

Company Registration No. 05762290 (England and Wales)

AZUR LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

AZUR LIMITED

COMPANY INFORMATION

Directors	Prince M B S Al Saud N Budzynski V A A Cassin
Secretary	Cornhill Secretaries Limited
Company number	05762290
Registered office	5 Market Yard Mews 194-204 Bermondsey Street London SE1 3TQ United Kingdom
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom

AZUR LIMITED

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AZUR LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

Fair review of the business

The group made a pre-tax profit of £2.1 million (2022: £1.6m) for the year on a turnover of £16.5m (2022: £15 million).

As at 31 December 2023, the group had net assets of £276,329 (2022: -£1,273,712).

In the year 2023, the group managed to return its level of operations to pre-pandemic levels while remaining profitable. The group focused on cost control in a difficult economic environment characterised by continued high inflation.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are:

- Competition from other restaurants. The group's management seek to mitigate this by an ongoing assessment of competition restaurants and consideration of any changes needed to its own dining experience to compete.
- Potential reputational damage resulting from clientele. Management applies careful review of all complaints and online postings due to the growing use of web booking and reviewing sites such as Seven Rooms, Google and TripAdvisor.
- The health of the economy and inflation are posing a risk to the demand side as general consumer sentiment is likely to be affected negatively. The group continues to ensure that its product offering is desirable in this trading environment. The group is mitigating potential cost increases and supplier risks by having multiple sources of supply.
- Currency risk is minimal, significant volume of expenses are incurred in the same currency as sales.
- The group has no external loans, continues to grow organically and is not seeking any external loans in the foreseeable future. The immediate parent company confirms their assurance to provide financial support to the group so as to enable it to continue its operation as a going concern in the foreseeable future.

Key performance indicators

In the opinion of the directors, there are several key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

These are viewed before any exceptional costs are incurred.

The key performance indicators that are taken into consideration when managing the restaurants are:

- Total revenue for the year,
- Gross margin on sales after direct ingredient costs,
- Staff costs as a percentage of sales,
- EBITDA as a percentage of sales,

These are compared to budgets and those achieved in previous years.

The Group uses a range of financial key performance indicators to drive performance and monitor and manage the business effectively. These are reported firmwide on a daily, weekly, and monthly basis against targets. The key financial performance indicators for the year were as follows:

Key performance indicators - continued

	2023	2022
	£	£
Revenue	16.5 million	15 million
Gross profit margin	58%	56%
Staff costs	37%	37%
EBITDA	20%	19%

AZUR LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

On behalf of the board

N Budzynski

Director

7 May 2024

AZUR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

Principal activities

The principal activity of the company and group continued to be that of restaurateurs.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Prince M B S Al Saud

N Budzynski

V A A Cassin

K B Ramchand

(Resigned 1 January 2023)

A C Waney

(Resigned 1 January 2023)

Auditor

The auditor, HW Fisher LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

N Budzynski

Director

7 May 2024

AZUR LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AZUR LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AZUR LIMITED

Qualified opinion

We have audited the financial statements of Azur Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Opinion section of our audit report, the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

We were not appointed as auditor of the group until after 31 December 2021 and thus did not observe the counting of physical stock at 31 December 2021. We were unable to satisfy ourselves by alternative means concerning the group and parent company stock quantities of £606,483 and £291,626 respectively held at 31 December 2021 by using other audit procedures. Consequently we were unable to determine whether there was any consequential effect on the cost of sales for the year ended 31 December 2022. Our audit opinion on the financial statements for the year ended 31 December 2022 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves by alternative means concerning the group and parent company stock quantities of £606,483 and £291,626 respectively held at 31 December 2021 by using other audit procedures. We have concluded that where the other information refers to related balance such as corresponding cost of sales or profits, it may be materially misstated for the same reason.

AZUR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AZUR LIMITED

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the Basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our 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

Except for the matter described in the basis for Qualified opinion section of our report, 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 the director's report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

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.

As part of our planning process:

- We enquired of management the systems and controls the group and company has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The group and company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and company. We determined that the following were most relevant: FRS 102, Companies Act 2006 and the Financial Conduct Authority.
- We considered the incentives and opportunities that exist in the group, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the group, together with the discussions held with the group at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

AZUR LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF AZUR LIMITED

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in relation to work in progress, revenue recognition, calculation of goodwill and useful life of goodwill.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party and consolidated balances and transactions.
- Reviewing documentation such as the group's board minutes for discussions of irregularities including fraud.
- Testing all material consolidation adjustments.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with those charged with governance of the group.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Russell Nathan (Senior Statutory Auditor)

For and on behalf of HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

7 May 2024

AZUR LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	16,536,857	14,957,344
Cost of sales		(7,030,834)	(6,485,412)
Gross profit		<u>9,506,033</u>	<u>8,471,932</u>
Administrative expenses		(8,728,799)	(7,584,896)
Other operating income		1,295,539	766,821
Operating profit	4	<u>2,072,773</u>	<u>1,653,857</u>
Interest receivable and similar income	7	67,185	2,365
Interest payable and similar expenses	8	(4,090)	-
Profit before taxation		<u>2,135,868</u>	<u>1,656,222</u>
Tax on profit	9	(410,746)	(532,142)
Profit for the financial year		<u><u>1,725,122</u></u>	<u><u>1,124,080</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

AZUR LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£	£
Profit for the year	1,725,122	1,124,080
Other comprehensive income		
Currency translation differences	(175,081)	26,810
Total comprehensive income for the year	<u>1,550,041</u>	<u>1,150,890</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

AZUR LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Goodwill	10		306,876		346,980
Tangible assets	11		1,957,948		2,905,467
			<u>2,264,824</u>		<u>3,252,447</u>
Current assets					
Stocks	14	771,286		766,826	
Debtors	15	1,900,564		2,022,910	
Cash at bank and in hand		6,083,123		3,614,518	
		<u>8,754,973</u>		<u>6,404,254</u>	
Creditors: amounts falling due within one year	16	(10,743,468)		(10,875,332)	
Net current liabilities			<u>(1,988,495)</u>		<u>{4,471,078}</u>
Total assets less current liabilities			276,329		{1,218,631}
Creditors: amounts falling due after more than one year	17		-		{55,081}
Net assets/(liabilities)			<u>276,329</u>		<u>{1,273,712}</u>
Capital and reserves					
Called up share capital	20		215,054		215,054
Profit and loss reserves			61,275		{1,488,766}
Total equity			<u>276,329</u>		<u>{1,273,712}</u>

The financial statements were approved by the board of directors and authorised for issue on 7 May 2024 and are signed on its behalf by:

N Budzynski
Director

AZUR LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		598,439		1,108,943
Investments	12		1,964,057		1,964,057
			<u>2,562,496</u>		<u>3,073,000</u>
Current assets					
Stocks	14	349,717		329,065	
Debtors	15	1,805,636		2,031,769	
Cash at bank and in hand		3,812,274		1,838,451	
		<u>5,967,627</u>		<u>4,199,285</u>	
Creditors: amounts falling due within one year	16	<u>(9,718,386)</u>		<u>(9,530,663)</u>	
Net current liabilities			<u>(3,750,759)</u>		<u>(5,331,378)</u>
Total assets less current liabilities			<u>(1,188,253)</u>		<u>(2,258,378)</u>
Capital and reserves					
Called up share capital	20		215,054		215,054
Profit and loss reserves			<u>(1,403,317)</u>		<u>(2,473,432)</u>
Total equity			<u>(1,188,253)</u>		<u>(2,258,378)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,070,115 (2022 - £396,460 profit).

The financial statements were approved by the board of directors and authorised for issue on 7 May 2024 and are signed on its behalf by:

N Budzynski
Director

Company Registration No. 05762290

AZUR LIMITED**GROUP STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2022	215,054	(2,639,656)	(2,424,602)
Year ended 31 December 2022:			
Profit for the year	-	1,124,080	1,124,080
Other comprehensive income:			
Currency translation differences	-	26,810	26,810
Total comprehensive income for the year	-	1,150,890	1,150,890
Balance at 31 December 2022	215,054	(1,488,766)	(1,273,712)
Year ended 31 December 2023:			
Profit for the year	-	1,725,122	1,725,122
Other comprehensive income:			
Currency translation differences	-	(175,081)	(175,081)
Total comprehensive income for the year	-	1,550,041	1,550,041
Balance at 31 December 2023	215,054	61,275	276,329

AZUR LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2022	215,054	(2,869,892)	(2,654,838)
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	396,460	396,460
Balance at 31 December 2022	215,054	(2,473,432)	(2,258,378)
Year ended 31 December 2023:			
Profit and total comprehensive income for the year	-	1,070,115	1,070,115
Balance at 31 December 2023	215,054	(1,403,317)	(1,188,263)

AZUR LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24	3,165,757		(4,059,420)	
Interest paid		(4,090)		-	
Income taxes paid		(458,135)		(34,660)	
Net cash inflow/(outflow) from operating activities		2,703,542		(4,094,080)	
Investing activities					
Purchase of tangible fixed assets		(185,114)		(237,749)	
Interest received		67,185		2,365	
Net cash used in investing activities		(117,929)		(235,384)	
Financing activities					
Payment of finance leases obligations		(9,797)		(2,332)	
Net cash used in financing activities		(9,797)		(2,332)	
Net increase/(decrease) in cash and cash equivalents		2,575,816		(4,331,796)	
Cash and cash equivalents at beginning of year		3,614,518		8,048,271	
Effect of foreign exchange rates		(107,211)		(101,957)	
Cash and cash equivalents at end of year		6,083,123		3,614,518	

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Azur Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ.

The group consists of Azur Limited and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Azur Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The directors have carried out their assessment of going concern, having taken into account the level of substantial funding received during the year. Based on this, and the committed support of the shareholders and group companies operating overseas, the directors expect the group to have sufficient resources to continue trading and meet its liabilities for at least 12 months from the date of approval of these financial statements. Therefore the directors have continued to adopt the going concern basis in these financial statements.

1.5 Reporting period

The accounts relate the year ended 31 December 2023. The company comparative figures relate to the period 1 January 2022 to 31 December 2022.

1.6 Turnover

Turnover represents the sale of food and drinks in the restaurant and management fees, net of VAT. The sale of food and drinks is recognised as revenue at the point of sale.

Management fees are recognised based on the agreed percentage on the sales as per the licence agreement between the group entities.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short term leasehold property	Over the period of lease
Leasehold improvements	12.5% straight line
Kitchen equipment	25% straight line
Fixtures and fittings	12.5 - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price. The cost of stock includes the purchase of food, beverages and tobacco products.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors do not consider there to any judgements or key sources of estimation uncertainty during the year.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Restaurant income	16,536,867	14,957,344
	<u>16,536,867</u>	<u>14,957,344</u>
	2023	2022
	£	£
Other significant revenue		
Interest income	67,185	2,365
	<u>67,185</u>	<u>2,365</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
UK	8,798,601	7,483,707
North America	7,738,266	7,473,637
	<u>16,536,867</u>	<u>14,957,344</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	178,544	(367,912)
Depreciation of owned tangible fixed assets	1,032,639	1,126,218
Amortisation of intangible assets	40,104	43,973
	<u>1,241,287</u>	<u>802,279</u>

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Auditor's remuneration			2023	2022
			£	£
Fees payable to the company's auditor and associates:				
For audit services				
Audit of the financial statements of the group and company			48,822	62,000
Audit of the financial statements of the company's subsidiaries			9,926	15,649
			<u>58,748</u>	<u>77,649</u>
			<u><u>58,748</u></u>	<u><u>77,649</u></u>
6 Employees				
The average monthly number of persons (including directors) employed by the group and company during the year was:				
	Group	2022	Company	2022
	2023		2023	
	Number	Number	Number	Number
Administration and Kitchen	135	129	64	53
	<u>135</u>	<u>129</u>	<u>64</u>	<u>53</u>
Their aggregate remuneration comprised:				
	Group	2022	Company	2022
	2023		2023	
	£	£	£	£
Wages and salaries	4,867,870	4,480,359	2,871,549	2,510,397
Social security costs	267,526	168,185	267,526	168,185
Pension costs	42,163	37,307	42,163	37,307
	<u>5,177,559</u>	<u>4,685,851</u>	<u>3,181,238</u>	<u>2,715,889</u>
	<u><u>5,177,559</u></u>	<u><u>4,685,851</u></u>	<u><u>3,181,238</u></u>	<u><u>2,715,889</u></u>
7 Interest receivable and similar income			2023	2022
			£	£
Interest income				
Interest on bank deposits			203	128
Other interest income			66,982	2,237
			<u>67,185</u>	<u>2,365</u>
Total income			<u><u>67,185</u></u>	<u><u>2,365</u></u>
8 Interest payable and similar expenses			2023	2022
			£	£
Other interest			4,090	-
			<u>4,090</u>	<u>-</u>

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Taxation

	2023	2022
	£	£
Current tax		
Foreign current tax on profits for the current period	72,315	34,660
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	338,431	497,482
	<u> </u>	<u> </u>
Total tax charge	<u>410,746</u>	<u>532,142</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	2,135,868	1,656,222
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 22.00% (2022: 19.00%)	469,891	314,682
Tax effect of expenses that are not deductible in determining taxable profit	20,851	2,023
Foreign exchange differences	18,773	(3,050)
Movement in deferred tax not recognised	338,431	497,482
Fixed asset differences	114,905	105,113
Effect of profits arising in foreign subsidiary	(108,924)	(121,039)
Losses carry forward/back	(443,181)	(263,069)
	<u> </u>	<u> </u>
Taxation charge	<u>410,746</u>	<u>532,142</u>

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 January 2023 and 31 December 2023	392,007
	<u> </u>
Amortisation and impairment	
At 1 January 2023	45,027
Amortisation charged for the year	40,104
	<u> </u>
At 31 December 2023	85,131
	<u> </u>
Carrying amount	
At 31 December 2023	306,876
	<u> </u>
At 31 December 2022	346,980
	<u> </u>

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Intangible fixed assets (Continued)

The company had no intangible fixed assets at 31 December 2023 or 31 December 2022.

11 Tangible fixed assets

Group	Short term leasehold property	Leasehold improvements	Kitchen equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost					
At 1 January 2023	442,943	3,540,431	2,834,963	3,142,823	9,961,160
Additions	-	17,124	78,301	114,052	209,477
Exchange adjustments	-	(176,749)	(105,126)	(32,573)	(314,448)
At 31 December 2023	442,943	3,380,806	2,808,138	3,224,302	9,856,189
Depreciation and impairment					
At 1 January 2023	215,258	2,151,374	2,320,043	2,369,018	7,055,693
Depreciation charged in the year	22,147	313,447	254,845	442,200	1,032,639
Exchange adjustments	-	(102,516)	(66,862)	(20,713)	(190,091)
At 31 December 2023	237,405	2,362,305	2,508,026	2,790,505	7,898,241
Carrying amount					
At 31 December 2023	205,538	1,018,501	300,112	433,797	1,957,948
At 31 December 2022	227,685	1,389,057	514,920	773,805	2,905,467
Company					
	£	£	£	£	£
Cost					
At 1 January 2023	442,943	267,019	1,394,580	2,539,568	4,644,110
Additions	-	-	2,012	77,266	79,278
At 31 December 2023	442,943	267,019	1,396,592	2,616,834	4,723,388
Depreciation and impairment					
At 1 January 2023	215,258	252,751	1,081,746	1,985,412	3,535,167
Depreciation charged in the year	22,147	3,058	186,849	377,728	589,782
At 31 December 2023	237,405	255,809	1,268,595	2,363,140	4,124,949
Carrying amount					
At 31 December 2023	205,538	11,210	127,997	253,694	598,439
At 31 December 2022	227,685	14,268	312,834	554,156	1,108,943

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	13	-	-	1,964,057	1,964,057
Movements in fixed asset investments					
Company					Shares in group undertakings
					£
Cost or valuation					
At 1 January 2023 and 31 December 2023					1,964,057
Carrying amount					
At 31 December 2023					1,964,057
At 31 December 2022					1,964,057

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Azur Management Service, Inc	USA	Ordinary	100.00	-
La Petite Maison Restaurants LLC	USA	Ordinary	-	100.00

14 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Finished goods and goods for resale	771,286	766,826	349,717	329,065

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	319,231	137,547	154,035	4,474
Corporation tax recoverable	976,625	596,893	976,625	596,893
Amounts owed by group undertakings	129,673	438,770	301,832	683,832
Other debtors	47,442	80,602	47,442	78,981
Prepayments and accrued income	267,024	246,005	204,301	188,080
	<u>1,739,995</u>	<u>1,499,817</u>	<u>1,684,235</u>	<u>1,552,260</u>
Amounts falling due after more than one year:				
Other debtors	113,668	137,761	74,500	94,177
Deferred tax asset (note 18)	46,901	385,332	46,901	385,332
	<u>160,569</u>	<u>523,093</u>	<u>121,401</u>	<u>479,509</u>
Total debtors	<u>1,900,564</u>	<u>2,022,910</u>	<u>1,805,636</u>	<u>2,031,769</u>

16 Creditors: amounts falling due within one year

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Trade creditors	618,366	570,344	355,586	332,807
Amounts owed to group undertakings	8,520,459	8,697,491	8,222,052	8,263,818
Other taxation and social security	490,932	428,916	462,974	393,713
Other creditors	472,417	118,569	307,712	118,569
Accruals and deferred income	641,294	1,060,012	370,062	421,756
	<u>10,743,468</u>	<u>10,875,332</u>	<u>9,718,386</u>	<u>9,530,663</u>

17 Creditors: amounts falling due after more than one year

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Other creditors	-	55,081	-	-
	<u>-</u>	<u>55,081</u>	<u>-</u>	<u>-</u>

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets 2023 £	Assets 2022 £
Group		
Tax losses	46,901	385,332
	<u>46,901</u>	<u>385,332</u>
	Assets 2023 £	Assets 2022 £
Company		
Tax losses	46,901	385,332
	<u>46,901</u>	<u>385,332</u>
	Group 2023 £	Company 2023 £
Movements in the year:		
Asset at 1 January 2023	(385,332)	(385,332)
Charge to profit or loss	338,431	338,431
	<u>338,431</u>	<u>338,431</u>
Asset at 31 December 2023	(46,901)	(46,901)
	<u>(46,901)</u>	<u>(46,901)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	42,163	37,307
	<u>42,163</u>	<u>37,307</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	215,054	215,054	215,054	215,054
	<u>215,054</u>	<u>215,054</u>	<u>215,054</u>	<u>215,054</u>

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Within one year	731,340	1,188,305	499,968	472,268
Between two and five years	2,420,163	2,518,148	1,263,300	1,299,300
In over five years	5,099,047	5,775,814	4,867,675	5,288,275
	<u>8,250,550</u>	<u>9,482,267</u>	<u>6,630,943</u>	<u>7,059,843</u>

23 Controlling party

The immediate parent company is La Petite Maison Restaurants Limited, whose registered office address is Gate Village 08 DIFC, PO Box 506711, Dubai, United Arab Emirates.

The ultimate parent company is Trends Limited, whose registered office is Riyadh, King Fahad Road Area, Olaya, King Faisal Foundation Tower.

24 Cash generated from/(absorbed by) group operations

	2023 £	2022 £
Profit for the year after tax	1,725,047	1,124,080
Adjustments for:		
Taxation charged	410,746	532,142
Finance costs	4,090	-
Investment income	(67,185)	(2,365)
Amortisation and impairment of intangible assets	40,104	43,973
Depreciation and impairment of tangible fixed assets	1,005,404	937,371
Movements in working capital:		
Increase in stocks	(28,313)	(112,504)
Decrease in debtors	216,550	238,302
Decrease in creditors	(140,676)	(6,820,419)
Cash generated from/(absorbed by) operations	<u>3,165,767</u>	<u>(4,059,420)</u>

AZUR LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Analysis of changes in net funds - group

	1 January 2023	Cash flows	Other non-cash changes	Exchange rate 31 December 2023 movements	
	£	£	£	£	£
Cash at bank and in hand	3,614,518	2,575,816	-	(107,211)	6,083,123
Obligations under finance leases	-	9,797	(9,797)	-	-
	<u>3,614,518</u>	<u>2,585,613</u>	<u>(9,797)</u>	<u>(107,211)</u>	<u>6,083,123</u>

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