

Registered number: 03084650

Azzurri Central Limited

Unaudited

Annual Report and Financial Statements

For the Period Ended 2 July 2017



Azzurri Central Limited

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Azzurri Central Limited

Company Information

Directors	James Pickworth Stephen Holmes
Company secretary	James Pickworth
Registered number	03084650
Registered office	3rd Floor Capital House 25 Chapel Street London NW1 5DH

Azzurri Central Limited

Strategic Report For the Period Ended 2 July 2017

Introduction

The directors present their strategic report for Azzurri Central Limited ("the Company") for the 53 weeks ended 2 July 2017 ("the period").

Business review

The results of the Company for the period are set out on page 5 and show a loss on ordinary activities before taxation of £1,518,000 (2016: £1,277,000). The total shareholders' funds as at 2 July 2017 is £46,300,000 (2016: £44,828,000)

Principal risks and uncertainties

The principal risks to which the company is exposed are liquidity and credit risk.

Liquidity risks exist as a result of a loan made to the company by another entity within the group. The company manages this risk by obtaining assurances from that entity that it will not seek repayment of intercompany creditors in the foreseeable future.

Credit risk arises as a result of the company's intercompany debtors balance with Azzurri Restaurants Limited. Having reviewed budgets and forecast for Azzurri Restaurants Limited, the Directors are satisfied that the risk associated with this balance is low.

Financial key performance indicators

Given the holding company nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business. This is achieved instead through its operating subsidiaries, the performance of which is measured through the use of three key performance indicators being sales versus prior year, pre-exceptional EBITDA versus prior year and the number of trading restaurants versus prior year.

A more detailed business review and future developments is included in the financial statements of the company's parent undertaking, Azzurri Group Limited, which does not form part of this report.

This report was approved by the board on 29 March 2018 and signed on its behalf.

James Pickworth
Director



Azzurri Central Limited

Directors' Report For the Period Ended 2 July 2017

The directors present their annual report for the Company together with their financial statements for the 53 weeks ended 2 July 2017.

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the period were:

James Pickworth
Stephen Holmes

Financial instruments

The directors consider that the company's key financial instruments are loan notes and amounts due from and due to group companies. Interest on the loan notes is fixed at 12 per cent per annum and on intercompany loans is fixed at 5 per cent per annum, and is therefore not exposed to movements in interest rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions for the benefit of directors, as defined by the Companies Act 2006, have been in force during the period and at the date of approval of the annual report.

Post balance sheet events

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

Azzurri Central Limited

**Directors' Report (continued)
For the Period Ended 2 July 2017**

Audit Exemption

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the following grounds:

- that for the period ended 2 July 2017 the company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and
- that no notice has been deposited under section 276 of the Companies Act 2006 in relation to the financial statements for the financial year.

The directors acknowledge their responsibilities for

- ensuring that the Company keeps adequate accounting records which comply with section 366 of the Companies Act 2006, and
- preparing financial statement which give a true and fair view of the state of the affairs of the Company at 2 July 2017 and of its profit and loss for the period then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the company.

This report was approved by the board on 29 March 2018 and signed on its behalf.



James Pickworth
Director

Azzurri Central Limited

**Statement of Comprehensive Income
For the Period Ended 2 July 2017**

		53 weeks ended 2 July 2017 £000	<i>52 weeks ended 26 June 2016 £000</i>
	Note		
Interest receivable and similar income	4	4,531	4,135
Interest payable and expenses	5	(3,013)	(2,858)
Profit before tax		1,518	1,277
Tax on profit	6	(46)	240
Profit for the financial period		1,472	1,517

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 8 to 14 form part of these financial statements.

Azzurri Central Limited
Registered number: 03084650

Balance Sheet
As at 2 July 2017

	Note	2 July 2017 £000	26 June 2016 £000
Fixed assets			
Investments	7	39,837	36,416
		<u>39,837</u>	<u>36,416</u>
Current assets			
Debtors	8	69,743	68,633
		<u>69,743</u>	<u>68,633</u>
Creditors: amounts falling due within one year	9	(63,280)	(60,221)
		<u>6,463</u>	<u>8,412</u>
Net current assets		<u>6,463</u>	<u>8,412</u>
Total assets less current liabilities		<u>46,300</u>	<u>44,828</u>
Net assets		<u>46,300</u>	<u>44,828</u>
Capital and reserves			
Called up share capital		5,063	5,063
Share premium account		20,914	20,914
Profit and loss account		20,323	18,851
		<u>46,300</u>	<u>44,828</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

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

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2018.



James Pickworth
Director

Azzurri Central Limited

**Statement of Changes in Equity
For the Period Ended 2 July 2017**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 29 June 2015	5,063	20,914	17,334	43,311
Comprehensive Income for the period				
Profit for the period	-	-	1,517	1,517
Total comprehensive income for the period	-	-	1,517	1,517
At 27 June 2016	5,063	20,914	18,851	44,828
Comprehensive income for the period				
Profit for the period	-	-	1,472	1,472
Total comprehensive income for the period	-	-	1,472	1,472
At 2 July 2017	5,063	20,914	20,323	46,300

Azzurri Central Limited

Notes to the Financial Statements For the Period Ended 2 July 2017

1. General information

The principal activity of Azzurri Central Limited ("Azzurri" and the "Company") is a holding company.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Third Floor, Capital House, 25 Chapel Street, London NW1 5DH.

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 judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Azzurri Group Limited as at 2 July 2017 and these financial statements may be obtained from UK Companies House.

2.3 Going concern

The company is in a net asset position at 2 July 2017. The directors have considered the financial position of the company and concluded that it is appropriate to prepare the financial statements on a going concern basis after obtaining written communication from Azzurri Trading Limited, that it will not seek repayment of intercompany creditors in the foreseeable future and until such a time that the company has sufficient realisable resources to repay the amount owing.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**Notes to the Financial Statements
For the Period Ended 2 July 2017**

2. Accounting policies (continued)

2.5 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.

2.6 Financial instruments

The Company only enters into basic financial instruments 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 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 Comprehensive Income.

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.

2.7 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.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Azzurri Central Limited

**Notes to the Financial Statements
For the Period Ended 2 July 2017**

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

3. Employees

4. Interest receivable

	53 weeks ended 2 July 2017 £000	<i>52 weeks ended 26 June 2016 £000</i>
Interest receivable from group companies	3,311	3,234
Interest receivable on shareholder loan notes	1,220	901
	<u>4,531</u>	<u>4,135</u>

5. Interest payable and similar charges

	53 weeks ended 2 July 2017 £000	<i>52 weeks ended 26 June 2016 £000</i>
Loans from group undertakings	3,013	2,858
	<u>3,013</u>	<u>2,858</u>

Azzurri Central Limited

**Notes to the Financial Statements
For the Period Ended 2 July 2017**

6. Taxation

	53 weeks ended 2 July 2017 £000	52 weeks ended 26 June 2016 £000
Corporation tax		
Current tax on profits for the year	46	(240)
	<u>46</u>	<u>(240)</u>
Total current tax	<u>46</u>	<u>(240)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>46</u>	<u>(240)</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	53 weeks ended 2 July 2017 £000	52 weeks ended 26 June 2016 £000
Profit on ordinary activities before tax	<u>1,518</u>	<u>1,277</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	300	255
Effects of:		
Group relief	(254)	(451)
Transfer pricing adjustments	-	(44)
Total tax charge for the period	<u>46</u>	<u>(240)</u>

Azzurri Central Limited

**Notes to the Financial Statements
For the Period Ended 2 July 2017**

7. Fixed asset investments

	Investments in subsidiary companies £000	Unlisted loan notes £000	Total £000
At 27 June 2016	27,046	9,370	36,416
Additions	-	3,421	3,421
At 2 July 2017	27,046	12,791	39,837
Net book value			
At 2 July 2017	27,046	12,791	39,837
At 26 June 2016	27,046	9,370	36,416

Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Class of shares	Holding	Principal activity
Azzurri Restaurants Limited*	Ordinary Shares	100 %	Operating Restaurants
Azzurri MOF Limited	Ordinary Shares	100 %	Dormant Company
Azzurri ASK 25 Limited	Ordinary Shares	100 %	Dormant Company
Azzurri ITS Limited	Ordinary Shares	100 %	Dormant Company
Azzurri Restaurants Ireland Limited*	Ordinary Shares	100 %	Operating Restaurants
8 Slices Limited*	Ordinary Shares	67.3 %	Operating Restaurants
CDM Group Limited*	Ordinary Shares	63.5 %	Holding Company
CDM Holdco Limited	Ordinary Shares	63.5 %	Holding Company
CDM Trading Limited	Ordinary Shares	63.5 %	Operating Restaurants

Azzurri Central Limited

**Notes to the Financial Statements
For the Period Ended 2 July 2017**

7. Fixed asset investments (continued)

*Shares directly held

All subsidiaries, with the exception of Azzurri Restaurants Ireland Limited, are registered in England and Wales and operate in the United Kingdom. Azzurri Restaurants Ireland Limited is registered and operates in the Republic of Ireland.

Unlisted loan notes

Loan notes are with CDM Holdco Limited and 8 Slices Limited and accrue interest of 12%, the Loan notes are unsecured and redeemable in January 2023.

8. Debtors

	2 July 2017 £000	<i>26 June 2016 £000</i>
Due after more than one year		
Amounts owed by group undertakings	69,715	<i>68,605</i>
	69,715	<i>68,605</i>
Due within one year		
Other debtors	28	<i>28</i>
	69,743	<i>68,633</i>

Amounts owed by group undertakings bear interest at 5 per cent per annum (2016: 5 per cent per annum), are unsecured and repayable on demand.

9. Creditors: Amounts falling due within one year

	2 July 2017 £000	<i>26 June 2016 £000</i>
Amounts owed to group undertakings	63,280	<i>60,009</i>
Corporation tax	-	<i>212</i>
	63,280	<i>60,221</i>

Amounts owed to group undertakings bear interest at 5 per cent per annum (2016: 5 per cent per annum), are unsecured and repayable on demand.

Azzurri Central Limited

Notes to the Financial Statements For the Period Ended 2 July 2017

10. Contingent liabilities

On 29 November 2014, the company and some of the Company's fellow group companies (the 'Original Obligor') became guarantors to a Senior Facilities Agreement between Azzurri Midco 2 Limited and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) London Branch. The facilities were drawn on 21 January 2015 to fund the acquisition of Azzurri Central Limited, at which point, the acquired subsidiaries became 'Additional Obligor' to the agreement. Subsequently new subsidiaries have been included to become 'Additional Obligor' to the agreement, which was re-stated on 2 February 2017 as part of the refinancing undertaken.

The amounts outstanding at the balance sheet dates for these loans were £157,300,000 including accrued interest (2016: £124,186,000).

Each Guarantor irrevocably and unconditionally jointly and severally.

- guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents;
- undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due.

11. Related party transactions

Transactions and balances between companies wholly owned by Azzurri Group Limited have not been disclosed as is permitted by FRS 102 Section 33.1A "Related Party Disclosures".

12. Post balance sheet events

After the balance sheet date the company acquired an additional 30% in CDM Group Limited, bringing the total shareholding to 97.5%.

13. Controlling party

The immediate parent company of Azzurri Central Limited is Azzurri MidCo 2 Limited. Azzurri MidCo 2 Limited is a wholly owned indirect subsidiary of Azzurri Group Limited is a limited company incorporated in England and Wales and the largest and smallest group for which consolidated financial statements are prepared. The financial statements of Azzurri Group Limited are available from the Company Secretary, 3rd Floor, Capital House, 25 Chapel Street, London, NW1 5DH

At 2 July 2017 the Company's immediate and ultimate parent undertakings were the 12 limited partnerships that comprise the Bridgepoint Europe V Fund being Bridgepoint Europe V 'A1' LP, Bridgepoint Europe V 'A2' LP, Bridgepoint Europe V 'A4' LP, Bridgepoint Europe V 'B1' LP, Bridgepoint Europe V 'B2' LP, Bridgepoint Europe V 'B3' LP, Bridgepoint Europe V 'B4' LP, Bridgepoint Europe V 'B5' LP, Bridgepoint Europe V 'C' LP, Bridgepoint Europe V 'D' LP, Bridgepoint Europe V 'E' LP and Wigmore Street Co-Investments No.1 LP (the "Partnerships"). The Partnerships each act by their FCA authorised fund manager, Bridgepoint Advisers Limited. Bridgepoint Advisers Limited's ultimate parent company is Bridgepoint Group Limited. Accordingly, at 2 July 2017, the directors consider the Company's ultimate controlling party to be Bridgepoint Advisors Limited.