

Company Number: 04163938

AZUMI LIMITED

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2019**

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COMPANIES HOUSE

COMPANY INFORMATION

Executive Directors

R Becker
A Waney
K Tefik Akdag
F Falk Sahenk
JS Waney
S Koch
D Mokhtarzadeh
S Mokhtarzadeh
JD Waney
E Umur (appointed 26 March 2019)
JF Casanova (appointed 26 March 2019)

Company secretary

Cornhill Secretaries Limited

Registered Office

5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ

Auditors

BDO LLP
55 Baker Street, London, W1U 7EU

Company Number

04163938

AZUMI LIMITED

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AZUMI LIMITED

STRATEGIC REPORT

Principal Activities and Development of the Group

The principal activity of the Group during the period continued to be operating high class restaurants and at the reporting date the Group had ownership stakes in twenty operating restaurants (2018: twenty operating restaurants) in locations across Europe, Asia, North America and the Middle East. Of the restaurant owning companies included in the Group financial statements, eighteen (2018: eighteen) were controlled by the Group and are consolidated, and two (2018: two) were not controlled by the Group and are accounted for as associated undertakings.

Effective 1 January 2017, the Company began utilising a 52 or 53 week reporting period ending on the Sunday closest to the last day of December. The period ended 29 December 2019 (fiscal year 2019) and the comparative period, ended 30 December 2018 (fiscal year 2018), were both periods of 52 weeks.

Review of Business

At the reporting date, the Group owned or had controlling stakes in seven restaurants in London, three in Florida, and individual restaurants in New York, Las Vegas, Los Angeles, Boston, Dubai, Abu Dhabi, Hong Kong and Rome. The Group also had investments in restaurants in Istanbul and Bangkok.

The results for the Group are set out on page 10 and show that turnover increased to £163.53m from £143.06m representing an increase of 14.31%. The revenue increase is due to the underlying performance of the restaurants, the change in status of Wildfire Entertainment Limited, whereby it became a subsidiary, at the end of December 2018 and the opening of Zuma Boston in May 2019.

Operating profit increased to £22.74m from £18.70m. The increase in profit reflected the increase in revenue noted above and the level of cost control applied. The results include impairment of assets of £5m following the directors' decision to close one restaurant in Florida and one in Los Angeles due to the expectation that their trading performance would remain subdued and a partial impairment of a restaurant in Los Angeles where there is some concern over trading performance.

The Group increased net assets by £6.50m to £57.04m. Group cash balances increased by £4.56m to £17.96m.

The Company increased net assets by £13.35m to £55.18m.

The directors are satisfied with the performance of the Company and Group and are confident the prospects for the future remain good despite the Covid-19 situation.

Financial Key Performance Indicators

The size and nature of the Company and Group's business requires the use of an array of Key Performance Indicators ('KPIs') both financial and strategic to measure performance in relation to our business objectives. With regards to day to day operation of the restaurants, the financial KPIs on the revenue side include cover turns, average spend per head and like for like sales growth, and on the cost side gross profit, payroll and cost margins. For the Group as a whole revenue and a new measure, Earnings before Interest Tax Depreciation Amortisation and Rent ('EBITDAR') are the primary financial KPIs and are shown below. The change to EBITDAR follows the change in accounting for leases under IFRS16.

	2019 £'000	2018 £'000
Revenue	£163,532	£143,056
Revenue growth (year on year)	14.31%	6.68%
EBITDAR	£44,495	£35,318
EBITDAR growth (year on year)	25.98%	(8.82)%

AZUMI LIMITED

STRATEGIC REPORT (CONTINUED)

Principal Risks and Uncertainties

The directors consider that the principal risk to businesses in the restaurant industry is competition from other restaurants. However, the directors believe that this risk is mitigated by the strong brands that the Company and Group have developed.

As is the nature of the restaurant business, the Group has exposure to the general economic climate in the locations where the restaurants operate, however this is mitigated by having a geographical spread of businesses.

The Group aims to ensure that it retains a sufficient level of cash reserves to ensure that the Group has sufficient liquidity to operate. The Group monitors the performance of loss making restaurants and acts accordingly.

Due to the nature of restaurant operations, the Group has relatively low exposure to credit risk. The Group does have amounts due from associated undertakings which it monitors closely.

Due to the nature of the business, whereby the Group generally receives payment immediately, the Group is able to manage its liquidity and cash flow risk.

Covid-19

As for all hospitality and leisure businesses, the COVID-19 outbreak which began to take hold in early 2020 has had a significant impact on the operations of the Group. There is yet to be any clarity on when the Pandemic may end but the directors have taken every practical step to prepare the business to weather the storm.

The Group has been a highly profitable and cash generative business and going into the Pandemic the cash reserves were strong. To protect those cash reserves the dividend, normally paid in March, and the senior team bonuses, normally paid in April, were both suspended indefinitely. The geographical spread of the Group has meant that at any point in time there have been several restaurants trading which has meant some income generation throughout. The directors are also very grateful for the support that most of our suppliers and landlords have given through deferral of payments to rent relief. Accordingly, the directors are confident that the Group can continue to trade as a going concern for the foreseeable future. Indeed, our trading and cash flow forecasts indicate that there is no need to request any amendment to our bank covenants, however, as the Group was ahead of our bank facility repayment schedule by one payment the directors took the opportunity to miss the scheduled repayment at the end of June 2020 but intend to meet future repayments as scheduled.

The steps taken to preserve cash and support trading have included:

- Capital expenditure, recruitment and salary increments were put on hold at the end of February 2020 as the initial risks of the Pandemic started to become apparent.
- Shareholder dividends and senior team bonuses suspended indefinitely.
- Salary sacrifices by most staff with the proportionate sacrifice increasing for more senior roles.
- Deferred payment arrangements with suppliers.
- Rent relief and deferral of payment provided by the vast majority of landlords.
- Reduced spending and cost control across the Group.
- Renegotiation and/or reduction in contractual services.
- Suspension of any unnecessary capital expenditure.
- Offering delivery and take-away in as many locations as possible during and following full lockdowns.

AZUMI LIMITED

STRATEGIC REPORT (CONTINUED)

Covid-19 (continued)

Governments around the world have been very supportive of business with the following initiatives providing significant support to the Group:

- Business rates relief and VAT deferral in the UK.
- The Coronavirus Job Retention Scheme in the UK supporting the majority of the wage cost for furloughed employees.
- The Paycheck Protection Program in the USA whereby loans have been provided which are forgivable if spent on wages and other allowable expenditure.
- Deferral of Federal taxes in the USA.
- Carry back of losses under the CARES Act in the USA generating tax rebates.
- The Governments of Italy, Hong Kong and Turkey have also provided financial support. This has been less significant to the group given the size of the operations in these countries.

The directors have been pleased with how quickly trade has bounced back when restaurants have been allowed to re-open. In some locations restrictions have been lifted, re-imposed due to an increase in infection rates and then lifted again. Each time restrictions have been lifted or eased there has been an immediate improvement in trading levels.

Future Business

The Group continues to seek opportunities to further expand its restaurant business either by opening new restaurants under sole ownership or by majority or minority ownership with business partners. The pipeline of potential opportunities remains strong despite the current situation.

This statutory strategic report was approved by the board of directors and signed on their behalf:

S KOCH

Director

Date: 1st September 2020

AZUMI LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited Company and consolidated Group financial statements of Azumi Limited for the period ended 29 December 2019. The consolidated financial statements report the results of the Group as a whole, which includes Azumi Limited, its subsidiary undertakings and its share of associated undertakings. The consolidated financial statements have been compiled under International Financial Reporting Standards as applicable to the European Union (IFRS).

Please refer to the Company Information and Strategic Report on pages 1 to 3 for the names of directors who served during the period, the activities and the likely future developments of the Company and Group and a discussion of the principal risks and uncertainties. Please refer to note 4 of the financial statements for further disclosure of the financial risks for the Company and Group.

Results and Dividends

The Group share of profit for the period amounted to £15.94m (2018: £13.82m) and the Company profit for the period amounted to £22.20m (2018: £15.16m). During the period the Company paid one interim dividend of 663.85p (2018: 848.60p) per share, being £8.85m (2018: £11.31m).

Going Concern

Whilst is still too early to predict how the pandemic will affect trading for the remainder of 2020 and beyond, with the combination of the actions taken to combat the effects of the pandemic and support provided from governments, suppliers and landlords, as set out in the strategic report and current cash reserves available, the directors' have come to a decision that the Group has adequate resources to continue in operational existence for the foreseeable future.

The directors are regularly reviewing forecast scenarios to model likely and worst case performance of the Group to assess liquidity and compliance with covenants. To date, given the robustness of the company's finances and the performance achieved when restaurants are permitted to trade, none of these forecasts indicated any liquidity or covenant compliance issues. Furthermore, a stress test has been conducted to establish what level of performance would lead to a covenant breach and this level is considered unlikely given the observation of current trading performance during heavy restrictions and previous lockdowns.

Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Events After the Reporting Date

Since the reporting date the Company has not declared or paid a dividend (2018: \$5.65m).

Covid-19 is a significant post balance sheet event having had a material impact on the Company and Group. However, as disclosed in the Strategic Report the Company and Group remain in robust financial health and having modelled a variety of scenarios the directors are confident that the Company and Group will trade through the worldwide crisis.

Subsequent to the reporting date, one of the Group's restaurants located in Florida closed due to the expected fall in revenues post the pandemic.

AZUMI LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Employee Engagement

Azumi Limited is committed to our employees' ongoing enrichment in their careers with us. Through regular weekly human resources visits to our restaurants, monthly global human resources calls with our operations teams, and employee forums, we can identify and introduce impactful development programs throughout the Group that promotes employee engagement and the betterment of the business. Some of these programs include, but are not limited to, English as second language classes, Culinary Trips, Wine Education, Wine Certification, Mental Health and Wellness training, Leadership Development Courses, Continued Education Courses, and Global Cross-training.

Directors' Indemnity Arrangements

The Company maintains appropriate directors' and officers' insurance. The directors also have the benefit of the indemnity provisions in the Company's Articles of Association. These provisions which are qualifying third party indemnity provisions as defined by S.232 of the Companies Act 2006, were in force throughout the period and are currently in force.

Statement of Disclosure of Information to Auditors

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director including making appropriate enquiries of fellow directors and of the Company's auditors for that purpose, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

This report of the directors was approved by the board of directors and signed on their behalf:


S. KOCER

Director

Date: 1st December 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law the directors prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law, and the Company financial statements in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice). The financial statements must, in accordance with IFRS as adopted by the European Union and United Kingdom Generally Accepted Accounting Practice, present fairly the financial position and performance of the Group and Company; such references in the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view.

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 the Group financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- state whether the Parent Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AZUMI LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AZUMI LIMITED

Opinion

We have audited the financial statements of Azumi Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (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's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AZUMI LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AZUMI LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities, 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 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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[http://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Ed Green-Wilkinson, *Senior Statutory Auditor*
For and on behalf of BDO LLP, *Statutory Auditor*
London, UK

Date: 2 December 2020

BDO LLP is a Limited Liability Partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Revenue	6	163,532	143,056
Cost of sales	7	(42,355)	(37,586)
Gross Profit		121,177	105,470
Other income		920	1,354
Administrative expenses	7	(99,361)	(88,129)
Operating profit		22,736	18,695
Finance income	8	107	563
Finance costs	11	(3,027)	(1,973)
Share of profits less losses of associated entities	18	340	950
Profit before Income tax		20,156	18,235
Income tax expense	12	(2,673)	(2,986)
Profit for the period		17,483	15,239
Profit attributable to:			
Owners of the parent		15,937	13,823
Non-controlling interests		1,546	1,416
Other comprehensive income			
Profit for the period		17,483	15,239
Items that may be reclassified subsequently to profit or loss			
Currency translation differences:			
Owners of the parent		(461)	1,470
Non-controlling interests		(27)	143
Share of other comprehensive income of associated entities	18	-	(31)
Total comprehensive income for the period		16,995	16,821
Total comprehensive income for the period attributable to:			
Owners of the parent		15,476	15,262
Non-controlling interests		1,519	1,559

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	29 Dec 2019 £'000	30 Dec 2018 £'000
Assets			
Non-current assets			
Right-of-use assets	14	35,203	
Property plant and equipment	15	38,659	46,623
Other intangible assets	16	49,356	48,102
Investments in associated entities	18	2,646	2,190
Trade and other receivables	20	443	432
Deferred tax asset	26	783	957
Total non-current assets		<u>127,090</u>	<u>98,304</u>
Current Assets			
Inventories	19	4,075	3,817
Trade and other receivables	20	9,725	10,274
Current tax assets		728	238
Cash and cash equivalents	21	17,962	13,397
Total current assets		<u>32,490</u>	<u>27,726</u>
Total Assets		<u><u>159,580</u></u>	<u><u>126,030</u></u>
Equity and liabilities			
Capital and reserves attributable to owners of the company			
Ordinary shares	22	133	133
Share premium	22	1,080	1,080
Retained reserves		42,905	35,819
Foreign currency translation reserve		4,461	4,922
Equity attributable to owners of the company		<u>48,579</u>	<u>41,954</u>
Non-controlling interest	24	8,459	8,585
Total Equity		<u><u>57,038</u></u>	<u><u>50,539</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		29 Dec 2019 £'000	30 Dec 2018 £'000
Liabilities			
Non-current liabilities			
Borrowings	25	24,847	31,083
Deferred tax liabilities	26	1,328	1,401
Trade and other payables	27	8,550	7,101
Lease liabilities	28	29,450	
Total non-current liabilities		64,175	39,585
Current Liabilities			
Borrowings	25	5,352	5,537
Trade and other payables	27	23,782	26,959
Lease liabilities	28	6,487	
Current tax liabilities		2,766	3,410
Total current liabilities		38,367	35,906
Total liabilities		102,542	75,491
Total equity and liabilities		159,580	126,030

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:


S. KOCH

Director

Date: 1st December 2020

Company number: 04163938

COMPANY STATEMENT OF FINANCIAL POSITION

		29 Dec 2019	30 Dec 2018
		£'000	£'000
Assets			
Non-current assets			
Right-of-use assets	14	1,092	-
Property plant and equipment	15	500	458
Other intangible assets	16	-	-
Investments in subsidiaries and associated entities	17	72,979	74,082
Deferred tax asset	26	243	398
Total non-current assets		<u>74,814</u>	<u>74,938</u>
Current Assets			
Inventories	19	310	371
Trade and other receivables	20	13,899	10,620
Current tax assets		698	-
Cash and cash equivalents	21	6,293	5,414
Total current assets		<u>21,200</u>	<u>16,405</u>
Total Assets		<u><u>96,014</u></u>	<u><u>91,343</u></u>
Equity and liabilities			
Capital and reserves			
Ordinary shares	22	133	133
Share premium	22	1,080	1,080
Retained reserves		53,963	40,814
Total Equity		<u><u>55,176</u></u>	<u><u>41,827</u></u>

AZUMI LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

		29 Dec 2019 £'000	30 Dec 2018 £'000
Liabilities			
Non-current liabilities			
Borrowings	25	24,847	31,083
Lease liabilities	28	541	-
Total non-current liabilities		<u>25,388</u>	<u>31,083</u>
Current Liabilities			
Borrowings	25	5,352	5,537
Trade and other payables	27	8,269	11,124
Lease liabilities	28	565	-
Current tax liabilities		1,264	1,772
Total current liabilities		<u>15,450</u>	<u>18,433</u>
Total liabilities		<u>40,838</u>	<u>49,516</u>
Total equity and liabilities		<u><u>96,014</u></u>	<u><u>91,343</u></u>

The parent company made a profit of £22,200,000 (2018: £15,158,000) for the financial period.

The financial statements were approved and authorised for issue by the Board and signed on its behalf by:

S KOCH

Director

Date: 1st December 2019

Company number: 04163938

AZUMI LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital £'000	Share Premium £'000	Foreign Currency Translation Reserve £'000	Retained Reserves £'000	Total £'000	Non – Controlling Interest £'000	Total Equity £'000
Balance at 1 January 2018		133	1,080	3,483	33,311	38,007	8,111	46,118
Comprehensive Income								
Profit for the period		-	-	-	13,823	13,823	1,416	15,239
Other comprehensive income								
Currency translation differences		-	-	1,470	-	1,470	143	1,613
Share of other comprehensive income of associated entities		-	-	(31)	-	(31)	-	(31)
Total comprehensive income		-	-	1,439	13,823	15,262	1,559	16,821
Transactions with owners	13, 24	-	-	-	(11,315)	(11,315)	(1,085)	(12,400)
Dividends		-	-	-	-	-	-	-
Balance at 30 December 2018		133	1,080	4,922	35,819	41,954	8,585	50,539

AZUMI LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Note	Share Capital £'000	Share Premium £'000	Foreign Currency Translation Reserve £'000	Retained Reserves £'000	Total £'000	Non – Controlling Interest £'000	Total Equity £'000
Balance at 31 December 2018		133	1,080	4,922	35,819	41,954	8,585	50,539
Comprehensive Income								
Profit for the period		-	-	-	15,937	15,937	1,546	17,483
Other comprehensive Income								
Currency translation differences		-	-	(461)	-	(461)	(27)	(488)
Share of other comprehensive income of associated entities		-	-	-	-	-	-	-
Total comprehensive Income		-	-	(461)	15,937	15,476	1,519	16,985
Transactions with owners	13, 24	-	-	-	(8,851)	(8,851)	(1,645)	(10,496)
Dividends		-	-	-	-	-	-	-
Balance at 29 December 2019		133	1,080	4,461	42,905	48,579	8,459	57,038

AZUMI LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital £'000	Share Premium £'000	Retained Reserves £'000	Total £'000
Balance at 1 January 2018		133	1,080	36,771	37,984
Comprehensive Income					
Profit for the period		-	-	15,158	15,158
Total comprehensive Income		-	-	15,158	15,158
Transactions with owners					
Dividends	13	-	-	(11,315)	(11,315)
Balance at 30 December 2018		133	1,080	40,614	41,827
Comprehensive Income					
Profit for the period		-	-	22,200	22,200
Total comprehensive Income		-	-	22,200	22,200
Transactions with owners					
Dividends	13	-	-	(8,851)	(8,851)
Balance at 29 December 2019		133	1,080	53,963	55,176

AZUMI LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

		Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
	Note		
Cash flows from operating activities			
Profit before tax		20,156	18,235
Adjustments for:			
Depreciation and impairment of fixed assets	14,15	17,756	6,440
Loss on disposal		735	-
Foreign exchange losses/(gains) on operating activities		1,763	(842)
Share of profit of associates	18	(340)	(950)
Finance costs	11	3,027	1,973
Finance income	8	(107)	(563)
Cash flows from operations before working capital changes		42,890	24,483
Changes in working capital			
Increase in inventories		(258)	(295)
Decrease/(Increase) in trade and other receivables		538	(2,070)
(Decrease)/Increase in trade and other payables		(1,728)	7,513
Cash generated from operations		41,542	29,641
Interest paid	11	(131)	(543)
Income tax paid		(3,706)	(2,353)
Net cash generated from operating activities		37,705	26,745
Cash flows from investing activities			
Acquisition of subsidiaries and associated undertakings	17	-	(6,690)
Cash acquired on acquisition of associated undertakings	17	-	1,100
Purchases of property, plant and equipment	15	(5,009)	(12,114)
Disposal of property, plant and equipment	15	-	48
Purchases of right-of-use assets	14	(955)	-
Acquisition of intangible assets	16	(1,305)	(300)
Receipts from share buy-back by associated entity	18	-	183
Dividends received from associated entities	18	-	480
Finance income	8	107	563
Net cash used in investing activities		(7,162)	(16,729)

AZUMI LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Cash flows from financing activities			
Dividends paid to Company's shareholders	13	(8,851)	(11,315)
Dividends paid to non-controlling interests	24	(1,845)	(1,085)
Bank borrowing repayments	25	(6,421)	(2,652)
Bank borrowing interest paid	11	(1,366)	(1,430)
Right-of-use lease liability repayments	28	(8,501)	
Foreign exchange (gains)/losses on bank borrowing		(925)	2,277
Net cash used in financing activities		(25,709)	(14,205)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year	21	13,397	17,235
Exchange (losses)/gains on cash and cash equivalents		(269)	351
Cash and cash equivalents at end of year	21	17,962	13,397

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information

These consolidated financial statements are presented in United Kingdom Pounds (or British Pounds or "GBP" or "£"). They comprise the financial statements of the Company and its subsidiaries (together 'the Group') and the Group's interests in associated entities drawn up for the period ended 29 December 2019. All financial information presented has been rounded to the nearest thousand Pounds.

The continuing activities of Azumi Limited ('the Company') and its subsidiaries are the development and operation of restaurants in major cities in the United Kingdom, the USA, Europe, the Middle East and Asia. At the reporting date the Company operated one restaurant, its subsidiaries operated seventeen restaurants and a further two restaurants were operated by associated undertakings.

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The principal place of business is 5 Raphael Street, London SW7 1DL and the registered office is located at 5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ.

2. Summary of Significant Accounting Policies

2.1. Basis of Preparation

The financial statements are prepared under the historical cost convention and are presented in British Pounds as this is the currency of the primary economic environment in which the Company operates.

The Group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The directors have taken advantage of the exemption under the UK Companies Act 2006 s.408 of presenting a Company statement of comprehensive income. The profit after taxation for the period ended 29 December 2019 is presented in the Company's statement of changes in equity.

The Company financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'. The Company has adopted FRS 101 for the first time in the current year, having previously prepared its financial statements under IFRS. The policies applied under the Company's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss. As permitted by FRS 101, the Company has taken advantage of the disclosure exemption in relation to presentation of a cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.2. Going Concern

As for all hospitality and leisure businesses, the COVID-19 outbreak which began to take hold in early 2020 has had a significant impact on the operations of the Group. There is yet to be any clarity on when the Pandemic may end but the directors have taken every practical step to prepare the business to weather the storm.

The Group has been a highly profitable and cash generative business and going into the Pandemic the cash reserves were strong. To protect those cash reserves the dividend, normally paid in March, and the senior team bonuses, normally paid in April, were both suspended indefinitely. The geographical spread of the Group has meant that at any point in time there have been several restaurants trading which has meant some income generation throughout. The directors are also very grateful for the support that most of our suppliers and landlords have given through deferral of payments to rent relief. Accordingly, the directors are confident that the Group can continue to trade as a going concern for the foreseeable future. Indeed, our trading and cash flow forecasts indicate that there is no need to request any amendment to our bank covenants, however, as the Group was ahead of our bank facility repayment schedule by one payment the directors took the opportunity to miss the scheduled repayment at the end of June 2020 but intend to meet future repayments as scheduled.

The steps taken to preserve cash and support trading have included:

- Capital expenditure, recruitment and salary increments were put on hold at the end of February 2020 as the initial risks of the Pandemic started to become apparent.
- Shareholder dividends and senior team bonuses suspended indefinitely.
- Salary sacrifices by most staff with the proportionate sacrifice increasing for more senior roles.
- Deferred payment arrangements with suppliers.
- Rent relief and deferral of payment provided by the vast majority of landlords.
- Reduced spending and cost control across the Group.
- Renegotiation and/or reduction in contractual services.
- Suspension of any unnecessary capital expenditure.
- Offering delivery and take-away in as many locations as possible during and following full lockdowns.

Governments around the world have been very supportive of business with the following initiatives providing significant support to the Group:

- Business rates relief and VAT deferral in the UK.
- The Coronavirus Job Retention Scheme in the UK supporting the majority of the wage cost for furloughed employees.
- The Paycheck Protection Program in the USA whereby loans have been provided which are forgivable if spent on wages and other allowable expenditure.
- Deferral of Federal taxes in the USA.
- Carry back of losses under the CARES Act in the USA generating tax rebates.
- The Governments of Italy, Hong Kong and Turkey have also provided financial support. This has been less significant to the group given the size of the operations in these countries.

The directors have been pleased with how quickly trade has bounced back when restaurants have been allowed to re-open. In some locations restrictions have been lifted, re-imposed due to an increase in infection rates and then lifted again. Each time restrictions have been lifted or eased there has been an immediate improvement in trading levels.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.2. Going Concern (continued)

Whilst it is still too early to predict how the pandemic will affect trading for the remainder of 2020 and beyond, with the combination of the actions taken to combat the effects of the pandemic and support provided from governments, suppliers and landlords, as set out in the strategic report and current cash reserves available, the directors have come to a decision that the Group has adequate resources to continue in operational existence for the foreseeable future.

The directors are regularly reviewing forecast scenarios to model likely and worst case performance of the Group to assess liquidity and compliance with covenants. To date, given the robustness of the company's finances and the performance achieved when restaurants are permitted to trade, none of these forecasts indicated any liquidity or covenant compliance issues. Furthermore, a stress test has been conducted to establish what level of performance would lead to a covenant breach and this level is considered unlikely given the observation of current trading performance during heavy restrictions and previous lockdowns.

Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.3. Consolidation

The financial statements comprise those of the Company, its subsidiaries and the results of its associated entities. Subsidiaries which are directly or indirectly controlled by the Group are consolidated. Control is achieved where the Company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities, which generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The acquisition method of accounting is used by the Group when it undertakes a business combination. Where investments have been made at incorporation of the subsidiary, no goodwill arises. Where an entity is already consolidated as a subsidiary undertaking and there is a further purchase of shares from the non-controlling interest, the difference between the amount paid and the fair value of the assets and liabilities acquired from the non-controlling interest is recognised directly in equity within the consolidated statement of changes in equity. Where an associated entity becomes a subsidiary undertaking, the difference between the amount paid and the fair value of the assets and liabilities acquired is recognised as goodwill.

The consolidated financial statements are based on the financial statements of the individual companies (including associated entities) drawn up using the standard Group accounting policies. Accounting policies applied by individual subsidiaries and associates have been revised where necessary to ensure consistency with Group policies for consolidation purposes. All companies in the Group have reporting dates of 29 or 31 December 2019.

All significant intra-Group transactions and balances between Group entities are eliminated on consolidation. The Group applies a policy of treating equity transactions with a non-controlling interest as transactions between owners when control is not lost of the subsidiary, and transactions are therefore recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.4. Foreign Currency Translation

The Group has determined that British Pounds is its presentational currency.

The Company has determined that British Pounds is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

Transactions in currencies other than British Pounds are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on exchange are included in profit or loss. No Group entity has an operational currency of a hyper-inflationary economy.

In the case of foreign entities the financial statements of the Group's overseas operations are translated as follows on consolidation: assets and liabilities, at exchange rates ruling on the reporting date, income and expense items at the average rate of exchange for the period and equity at exchange rates ruling on the dates of the transactions. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely within the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity. Foreign currency gains and losses are reported on a net basis.

2.5. Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Restaurant sales revenue is recognised once the restaurant customer has been provided with the service. Deposits paid in advance and vouchers purchased are recorded as deferred income and recognised once the service is provided.

Service fees represent service fees from associated entities in return for the provision of know-how and the use of brands and trademarks owned by the Company and are recognised in accordance with the delivery of the services under the terms of the contract.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.6. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the period adjusted for items which are non-assessable or disallowed. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the Income statement unless the item to which the tax relates was recognised outside the income statement being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised and is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.7. Investments in Associated Entities

Investments in associates are those over which the Group has significant influence. These are accounted for using the equity method of accounting. Significant Influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that Company's voting rights.

Investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the Group's share of the profits or losses of the associate after acquisition. At the date of acquisition any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate is recognised as goodwill. The carrying amount of these investments is reduced to recognise any impairment of the value of the individual investment. If the Group's share of losses exceeds its interest in an associate the carrying value of that investment is reduced to nil and the recognition of any further losses is discontinued unless the Group has an obligation to make further funding contributions to that associate.

Where a Group entity has transactions with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associated entity. Accounting policies of associated entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.8. Property, Plant and Equipment

Property, plant and equipment is stated in the statement of financial position at historic purchase cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their useful economic lives as follows:

Leasehold Property and Improvements	Over the period of the lease or the expected useful economic life
Plant and Equipment	25% straight-line per annum
Fixtures and Fittings	25% straight-line per annum

Depreciation is included within administrative expenses within the Statement of Comprehensive Income. Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Comprehensive Income on the date of retirement or disposal.

Assets under construction relate to new restaurants that have not started to trade and therefore no depreciation is charged on these assets. These assets will be transferred to the relevant other asset categories when the restaurants start to trade and will be depreciated in line with Group policy.

2.9. Right-of-use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.10. Intangible Assets

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is assessed annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Other intangible assets include a trademark which is measured at cost and amortised on a straight-line basis over its estimated useful life considered by the directors to be five years. Amortisation is included within administrative expenses within the consolidated statement of comprehensive income.

2.11. Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. If there is a reversal of impairment, the reversal cannot exceed the carrying amount that would have been recognised had the impairment not been made and is reversed to profit or loss.

2.12. Financial Assets

Financial instruments, other than derivative financial instruments, are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value. These are subsequently re-measured at amortised cost using the effective interest method.

2.13. Impairment of Financial Assets

All of the financial assets owned by the Group are carried at amortised cost. The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be estimated reliably.

As an initial step the Group assesses whether there is objective evidence of impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced to the present value of estimated future cash flows and the amount of the loss is recognised in the consolidated income statement.

If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.14. Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. None of the Group's financial liabilities are classified as at fair value through profit and loss and are classified as other financial liabilities. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, within finance costs in the income statement.

2.15. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises the cost of food and beverages and, where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Cost is calculated using the first-in, first-out ('FIFO') method. Net realisable value represents the estimated selling price.

2.16. Trade Receivables

Trade receivables are amounts due from credit card issuers where customers used a credit card to pay for the services performed. Trade receivables are stated at their amortised cost less any allowance for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade and other receivables have been grouped based on days overdue.

2.17. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost, and based on the relevant exchange rates at the reporting date.

2.18. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of taxation, from the proceeds.

2.19. Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.20. Borrowings and Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in net profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are amortised as a finance cost using the effective interest method over the life of the loan.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2.21. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.22. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

2.23. Dividend Distributions

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Summary of Significant Accounting Policies (continued)

2.24. Long-term incentive scheme

The Company and Group operates a long-term incentive scheme for certain employees. Employees may receive a share of profits spread over a five year period. Payment of each tranche is dependent on the applicable employee remaining with the Company or Group for the specified period. The Company and Group recognises the long-term incentive scheme expenses over the vesting period.

3. Adoption of New and Revised International Financial Reporting Standards

The Group has adopted all new and amended IFRS's effective as of 1 January 2019.

The following Accounting Standards and Interpretations that have been adopted are most relevant to the Group:

IFRS 16 Leases

The Company and Group have adopted IFRS 16 from 31 December 2018 and has applied the modified retrospective approach on transition. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The impact of the adoption of this standard on the Group has been to recognise a right-of-use asset at 31 December 2018 with a value of £40,888,000 and a corresponding lease liability. The impact of the adoption of this standard on the Company has been to recognise a right-of-use asset at 31 December 2018 with a value of £1,759,000 and a corresponding lease liability.

The following table reconciles the minimum lease commitment disclosed in the 30 December 2018 annual financial statements to the amount of lease liabilities recognised on 31 December 2018:

	Group £'000	Company £'000
Lease commitment at 30 December 2018	43,720	1,389
Less: correction of prior year commitment	(1,270)	437
	42,450	1,826
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(1,562)	(67)
Lease liability at 31 December 2018	40,888	1,759

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Adoption of New and Revised International Financial Reporting Standards (continued)

New and revised IFRSs in issue but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for periods beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes In Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

4. Financial Risk Management

4.1. Management of capital

Management view the following as the capital of the Company and Group:

The Company	Period ended	
	29 Dec 2019	30 Dec 2018
	£'000	£'000
Bank loan	24,847	31,083
Lease liabilities	541	-
Ordinary shares	133	133
Share premium	1,080	1,080
Retained reserves	53,963	40,614
	<u>80,564</u>	<u>72,910</u>

The Group	Period ended	
	29 Dec 2019	30 Dec 2018
	£'000	£'000
Bank loan	24,847	31,083
Lease liabilities	29,450	-
Ordinary shares	133	133
Share premium	1,080	1,080
Foreign currency translation reserve	4,481	4,922
Retained reserves	42,905	35,819
Non-controlling interest	8,459	8,585
	<u>111,335</u>	<u>81,622</u>

Management consider capital on a Group basis and aim to ensure that the Group has sufficient funds to support its expansion by funding its associated entities with a combination of share capital and longer term loans. Where the subsidiary entities are developing and operating new restaurant sites they may require funds from the Group to be able to support the development costs and the initial working capital requirements.

Details of the bank loan are given in note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Financial risk management

4.2.1. Management consider financial risk management on a Group basis. Management consider that the Group has the following risks:

- Liquidity risk
- Foreign currency risk
- Credit risk

4.2.2. Liquidity risk management

The Group is exposed to liquidity risk which is the risk that the Group will have insufficient cash resources to meet its obligations as they fall due. Management manage liquidity risk by monitoring forecast cash flows, especially in relation to new entities with a requirement for funding, and ensuring that the current profitable restaurant operations are generating sufficient free cash to support the new entities. The following are the undiscounted contractual maturities of financial liabilities of the Group:

The Group – at 29 December 2019	Due in under 3 months	Due between 3 months and 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due in over 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Non-derivative financial liabilities</u>						
Trade and other payables	15,374	8,408	8,550	-	-	32,332
Borrowings	298	5,890	25,407	85	-	31,680
Current tax liabilities		2,766	-	-	-	2,766
Total	15,672	17,064	33,957	85		66,778

The Group – at 30 December 2018	Due in under 3 months	Due between 3 months and 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due in over 5 years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Non-derivative financial liabilities</u>						
Trade and other payables	11,021	8,310	7,101	-	-	26,432
Borrowings	2,754	2,783	5,508	25,575	-	36,620
Current tax liabilities		3,410	-	-	-	3,410
Total	13,775	14,503	12,609	25,575	-	66,462

4.2.3. Foreign currency risk management

Foreign currency risk is the risk that assets and liabilities denominated in foreign currencies will fluctuate in their functional currency value due to movements in foreign exchange rates. The Group is exposed to this risk due to;

- Movements in the value of foreign currency bank accounts,
- Movements in the net assets of the non-GBP denominated subsidiaries
- Loans are provided to associated entities in foreign currencies, and
- The equity accounted share of the profits of the associated entities (including dividends remitted to the parent Company in local currency).

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2 Financial Risk Management (continued)

4.2.3. Foreign currency risk management (continued)

Management consider foreign exchange risk on a Group basis rather than on an entity by entity basis. Management consider the future economic prospects of each location in which it invests to ensure that it is confident that a premier restaurant will be successful in that location. Once management have made the initial investment they do not hedge the currency risk as they have expressed confidence in the prospects of that location. Management accept that foreign exchange rates will fluctuate but only expect to be subject to risk in respect of loans advanced for a limited period until the new restaurant has generated sufficient cash flow to repay its borrowings from the Group. Once a restaurant is successful, management consider that the associated entity will generate revenues, incur costs and pay income taxes in the local currency and so the foreign exchange risk for the Group only relates to retained profits.

Financial assets and liabilities held in currencies other than GBP are as follows:

The Group – at 29 December 2019	In USD	In HKD	In AED	In EUR	In THB	In TKL	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets							
Financial assets of subsidiaries (including bank accounts)	5,050	1,496	4,779	981	-	-	12,306
Loan balances with associated entities	-	-	-	-	78	1,562	1,640
Group share of net assets of associated entities	-	621	-	-	740	-	1,361
Total financial assets	5,050	2,117	4,779	981	818	1,562	15,307
Financial liabilities							
Bank loan	30,199	-	-	-	-	-	30,199
Financial liabilities of subsidiaries	13,937	667	6,398	2,216	-	-	23,218
Amounts owed to Group undertakings	-	319	-	-	84	-	403
Total financial liabilities	44,136	986	6,398	2,216	84	-	53,820
Total exposure	(39,086)	1,131	(1,619)	(1,235)	734	1,562	(38,513)

Based on the amounts in the table above, at 29 December 2019 a 10% strengthening of the British Pound against all other currencies would result in a translation gain of £3,501,000 with a corresponding impact on shareholders' equity. A 10% weakening of the British Pound against all other currencies would result in a translation loss of £4,279,000 with a corresponding impact on shareholders' equity. This sensitivity analysis is considered to be representative of the Group's position throughout the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2 Financial Risk Management (continued)

4.2.3 Foreign currency risk management (continued)

The Group – at 30 December 2018	In USD	In HKD	In AED	In EUR	In THB	In TKL	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets							
Financial assets of subsidiaries (including bank accounts)	4,249	856	2,381	745	-	-	8,231
Loan balances with associated entities	-	-	-	-	27	1,408	1,435
Group share of net assets of associated entities	-	640	-	-	-	-	640
Total financial assets	4,249	1,496	2,381	745	27	1,408	10,306
Financial liabilities							
Bank loan	36,620	-	-	-	-	-	36,620
Financial liabilities of subsidiaries	3,183	471	3,251	1,223	-	-	8,128
Amounts owed to Group undertakings	-	319	-	-	-	-	319
Total financial liabilities	39,803	790	3,251	1,223	-	-	45,067
Total exposure	(35,554)	706	(870)	(478)	27	1,408	(34,761)

Based on the amounts in the table above, at 31 December 2018 a 10% strengthening of the British Pound against all other currencies would result in a translation gain of £3,124,000 with a corresponding impact on shareholders' equity. A 10% weakening of the British Pound against all other currencies would result in a translation loss of £3,818,000 with a corresponding impact on shareholders' equity. This sensitivity analysis is considered to be representative of the Group's position throughout the year.

4.2.4. Credit risk management

Credit risk is the risk that assets will be impaired due to the credit risk of the debtor. Management consider credit risk on a Group basis. The Group is primarily exposed to this risk due to;

- Cash balances held with banks, and
- Loans to and investments in associated entities.

The nature of the restaurant trade means that there are few significant debtors as customers pay for their meal at the same time that the restaurant provides the service. Management mitigate the exposure of cash balances by ensuring that bank accounts are held with large international banks with a sound credit rating. At the reporting dates the maximum exposure is disclosed in the statement of financial position. At 29 December 2019, the Group had exposure to eight banks (2018: eight banks) with a maximum exposure to any one bank of £9,314,000 (2018: £11,263,000).

The loans to associated entities are disclosed individually in note 30 and the maximum exposure is the amount of each individual asset. Management have considered the collectability of these assets at the reporting dates and consider that no loans are past due or that an allowance for impairment would be required this year.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets (note 15)

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets (note 16)

The Group assesses annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units, being the Group's restaurants, have been determined on a basis of fair value less costs to sell, being a multiple of EBITDA less current fair value of net assets.

Impairment of property, plant and equipment and right-of-use assets (notes 14 and 15)

The Group assesses impairment of property, plant and equipment and right-of-use assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax (note 12)

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Other

The Group operates restaurants where there is no material risk in respect of non-collection of amounts receivable other than in respect of investments in associated entities during the set up and early operation of new restaurants. Should any of these restaurants fail to operate profitably then the investments may prove to be impaired.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Revenue

The Group generates revenue from two sources, the operation of its own restaurants in the Company and subsidiary entities and the receipt of service fees from associated entities in return for the provision of know-how and the use of brands and trademarks owned by the Company.

In the period ended 29 December 2019 the Group generated 34.5% (2018: 30.1%) of restaurant sales within the United Kingdom, with 31.8% (2018: 33.4%) being generated in its subsidiaries in Florida, New York, Las Vegas and Los Angeles, 15.0% (2018: 16.4%) being generated in its subsidiary in Dubai, 7.3% (2018: 7.9%) being generated in its subsidiary in Hong Kong, 5.8% (2018: 6.4%) being generated in its subsidiary in Rome, and 5.6% (2018: 5.8%) being generated in its subsidiary in Abu Dhabi. Of the service fees, 100% (2018: 30.2%) was earned from associated entities operating outside of the United Kingdom.

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Restaurant Sales	161,865	142,295
Service Fees	1,667	761
	<u>163,532</u>	<u>143,056</u>

7. Expenses by Category

Included within cost of sales and administrative expenses are the following:

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Depreciation of property, plant and equipment	6,090	6,440
Impairment of property, plant and equipment	5,026	-
Depreciation of right-of-use assets	6,840	-
Loss on disposal of property, plant and equipment	735	-
Cost of inventories of food and beverages recognised as an expense in the period	42,355	37,586
Salaries and other employment costs	47,641	44,634
Operating lease rentals	4,003	10,183
Auditors' remuneration – audit of Group accounts and subsidiaries	90	90
Other fees paid to auditor of the Company and its subsidiaries:		
Taxation compliance services	34	34
Other non-audit services	45	45
Other costs	29,057	26,703
	<u>141,716</u>	<u>125,715</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Finance Income

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Bank interest	20	489
Dividend Income	87	74
	<u>107</u>	<u>563</u>

9. Employee Benefit Expenses

The Group	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Wages and salaries	45,584	42,763
Social security contributions	1,560	1,498
Pensions	497	373
	<u>47,641</u>	<u>44,634</u>

All of the employee benefit expenses are disclosed within administrative expenses within the consolidated statement of comprehensive Income. The Company operates a performance related profit sharing scheme, details of which are given in note 23.

The average number of persons employed by the Group during the period was:

The Group	Period ended 29 Dec 2019 Number	Period ended 30 Dec 2018 Number
Average number of employees	<u>2,024</u>	<u>1,869</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Directors' Remuneration

The following emoluments were paid by the Company and other Group companies in respect of the services of directors of the Company:

The Group	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Directors' emoluments	614	562
Long-term incentive scheme	259	215
	<u>873</u>	<u>777</u>

The emoluments paid by the Company and other Group companies in respect of services provided by the highest paid director of the Company were as follows:

The Group	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Directors' emoluments	328	329
Long-term Incentive scheme	259	215
	<u>587</u>	<u>544</u>

All of the directors' emoluments are disclosed within administrative expenses within the Consolidated Statement of Comprehensive Income. The Company/Group pay the statutory minimum pension contributions on behalf of the directors and the amount was £1,000 (2018: £1,000).

11. Finance Costs

The Group	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Bank loan interest	1,366	1,430
Lease liability interest	1,530	-
Other interest paid	131	543
	<u>3,027</u>	<u>1,973</u>

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Income Tax Expense

12.1. Analysis of tax expense in the period

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
The Group		
Current tax:		
Domestic	2,203	1,558
Foreign	1,093	1,307
Adjustment for prior periods	(724)	81
Total current tax	<u>2,572</u>	<u>2,944</u>
Deferred tax:		
Relating to the origination and reversal of temporary differences (note 26)	101	52
Total deferred tax	<u>101</u>	<u>52</u>
Total tax expense	<u><u>2,673</u></u>	<u><u>2,996</u></u>

12.2. Factors affecting the tax charge for the period

The tax charge for the period is lower (2018: lower) than the standard effective rate of corporation tax for the period ended 30 December 2018 of 19% (2018: 19%). The differences are explained below:

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
The Group		
Profit on ordinary activities before tax	20,156	18,235
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19.00%)	3,830	3,465
Expenses not deductible for tax purposes	(770)	862
Overseas tax in excess of standard rate	861	903
Unutilised tax losses	1,300	703
Capital allowances in excess of depreciation	(449)	(185)
Overseas income not taxable	(1,375)	(2,833)
Adjustments to tax charge in respect of prior periods	(724)	81
Total tax expense for the period	<u><u>2,673</u></u>	<u><u>2,996</u></u>

The main rate of UK corporation tax has been 19% since 1 April 2017 (previously 20%, since 1 April 2015).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Dividends

The Company	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Interim dividend paid on each ordinary share of 663.85p (2018: 848.60p)	8,851	11,315

14. Right-of-use assets

The Company	Land and buildings £'000
Cost	
At 31 December 2018	-
Adjustment on transition to IFRS 16	1,759
Additions	-
At 29 December 2019	1,759
Depreciation	
At 31 December 2018	-
Charge for the period	667
At 29 December 2019	667
Net book value	
At 29 December 2019	1,092
 The Group	 Land and buildings £'000
Cost	
At 31 December 2018	-
Adjustment on transition to IFRS 16	40,888
Additions	955
At 29 December 2019	41,843
Depreciation	
At 31 December 2018	-
Charge for the period	6,640
At 29 December 2019	6,640
Net book value	
At 29 December 2019	35,203

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, Plant and Equipment

The Company

	Leasehold Property and Improvements £'000	Plant and Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost				
At 31 December 2018	823	1,186	1,205	3,214
Additions	45	63	166	274
At 29 December 2019	868	1,249	1,371	3,488
Depreciation				
At 31 December 2018	749	1,016	991	2,756
Charge for the period	18	78	136	232
At 29 December 2019	767	1,094	1,127	2,988
Net book value				
At 29 December 2019	101	155	244	500

	Leasehold Property and Improvements £'000	Plant and Equipment £'000	Fixtures and Fittings £'000	Total £'000
Cost				
At 1 January 2018	813	979	1,194	2,986
Additions	10	207	11	228
At 30 December 2018	823	1,186	1,205	3,214
Depreciation				
At 1 January 2018	735	902	926	2,563
Charge for the year	14	114	65	193
At 30 December 2018	749	1,016	991	2,756
Net book value				
At 30 December 2018	74	170	214	458

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, Plant and Equipment (continued)

The Group	Leasehold Property and Improvements £'000	Plant and Equipment £'000	Fixtures and Fittings £'000	Assets under Construction £'000	Total £'000
Cost					
At 31 December 2018	55,000	16,941	14,561	3,888	90,390
Additions	2,988	792	1,229	-	5,009
Disposals	-	(751)	-	-	(751)
Completed construction	3,710	-	-	(3,710)	-
Foreign exchange movements	(1,689)	(403)	(408)	(16)	(2,516)
At 29 December 2019	60,009	16,579	15,382	162	92,132
Depreciation					
At 31 December 2018	24,567	9,984	9,216	-	43,767
Charge for the period	3,690	1,383	1,017	-	6,090
Disposals	-	(16)	-	-	(16)
Impairment	3,075	1,462	489	-	5,026
Foreign exchange movements	(901)	(261)	(232)	-	(1,394)
At 29 December 2019	30,431	12,552	10,490	-	53,473
Net book value					
At 29 December 2019	29,578	4,027	4,892	162	38,659

Impairment of assets of £5m relate to the directors' decision to close one restaurant in Florida and one in Los Angeles due to the expectation that their trading performance would remain subdued and a partial impairment of a restaurant in Los Angeles where there is some concern over trading performance.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. Property, Plant and Equipment (continued)

	Leasehold Property and Improvements £'000	Plant and Equipment and Fittings £'000	Fixtures and Fittings £'000	Assets under Construction £'000	Total £'000
Cost					
At 1 January 2018	45,125	13,397	11,724	179	70,425
Additions	5,342	2,066	1,163	3,543	12,114
Business combination acquisitions	2,640	903	1,250	-	4,793
Disposals	(376)	(7)	-	-	(383)
Foreign exchange movements	2,269	582	424	166	3,441
At 30 December 2018	55,000	16,941	14,561	3,888	90,390
Depreciation					
At 1 January 2018	18,974	7,357	7,117	-	33,448
Business combination acquisitions	721	839	1,055	-	2,615
Charge for the year	4,133	1,520	787	-	6,440
Disposals	(331)	(3)	-	-	(334)
Foreign exchange movements	1,070	271	257	-	1,598
At 30 December 2018	24,567	9,984	9,218	-	43,767
Net book value					
At 30 December 2018	30,433	6,957	5,345	3,888	46,623

Reclassifications relate to assets under construction which have been transferred to the relevant other asset categories when the restaurants started to trade.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Other Intangible Assets

The Company

Trademark £'000

Cost

At 30 December 2018 and at 29 December 2019

214

Amortisation

At 30 December 2018 and at 29 December 2019

214

Net book value

At 29 December 2019

The Group

Development costs £'000

Trademark £'000

Goodwill £'000

Total £'000

Cost

At 31 December 2018

313

214

47,789

48,316

Additions

62

1,243

-

1,305

Foreign exchange movements

(12)

(39)

-

(51)

At 29 December 2019

363

1,418

47,789

49,570

Depreciation

At 31 December 2018

-

214

-

214

At 29 December 2019

-

214

-

214

Net book value

At 29 December 2019

363

1,204

47,789

49,356

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Other Intangible Assets (continued)

	Development costs £'000	Trademark £'000	Goodwill £'000	Total £'000
Cost				
At 1 January 2018	-	214	41,289	41,503
Additions	300	-	6,500	6,800
Foreign exchange movements	13	-	-	13
At 30 December 2018	<u>313</u>	<u>214</u>	<u>47,789</u>	<u>48,316</u>
Depreciation				
At 1 January 2018	-	214	-	214
At 30 December 2018	<u>-</u>	<u>214</u>	<u>-</u>	<u>214</u>
Net book value				
At 30 December 2018	<u>313</u>	<u>-</u>	<u>47,789</u>	<u>48,102</u>

The Goodwill arose from the business combinations due to the favourable trading activities and strength of the brands. Goodwill arose during the period ended 30 December 2018 on the acquisition of Wildfire Entertainment Limited, going from an associate to subsidiary.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount of the Goodwill has been based on fair value less costs to sell. Fair value is initially estimated using a multiple of EBITDA less average lease costs ("Adjusted EBITDA") using current transaction multiples. Using this multiple on the latest results generates fair values for each cash generating unit in excess of the carrying amounts.

The carrying amount of goodwill is allocated to the following cash generating units (CGUs):

Zuma Hong Kong: £15,698 (2018: £15,698)

Zuma Dubai: £25,291 (2018: £25,581)

Oblix: £8,500 (2018: £8,500)

There are two reasonably determinable influencers of the FV of the operations:

- 1) A change in the subsidiaries' Adjusted EBITDA; and
- 2) A change in the Adjusted EBITDA multiple.

Adjusted EBITDA or adjusted EBITDA multiples would need to drop by over 30% before there would be an impairment charge.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Investments in Subsidiaries and Associated Entities - Company

All subsidiary undertakings of the Group have been included in these consolidated financial statements, the subsidiaries at 29 December 2019 are:

	Country of Incorporation	Registered address	Ownership %	Voting rights %	Principal activity
Robata Restaurants Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Restaurateur
Roka Aldwych Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Restaurateur ¹
Roka Mayfair Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Restaurateur ¹
Roka Limited	United Arab Emirates	PO Box 9275, C/o Al Tamimi & Company, Advocates and Legal Consultants, 20th Floor Maze Tower, Sheikh Zayed Road, Dubai, United Arab Emirates	95	95	Holding Company ¹
Zuma Japanese Restaurants Inc.	USA	The Corporation Trust Company, Corporation Trust Center 1209 Orange St., Wilmington, DE 19801	100	100	Holding Company
Zuma Japanese Restaurant Miami LLC	USA	CT Corporation System, 1200 South Pine Island Road, Plantation, FL 33324	80	80	Restaurateur ²
Zuma Las Vegas LLC	USA	United Corporate Services, Inc., 874 WALKER RD STE C, Dover, DE 19904	90	90	Restaurateur ²
Azumil LLC	USA	Corporation Service Company, 84 State St., Boston, MA 02109	100	100	Restaurateur ²
Zuma USA LLC	USA	VCorp Services, LLC, 1013 Centre Road, Suite 403-B, Wilmington, DE 19805	90	90	Holding Company
Zuma NYC LLC	USA	VCorp Services, LLC, 1013 Centre Road, Suite 403-B, Wilmington, DE 19805	100	100	Restaurateur ³
Zuma Restaurant Ltd	United Arab Emirates	RWV1 (FB), R1, The Galleria, Abu Dhabi Global Market, Al Maryah Island, Abu Dhabi, United Arab Emirates	90	90	Restaurateur

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Investments in Subsidiaries and Associated Entities – Company (continued)

	Country of Incorporation	Registered address	Ownership %	Voting rights %	Principal activity
Zuma Club L.L.C.	United Arab Emirates	Unit P/FR-01, Level POD, Gate Village Building 6, Dubai International Financial Centre, P O Box 506620, Dubai, United Arab Emirates	90	90	Restaurateur
Zuma (Rome) S.R.L	Italy	Via Fontanella Borghese 48, 00186 Roma, Italy	100	100	Restaurateur
Time Result Investments Limited	British Virgin Islands	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI	100	100	Restaurateur
Taddeo Trading Limited	British Virgin Islands	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI	100	100	Holding Company ^{4,6}
Inko Nito UK Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Holding Company
Inko Nito Broadwick Street Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Restaurateur ⁶
Inko Nito Inc	USA	National Registered Agents, Inc., 1209 Orange Street, Wilmington, DE 19801	100	100	Holding Company
Inko Nito Garey USA St. LLC		National Registered Agents, Inc., 818 West Seventh Street, Suite 930, Los Angeles, CA 90017	100	100	Restaurateur ⁷
Beach-Chu Inc	USA	National Registered Agents, Inc., 1209 Orange Street, Wilmington, DE 19801	100	100	Holding Company
Beach-Chu Hallandale LLC	USA	NRAI Services, Inc., 1200 South Pine Island Road, Plantation, FL 33324	100	100	Restaurateur ⁶
Beach-Chu Las Olas LLC	USA	NRAI Services, Inc., 1200 South Pine Island Road, Plantation, FL 33324	100	100	Restaurateur ⁶

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Investments in Subsidiaries and Associated Entities – Company (continued)

	Country of Incorporation	Registered address	Ownership %	Voting rights %	Principal activity
Wildfire Entertainment Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Restaurateur
Roka Restaurant LLC	United Arab Emirates	PO Box 333638, Bur Dubai Business Bay Shop no. B2, Dubai, United Arab Emirates	49	95	Restaurateur ⁹
Azumi Management Services Limited	United Kingdom	5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ	100	100	Dormant ¹
Zuma Holdings USA LLC	USA	United Corporate Services, Inc., 874 WALKER RD STE C, Dover, DE 19904	100	100	Dormant
Robata Holdings USA LLC	USA	United Corporate Services, Inc., 874 WALKER RD STE C, Dover, DE 19904	80	80	Dormant

Inko Nito West 3rd LLC, a 100% owned subsidiary of Inko Nito Inc. registered in USA, was dissolved on 14 November 2019.

- ¹ Roka Aldwych Limited, Roka Mayfair Limited, Roka Limited and Azumi Management Services Limited are subsidiaries of Robata Restaurants Limited.
- ² Zuma Japanese Restaurant Miami LLC, Zuma Las Vegas LLC and Azumi LLC are subsidiaries of Zuma Japanese Restaurants Inc.
- ³ Zuma NYC LLC is a subsidiary of Zuma USA LLC.
- ⁴ Taddeo Trading Limited is the holding Company for Zuma Bangkok Limited.
- ⁵ Taddeo Trading Limited is a joint venture between Azumi Limited and Time Result Investments Limited.
- ⁶ Inko Nito Broadwick Street Limited is a subsidiary of Inko Nito UK Limited.
- ⁷ Inko Nito Garey St. LLC and Inko Nito West 3rd LLC are subsidiaries of Inko Nito Inc.
- ⁸ Beach-Chu Hallandale LLC and Beach-Chu Las Olas LLC are subsidiaries of Beach-Chu Inc.
- ⁹ Roka Restaurant LLC is a subsidiary of Roka Limited.

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Investments In Subsidiaries and Associated Entities – Company (continued)

Movement on Investments In subsidiaries and associated entities

	29 Dec 2019 £'000	30 Dec 2018 £'000
Opening balance	74,082	68,315
New investments made	-	6,690
Debt investments repaid	(1,334)	(1,340)
Foreign exchange movements	231	417
Closing balance	<u>72,979</u>	<u>74,082</u>

Investments made by the Company at the reporting date comprise investments in share capital and long-term financing for subsidiary and associated entities. Of the investments totalling £72,979k (2018: £74,082k), an amount of £9,009k (2018: £10,112k) was long term loans and £63,970k (2018: £63,970k) was equity investments.

Azumi Limited has a majority shareholding in the following UK subsidiaries. The following UK subsidiaries were entitled to, and have opted to take, exemption from the requirement to have an audit of its financial statements for the period ended 29 December 2019 under section 479A of the Companies Act 2006 (UK) relating to subsidiary companies.

- Robata Restaurants Limited (Registration number: 04821373)
- Roka Aldwych Limited (Registration number: 08658887)
- Roka Mayfair Limited (Registration number: 08518885)
- Inko Nito UK Limited (Registration number: 10932004)
- Inko Nito Broadwick Street Limited (Registration number: 10932378)
- Wildfire Entertainment Limited (Registration number: 07913507)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. Investments in Associated Entities - Group

Details of the Group's associated entities at 29 December 2019, all of which are accounted for under the equity method, are:

	Country of Incorporation	Ownership %	Voting rights %	Principal activity
Taraneete International Limited ¹	Hong Kong	45.6	45.6	Restaurateur
Zuma Turizm Ve Gida Pazalama Ticar A.S.	Turkey	40	40	Restaurateur
Zuma Bangkok Limited ²	Thailand	49	65	Restaurateur

¹ The Group owns its interest in Taraneete International Limited within its subsidiary undertaking Robata Restaurants Limited.

² Zuma Bangkok Limited is treated as an associate due to all major decisions requiring agreement from both joint venture parties.

The following table shows the assets, liabilities and equity of the associated entities at the reporting date; all associated entities have the 29 or 31 December 2018 as reporting dates.

	Assets £'000	Liabilities £'000	Equity £'000	Revenue £'000	Profit/(loss) before tax £'000
Taraneete International Limited	1,451	(5)	(1,446)	-	(2)
Zuma Turizm Ve Gida Pazalama Ticar A.S.	1,854	(3,886)	2,032	4,753	(382)
Zuma Bangkok Limited	1,759	(1,449)	(310)	3,236	583

Movement on interests in associates can be summarised as follows:

	29 Dec 2019 £'000	30 Dec 2018 £'000
Opening balance	2,190	2,268
Share buy backs	-	(183)
Stepped acquisition of associate	-	(377)
Share of profit for the period	340	950
Share of other comprehensive income for the period	-	(31)
Dividends paid to Group entities	-	(480)
Foreign exchange movement	116	43
Closing balance	2,646	2,190

The unrecognised share of the losses of associated undertakings for the period ended 29 December 2019 was £153,000 (2018: £600,000). The cumulative unrecognised share of the losses of associated undertakings at the reporting date was £2,017,000 (£1,864,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. Inventories

The Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Food and drinks	310	371
	<u>310</u>	<u>371</u>
The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Food and drinks	4,075	3,817
	<u>4,075</u>	<u>3,817</u>

20. Trade and Other Receivables

Amounts falling due in less than one year

The Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Trade receivables	147	108
Receivables due from subsidiary entities (note 30.3)	12,648	9,512
Receivables due from associated entities (note 30.3)	291	130
Other receivables	385	246
Prepayments	418	624
	<u>13,889</u>	<u>10,620</u>
The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Trade receivables	1,375	1,489
Receivables due from associated entities (note 30.4)	355	284
Other receivables	4,720	3,131
Prepayments	3,275	5,370
	<u>9,725</u>	<u>10,274</u>

Amounts falling due in greater than one year

The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Other receivables	443	432
	<u>443</u>	<u>432</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. Cash and Cash Equivalents

The Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Cash on hand and held in banks	<u>6,283</u>	<u>5,414</u>
The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Cash on hand and held in banks	<u>17,962</u>	<u>13,397</u>

22. Share Capital and Share Premium

The Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Share capital		
Authorised, allotted, called up and fully paid:		
1,333,350 ordinary par value shares of 10p each	<u>133</u>	<u>133</u>
Share premium account	<u>1,080</u>	<u>1,080</u>

23. Long-term Incentive plan

The Company and Group operates a long-term incentive plan for certain employees. Employees may receive a share of profits spread over a five year period. The Grant is approved annually in April of each year based on performance by the Group during the preceding financial year and the first payment is to be made at the end of that month. Therefore, for the purposes of calculating the annual expense, the start date is taken to be end of April when the first payment is due.

The long-term incentive plan meets the recognition criteria of IFRS 2 "Share-based payments". The future payments are made out of cash, so they are to be accounted for as "cash settled share based payments". The Standard requires that the future payment be estimated based on the probability of the criteria being met, adjusted by the number of staff who will be entitled to receive the payment. The estimated future payment is then apportioned on a straight-line basis from the date of the declaration to the date of the estimated payment.

The long-term incentive plan is measured at the fair value of the liability at each period end. The amount included within trade and other payables (note 27) at 29 December 2019 was £1,539,000 (2018: £2,116,000).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. Non-Controlling interests

	29 Dec 2019 £'000	30 Dec 2018 £'000
Opening balance	8,585	8,111
Net exchange adjustments	(27)	143
	<u>8,558</u>	<u>8,254</u>
Non-controlling share of comprehensive income for the period	1,546	1,416
Dividends paid to the non-controlling interest during the period	(1,645)	(1,085)
	<u>8,459</u>	<u>8,585</u>

Details of significant non-controlling interests:

	Country of Incorporation	NCI ownership %	NCI voting rights %	Principal activity
Zuma USA LLC and subsidiaries	USA	10	10	Holding Company and Restaurants

Reconciliation of non-controlling interest

	Zuma USA LLC 29 Dec 2019 £'000	30 Dec 2018 £'000
Opening balance	6,863	6,829
Share of loss for the year	(178)	(158)
Other comprehensive loss	(61)	192
	<u>6,624</u>	<u>6,863</u>

Results for year

	Zuma USA LLC 29 Dec 2019 £'000	30 Dec 2018 £'000
Assets	12,818	14,406
Liabilities	(10,785)	(10,521)
Loss for the year	(1,776)	(1,579)
Cashflows	<u>164</u>	<u>(382)</u>

AZUMI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. Borrowings

The Company and Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Due in less than one year	5,352	5,537
Due in greater than one year	24,847	31,083
	<u>30,199</u>	<u>36,620</u>

Borrowings relate to a facility for US\$57,000,000 entered into by the Company with HSBC Bank plc. The Company has provided as security for the bank loan its investments in Zuma Restaurant Ltd, Time Result Investments Limited, Zuma Club LLC, Zuma Japanese Restaurants Inc., Zuma Japanese Restaurant Miami LLC, Robata Restaurants Limited, Roka Aldwych Limited, Roka Mayfair Limited, Azumi LLC, Inko Nito Inc, Inko Nito Garey St. LLC, Inko Nito West 3rd LLC, Beach-Chu Inc, Beach-Chu Hallandale LLC and Beach-Chu Las Olas LLC. After the year end the investment in Wildfire Entertainment Limited was included in the bank security.

Repayment of the loan is due in six-monthly payments of \$3,500,000 each and a final payment of \$25,500,000 due on 9 February 2022. Interest accrues at USD LIBOR 1m plus a margin and is payable in monthly instalments in arrears.

The Group has complied with the covenants and restrictions imposed by the facility during the financial year and to the date of this report.

26. Deferred Taxation

A deferred taxation liability has been recognised in respect of the temporary timing difference between depreciation charged in the financial statements and the capital allowances claimed in the United Kingdom domiciled subsidiary entities.

A deferred taxation asset has been recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases in a USA domiciled subsidiary entity.

Movements in the deferred taxation liability are all charged through the statement of comprehensive income.

The Group - liability	29 Dec 2019 £'000	30 Dec 2018 £'000
Opening balance	1,401	760
Deferred taxation charged to the statement of comprehensive income in the period:		
Due to changes in the temporary difference	(73)	641
Closing balance	<u>1,328</u>	<u>1,401</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Deferred Taxation (continued)

The Group - assets	29 Dec 2019	30 Dec 2018
	£'000	£'000
Opening balance	(957)	(368)
Deferred taxation credited to the statement of comprehensive income in the period:		
Due to changes in the temporary difference	174	(589)
Closing balance	<u>(783)</u>	<u>(957)</u>
The Company - liabilities	29 Dec 2019	30 Dec 2018
	£'000	£'000
Opening balance	-	43
Deferred taxation credited to the statement of comprehensive income in the period:		
Due to changes in the temporary difference	-	(43)
Closing balance	<u>-</u>	<u>-</u>
The Company - assets	29 Dec 2019	30 Dec 2018
	£'000	£'000
Opening balance	(398)	(368)
Deferred taxation credited to the statement of comprehensive income in the period:		
Due to changes in the temporary difference	155	(30)
Closing balance	<u>(243)</u>	<u>(398)</u>

The major deferred tax liabilities and assets recognised by the Group and Company are:

Deferred tax liabilities - Group	29 Dec 2019	30 Dec 2018
	£'000	£'000
Accelerated capital allowances	<u>1,328</u>	<u>1,401</u>
Deferred tax assets - Group	29 Dec 2019	30 Dec 2018
	£'000	£'000
Long-term incentive plan accrual	244	398
Tax losses	538	559
	<u>783</u>	<u>957</u>
Deferred tax liabilities - Company	29 Dec 2019	30 Dec 2018
	£'000	£'000
Accelerated capital allowances	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. Deferred Taxation (continued)

Deferred tax assets – Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Long-term incentive plan accrual	244	398

27. Trade and Other Payables

Amounts falling due in less than one year

The Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Trade payables	584	642
Payables due to subsidiary entities (note 30.3)	4,318	4,463
Other taxation and social security	711	826
Other payables	681	2,205
Long-term incentive plan (note 23)	1,539	2,116
Accrued expenses	436	872
	<u>8,269</u>	<u>11,124</u>

The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Trade payables	6,515	7,529
Payables due to associated entities (note 30.4)	403	319
Other taxation and social security	2,441	3,492
Other payables	6,466	5,875
Long-term incentive plan (note 23)	1,539	2,116
Accrued expenses	6,418	7,628
	<u>23,782</u>	<u>26,959</u>

Amounts falling due in greater than one year

The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Other payables	8,550	7,101
	<u>8,550</u>	<u>7,101</u>

The Company had no amounts falling due in greater than one year at either of the reporting dates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. Lease liabilities

The Company	29 Dec 2019 £'000	30 Dec 2018 £'000
Due in less than one year	565	-
Due in greater than one year	541	-
	<u>1,108</u>	<u>-</u>

The Group	29 Dec 2019 £'000	30 Dec 2018 £'000
Due in less than one year	6,467	-
Due in greater than one year	29,450	-
	<u>35,917</u>	<u>-</u>

29. Ultimate Controlling Party

The Company has no ultimate controlling party.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in the Group sections of this note. All trading balances do not bear interest and have no fixed term for repayment.

Included in 'Investments in Subsidiary and Associated Entities' (note 17) are loan balances totalling £9,009,000 (2018: £10,112,000). Included within the balance is \$9m (2018: \$9m) due from Zuma USA, LLC, being an unsecured note payable agreement (the note). The note carries interest at 8% per annum plus 10% on the principal amount that has not been paid by the due date. The remaining balances are repayable on demand.

30.1. Transactions between the Company and other related parties

During the period the Company received service fees from subsidiary and associated undertakings:

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Zuma Restaurant Ltd	527	494
Zuma Turizm Ve Gida Pazalama Ticar A.S.	73	44
Zuma NYC LLC	434	438
Zuma Japanese Restaurant Miami LLC	723	762
Robata Restaurants Limited	330	323
Roka Aldwych Limited	213	188
Roka Mayfair Limited	416	436
Zuma (Rome) S.R.L.	334	289
Zuma Las Vegas LLC	530	371
Inko Nito Broadwick Street Limited	68	39
Inko Nito Inc	3	11
Inko Nito Garey St LLC	51	59
Beach-Chu Hallandale LLC	107	125
Beach-Chu Las Olas LLC	61	50
Time Result Investments Limited	496	508
Zuma Club L.L.C.	1,650	1,559
Wildfire Entertainment Limited	518	531
	<u>6,534</u>	<u>6,227</u>

30.2. Transactions between the Group and other related parties

During the period the Group received service fees from associated undertakings:

	Period ended 29 Dec 2019 £'000	Period ended 30 Dec 2018 £'000
Wildfire Entertainment Limited	-	531
Zuma Turizm Ve Gida Pazalama Ticar A.S.	73	44
Zuma Bangkok Limited	81	76
	<u>154</u>	<u>651</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Related Parties (continued)

30.3. Balances between the Company and other related parties

At the reporting date, the Company had the following trading balances outstanding with related parties:

	29 Dec 2019 £'000	30 Dec 2018 £'000
Receivable balances from subsidiaries		
Zuma USA LLC	1,776	1,525
Zuma Japanese Restaurants Inc.	2,237	1,582
Robata Restaurants Limited	273	-
Roka Aldwych Limited	142	96
Roka Mayfair Limited	225	45
Zuma (Rome) S.R.L.	606	395
Zuma Las Vegas LLC	197	103
Inko Nito UK Limited	169	169
Inko Nito Broadwick Street Limited	2,311	2,109
Inko Nito Inc	39	339
Inko Nito Garey St LLC	257	64
Beach-Chu Inc	1,958	1,941
Beach-Chu Hollandale LLC	666	385
Beach-Chu Las Olas LLC	184	105
Time Result Investments Limited	388	236
Wildfire Entertainment Limited	367	418
Roka Restaurant LLC	853	-
	<u>12,648</u>	<u>9,512</u>
Receivable balances from associated undertakings		
Zuma Turizm Ve Gida Pazalama Ticar A.S.	233	113
Zuma Bangkok Limited	58	17
	<u>291</u>	<u>130</u>
Payable balances to subsidiaries		
Zuma Restaurant Ltd	108	22
Zuma Japanese Restaurants Inc.	12	-
Robata Restaurants Limited	1,055	652
Zuma (Rome) S.R.L.	126	-
Taddeo Trading Limited	-	61
Zuma Club L.L.C.	3,017	3,728
	<u>4,318</u>	<u>4,463</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Related Parties (continued)

30.3. Balances between the Company and other related parties (continued)

Non-current

	29 Dec 2019	30 Dec 2018
	£'000	£'000
Receivable balances including debt investments		
Zuma Turizm Ve Gida Pazalama Ticar A.S.	1,284	1,151
Zuma NYC LLC	6,700	6,807
Zuma (Rome) S.R.L.	1,025	2,054
	<u>9,009</u>	<u>10,112</u>

30.4. Balances between the Group and other related parties

At the reporting date, the Group had the following trading balances outstanding with related parties:

	29 Dec 2019	30 Dec 2018
	£'000	£'000
Receivable balances		
Zuma Turizm Ve Gida Pazalama Ticar A.S.	277	257
Zuma Bangkok Limited	78	27
	<u>355</u>	<u>284</u>
Payable balances		
Taraneete International Limited	319	319
Zuma Bangkok Limited	84	-
	<u>403</u>	<u>319</u>

Non-current

	29 Dec 2019	30 Dec 2018
	£'000	£'000
Receivable balances including debt investments		
Zuma Turizm Ve Gida Pazalama Ticar A.S.	1,284	1,151
	<u>1,284</u>	<u>1,151</u>

At the period end, the Group and Company was owed £38,000 (2018: £107,000) by director S Koch.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. Related Parties (continued)

30.5. Dividends paid to shareholders

During the period the Company paid dividends to shareholders:

	29 Dec 2019	30 Dec 2018
	£'000	£'000
Hartford Investment Group Limited	224	294
Rainer Becker	889	1,141
Twin Roses Trading Limited	942	1,198
Sassan & Devika Mokhtarzadeh	1,043	1,330
Raymond Chattwell	388	510
Judith & Arjun Waney	930	1,191
Dream International B.V.	4,435	5,651
	<u>8,851</u>	<u>11,315</u>

30.6. Compensation of key management personnel

The aggregate remuneration of Company management and other members of key management personnel, whether paid by the Company or other Group entities, during the period was:

	29 Dec 2019	30 Dec 2018
	£'000	£'000
Remuneration and long-term incentive scheme	873	1,280

The remuneration of Company management and other members of key management personnel is determined by the board of directors after consideration of the performance of those individuals against targets and the general performance of the Group.

31. Commitments

The Group has capital commitments relating to the restaurants under development totalling £365,375 (2018: £3,577,000) as at the balance sheet date.

Entities of the Group in the process of developing may require funding from the Company and Group before they become self-funding.

32. Post balance sheet events

Since the reporting date the Company has not declared or paid a dividend (2018: \$5.65m).

Covid-19 is a significant post balance sheet event having had a material impact on the Company and Group. However, as disclosed in the Strategic Report the Company and Group remain in robust financial health and having modelled a variety of scenarios the directors are confident that the Company and Group will trade through the worldwide crisis.

Subsequent to the reporting date, one of the Group's restaurants located in Florida closed due to the expected fall in revenues post the pandemic.