REGISTERED NUMBER: 05727713 (England and Wales)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 December 2020

for

Scoffs Group Ltd

Contents of the Consolidated Financial Statements for the Year Ended 31 December 2020

Company Information
for the Year Ended 31 December 2020

DIRECTORS:	A Tagliamonti C Jawed
REGISTERED OFFICE:	Finance Office Costa Coffee 311-313 Collier Row Lane Collier Row Essex RM5 3ND
REGISTERED NUMBER:	05727713 (England and Wales)
AUDITORS:	Cartwrights Chartered Accountants and Business Advisors Statutory Auditor Regency House 33 Wood Street Barnet Hertfordshire EN5 4BE
SOLICITOR:	Nockolds 6 Market Square Bishop's Stortford Hertfordshire CM23 3UZ

Scoffs Group Ltd (Registered number: 05727713)

Group Strategic Report
for the Year Ended 31 December 2020

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

REVIEW OF BUSINESS
The group is the UK's largest Costa Coffee franchisee, with 92 stores under it's operation, up from 90 in the previous year.

The year to 31st December 2020 presented massive and unforeseen challenges for the group as a result of the pandemic outbreak and the measures introduced by the authorities in order to curb the spread and save lives.

The directors took all appropriate actions and measures to safeguard its employees, stakeholders and shareholders and are extremely grateful for the financial support offered by the Government, its suppliers, landlords and HSBC bank.

Key performance indicators

Performance of the company is monitored internally using a variety of statutory and alternative performance measures (APMs) and key performance indicators (KPIs). APMs are used where management considers they are more representative of underlying trading or in monitoring performance against the company's objectives.

Turnover is an important metric as it reflects the core underlying activities of the company by adding together turnover from commercial cleaning services and franchisor services with the income earned by the company for the sales of commercial cleaning businesses.

Operating profit is an important metric as it is an indirect measure of efficiency. The higher the operating profit, the more profitable the company's core business is.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") is considered, by management, to be informative as it reflects operating profit adjusted for non-cash charges.

The figures for these 3 key performance measures are stated below:

	2020	**2019**
Turnover	£23,966,387	£35,220,726
Operating profit	£2,867,969	£2,047,776
EBITDA	£5,533,717	£4,357,579

Whilst turnover fell 32% in the year, this was entirely as a result of the pandemic and, due to pro-active measures taken by management, is lower than initially expected when the pandemic first hit the UK.

Both operating profit and EBITDA increased in the year due to government grants received and disclosed in the notes to these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

In the course of normal business, the group continually assesses significant risks faced and takes action to mitigate the potential impacts. The principle risks (which is not intended to be a comprehensive analysis) facing the are as group follows:

Financial and liquidity

The general health of the UK economy and individuals disposable income is important to the group's success. The group manages any potential downturn in the economy by a policy of store openings in areas where the group expects to see a positive contribution to turnover and profit.

Operating capital - The availability of operating capital is crucial to ensuring that the group has sufficient funds to meet their liabilities as they fall due to suppliers and employees. The group manages this by reviewing the cash flow daily to ensure sufficient funds are available.

Operational risks

Customer service - The group relies on its staff to provide quality customer service. Staff are provided with rigorous training, covering customer service to ensure that high standards are maintained.

Health and safety - All staff are provided with comprehensive training to ensure they are all aware of the risks and how they can help to mitigate them. The group also undertakes regular store audits to ensure policies and procedures are being adhered to.

Scoffs Group Ltd (Registered number: 05727713)

Group Strategic Report
for the Year Ended 31 December 2020

SECTION 172(1) STATEMENT
This section serves as our section 172 statement. Section 172(1)(a) to (f) of the Companies Act 2006 requires directors to exercise their duty to promote the success of Scoffs Group for the benefit of its members as a whole, including taking into consideration the interests of key stakeholders in their decision making.

The directors continue to have regard to the interests of the group's employees and other stakeholders, including the impact of its activities on the community, the environment and the group's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the group for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we explain in more detail this year how the directors engage with our stakeholders, thus seeking to comply with the requirement to include a statement setting out how the directors have discharged this duty.

Our stakeholders
The directors consider the group's key stakeholders to be:

- Workforce - the strength of our business is built on the hard work and dedication of all our employees, and they rely on us to provide stable employment and opportunities to realise their potential in a working environment where they can perform at their best;
- Customers - our customers are the reason we exist. With multiple choices of coffee shops, it is essential to our future that we continually strive to provide the highest quality product and in an enjoyable and safe environment, and at a competitive price. In doing so, we will build our brand value and loyalty;
- Communities and the environment - with our presence on the high street, retail parks and drive-thrus, the local community expect us to act responsibly and to be a "good neighbour" and to minimise any negative impact we might have in their local environment; and
- Suppliers - we rely on our suppliers to make and distribute our products, provide the premises which we sell our products and provide essential services we need to operate our business. Our suppliers rely on us to generate revenue and employment for them

The directors have sought to understand the respective interests of these parties so that these may be properly considered in their decision-making. This is achieved through various methods including: direct engagement by directors; receiving reports and updates from management who engage with such parties; and coverage in our meetings of relevant stakeholder interests with regard to proposed courses of action.

Having regard to the likely consequences of any decision in the long term
Within the fast-moving food and beverage retail sector, the operational cycle is very short. Despite this, the directors remain mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed.

Having regard to the interests of the group's employees
The importance of good relations and communications with employees is fundamental to the continued success of the business. The group maintains good employee relations and consults employees as appropriate to its own particular needs.

The directors take active steps to ensure that the suggestions, views and interests of the workforce are captured and considered in our decision-making.

Scoffs Group benefits from directors who all perform a high degree of personal oversight and engagement in the group's affairs. This knowledge of the business and active style of engagement means they maintain an exceptionally acute insight into the mood, culture and views of the workforce.

Employee engagement
Scoffs Group has a number of effective workforce engagement mechanisms in place across the group to encourage engagement with our employees:

- Employees are kept informed of performance and strategy through regular presentations and updates from the directors;
- The directors attend key business meetings throughout the year, including weekly trading meetings and monthly management accounts meetings;

- Employee engagement surveys are undertaken covering the vast majority of the workforce, and the results are reported to the directors; and
- The directors attend meetings with employees

The directors consider that, taken together, these arrangements deliver an effective means of ensuring they stay alert to the views of the workforce.

Diversity
The group's policy is not to discriminate under any circumstances (including in relation to training, career development and promotion) against current or prospective employees due to race, religion, sexual orientation, disability or for any other reason. Fair and full consideration is given to applications for employment made by all persons, having regard to their aptitudes and abilities. Employees who become disabled during their career at the group will be retained in employment wherever possible and given help with rehabilitation and training.

Putting diversity and inclusion on the agenda helps the business to attract, retain and develop the best talent from every walk of life.

During the year we worked towards enhancing the support offered to working parents.

Having regard to the need to foster the group's business relationships with Franchisor, suppliers, customers and others
The importance of maintaining good relations with suppliers, customers and the group's debt facility providers is critical to the ongoing success of the group.

Franchisor
Throughout the year the directors were actively involved in major contract renegotiations and strategy with regard to the Franchisor. The directors seek to balance the benefits of maintaining its strong partner relationship with the Franchisor alongside the need to obtain value for money for our investors and the desired quality and service levels for our customers.

Suppliers
Throughout the year the directors were actively involved in all major contract renegotiations and strategy with regard to key suppliers, notably with certain landlords of the group's multiple store premises. The directors seek to balance the benefits of maintaining strong partnering relationships with key suppliers alongside the need to obtain value for money for our investors and the desired quality and service levels for our customers.

Customers
As a retail business, the sentiment of customers can be seen in the group's underlying sales performance figures, which the directors review regularly. Management provide updates to the directors on their perceptions of consumer sentiment and the market view. Working closely with the Franchisor, the interests of customers are considered in key decisions e.g. relating to: individual store refreshment programmes; selection of product lines; selection and monitoring of suppliers to ensure quality and safety standards are met.

With the interests of customers in mind, during the year the directors reviewed proposals in respect of: store closures and new openings and capital expenditure on stores.

Debt capital/credit facility providers
The directors and key financial management personnel are responsible for managing the relationships with our bank and for the group's cash/debt management and financing activities. Management provide regular reports to the directors on these activities including the group's plans to ensure appropriate access to debt capital, monitoring the headroom and maturity schedules of our primary credit facilities.

The directors carefully consider the group's cash position and forecasts when making decisions on capital expenditure.

Having regard to the impact of the Company's operations on the community and the environment
The directors support the group's goals and initiatives with regard to reducing adverse impacts on the environment and supporting the communities that it touches. Working closely with the Franchisor, the directors intend to give further consideration in 2021 to the group's approach to climate change and further measures we can take to contribute to the reduction of our impact on the environment.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct
The group strives to maintain a strong reputation for high standards of business conduct.

Corporate governance
The directors recognise the importance of operating a robust corporate governance framework.

Ethical trading and responsible sourcing
The directors exercise strong oversight over the group's activities in these areas, including reviewing reports from management to them on such topics as appropriate.

Political donations
No donations were made for political purposes (2019: £nil).

Having regard to the need to act fairly as between members of the Group
Whilst the group has two classes of share in issue, with different rights attached, on a practical level all shareholders benefit from the same rights.

The directors recognise their legal and regulatory duties and do not take any decisions or actions that would provide any shareholder or group of shareholders with any unfair advantage or position compared to the shareholders as a whole.

Shareholder engagement
The directors are the only direct shareholders in the group and are therefore party to all of the critical decisions made.

ON BEHALF OF THE BOARD:

A Tagliamonti - Director

29 September 2021

Report of the Directors
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of a Costa Coffee franchisee.

DIVIDENDS
Total dividend distributions for the year ended 31 December 2020 were £87,000 (2019: £72,000).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

A Tagliamonti
C Jawed

ENGAGEMENT WITH EMPLOYEES
Details of how we engage with employees can be found in the Section 172(1) Statement in the Strategic Report.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
Details of how we engage with suppliers, customers and others can be found in the Section 172(1) Statement in the Strategic Report.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS
Details of our corporate governance arrangements can be found in the Section 172(1) Statement in the Strategic Report.

STREAMLINED ENERGY AND CARBON REPORTING
The group uses more than 40,000 KWh of energy per year and has more than 250 employees. The group is therefore required to report its energy usage and associated greenhouse gas emissions relating to gas, electricity and transport fuel in the accounting period.

This year is the first time the group has been required to report and as such, will treat this financial year ended as its base year for measurement, KPI setting and progress reporting in future years.

UK Greenhouse gas emissions and energy use data for the period 1 December 2020 to 31 December 2020

	2020
Energy consumption used to calculate emissions (kWh)	569,467
Scope 1 emissions in kg CO2e	
Gas consumption	-
Owned transport	-
Total Scope 1	-
Scope 2 emissions in kg CO2e	
Purchased eectricity	132,765
Scope 3 emissions in kg CO2e	
Business travel in employee owned vehicles	21,753
Business travel in own leased vehicles	24,275
Total gross emissions in kg CO2e	**178,793**
Intensity ratio kg CO2e per square metre	**14.95**

Quantification and reporting methodology
The group has followed the Department for Business, Energy and Industrial Strategy (BEIS) Guidelines. The group has used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in kg CO2e per square metre, which we consider to be appropriate for the group and the sector it operates in..

Measures taken to improve energy efficiency
The group is in the process of increasing energy efficiency within the organisation, in 2021 smart meters are being installed across all our sites and have moved the fleet from fossil fuels to hybrid vehicles.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Cartwrights, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A Tagliamonti - Director

29 September 2021

Report of the Independent Auditors to the Members of Scoffs Group Ltd

Opinion
We have audited the financial statements of Scoffs Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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's and the parent company's ability to continue as a going concern for a period of at least twelve 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.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Scoffs Group Ltd

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page eight, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, and that they remained alert to instances of non-compliance throughout the audit.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- based on our understanding of the company and industry, and through discussions with directors and key management, we identified any specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation; and
- we assessed the extent of compliance with these laws and regulations through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries, particularly focused around the year-end, to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates in the notes to the financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matters

The prior year figures in the financial statements were unaudited.

Report of the Independent Auditors to the Members of Scoffs Group Ltd

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 a Report of the Auditors 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.

Andrew Hill FCA (Senior Statutory Auditor)
for and on behalf of Cartwrights
Chartered Accountants and Business Advisors
Statutory Auditor
Regency House
33 Wood Street
Barnet
Hertfordshire
EN5 4BE

30 September 2021

Consolidated Income Statement
for the Year Ended 31 December 2020

	Notes	31/12/20 £	31/12/19 £
TURNOVER	4	23,966,387	35,220,726
Cost of sales		(16,541,153)	(23,036,011)
GROSS PROFIT		7,425,234	12,184,715
Administrative expenses		(9,296,978)	(10,585,131)
		(1,871,744)	1,599,584
Other operating income	5	4,739,713	448,192
OPERATING PROFIT	7	2,867,969	2,047,776
Interest receivable and similar income		1,164	92
		2,869,133	2,047,868
Interest payable and similar expenses	9	(567,692)	(699,862)
PROFIT BEFORE TAXATION		2,301,441	1,348,006
Tax on profit	10	(834,298)	(433,064)
PROFIT FOR THE FINANCIAL YEAR		1,467,143	914,942
Profit attributable to:			
Owners of the parent		1,467,143	914,942

The notes form part of these financial statements

Consolidated Other Comprehensive Income
for the Year Ended 31 December 2020

	Notes	31/12/20 £	31/12/19 £
PROFIT FOR THE YEAR		1,467,143	914,942
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,467,143	914,942
Total comprehensive income attributable to:			
Owners of the parent		1,467,143	914,942

The notes form part of these financial statements

Scoffs Group Ltd (Registered number: 05727713)

Consolidated Balance Sheet
31 December 2020

		31/12/20		31/12/19	
	Notes	**£**	**£**	**£**	**£**
FIXED ASSETS					
Intangible assets	13		12,680,183		13,486,023
Tangible assets	14		8,471,434		9,068,036
Investments	15		-		-
Investment property	16		2		2
			21,151,619		22,554,061
CURRENT ASSETS					
Stocks	17	309,826		307,472	
Debtors	18	894,980		931,758	
Prepayments and accrued income		621,936		976,696	
Cash at bank and in hand		5,590,573		1,659,039	
		7,417,315		3,874,965	
CREDITORS					
Amounts falling due within one year	19	9,111,665		7,149,643	
NET CURRENT LIABILITIES			(1,694,350)		(3,274,678)
TOTAL ASSETS LESS CURRENT LIABILITIES			19,457,269		19,279,383
CREDITORS					
Amounts falling due after more than one year	20		(16,042,848)		(17,375,967)
PROVISIONS FOR LIABILITIES	25		(540,746)		(409,884)
NET ASSETS			2,873,675		1,493,532
CAPITAL AND RESERVES					
Called up share capital	26		100,101		100,101
Retained earnings			2,773,574		1,393,431
SHAREHOLDERS' FUNDS			2,873,675		1,493,532

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

A Tagliamonti - Director

Scoffs Group Ltd (Registered number: 05727713)

Company Balance Sheet
31 December 2020

	Notes	31/12/20 £	£	31/12/19 £	£
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		1,424,573		837,118
Investments	15		17,457,843		17,457,843
Investment property	16		-		-
			18,882,416		18,294,961
CURRENT ASSETS					
Debtors	18	963,993		1,405,360	
Prepayments and accrued income		86,797		117,718	
Cash at bank		74,115		80,964	
		1,124,905		1,604,042	
CREDITORS					
Amounts falling due within one year	19	3,846,321		2,363,914	
NET CURRENT LIABILITIES			(2,721,416)		(759,872)
TOTAL ASSETS LESS CURRENT LIABILITIES			16,161,000		17,535,089
CREDITORS					
Amounts falling due after more than one year	20		(15,947,564)		(17,375,967)
PROVISIONS FOR LIABILITIES	25		(11,664)		(13,766)
NET ASSETS			201,772		145,356
CAPITAL AND RESERVES					
Called up share capital	26		100,101		100,101
Retained earnings			101,671		45,255
SHAREHOLDERS' FUNDS			201,772		145,356
Company's profit for the financial year			143,416		62,596

The financial statements have been prepared 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 29 September 2021 and were signed on its behalf by:

A Tagliamonti - Director

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	200,101	550,489	750,590
Changes in equity			
Issue of share capital	(100,000)	-	(100,000)
Dividends	-	(72,000)	(72,000)
Total comprehensive income	-	914,942	914,942
Balance at 31 December 2019	100,101	1,393,431	1,493,532
Changes in equity			
Dividends	-	(87,000)	(87,000)
Total comprehensive income	-	1,467,143	1,467,143
Balance at 31 December 2020	100,101	2,773,574	2,873,675

The notes form part of these financial statements

Scoffs Group Ltd (Registered number: 05727713)

Company Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	200,101	54,659	254,760
Changes in equity			
Issue of share capital	(100,000)	-	(100,000)
Dividends	-	(72,000)	(72,000)
Total comprehensive income	-	62,596	62,596
Balance at 31 December 2019	100,101	45,255	145,356
Changes in equity			
Dividends	-	(87,000)	(87,000)
Total comprehensive income	-	143,416	143,416
Balance at 31 December 2020	100,101	101,671	201,772

The notes form part of these financial statements

Scoffs Group Ltd (Registered number: 05727713)

Consolidated Cash Flow Statement
for the Year Ended 31 December 2020

	Notes	31/12/20 £	31/12/19 £
Cash flows from operating activities			
Cash generated from operations	1	2,682,632	4,152,220
Interest paid		(563,452)	(698,676)
Interest element of hire purchase payments paid		(4,240)	(1,186)
Government grants		4,290,791	-
Tax paid		(39,507)	(522,257)
Net cash from operating activities		6,366,224	2,930,101
Cash flows from investing activities			
Purchase of intangible fixed assets		(5,000)	(46,750)
Purchase of tangible fixed assets		(1,258,305)	(2,447,112)
Sale of tangible fixed assets		-	5,528
Interest received		1,164	92
Net cash from investing activities		(1,262,141)	(2,488,242)
Cash flows from financing activities			
Loan repayments in year		(1,025,155)	(1,798,660)
New hire purchase in year		-	100,450
Capital repayments in year		(18,394)	(4,472)
Amount introduced by directors		-	48,500
Amount withdrawn by directors		(42,000)	-
Redemption of preference share capital		-	(100,000)
Equity dividends paid		(87,000)	(72,000)
Net cash from financing activities		(1,172,549)	(1,826,182)
Increase/(decrease) in cash and cash equivalents		3,931,534	(1,384,323)
Cash and cash equivalents at beginning of year	2	1,659,039	3,043,362
Cash and cash equivalents at end of year	2	5,590,573	1,659,039

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/12/20	31/12/19
	£	£
Profit before taxation	2,301,441	1,348,006
Depreciation charges	2,665,748	2,309,803
Loss on disposal of fixed assets	-	3,645
Government grants	(4,290,791)	-
Finance costs	567,692	699,862
Finance income	(1,164)	(92)
	1,242,926	4,361,224
Increase in stocks	(2,354)	(97,644)
Decrease/(increase) in trade and other debtors	199,042	(251,432)
Increase in trade and other creditors	1,243,018	140,072
Cash generated from operations	2,682,632	4,152,220

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	5,590,573	1,659,039

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	1,659,039	3,043,362

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
Net cash			
Cash at bank and in hand	1,659,039	3,931,534	5,590,573
	1,659,039	3,931,534	5,590,573
Debt			
Finance leases	(95,978)	18,394	(77,584)
Debts falling due within 1 year	(1,999,532)	(289,570)	(2,289,102)
Debts falling due after 1 year	(17,294,354)	1,314,725	(15,979,629)
	(19,389,864)	1,043,549	(18,346,315)
Total	(17,730,825)	4,975,083	(12,755,742)

1. STATUTORY INFORMATION

Scoffs Group Ltd is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

Basis of consolidation
The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2020. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consideration.

continued...

3. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

Classification of a lease
Determining whether leases entered into by the group as a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred to the group.

Impairment of investments
The group assesses at each reporting date whether there is any indication that investments may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. If there are no indications of impairment, it is not necessary to estimate the recoverable amount.

When undertaking this review for potential, management assess the various information available to it, both internally, and externally.

Critical accounting estimates and assumptions
The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Useful economic lives of intangible assets
The annual amortisation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re - assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, further investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of intangible assets, and note 3 for the useful economic lives for each class of asset.

Useful economic lives of tangible assets
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re - assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, further investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of tangible assets, and note 3 for the useful economic lives for each class of asset.

Dilapidation and decommissioning contingent liability
The group makes an estimate per store on how much its liability would be to restore each store to the conditions outlined in the lease. When assessing this the group considered various matters including, the current condition of each store and the amount of leasehold improvement that have been made that would be required to be removed. See note 26 for further details on this contingent liability.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The group operates from various stores across the United Kingdom.

Goodwill
Goodwill is stated at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over its estimated useful life on a straight line basis.

The directors annually reappraise the useful economic life of goodwill on the balance sheet and believe that a total useful economic life of 20 years remains appropriate for the group.

continued...

3. **ACCOUNTING POLICIES - continued**

Intangible assets
Patents and licence fees (franchise fees) are written off over their estimated useful economic life.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its useful economic life:

Short leasehold	- over the term of the lease
Long leasehold	- over the term of the lease
Improvements to property	- 10% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

In order that depreciation rates are consistent across the group, the fair value of plant and machinery, fixtures and fittings and motor vehicles in some of the undertakings was ascertained and depreciation re-calculated again this year on the above basis on the remaining useful economic life of the assets concerned.

The cumulative difference in the depreciation charge since individual asset acquisition date on this fair value basis is a £471,341 reduction, including a charge of £2,008 in this financial period, and is included in these consolidated financial statements.

Government grants
The company received Local Authority Business Grants and UK Government Grants under the Coronavirus Job Retention Scheme. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

continued...

3. **ACCOUNTING POLICIES - continued**

Financial instruments

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at the transaction value.

They are then subsequently carried at amortised cost using the effective interest rate method,

At the end of each reporting period financial assets are assessed for impairment. If an impairment exists the impairment loss is recognised in the income statement.

Financial assets are derecognised when:
- the contractual right to cash flows from the asset are settled or expire,
- substantially all the risk and rewards of the ownership of the asset are transferred to another party or
- despite retaining some significant risks and rewards, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset without additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at the transaction value.

They are then subsequently carried at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is discharged, cancelled or expires.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight - line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

continued...

3. ACCOUNTING POLICIES - continued

Going concern

At the balance sheet date current liabilities exceeded current assets by £1,694,350 (2019: £3,274,678). Included in creditors are bank loans totalling £2,284,387 (2018: £1,999,532) which are only payable in equal monthly and quarterly instalments over the coming year and within accruals are short leasehold property incentive deferred income totalling £667,491 (2019: £695,117) which is being released over the terms of the lease and are not payable liabilities. Combined with the net assets reported on the consolidated balance sheet of £2,873,675 (2019: £1,493,532) the directors consider it appropriate to prepare these financial statements on a going concern basis.

The COVID-19 pandemic developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by the UK Government to contain the virus have not negatively affected the company's results in the reporting period.

Whilst revenues were negatively affected by the closure of sales locations and restricted operations at various times of the year, prompt actions taken by management and government support provided through Local Authority Business Grants and the UK government Coronavirus Job Retention Scheme, have meant that the company traded profitably in the year.

As a result, and despite the significant uncertainty that exists, we do not believe that there is a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. The director therefore believes that it is appropriate for these financial statements to be prepared on a going concern basis.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

5. OTHER OPERATING INCOME

	31/12/20	31/12/19
	£	£
Rents received	31,508	17,226
Sundry income	417,414	430,966
Government grants	4,290,791	-
	4,739,713	448,192

Government grants received in the year relate to Local Authority Business Grants and UK Government Coronavirus Job Retention Scheme Grants received due to the Covid-19 pandemic.

6. EMPLOYEES AND DIRECTORS

	31/12/20	31/12/19
	£	£
Wages and salaries	8,641,471	9,926,910
Social security costs	410,305	508,465
Other pension costs	108,898	212,642
	9,160,674	10,648,017

continued...

6. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31/12/20	31/12/19
Directors	2	2
Operations managers	11	12
Administration	8	4
Other employees	602	628
	623	646

	31/12/20	31/12/19
	£	£
Directors' remuneration	94,997	47,876

7. OPERATING PROFIT

The operating profit is stated after charging:

	31/12/20	31/12/19
	£	£
Other operating leases	2,421,366	2,706,750
Depreciation - owned assets	1,854,907	1,489,998
Loss on disposal of fixed assets	-	3,645
Goodwill amortisation	727,074	732,075
Patents and licences amortisation	83,766	88,828
Auditors' remuneration	38,000	38,730

8. EXCEPTIONAL ITEMS

	31/12/20	31/12/19
	£	£
Exceptional items	-	(21,676)

In the prior year the group wrote off irrecoverable loans to a company under common control.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/20	31/12/19
	£	£
Bank interest	556,568	698,196
Interest on overdue tax	6,884	-
Interest payable	-	480
Hire purchase	4,240	1,186
	567,692	699,862

continued...

10. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	31/12/20	31/12/19
	£	£
Current tax:		
UK corporation tax	703,565	297,415
UK corporation tax prior year	(129)	(301)
Total current tax	703,436	297,114
Deferred tax	130,862	135,950
Tax on profit	834,298	433,064

11. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

12. DIVIDENDS

	31/12/20	31/12/19
	£	£
Ordinary A shares of £1 each		
Interim	12,000	12,000
Ordinary B Non-voting share share of £1		
Interim	75,000	60,000
	87,000	72,000

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Patents and licences	Totals
	£	£	£
COST			
At 1 January 2020	14,978,221	844,869	15,823,090
Additions	-	5,000	5,000
At 31 December 2020	14,978,221	849,869	15,828,090
AMORTISATION			
At 1 January 2020	1,681,605	655,462	2,337,067
Amortisation for year	727,074	83,766	810,840
At 31 December 2020	2,408,679	739,228	3,147,907
NET BOOK VALUE			
At 31 December 2020	12,569,542	110,641	12,680,183
At 31 December 2019	13,296,616	189,407	13,486,023

continued...

13. INTANGIBLE FIXED ASSETS - continued

Group

The directors annually reappraise the useful economic life of goodwill on the balance sheet and believe that a total useful economic life of 20 years is appropriate for the group.

Company

	Goodwill £
COST	
At 1 January 2020	
and 31 December 2020	89,590
AMORTISATION	
At 1 January 2020	
and 31 December 2020	89,590
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	-

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Long leasehold £	Improvements to property £
COST				
At 1 January 2020	190,681	1,740,992	515,112	6,898,713
Additions	-	900	633,293	304,114
At 31 December 2020	190,681	1,741,892	1,148,405	7,202,827
DEPRECIATION				
At 1 January 2020	3,814	1,412,614	2,230	3,199,166
Charge for year	3,813	99,692	600	570,367
At 31 December 2020	7,627	1,512,306	2,830	3,769,533
NET BOOK VALUE				
At 31 December 2020	183,054	229,586	1,145,575	3,433,294
At 31 December 2019	186,867	328,378	512,882	3,699,547

continued...

14. **TANGIBLE FIXED ASSETS - continued**

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2020	5,428,472	6,321,076	160,253	71,625	21,326,924
Additions	98,365	212,309	-	9,324	1,258,305
At 31 December 2020	5,526,837	6,533,385	160,253	80,949	22,585,229
DEPRECIATION					
At 1 January 2020	3,638,509	3,959,066	2,418	41,071	12,258,888
Charge for year	435,711	663,909	60,562	20,253	1,854,907
At 31 December 2020	4,074,220	4,622,975	62,980	61,324	14,113,795
NET BOOK VALUE					
At 31 December 2020	1,452,617	1,910,410	97,273	19,625	8,471,434
At 31 December 2019	1,789,963	2,362,010	157,835	30,554	9,068,036

Company

	Freehold property £	Long leasehold £	Improvements to property £
COST			
At 1 January 2020	190,681	515,112	33,661
Additions	-	633,293	2,800
At 31 December 2020	190,681	1,148,405	36,461
DEPRECIATION			
At 1 January 2020	3,814	2,230	25,024
Charge for year	3,813	600	6,668
At 31 December 2020	7,627	2,830	31,692
NET BOOK VALUE			
At 31 December 2020	183,054	1,145,575	4,769
At 31 December 2019	186,867	512,882	8,637

continued...

14. TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2020	7,000	34,347	155,753	936,554
Additions	-	3,325	-	639,418
At 31 December 2020	7,000	37,672	155,753	1,575,972
DEPRECIATION				
At 1 January 2020	5,695	25,691	36,982	99,436
Charge for year	1,188	4,823	34,871	51,963
At 31 December 2020	6,883	30,514	71,853	151,399
NET BOOK VALUE				
At 31 December 2020	117	7,158	83,900	1,424,573
At 31 December 2019	1,305	8,656	118,771	837,118

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2020 and 31 December 2020	17,457,843
NET BOOK VALUE	
At 31 December 2020	17,457,843
At 31 December 2019	17,457,843

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Scoffs (Essex) Limited
Registered office: 311-313 Collier Row Lane, Collier Row, Essex, RM5 3ND
Nature of business: Costa Coffee franchisee

Class of shares:	% holding
Ordinary	100.00

continued...

15. FIXED ASSET INVESTMENTS - continued

Aimes Limited
Registered office: 311-313 Collier Row Lane, Collier Row, Essex, RM5 3ND
Nature of business: Costa Coffee franchisee

Class of shares:	% holding
Ordinary	100.00

Scoffs (Gidea Park) Limited
Registered office: 311-313 Collier Row Lane, Collier Row, Essex, RM5 3ND
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

Premiere Coffee Limited
Registered office: 311-313 Collier Row Lane, Collier Row, Essex, RM5 3ND
Nature of business: Costa Coffee franchisee

Class of shares:	% holding
Ordinary	100.00

Jurassic Coast Coffee Limited
Registered office: 311-313 Collier Row Lane, Collier Row, Essex, RM5 3ND
Nature of business: Costa Coffee franchisee

Class of shares:	% holding
Ordinary	100.00

Premier Coffee Limited
Registered office: 311-313 Collier Row Lane, Collier Row, Essex, RM5 3ND
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

16. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 January 2020	
and 31 December 2020	2
NET BOOK VALUE	
At 31 December 2020	2
At 31 December 2019	2

The directors have reviewed the market value of the investment property as at 31 December 2020 and revalued it accordingly. There has been no change in fair value during the financial period under review.

continued...

17. **STOCKS**

	Group	
	31/12/20	31/12/19
	£	£
Stocks	309,826	307,472

18. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	£	£	£	£
Trade debtors	344,859	406,737	-	-
Amounts owed by group undertakings	-	-	784,085	1,342,367
Other debtors	550,121	332,525	176,936	54,456
Tax	-	192,496	-	-
VAT	-	-	2,972	8,537
	894,980	931,758	963,993	1,405,360

19. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	£	£	£	£
Bank loans and overdrafts (see note 21)	2,289,102	1,999,532	2,284,387	1,999,532
Hire purchase contracts (see note 22)	14,365	14,365	14,365	14,365
Trade creditors	3,119,167	2,155,536	34,614	5,791
Amounts owed to group undertakings	-	-	1,315,378	256,740
Tax	749,949	278,516	-	-
Social security and other taxes	420,621	113,393	150,526	13,091
Pensions liabilities	20,381	14,638	-	-
VAT	648,063	1,002,965	-	-
Other creditors	93,081	79,731	4,642	1,740
Directors' loan accounts	25,590	67,590	25,590	67,590
Accruals and deferred income	1,731,346	1,423,377	16,819	5,065
	9,111,665	7,149,643	3,846,321	2,363,914

20. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	£	£	£	£
Bank loans (see note 21)	15,979,629	17,294,354	15,884,345	17,294,354
Hire purchase contracts (see note 22)	63,219	81,613	63,219	81,613
	16,042,848	17,375,967	15,947,564	17,375,967

continued...

21. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	2,289,102	1,999,532	2,284,387	1,999,532
Amounts falling due between one and two years:				
Bank loans - 1-2 years	3,020,289	-	2,981,539	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	2,600,323	17,294,354	2,559,589	17,294,354
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more than 5 years	10,359,017	-	10,343,217	-

22. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31/12/20	31/12/19
	£	£
Net obligations repayable:		
Within one year	14,365	14,365
Between one and five years	63,219	81,613
	77,584	95,978

Company

	Hire purchase contracts	
	31/12/20	31/12/19
	£	£
Net obligations repayable:		
Within one year	14,365	14,365
Between one and five years	63,219	81,613
	77,584	95,978

continued...

22. **LEASING AGREEMENTS - continued**

Group

	Non-cancellable operating leases	
	31/12/20	31/12/19
	£	£
Within one year	2,899,078	2,820,041
Between one and five years	10,101,185	9,435,728
In more than five years	8,325,201	6,914,568
	21,325,464	19,170,337

23. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	£	£	£	£
Bank loans	18,268,731	19,293,886	18,168,732	19,293,886

Details of security held:

- First mortgage over a life policy;
- Debenture including fixed charge over all present freehold and leasehold property;
- Fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future;
  First floating charge over all assets, both present and future;
- Unlimited multilateral guarantee given by Scoffs Group Ltd, Aimes Limited, Scoffs (Essex) Limited, Premiere Coffee Limited, Jurassic Coast Coffee Limited;
- Composite company unlimited multilateral guarantee given by Scoffs Group Ltd, Aimes Limited and Scoffs (Essex) Limited, and;
- First legal charge over leasehold property known as Ground Floor, 5 Station Approach, Hose Street, London, E17 9QF

continued...

24. FINANCIAL INSTRUMENTS

Group

	2020	2019
Financial assets that are debt instruments measured at amortised cost	894,980	931,758
Financial assets that are equity instruments measured at cost less impairment	-	-
	894,980	931,758
Financial liabilities measured at amortised cost	23,397,577	23,034,643

Company

	2020	2019
Financial assets that are debt instruments measured at amortised cost	963,993	1,405,360
Financial assets that are equity instruments measured at cost less impairment	17,457,843	17,457,843
	18,421,836	18,863,203
Financial liabilities measured at amortised cost	19,751,476	19,667,226

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings (company only).

Financial assets that are equity instruments measured at cost less impairment comprise of shares in group undertakings (company only).

Financial liabilities measured at amortised cost comprise of trade creditors, tax, social security and other taxes, VAT, other creditors, bank loans, hire purchase and amounts owed to group undertakings (company only).

25. PROVISIONS FOR LIABILITIES

	Group		Company	
	31/12/20	31/12/19	31/12/20	31/12/19
	£	£	£	£
Deferred tax				
Accelerated capital allowances	540,746	409,884	11,664	13,766

Group

	Deferred tax
	£
Balance at 1 January 2020	409,884
Provided during year	130,862
Balance at 31 December 2020	540,746

continued...

25. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax
	£
Balance at 1 January 2020	13,766
Provided during year	(2,102)
Balance at 31 December 2020	11,664

26. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/20 £	31/12/19 £
100,000	Preference	£1	100,000	100,000
100	Ordinary A	£1	100	100
1	Ordinary B Non-voting share	£1	1	1
			100,101	100,101

The preference shares of £1 each are solely redeemable at the discretion of the company and at a point in time at the company's discretion only.

27. CONTINGENT LIABILITIES

Cross guarantee

A cross guarantee exists across all group companies in relation to the bank loan held in the parent undertaking name on behalf of the trading group.

Dilapidations and decommissioning liabilities

At the year end the best estimate of the value of the expenditure expected to be incurred by the group in order to satisfy its obligation to restore its leasehold premises to the condition required under the lease at the agreement at the end of the lease is estimated to be £24,000 per store. At the year end the group operated from 90 stores. There is not expected to be any reimbursement to the group for this.

The leases are for varying period of time and are not all due to expire at once.

The uncertainties relating to the timing of any outflow is due to the group not having a history of exiting any stores once established. The Landlord and Tenant Act 1954 provides that a commercial tenant has the right to renew its lease of the premises that it occupies for the purposes of its business.

No security has been given for the contingent liability.

28. RELATED PARTY DISCLOSURES

At the balance sheet date the group owed £25,590 (2019: £67,590) to the directors.

29. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A Tagliamonti.