Cuppa-Cino Trading Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Company Number: 09004090

CUPPA-CINO TRADING LIMITED

Contents

CUPPA-CINO TRADING LIMITED

Company Information

Registered number	09004090
Directors	J Crookall J Carlin
Company secretary	S Savjani
Registered office	3 Knaves Beech Business Centre, Davies Way, Loudwater, High Wycombe, Buckinghamshire, HP10 9QR, United Kingdom.
Statutory auditor	Ernst & Young, Chartered Accountants, Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland.

CUPPA-CINO TRADING LIMITED

Directors' Report for the Year Ended 31 December 2022

The Directors present their report and the financial statements of Cuppa-Cino Trading Limited (also referred to as the "Company") for the year ended 31 December 2022.

Principal activity
The principal activity of the Company is leaseholder of train platform retail stores.

Directors and secretary of the Company
The Directors who held office during the year and to the date of this report (except as noted) were as follows:

J Crookall

G McDonald (resigned 31 July 2022)

R Willan (resigned 2 November 2022)

The following Director was appointed after the year end:

J Carlin (appointed 23 February 2023)

The secretary who held office during the year, and to the date of this report was as follows:

S Savjani

Business review

Fair review of the business

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

	2022 £'000	2021 £'000	Change
Operating profit	-	-	- %
Shareholder's equity	2	2	- %

Operating profit has remained flat year on year.

Shareholder's equity has remained flat year on year.

Strategic Report
The Directors have taken advantage of the exemption in the Companies Act 2006 (section 414B) from including a Strategic Report in the financial statements on the grounds that the Company is small.

Dividend
The Company did not declare or pay any dividend during the year (2021: £nil).

Future developments
No significant future developments are expected.

CUPPA-CINO TRADING LIMITED

Directors' Report for the Year Ended 31 December 2022 (continued)

Events after the balance sheet date
There have been no events after the reporting date which require adjustment or further disclosure in the financial statements.

Political donations
The Company did not make any donations for political purposes or to any political organisations during the year.

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.

Going concern
The Directors believe that the Company is well placed to manage its business risks successfully. It is our view, to the best of our current knowledge, that the Ukraine conflict will not have a material adverse impact on the Company's ability to continue as a going concern. In addition, the Company has received a letter of support from The Coca-Cola Company, which commits to making support available if it is required at a point in time covering a period of twelve months from the date of approval of the financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

Financial risk
If the underlying investments decrease in value this could lead to impairments for the Company. The Directors keep an open line of communication with the management of the investee to assess the performance of each investment and to understand their plans to mitigate any negative impacts on their results.

Litigation risk
Litigation or legal proceedings could expose the Company to significant liabilities and damage its reputation. The Company evaluates any litigation, claims and legal proceedings to assess the likelihood of unfavourable outcomes and to estimate, if possible, the amount of potential losses and put in place procedures to mitigate such losses.

Laws and regulations
Changes in, or failure to comply with, the laws and regulations applicable to our business operations could increase our costs or reduce our net operating revenues. The Company will review any changes in laws and regulations that might impact the business to mitigate any such impacts.

Ukraine conflict
On 8 March 2022, The Coca-Cola Company announced the suspension of its business in Russia as a result of the conflict in Ukraine. After making enquiries, the Directors do not expect this suspension of business to have a material adverse impact on the Company's ability to continue as a going concern.

CUPPA-CINO TRADING LIMITED

Directors' Report for the Year Ended 31 December 2022 (continued)

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 an external auditor. During the year, Ernst & Young LLP resigned as auditor and was replaced by Ernst & Young, Chartered Accountants. The auditor, Ernst & Young Chartered Accountants, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 28 September 2023 and signed on its behalf by:

DocuSigned by:

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J Crookall
Director

CUPPA-CINO TRADING LIMITED

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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Approved by the Board on 28 September 2023 and signed on its behalf by:

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J Crookall

Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUPPA-CINO TRADING LIMITED

Opinion

We have audited the financial statements of Cuppa-Cino Trading Limited for the year ended 31 December 2022 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19, 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 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

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 and financial statements, 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 information 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 CUPPA-CINO TRADING 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 5, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUPPA-CINO TRADING LIMITED (continued)

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.

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 Cuppa-Cino Trading 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 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:

    - Inquiry 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;
    - Inquiry of management, those charged with governance and the entity's in-house legal team around actual and potential litigation and claims;
    - Inquiry 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;
    - Inquiry of management over reports to whistleblowing hotlines;

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUPPA-CINO TRADING LIMITED (continued)

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

- 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.

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

Dermot Daly (Senior statutory auditor)
for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor
Dublin

Date: 28 September 2023

CUPPA-CINO TRADING LIMITED

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Income	4	130	54
Administrative expenses		(130)	(54)
Operating profit		-	-
Finance income	7	3	7
Finance costs	8	(3)	(7)
Net finance income		-	-
Profit before tax		-	-
Tax expense	10	-	-
Profit for the year		-	-

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.

CUPPA-CINO TRADING LIMITED

Balance Sheet as at 31 December 2022

Company Number: 09004090

	Note	2022 £ 000	2021 £ 000
Assets			
Non-current assets			
Long-term finance lease receivable	11	-	124
Current assets			
Trade and other receivables	12	11	193
Short term finance lease receivable	11	103	245
		114	438
Total assets		**114**	**562**
Non-current liabilities			
Long-term lease liabilities	14	-	124
		-	124
Current liabilities			
Short-term lease liabilities	14	103	245
Trade and other payables	13	9	191
		112	436
Total liabilities		**112**	**560**
Net assets		**2**	**2**
Equity			
Called-up share capital	15	-	-
Capital contributions		116	116
Accumulated losses		(114)	(114)
Shareholder's equity		**2**	**2**

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 28 September 2023 and signed on its behalf by:

DocuSigned by:

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J Crookall
Director

CUPPA-CINO TRADING LIMITED

Statement of Changes in Equity for the Year Ended 31 December 2022

	Called-up share capital £ 000	Capital contributions £ 000	Accumulated losses £ 000	Total £ 000
At 1 January 2021	-	116	(114)	2
Result for the year	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 December 2021	**-**	**116**	**(114)**	**2**

	Called-up share capital £ 000	Capital contributions £ 000	Accumulated losses £ 000	Total £ 000
At 1 January 2022	-	116	(114)	2
Result for the year	-	-	-	-
Total comprehensive income	-	-	-	-
At 31 December 2022	**-**	**116**	**(114)**	**2**

The notes on pages 13 to 24 form an integral part of these financial statements.

CUPPA-CINO TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information and basis of preparation

The Company is a private company limited by share capital, incorporated and domiciled in 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,
United Kingdom.

These financial statements were authorised for issue by the Board on 28 September 2023.

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 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 financial statements are presented in pounds sterling ('£'), which is the functional currency, and all values are rounded to the nearest thousand except when otherwise stated.

Summary of disclosure exemptions
As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard. Where required, equivalent disclosures are given in the consolidated financial statements of The Coca-Cola Company.

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

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;

(b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;

(c) 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;

(d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;

(e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

(f) the requirements of IAS 7 Statement of Cash Flows;

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

(h) 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.

1 General information and basis of preparation (continued)

Going concern

The Directors believe that the Company is well placed to manage its business risks successfully. It is our view, to the best of our current knowledge, that the Ukraine conflict will not have a material adverse impact on the Company's ability to continue as a going concern. In addition, the Company has received a letter of support from The Coca-Cola Company, which commits to making support available if it is required at a point in time covering a period of twelve months from the date of approval of the financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

2 Accounting policies

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 2022 have had a material effect on the financial statements.

Revenue recognition

The Company earns revenue from the intercompany recharge of costs associated with its five leases. This revenue is recognised at cost and in the accounting period to which it relates.

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

Recharges

The contract has been established for the lease term of the five leases. The transaction price is the periodic leasehold associated expenses as notified by the suppliers in advance. The obligation is satisfied when the supplier has been paid and the intercompany transactions have been recorded as a receivable in Cuppa-Cino Trading Limited and a payable in Costa Limited.

Finance income and 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.

2 Accounting policies (continued)

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.

Trade and other debtors

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

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 finance lease receivables representing the income from Costa Limited which has the right to use the underlying assets.

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate. 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.

Amounts due from Costa Limited for the use of the leased assets are recorded as a finance lease receivable for the lease term and is measured at the Company's net investment in the leases from 1 May 2019. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment in the lease.

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.

CUPPA-CINO TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Financial instruments

Initial recognition
Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, 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 marketplace.

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:-

2 Accounting policies (continued)

Financial instruments (continued)

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.

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 income statement.

Financial liabilities

If the terms of a financial liabilities are modified, the Company evaluates whether the cash flows of the modified liabilities 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 income statement.

3 Key accounting judgements and estimates

The preparation of 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. In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

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).

4 Income

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

	2022 £ 000	2021 £ 000
Intercompany receivable in respect of rates recharges	130	54
	130	54

All of the Company's income originates from the UK in both the current and prior year.

5 Staff costs

The Company had no employees during 2022 (2021: no employees).

6 Directors' remuneration

None of the Directors received any emoluments (2021: £Nil) in respect of their services to the Company. All fees paid to Directors as remuneration are borne by Costa Limited and it is not practical to allocate the amount for services in respect of this Company.

7 Finance income

	2022 £ 000	2021 £ 000
Lease interest receivable	3	7

8 Finance costs

	2022 £ 000	2021 £ 000
Interest expense on right-of-use lease liability	3	7

9 Auditor's remuneration

Audit fees for the year of £22,000 were borne and paid by Costa Limited (2021: £22,000).

10 Taxation

Tax charged/(credited) in the income statement

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	-	-
Total tax charge in the Income Statement	-	-

The UK corporation tax rate in effect for the year ended 31 December 2022 is 19% (2021: 19%). An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This rate change had no impact on the current year financial statements.

The tax on profit before tax for the year is different to the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Result before tax	-	-
Corporation tax at standard rate	-	-
Total tax charge/(credit)	-	-

CUPPA-CINO TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Finance lease receivable

	Short term finance lease receivable £ 000	Long term finance lease receivable £ 000	Total finance lease receivable £ 000
As at 1 January 2022	245	124	369
Modifications	-	(24)	(24)
Interest receivable	-	3	3
Lease receipts	(245)	-	(245)
Transfers from long-term to short-term	103	(103)	-
Balance as at 31 December 2022	103	-	103

12 Trade and other receivables

	2022 £ 000	2021 £ 000
Amounts due from group companies	-	193
Prepayments	11	-
	11	193

Amounts due from group companies are interest free and repayable on demand.

13 Trade and other payables

	2022 £ 000	2021 £ 000
Accrued expenses	-	32
Amounts due to group companies	9	159
	9	191

Amounts due to group companies are interest free and repayable on demand.

CUPPA-CINO TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Short Term & Long-Term Lease liabilities

Leases included in creditors

	Short-term lease liability £ 000	Long-term lease liability £ 000	Total lease liability £ 000
As at 1 January 2022	245	124	369
Modifications	-	(24)	(24)
Interest expense	-	3	3
Lease payments	(245)	-	(245)
Transfers from long-term to short-term	103	(103)	-
Balance as at 31 December 2022	103	-	103

The lease liability relates to 5 properties that are all due to end in June 2023. The maturity analysis of these leases is as follows:

Lease liabilities maturity analysis

	2022 £ 000
Less than one year	103

Total cash outflows related to leases

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

Payment	2022 £ 000
Right of use assets	245
Interest	(3)
Total cash outflow	242

CUPPA-CINO TRADING LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Called-up share capital

Allotted, called-up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary of £1 each	120	120	120	120

16 Parent of group in whose consolidated financial statements the Company is consolidated

The name of the smallest and largest parent of the group in whose consolidated financial statements the Company's financial statements are consolidated is The Coca-Cola Company.

These financial statements are available upon request from The Coca-Cola Company, PO Box 1734, Atlanta, Georgia 30301, United States of America.

17 Events after the balance sheet date

There have been no events after the balance sheet date which requires adjustment or further disclosure in the financial statements.

18 Related party transactions

The Company is a wholly-owned subsidiary of The Coca-Cola Company, the ultimate controlling entity, and has taken advantage of the exemption given in Financial Reporting Standard 101 (8(k)) not to disclose transactions with other wholly-owned group companies.

19 Parent and ultimate parent undertaking

The Company's immediate parent is Costa Limited. The ultimate parent is The Coca-Cola Company, Atlanta, Georgia, USA. The smallest and largest parent preparing consolidated financial statements is The Coca-Cola Company. The ultimate controlling party is The Coca-Cola Company.