**1,846**
At 31 December 2020	**2,122**

15 Leases

Leases included in creditors

	2021 £ 000	2020 £ 000
Current portion of long-term lease liabilities	268	303
Long-term lease liabilities	1,608	1,849

The lease liability relates to 3 office buildings that are all due to end in September 2028. The maturity analysis of these leases is as follows:

	2021 £ 000
Less than one year	268
Between two to five years	1,405
Greater than five years	203
Total lease liability	**1,876**

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

Payment	2021 £ 000	2020 £ 000
Right-of-use assets	312	226
Interest	(38)	(42)
Total cash outflow	274	184

16 Inventories

	2021 £ 000	2020 £ 000
Finished goods and goods for resale	9,245	9,087

17 Trade and other receivables

	2021 £ 000	2020 £ 000
Trade receivables	13,225	18,107
Provision for impairment of trade receivables	(802)	(743)
Net trade receivables	12,423	17,364
Amounts due from group companies	175,918	140,745
Prepayments and accrued income	14,138	5,521
Other receivables	1,914	-
Total current trade and other receivables	**204,393**	**163,630**

Included in trade receivables are amounts due from related parties of £553,000 (2020: £1,845,000). Amounts owed by related parties are repayable on demand.

18 Trade and other payables

	2021 £ 000	2020 £ 000
Trade payables	6,643	6,955
Amounts due to group companies	7,211	-
Corporation tax payable	5,157	6,501
Social security and other taxes	-	1
Other payables	905	448
Accrued expenses	20,854	11,472
Current portion of long-term lease liabilities (Note 15)	268	303
	41,038	25,680

Amounts owed to related parties are repayable on demand.

19 Share capital

Allotted, called-up and fully paid shares

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Allotted, called up and fully paid 721,079 Ordinary shares of £0.10 each	721	72	721	72

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

19 Share capital (continued)

Nil shares allotted
During the year £nil Ordinary shares were allocated for any aggregate consideration. (2020: £nil).

20 Related party transactions

Costa Express Limited trades with associate companies of The Coca-Cola Company. In 2021, the Company recognised total sales for these companies of £1,970,000 (2020: £14,744,000) and cost of sales of £1,928,000 (2020: £14,424,000).

21 Parent and ultimate parent undertaking

The Company's immediate parent is Costa Express Holdings Limited.

The ultimate parent is The Coca-Cola Company.

The most senior parent entity producing publicly available financial statements is The Coca-Cola Company.

The ultimate controlling party is The Coca-Cola Company.

Relationship between entity and parents
The parent of the smallest and largest group in which these financial statements are consolidated is The Coca-Cola Company, incorporated in United States of America.

The address of The Coca-Cola Company is:
The Coca-Cola Company, PO Box 1734, Atlanta, Georgia 30301, United States of America.

22 Events after the balance sheet date

On 31 October 22, Costa Express Limited declared a dividend of £275 million to its direct parent, Costa Express Holdings Limited. This dividend had yet to be paid by the Company at the date of signing these accounts.