

**Company Registration No. 07562551 (England and Wales)**

**Cafepod Limited**

**Unaudited financial statements  
for the year ended 31 December 2020**

**Pages for filing with the Registrar**



**Cafepod Limited**

**Balance sheet**

**As at 31 December 2020**

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Intangible assets	4		13,500		18,000
Tangible assets	5		5,480		13,645
Investments	6		1		1
			<u>18,981</u>		<u>31,646</u>
<b>Current assets</b>					
Stocks	8	521,509		404,127	
Debtors	9	677,021		747,320	
Cash at bank and in hand		65,813		152,447	
		<u>1,264,343</u>		<u>1,303,894</u>	
<b>Creditors: amounts falling due within one year</b>	10	(1,519,315)		(1,412,975)	
<b>Net current liabilities</b>			<u>(254,972)</u>		<u>(109,081)</u>
<b>Total assets less current liabilities</b>			<u>(235,991)</u>		<u>(77,435)</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(151,331)		(156,569)
<b>Net liabilities</b>			<u>(387,322)</u>		<u>(234,004)</u>
<b>Capital and reserves</b>					
Called up share capital	14		59,594		59,594
Share premium account			5,125,961		5,125,961
Profit and loss reserves			(5,572,877)		(5,419,559)
<b>Total equity</b>			<u>(387,322)</u>		<u>(234,004)</u>

**Cafepod Limited**

**Balance sheet (continued)**

**As at 31 December 2020**

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The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 7 September 2021 and are signed on its behalf by:



.....  
Peter Grainger

**Director**

**Company Registration No. 07562551**

## **1 Accounting policies**

### **Company information**

These financial statements comprising the Statement of Comprehensive Income, the Balance Sheet and the Statement of Changes in equity and related notes constitute the individual financial statements of CafePod Limited for the year ended 31 December 2020.

Cafepod Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hyde Park House, 5 Manfred Road, London, SW15 2RS.

### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

Whilst the company has made a loss during the year, the directors have taken advantage of the relevant government measures through the current pandemic, including deferring tax payments and obtaining funds by way of the Bounce Back Loan Scheme. Therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors continue to monitor their cash position and have developed various forecasts based on different scenarios and put in place plans to cope with the continued potential impact of COVID-19. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer usually at the point that the customer has signed for the delivery of the goods.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.5 Intangible fixed assets**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website	3 years straight-line
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**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	3 years straight-line
Manufacturing equipment	1-5 years straight-line
IT and office equipment	2 years straight-line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1.7 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1 Accounting policies (continued)**

**1.8 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.9 Stocks**

Stocks are stated at the lower of cost, using the first in first out method, and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

**1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1 Accounting policies (continued)**

**1.11 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

***Basic financial liabilities***

Basic financial liabilities, including creditors, invoice discounting facilities, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.12 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.15 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	9	12

Key management personnel are also the directors of the company and respective remuneration has been disclosed in note 3.



**Cafepod Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**3 Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration paid to directors	<u>175,359</u>	<u>223,750</u>

**4 Intangible fixed assets**

	<b>Website</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	<u>18,000</u>
<b>Amortisation and impairment</b>	
At 1 January 2020	-
Amortisation charged for the year	<u>4,500</u>
At 31 December 2020	<u>4,500</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>13,500</u>
At 31 December 2019	<u>18,000</u>

**Cafepod Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

**5 Tangible fixed assets**

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 January 2020	24,555	968,381	992,936
Disposals	-	(64,850)	(64,850)
At 31 December 2020	24,555	903,531	928,086
<b>Depreciation and impairment</b>			
At 1 January 2020	18,989	960,302	979,291
Depreciation charged in the year	3,515	4,650	8,165
Eliminated in respect of disposals	-	(64,850)	(64,850)
At 31 December 2020	22,504	900,102	922,606
<b>Carrying amount</b>			
At 31 December 2020	2,051	3,429	5,480
At 31 December 2019	5,566	8,079	13,645

**6 Fixed asset investments**

	2020	2019
	£	£
Shares in group undertakings and participating interests	1	1

**Movements in fixed asset investments**

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	1
<b>Carrying amount</b>	
At 31 December 2020	1
At 31 December 2019	1

**Cafepod Limited****Notes to the financial statements (continued)**  
**For the year ended 31 December 2020****7 Subsidiaries**

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held (Direct)
Big Cup Little Cup Limited	United Kingdom	Dormant	Ordinary	100.00

The registered office is Hyde Park House, 5 Mansfield Road, London, England, SW15 2RS.

**8 Stocks**

	2020 £	2019 £
Stocks	521,509	404,127

**9 Debtors**

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	655,670	713,208
Other debtors	21,351	34,112
	677,021	747,320

**10 Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	713,786	843,892
Taxation and social security	84,569	23,883
Other creditors	720,960	545,200
	1,519,315	1,412,975

**Cafepod Limited****Notes to the financial statements (continued)**  
**For the year ended 31 December 2020****11 Creditors: amounts falling due after more than one year**

	2020	2019
	£	£
Other loans	151,331	156,569

The liability under the loans is secured by fixed and floating charges over the assets of the company.

**12 Loans and overdrafts**

	2020	2019
	£	£
Other loans	324,325	253,764
Payable within one year	172,994	97,195
Payable after one year	151,331	156,569

**13 Share-based payment transactions**

The company operates four share option schemes. The first was established during the year ended 31 December 2015, the second during the year ended 31 December 2016, the third during the year ended 31 December 2017 and the fourth during the year ended 31 December 2018.

During the year no options were granted (2019: no options) and no options were forfeited (2019: 351 options). The total number of outstanding share options as at 31 December 2020 was 31,549 (2019: 31,549). As at the year end, the weighted average exercise price for the outstanding share options was £9.47 (2019: £9.47). The options vest at the date of grant and have a 10 year life. They are subject to certain conditions as set out in the option scheme rules.

As at 31 December 2020, 14 employees (2019: 14 employees) had unexercised share options.

In accordance with sections 26 of FRS 102, the company is required to fair value the share options at the date of grant and the resulting charge expensed through the statement of comprehensive income over the vesting period. The directors have calculated the cumulative charge required under FRS 102 and consider this to be immaterial to these financial statements and thus no adjustment has been made.

**Cafepod Limited****Notes to the financial statements (continued)****For the year ended 31 December 2020****14 Called up share capital**

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
59,594 Ordinary shares of £1 each	59,594	59,594
	<u>59,594</u>	<u>59,594</u>

**15 Operating lease commitments****Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2020	2019
£	£
-	28,078
<u>-</u>	<u>28,078</u>

**16 Related party transactions**

Mr Brent Hadfield and Mr Peter Grainger are directors of Big Cup Little Cup Limited. Big Cup Little Cup Limited is a wholly owned subsidiary of CafePod Limited. CafePod Limited made payments for Information Technology services of £2,975 (2019: £7,350) to a supplier that is also an investor in CafePod Limited as well as £328 (2019: £1,417) for consulting services to a supplier that is also an investor in CafePod Limited.

**17 Ultimate controlling party**

In the opinion of the directors there is no one ultimate controlling party.