

Registered number: 11354227

AMAZONICO UK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022



LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

AMAZONICO UK LIMITED

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AMAZONICO UK LIMITED
COMPANY INFORMATION

DIRECTORS	J F Casanova S J Da Silva De Aguiar B O Riu M Seco Santos C Buyukkaya
REGISTERED NUMBER	11354227
REGISTERED OFFICE	10 Stratford Place Marylebone London W1C 1BA
INDEPENDENT AUDITORS	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

AMAZONICO UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The Directors present their strategic report for the year ended 31 December 2022. The Directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006. It has been prepared solely to provide the shareholders with information to assess how Directors have performed and their duty to promote the success of the Company.

BUSINESS REVIEW

The principal activity of the Company is to operate Amazonico, a high-profile restaurant in Mayfair, London.

DEVELOPMENT AND PERFORMANCE DURING THE YEAR

Turnover for the year ended 31 December 2022 amounted to £22,973,787 (2021: £14,334,733 and the Company made a profit for the year before tax of £3,519,586 (2021: £1,946,480).

The Company had net assets of £3,565,384 at 31 December 2022 (2021: £1,022,236). The Directors believe that the Company will be able to continue to trade for the foreseeable future based on the profits generated during the year, management's thorough reviews on the cash flows and the strong pipeline regarding new management contracts where the Company will earn certain revenues in new openings of Amazonico brand.

The Company is well positioned to recover momentum especially as the travel, hospitality and retail sectors have begun to full trading. The Directors believe that the Company has recovered to pre-pandemic trading and growth which is evidenced with the high operating profits achieved in the year ended 31 December 2022.

FINANCIAL KEY PERFORMANCE INDICATORS

The size and nature of the Company's business requires the use of an array of Key Performance Indicators ('KPIs') both financial and strategic to measure performance in relation to our objectives. Such KPIs have been regularly reviewed by the shareholders and are monitored by management in order to identify any underperformance; which are subject to budget vs actual reviews. With regards to day to day operation of the restaurant, 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 Company, Revenue and Earnings before Interest Tax Depreciation and Amortisation (EBITDA) are the primary financial KPIs and are shown below.

	2022	2021
Total Revenue (£'000)	22,974	14,335
Revenue Growth (year on year)	60.3%	52.1%
EBITDA (£'000)	4,695	3,097
EBITDA Growth (year on year)	51.6%	62.0%

AMAZONICO UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider that the principal risk to businesses in the restaurant industry is competition from other restaurants. Amazonico London started to operate in November 2019; however the Company has built a strong growth and generated operating profit since then except for the limited period of time where the restaurant was closed due to the pandemic in the previous years. The results have been fairly stable and the Company has gained customer attention since the opening.

The Company aims to ensure that it retains a sufficient level of cash reserves to ensure that the Company has sufficient liquidity to operate. The Company has already had sufficient cash during the the current year and neither needed any rearrangement of existing funding deals nor utilised new funding.

Liquidity risk

The liquidity risk refers to the possibility of the Company being unable to meet its cash obligations, mainly in relation to the settlement of amounts due to suppliers/third parties. The daily liquidity position is monitored. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management manages liquidity risk by monitoring forecast cash flows and has not experienced any cash deficit in the current year.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, other assets and cash balances held with banks. Due to the nature of restaurant operations, the Company has relatively low exposure to credit risk.

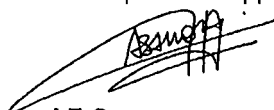
Interest rate risk

Interest rate risk arises from bank loans and intercompany balances that bear interest at a fixed rate. The Directors have reviewed the Company's exposure to interest rates and have concluded that the risk is appropriate in relation to the financial results of the Company.

Operational risk

Demand levels at the restaurant and the competition in the market could erode the Company's position. To address this, the Company and its parent entity Dream International BV (hereinafter referred to as the "Group") regularly monitors the market trends, consumer behaviours and reviews of their customers. Management's aim is to keep customer satisfaction at the highest level and improve service standards whereas necessary. Further, the Company has entered into certain management contracts in order to extend its impact across a wider consumer base globally.

This report was approved by the board and signed on its behalf.



J F Casanova
Director

Date: 26.04.2023

AMAZONICO UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of restaurant services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,543,148 (2021 - £1,946,480).

The Company paid no dividends for the year ended 31 December 2022 (2021 - £nil).

DIRECTORS

The Directors who served during the year were:

J F Casanova
S J Da Silva De Aguiar
B O Riu
M Seco Santos
C Buyukkaya (appointed 27/03/2023)

FUTURE DEVELOPMENTS

There are no future developments of significance identified.

AMAZONICO UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and liquid resources and various items such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the Company's financial instruments are operational risk and liquidity risk. The Company reviews these risks on a periodic basis and takes regular positive steps to minimise such risks.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



J F Casanova
Director

Date: 26.04.2023

AMAZONICO UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMAZONICO UK LIMITED

OPINION

We have audited the financial statements of Amazonico UK Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquires of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations.
- The Company's remuneration policies, key drivers for remuneration and bonus levels; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and UK tax laws and regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law, environmental regulations and food hygiene standards etc.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition, management override, handling of cash receipts, employee fraud (timesheets and existence) and loan covenants. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing revenue recognition on a sample basis;
- performing cash count and comparing to amounts recorded in ledgers;
- discussing controls in place in relation to employee time recording;
- performing employee existence testing;
- reviewing of covenants in place with external lenders to ensure no breaches during the period and checking calculations of covenants reported to lenders to ensure correct calculations;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations; and
- reviewing of UK tax computations and returns to ensure compliance with UK tax law and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lubbock Fine LLP

Stephen Banks (Senior Statutory Auditor)
for and on behalf of
Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date: 27 April 2023

AMAZONICO UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	22,973,787	14,334,733
Cost of sales		(10,721,599)	(7,162,744)
Gross profit		<u>12,252,188</u>	<u>7,171,989</u>
Administration Expenses		(8,959,247)	(5,734,750)
Other operating income	5	<u>324,082</u>	<u>614,551</u>
Operating profit	6	<u>3,617,023</u>	<u>2,051,790</u>
Interest payable and similar expenses	9	<u>(97,437)</u>	<u>(105,310)</u>
Profit before tax		<u>3,519,586</u>	<u>1,946,480</u>
Tax on profit	10	<u>(976,438)</u>	<u>-</u>
Profit after tax		<u><u>2,543,148</u></u>	<u><u>1,946,480</u></u>
Retained earnings at the beginning of the year		1,022,235	(924,245)
Profit for the year		<u>2,543,148</u>	<u>1,946,480</u>
Retained earnings at the end of the year		<u><u>3,565,383</u></u>	<u><u>1,022,235</u></u>

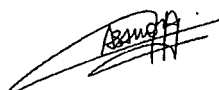
The notes on pages 14 to 27 form part of these financial statements.

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible fixed assets	11	3,068	19,488
Tangible fixed assets	12	8,105,090	9,045,568
		<u>8,108,158</u>	<u>9,065,056</u>
Current assets			
Stocks	13	620,863	377,660
Debtors: amounts falling due after more than one year	14	4,938,312	1,093,920
Debtors: amounts falling due within one year	14	1,298,163	854,984
Cash at bank and in hand	15	3,837,681	4,647,963
		<u>10,695,019</u>	<u>6,974,527</u>
Creditors: amounts falling due within one year	16	(10,471,359)	(10,065,798)
Net current assets/(liabilities)		<u>223,660</u>	<u>(3,091,271)</u>
Total assets less current liabilities		<u>8,331,818</u>	<u>5,973,785</u>
Creditors: amounts falling due after more than one year	17	(3,985,377)	(4,951,549)
Provisions for liabilities			
Deferred tax		(781,057)	-
		<u>(781,057)</u>	<u>-</u>
Net assets		<u><u>3,565,384</u></u>	<u><u>1,022,236</u></u>
Capital and reserves			
Called up share capital	21	1	1
Profit and loss account	22	3,565,383	1,022,235
		<u><u>3,565,384</u></u>	<u><u>1,022,236</u></u>

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



J F Casanova
Director

Date: 26.04.2023

The notes on pages 14 to 27 form part of these financial statements.

AMAZONICO UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	2,543,148	1,946,480
Adjustments for:		
Amortisation of intangible assets	16,420	18,312
Depreciation of tangible assets	1,061,096	1,026,568
Loss on disposal of tangible assets	10,616	-
Interest paid	97,437	105,310
Taxation charge	976,438	-
Increase in stocks	(243,203)	(95,450)
Increase in debtors	(445,742)	(623,258)
Increase in creditors	1,601,963	516,761
Foreign exchange	367,449	(152,302)
Net cash generated from operating activities	<u>5,985,622</u>	<u>2,742,421</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(131,233)	(344,598)
New loans issued	(3,841,830)	-
Net cash from investing activities	<u>(3,973,063)</u>	<u>(344,598)</u>
Cash flows from financing activities		
Repayment of bank loans	(1,021,719)	(998,673)
Drawdown of intercompany loans	-	429,815
Repayment of intercompany loans	(1,703,685)	-
Interest paid	(97,437)	(43,828)
Net cash used in financing activities	<u>(2,822,841)</u>	<u>(612,686)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(810,282)</u>	<u>1,785,137</u>
Cash and cash equivalents at beginning of year	4,647,963	2,862,826
Cash and cash equivalents at the end of year	<u><u>3,837,681</u></u>	<u><u>4,647,963</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>3,837,681</u></u>	<u><u>4,647,963</u></u>

The notes on pages 14 to 27 form part of these financial statements.

AMAZONICO UK LIMITED**ANALYSIS OF NET DEBT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	4,647,963	(810,282)	-	3,837,681
Debt due after 1 year	(4,092,593)	1,056,970	(143,764)	(3,179,387)
Debt due within 1 year	(7,269,426)	1,765,871	(266,264)	(5,769,819)
	<u>(6,714,056)</u>	<u>2,012,559</u>	<u>(410,028)</u>	<u>(5,111,525)</u>

The notes on pages 14 to 27 form part of these financial statements.

AMAZONICO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

Amazonico UK Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is 10 Stratford Place, Marylebone, London, W1C 1BA and its principal place of business is 10 Berkeley Square, London, W1J 6BR.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company meets its day-to-day working capital requirements through the support of group companies. The Directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes that the Company will continue in operational existence with the support of its group companies.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce further liabilities that may arise and reclassify fixed assets as current assets.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2. ACCOUNTING POLICIES (continued)

2.4 Revenue

Revenue from the operation of the restaurant is the amounts billed for goods and services, exclusive of Value Added Tax or other sales taxes, provided to customers during the period. Revenue is recognised at the point of service delivery to customers, or at the point of transfer of ownership of the goods.

2.5 Other income

Income receivable which is not directly related to the restaurant trade is held in other income. Income is recognised to the extent that it is probable that the economic benefits will flow to the Company, the income can be reliably measured, it is probable that the Company will receive the consideration due, and the costs incurred can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. ACCOUNTING POLICIES (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software and website costs	-	3 to 4 years
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2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. ACCOUNTING POLICIES (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- over the term of the lease
Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving stocks.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2. ACCOUNTING POLICIES (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AMAZONICO UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022**

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are considered to be no key sources of estimation uncertainty or judgements which would have a significant impact on the amounts recognised in the financial statements.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Restaurant sales	22,973,787	14,334,733

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022 £	2021 £
Furlough income	-	570,719
Government funds	6,000	43,832
Insurance claims receivable	532	-
Management income	317,550	-
	<u>324,082</u>	<u>614,551</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	1,061,095	1,026,568
Amortisation of intangible assets	16,420	18,312
Exchange differences	367,449	(152,302)
Defined contribution pension cost	48,974	41,253
Lease payments	<u>1,400,000</u>	<u>1,400,000</u>

AMAZONICO UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022**

7. AUDITORS' REMUNERATION

During the year, the Company obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	30,200	24,500

8. EMPLOYEES

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	6,340,621	4,622,017
Social security costs	291,111	240,735
Cost of defined contribution scheme	48,974	41,253
	<u>6,680,706</u>	<u>4,904,005</u>

None of the Directors received remuneration through the Company during the year (2021 - £nil).

During the year ended 31 December 2021, an adjustment of £1,597,710 has been made in the financial statements to recognise gross up of tronc received in turnover and a corresponding increase in cost of sales and administration expenses of £1,401,892 and £195,818 respectively. There was no impact on the reserves position.

The average monthly number of employees, including the Directors, during the year was as follows:

	2022	2021
	No.	No.
Directors	4	4
Management	10	8
Restaurant staff	135	131
	<u>149</u>	<u>143</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Other loan interest payable	<u>97,437</u>	<u>105,310</u>

AMAZONICO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

10. TAXATION

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	195,381	-
Deferred tax		
Deferred tax	781,057	-
	<u>976,438</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>976,438</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	3,519,586	1,946,480
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	668,721	369,831
Effects of:		
Expenses not deductible for tax purposes	3,045	26,044
Capital allowances for year in excess of depreciation	41,042	(32,268)
Utilisation of tax losses	(517,427)	(363,607)
Deferred tax	781,057	-
Total tax charge for the year	<u>976,438</u>	<u>-</u>

Factors that may affect future tax charges

The UK main corporation tax rate will be increased to 25% applying to profits over £250,000 (effective from 1 April 2023) following the Chancellor's Budget on 14 October 2022. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. The effects of these changes have been reflected in the financial statements.

AMAZONICO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11. INTANGIBLE ASSETS

	Software and website costs £
Cost	
At 1 January 2022	58,319
At 31 December 2022	<u>58,319</u>
Amortisation	
At 1 January 2022	38,831
Charge for the year on owned assets	16,420
At 31 December 2022	<u>55,251</u>
Net book value	
At 31 December 2022	<u>3,068</u>
At 31 December 2021	<u>19,488</u>

AMAZONICO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

12. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	8,809,947	1,267,965	985,822	113,003	11,176,737
Additions	-	9,263	96,109	25,861	131,233
Disposals	-	-	(14,260)	-	(14,260)
At 31 December 2022	8,809,947	1,277,228	1,067,671	138,864	11,293,710
Depreciation					
At 1 January 2022	935,003	655,848	469,031	71,287	2,131,169
Charge for the year on owned assets	448,426	318,392	258,644	35,634	1,061,096
Disposals	-	-	(3,644)	-	(3,644)
At 31 December 2022	1,383,429	974,240	724,031	106,921	3,188,621
Net book value					
At 31 December 2022	7,426,518	302,988	343,640	31,943	8,105,089
At 31 December 2021	7,874,944	612,117	516,791	41,716	9,045,568

13. STOCKS

	2022 £	2021 £
Finished goods and goods for resale	620,863	377,660

AMAZONICO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

14. DEBTORS

	2022	2021
	£	£
Due after more than one year		
Amounts owed by other related party	3,841,830	-
Other debtors	1,096,482	1,093,920
	<u>4,938,312</u>	<u>1,093,920</u>
	2022	2021
	£	£
Due within one year		
Trade debtors	261,266	224,287
Amounts owed by group undertakings	171,791	27,086
Other debtors	48,772	4,029
Prepayments and accrued income	816,334	599,582
	<u>1,298,163</u>	<u>854,984</u>

15. CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash at bank and in hand	<u>3,837,681</u>	<u>4,647,963</u>

16. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	1,073,928	1,009,984
Trade creditors	1,569,751	991,069
Amounts owed to group undertakings	4,805,788	6,366,146
Corporation tax	195,381	-
Other taxation and social security	911,775	757,271
Other creditors	963,159	385,022
Accruals and deferred income	951,577	556,306
	<u>10,471,359</u>	<u>10,065,798</u>

AMAZONICO UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022****17. CREDITORS: Amounts falling due after more than one year**

	2022 £	2021 £
Bank loans	3,179,387	4,092,593
Accruals and deferred income	805,990	858,956
	<u>3,985,377</u>	<u>4,951,549</u>

The bank loans totaling £4,253,315 (2021 - £5,102,577) (of which £1,073,928 (2021 - £1,009,984) has been included in amounts falling due in less than one year) has been guaranteed by Mosela Investments SL, the parent undertaking of the Company.

18. LOANS

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	1,073,928	1,009,984
Amounts falling due 2-5 years		
Bank loans	3,179,387	4,092,593
	<u>4,253,315</u>	<u>5,102,577</u>

The bank loans are repayable by installments.

19. FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	<u>5,572,235</u>	<u>1,349,322</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>13,349,580</u>	<u>14,260,076</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors, amounts owed to group undertakings and accruals.

AMAZONICO UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2022****20. DEFERRED TAXATION**

	2022 £
Charged to profit or loss	(781,057)
At end of year	(781,057)

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(782,221)	-
Pension surplus	1,164	-
	(781,057)	-

21. SHARE CAPITAL

	2022 £	2021 £
Allotted, called up and fully paid		
1 (2021 - 1) Ordinary share of £1.00	1	1

22. RESERVES**Profit and loss account**

Includes all current and prior period retained profits and losses less any dividends declared.

23. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £48,974 (2021 - £41,253). Contributions totaling £12,443 (2021 - £10,752) were payable to the fund at the balance sheet date and are included in creditors.

AMAZONICO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	1,400,000	1,400,000
Later than 1 year and not later than 5 years	5,600,000	5,600,000
Later than 5 years	16,094,247	17,494,247
	<u>23,094,247</u>	<u>24,494,247</u>

The Company had reduced lease payments amounting to £200,110 for the period January 2021 to March 2021 arising from COVID-19 related rent concessions over the lease term.

At 31 December 2022 the Company was party to an agreement to pay 8% of gross turnover at the property less rental costs incurred. This agreement expires on 30 June 2039.

25. RELATED PARTY TRANSACTIONS

During the year, the Company made purchases, in the ordinary course of business, from other related parties of £(1,623) (2021 - £91).

As at 31 December 2022, there were amounts receivable from other related parties of £171,791 (2021 - £27,086).

As at 31 December 2022, there were amounts receivable from other related parties of £3,841,830 (2021 - £nil), relating to loan balances. The amounts are unsecured, incur interest at a rate of 1% per annum and are repayable on 30 March 2024.

As at 31 December 2022, £4,695,891 (2021 - £6,259,442) was due to a parent undertaking. The amounts are unsecured, incur interest at a rate of 1% per annum and are repayable on 1 October 2023. In addition to this, a further £109,897 (2021 - £106,704) was due to the same parent undertaking in relation to management charges for the period. This balance is unsecured, interest free and repayable on demand.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent undertaking is Mosela Investments SL, a company incorporated in Spain. The registered office is Calle de Jorge Juan, 19, 28001 Madrid, Spain. The consolidated accounts are not publically available.

The ultimate controlling parties are Sandro Silva and Marta Seco by virtue of their shareholding in Mosela Investments SL.