

AZZURRIGROUP

Zizzi

ASK
ITALIAN

COCO
DI MAMA



AZZURRI GROUP HOLDINGS UK LIMITED ANNUAL REPORT & ACCOUNTS 2021

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The Azzurri Group operates leading brands in the casual dining & food to go sectors

THE AZZURRI GROUP

- Employs over 4,000 staff
- Serves over 13 million meals annually
- Estate of over 200 restaurants and shops
- 3 restaurants in the Republic of Ireland

Azzurri's core brands **ASK Italian** and **Zizzi** are highly complementary, appealing to a broad customer base, both providing a memorable dining experience and offering great value for money. A constant focus on proposition refinement, menu development and restaurant design keeps the brands in a leading position in a highly competitive market.

The Group also comprises **Coco di Mama**, a quick service Italian food-to-go business operating 15 stores in London specialising in coffee and pasta and has emerged from the pandemic with a nationwide delivery presence.

Brand reviews are included on pages 10 to 18.





OVERVIEW



2021 Highlights

FINANCIAL SUMMARY

£116.9m

Total Revenue

£36m

Delivery Revenues +
5x Increase on pre-Covid

+40%

Uptake in Pay @ table app

£33m

of Liquidity at year end
including undrawn RCF facility of £10m



BUSINESS HIGHLIGHTS

Growth of Delivery Business

Opened “Covid secure” restaurants

98% external audited Covid secure score

CDM Multi-channel expansion

Launch of 130 Coco Di Mama delivery kitchens across the brands
Zizzi retail business in Sainsbury's

Digital Evolution

Complete digital customer journey

Sustainability

Zero Carbon Forum Founding Member

Azzurri’s brands

Zizzi



Restaurants	130
Employees	2,800
Spend per head	£19

We take our passion for simple, delicious Italian food and add a constant stream of fresh inspiration to give each dish a Zizzi twist. Restaurants are individually designed using local themes to inspire original touches, and unique artwork to create a distinctive feel. It’s these touches combined with warm, charismatic service that makes dining at Zizzi feel that little bit special.

ASK
ITALIAN



Restaurants	65
Employees	1,500
Spend per head	£20

Everything we do here – from classic dishes to showstopping signatures, warm service to quintessentially Italian interiors – is so that you can enjoy eating together as much as the Italians do.

COCO
DI MAMA



Shops	15
Delivery Kitchens	130
Employees	75
Spend per head	£5

London’s leading quick service Italian. As well as a range of salads, sandwiches and soups we are famous for fast pasta and artisanal coffee served with a flourish by efficient and energetic teams. The brand is now available nationally for delivery.

Our Purpose

**Our purpose is simple:
to build better food businesses that sustain happy, healthy lives.
We plan to achieve this through:**

RUNNING GREAT BUSINESSES

Drive growth in profits from existing restaurants and shops through:

- Continual innovation and evolution of the proposition
- Constantly evolving award-winning store design
- Ongoing menu innovation
- Improved operational focus on "the basics" to deliver quality and value to our customers

INNOVATION & EXPANSION

- Grow core businesses through the roll-out of new restaurants
- Develop new brands employing Group expertise and infrastructure
- Explore new markets, both locally and internationally
- Embracing multi-channel (Delivery & Retail) and harnessing their upside at incremental margin

LEADING PLATFORM

- Proven ability to continue to grow sector leading brands across a range of site types
- Demonstrated an ability to develop young brands at pace
- Developing and incubating new concepts
- Comprehensive group shared services providing full capability for each brand, irrespective of size
- Proven ability to operate successfully across different markets (e.g. fast casual & food to go)

AZZURRI'S STRENGTHS OUTSTANDING

- Brands
- Quality
- Service
- Value
- People & culture
- Responsible business ownership
- Trading record
- Digital capability
- Growth potential

Chairman's Statement



The 49 week period to 27 June 2021 was an extraordinarily challenging time for businesses operating in the hospitality sector. The inability for customers to “dine in” during the various national and regional lockdowns witnessed in the last year has presented the Group with significant challenges which we have responded to in a positive fashion.

The group was formed on the 17th July 2020 when TowerBrook Capital Partners completed a transaction to acquire selected assets and the business and intellectual property of Zizzi, ASK Italian, Coco di Mama. The restructuring and subsequent efforts secured 210 restaurant and stores and protected over 4,500 jobs. We emerged from the restructuring in July 2020 better placed to face the challenges that lay ahead for the newly formed group with an improved restaurant and store estate, a significantly stronger balance sheet and a meaningfully improved liquidity position.

Our primary focus throughout the Covid pandemic was the safety of both our staff and our customers. Our Health & Safety and Covid audit scores in this area attest to the strength of our teams throughout the group to support fellow team members and our customers. The Board and Management teams throughout the organisation acted in a decisive fashion to minimise losses caused by the closure of dine-in eating and to preserve cash. These actions as we navigated the various lockdowns seen through October 2020 to May 2021 ensured we remained well placed to capitalise once restrictions on dine-in eating were lifted in May 2021.

In the last year, the Group has built a delivery capability that has seen delivery sales increase fivefold compared to pre-pandemic levels. We launched Coco as a national delivery led brand utilising our ASK and Zizzi kitchens, our Coco pasta ranges are now available from over 130 sites in the UK. I'm pleased to report that the step up in delivery sales has continued following the lifting of government restrictions over the summer of 2021.

The last year saw a number of developments in our digital journey. We developed our own Order & Pay @table app during the second half of 2020 and launched this to our customers in December 2020 with over 40% of customers choosing to use the app. We have seen an increase in the proportion of customers booking prior to dining in our restaurants compared to pre-Covid. In anticipation of this change in consumer behaviour we launched a new digital booking system in November 2020 in our restaurants to improve both the customer journey and optimise space in restaurants. We also launched our digital staff communication platforms in Ask and Zizzi during the year which have been well received by our teams and improved our ability to communicate with them as navigated the challenges of the last year.

The group made an operating loss for the period from 14 July 2020 to 27 June 2021 of £28.7m, however the Group made an adjusted EBITDA profit of £5.4m for the period. Adjusted EBITDA is defined as EBIT plus depreciation, amortisation, impairment of tangible and intangible assets, and items of a one-off non-recurring nature. One-off costs relating to net salaries not covered by Job Retention Scheme (JRS) and other professional fees resulted in a EBITDA of £0.6m for the year.

As we navigate the effects of the global pandemic, our businesses are well positioned to deliver long term growth for our shareholders and other stakeholders. Cost pressures and product availability are immediate challenges for the wider sector and our businesses are not immune to this. However, we will continue to focus on what we do best: offer customers exciting experiences in our restaurants and stores at reasonable price points whilst continuing to invest in menu innovation, our restaurants and stores and most importantly, our hard-working teams and people.

Harvey Smyth
Chairman

“As we emerge from the pandemic, the group is increasingly well placed to capitalise on the emerging trends within the sector and I'm excited to see the results of our ongoing investment in our restaurants and stores, digital initiatives and our teams in the months and years ahead”



BUSINESS REVIEW





Zizzi

127

Restaurants across the UK

3

Restaurants in
Republic of Ireland

Trading through the pandemic

In July 2020, after the first lockdown, we welcomed customers back through our doors with an invitation to 'reunite over a Rustica'

Our top priority was making sure our teams and customers felt safe and welcomed. We introduced a new service journey that balanced being COVID-secure with delivering great times, switching to (fully recycled & recyclable) single-use menus and introducing our Zizzi Speedy Order & Pay for customers preferring a contactless experience. Our balance of service and safety was well received by our customers – who rated us highly on our COVID-secure measures (post visit survey, Sept'20-June'21) - while our external benchmark audits demonstrated we were a leader in delivering high Covid safety standards (Food Alert Audits).

In August we were delighted to participate in the government's 'Eat Out to Help Out' initiative, designed to boost hospitality after the first lockdown. During this scheme, Zizzi outperformed the market consistently in terms of like for like sales, while records were set on an almost daily basis with 60 restaurants delivering all-time weekly sales highs.

Throughout the balance of 2020, we successfully navigated regional lockdowns, tiering systems, and two further national lockdowns – all the time optimizing our revenue opportunities in a climate of changing restrictions through flexing between our in-restaurant and our takeaway & delivery offers.

In April 2021 we were able to start welcoming customers back again to enjoy outdoor dining – in preparation and by working with our landlords and local authorities we were able to create nearly 20% more outdoor capacity – capacity that was fully utilized in a very busy period for our business.

Zizzi goes multichannel

The pandemic presented an opportunity to double down on our takeaway and delivery business. We have grown our Zizzi delivery business fivefold and tripled the size of our own takeaway business. Additionally, we have introduced Coco di Mama into over 100 kitchens.

In July 2020 we expanded our delivery presence to not only continue building our long-standing partnership with Deliveroo, but

by making Zizzi available to customers for the first time on Uber Eats and Just Eat.

We have invested in strengthening our 'Out of Restaurant' offer, adding new dishes to our delivery menus to appeal to the at home customer, reshooting our pizza range to demonstrate the generosity and appeal of our products, and made key packaging improvements to Zizzi's fully recyclable packaging range. As a result, by the end of the year we were averaging 4.5 on our delivery app ratings.



The first lockdown also revealed that Zizzi customers were looking for ways to recreate their favourite Zizzi dishes for themselves at home.

In September 2020 we partnered with Sainsbury's to launch our first ever retail range of Rustica pizzas, available in over 300 supermarkets. To date we have sold more than 250,000 pizzas and grown awareness of the range via our social media & CRM touchpoints.

Digitisation of Zizzi

Alongside maximising our trading opportunities, we have used the last year to further our digital strategy, landing several key customer and employee facing tech-enabled improvements.

Firstly, we partnered with a new online booking platform, Design my Night. Selected for both its customer facing attributes, and the support it offers our teams in maximizing their bookings – it has been instrumental in a period where customer behavior has shifted more heavily towards bookings, and at the same time customers have demanded a more sophisticated booking process (e.g. the choice between indoor vs. outdoor tables). To date more than 1.2 million customers have booked through our new platform, and it is becoming an essential tool in optimizing our restaurant capacity.

Additionally, we developed and launched our own web-based order & pay technology – Zizzi Speedy Order - delivering against the insight that customers would prefer not to download another app and give up their personal information. With c40% of customers selecting to use Zizzi Speedy Order, it has supported a faster ordering and payment service enhancing the experience of those who chose a digital journey – enhancing NPS, reducing complaints, and growing capacity.

From an employee perspective we launched a company engagement app: 'Zapp'. This has transformed the way we communicate as a company, giving restaurant teams a platform to talk and ask questions directly to senior leadership, share and celebrate successes across the company, and keep in touch through the pandemic.

'Project Zed': the next generation of Zizzi

To ensure that Zizzi remains highly relevant for future generations of diners, while continually appealing to our broad base of customers – we have embarked on our latest strategic refresh of our brand, operating model and our Zizzi look and feel.

In June 2021 we opened the doors to our first Zed 'model store' in Westfield White City, London presenting an evolved Zizzi look

& feel – presenting a more confident Zizzi and amplifying our familiar Zizzi assets – all while staying true to the iconic elements of Zizzi that the brand is known for. On top of an evolved interior, the model store also showcases new team uniforms, smallwares, music, lighting and scenting.

Our model store also showcases a new & innovative menu designed to delight customers with craveable and familiar dishes – but with an added ‘Zizzi twist’ that goes beyond what they might have at home. For example, our Spinach & Chia ‘green dough’ Rustica pizza, or our ‘Sharing Stacks’ of starters & desserts. It also offers a new cocktail range catering to the low & no alcohol customers, and a sustainable ‘wine wall’ serving vegan, unbottled wine. Supporting our new menu is a new kitchen platform – focused on delivery of high quality food quickly, and coordinated by innovative kitchen screen technology, bringing a faster, more efficient and more consistent menu delivery across our estate.

This next generation of Zizzi also meets today’s customer expectations in terms of technology. We have introduced handheld and tablet technology to support our teams and our customer journey – and we have underpinned our innovation with a step change in the digital infrastructure of the site ensuring leading connectivity and digital capability (part of a wider digital infrastructure roll out across Zizzi).

Our model store is demonstrating a leading customer and commercial performance.



The Zizzi brand

In today’s world, not only do customers expect brands to present a joined-up and clear view of their ‘brand world’, but also go beyond their products to show their brand personality, passions, and invite their customers to engage in a two-way conversation.

In parallel to our model store project over 2020 we have strengthened our brand fundamentals, including new brand values that underpin our ‘great times’ brand purpose, an evolved visual identity (including evolved logo), and a distinctive tone of voice that will bring out Zizzi’s personality across all touchpoints.

Mental Health Foundation Partnership

At Zizzi we believe getting around a table with friends lifts us up, puts a smile on our faces, and generally makes us feel a bit more ready to take on whatever comes our way.

That’s why we’re proud to partner with the Mental Health Foundation, whose mission is to help all of us understand, protect and sustain good mental health.

Over December 2020 we ran our ‘Zizzi Merry Moments’ campaign in partnership with MHF, encouraging customers to celebrate the small moments over an unusual festive period, to help us all look after our mental health on the countdown to Christmas.

Looking forwards

Zizzi is perfectly positioned to capitalize on the wider UK hospitality recovery – with a successful transformation platform in our Zed Model store. It brings together an evolved and confident look and feel; a technological platform that supports our team and enhances our customers experience; and a new menu supported by a leading kitchen platform.

Strong senior management and stable teams with a clear focus on optimizing commercial opportunities and delivering Great Times will ensure a highly successful year ahead.





ASK
ITALIAN

65

Restaurants

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Overview

Business review

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Opening our business

It was a challenging start to the financial period. The news that restaurants were permitted to reopen on July 4th 2020, after 15 weeks of government enforced covid closure was hugely welcomed but presented us with the challenge of re-opening our 65 restaurants and re-training our entire 1500 strong workforce to work within covid guidelines from the 17th July 2020. Government guidelines were slow to emerge, different across the home nations and introduced new concepts such as social distancing and track & trace, as well as requiring limits on table size and enhanced cleaning.

There was significant uncertainty as to customers appetite to return to restaurants but our phased reopening allowed us to match our supply to customers demand and helped manage teams working hours and re-establish our supply chain.



Creating a safe environment for our customers and teams

It was critical our re-opening operating procedures protected teams and customers as well as provided the great experience that people expect from a meal at ASK Italian. Daily team health checks, rigorous cleaning practices, disposable menus and new operating processes both in our waiting team and in the kitchen ensured a safe restaurant environment for all.

Our covid protocols met the highest criteria with every restaurant receiving 100% in their covid audit. These external audits, conducted by an independent food safety and consultancy gave our teams and customers the assurances they needed.

In addition, the Environmental Health officers (EHOs), visited each of our restaurants throughout the period and we were delighted to finish the period with 97% of our restaurants holding the maximum 5 star Food Hygiene rating.

Eating out after lockdown

Our menu range was carefully reviewed and reduced in size for re-opening to ensure we could delight our customers with the food they had been missing yet facilitate social distancing in the kitchen. The new disposable menus were illustrated with lemons and presented as table mats which decorated the table and actually drove an increase in customers ordering drinks and desserts.

We fully participated in the governments Eat Out To Help Out scheme (EOTHO) where customers received a 50% grant on food and non-alcoholic drinks on Mondays to Wednesdays in August 2020. Funded by the government, the scheme was hugely successful in encouraging customers to return to restaurants and drove record sales in a large proportion of our restaurants.

Embracing Technology

Throughout the period, we accelerated investment in technology to enhance the customer experience, giving customers more ways of interacting with us than ever before and growing our understanding of our customers are and what they want from their experiences with us.



In our restaurants, we rolled out Pronto Order & Pay, enabling customers to use their phones to order and pay for their meal. We have built the software ourselves, enabling us to deliver a best-in-class experience which matches the restaurant experience we all know and love – order what you want when you want – and pay when you are done, including bill splitting, tipping and rounding up the bill to donate to GOSH, our partner charity. Customer feedback has been incredibly positive, with the service helping them save time and adoption has been significantly higher than our sector peers.

A new booking & table management system, integrated into our new website, has allowed our customers to make bookings more easily with more choice of where they sit, whilst giving our teams better ability to manage their capacity, manage large & bespoke booking requests and organise the shift to optimize the customer experience.

Finally, a new, sophisticated, single customer view and digital marketing platform is enabling us to understand our customers better than ever and provide better services & experiences via our digital channels & content.

Maximising our delivery business

With restaurants closed we saw a huge uptake in the demand of customers ordering restaurant food to eat at home throughout the industry. As such, we took significant steps to improve our under developed takeaway and delivery business.

The key first step was to reach more potential customers so we launched ASK Italian on the Just Eat and Uber Eats platforms in July 2020 and started to use offers, such as free garlic bread, and banner adverts to raise our profile and page position on the platforms.

Our second step was to build our delivery reputation and repeat orders. With fierce competition on the delivery platforms, we wanted to understand what drives customers choice and loyalty so we commissioned bespoke customer research and supplemented it with insight from the aggregators. One of the key drivers of customer satisfaction is the heat of the dishes on arrival so we set a project to ensure our dishes were not only piping hot on transfer to the delivery driver but were better able to retain heat throughout the delivery journey. This involved redeveloping some products for delivery for example changing the format of our garlic bread from a pizza shape to a thicker folded bread. We also installed heat boxes in all restaurants to store dishes while waiting for the driver. These heat boxes do more than keep the food hot, they also warm the takeaway packaging and the air within the takeaway bag, providing the food with warm insulation for the delivery journey.

Our delivery business quadrupled versus pre-covid levels and 95% of the business was retained when restaurants reopened in Spring 2021.

Rebasing our customer incentives

The first lockdown provided an opportunity for us to reset our customer incentives. We replaced widely available ubiquitous

discount offers with fewer tailored offers only available through clubs and closed schemes. Our own ASK Perks loyalty scheme provides a different gift every month for our subscribers when they dine. Our first gift, a bottle of our Le Ferre Extra Virgin Olive oil was accompanied with Olive Oil cake recipes, was appreciated by over 4,000 of our subscribers. In June subscribers enjoyed a glass of Aperol Spritz on us and in July, gelato sundaes proved a very popular gift.

Our selected partners such as Unidays, NUS & Tastecard ensure we reach strategically important groups such as students.

This change in our trading strategy has provided better value and more personalised incentives for our customers. We retained our subscriber numbers and our ability to drive our trade in quiet periods.

Reflecting customers feelings and needs in our activity and communications

In a difficult period for our customers, pitching our communication and activity correctly has been more important than ever. From covid safety reassurance, to our Valentines Days campaign where we sent our love to our customers via free heart shaped breadsticks, to adding children's menus and a sweet treat for mum on Mother's Day. Our activity has been highly successful receiving strong email and social engagement as well as producing outstanding delivery trade on red letter days.

Looking Ahead

Our proven and successful restaurant transformation programme restarted in September 2021, and we are planning our seasonal menu changes with our upgraded new menu in Autumn. Behind the scenes we have embarked on creating the next generation brand positioning and purpose to reflect not only the post covid landscape and revised customer needs but to also ensure we appeal to our predominantly Gen Z workforce. Our new ESG strategy builds on our completed 2020 plan and clearly demonstrates our commitment to be respectful of not only food, culture and people but also our planet.





COCO
DI MAMA

15
Shops

130
Delivery Kitchens

A difficult year for the ‘food to go sector’

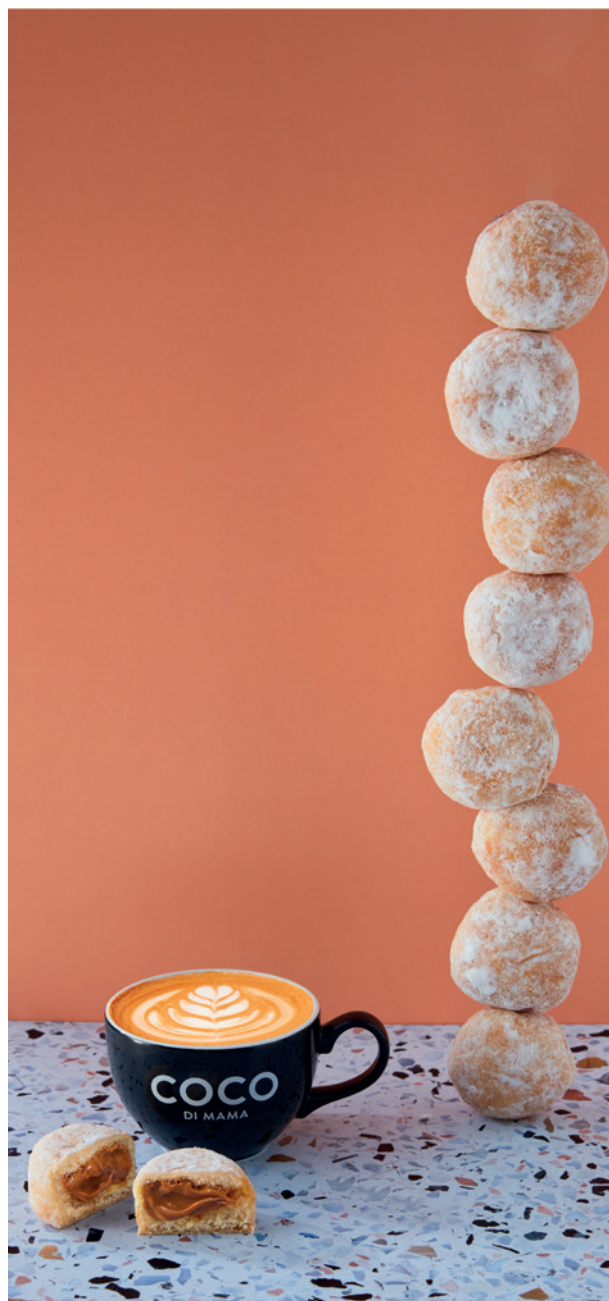
The London ‘Food to Go’ sector has been amongst the hardest hit in the hospitality sector during the Covid-19 pandemic with Government advice to ‘work from home’ meaning that Coco di Mama’s core office worker customer levels remained materially lower than pre-Covid levels throughout this financial period, in turn making Coco’s stores unviable to trade until May 2021. Despite this significant challenge, the brand has adapted quickly and successfully to forge a strong foundation to recover and grasp the opportunity to grow into new channels supported by its London ‘mothership’ of stores as the market recovers from the pandemic.

Surviving ‘Lockdown’

Pre-Covid Coco di Mama was amongst the fastest growing and leading London Food to Go brands with 30 stores, serving generous fast pasta pots and specialty coffee as the hero products complimented by our breakfast and grab and go ranges, and a growing corporate delivery business.

In March 2020, the immediate impact of the pandemic forced the brand into rapid hibernation with all stores closing and utilising the Government’s CJRS to support the furloughed team. Following the restructuring in July 2020, Coco di Mama initially focussed on reducing all costs to minimise ongoing cash funding requirements whilst trading remained unviable in order to preserve the value creation option to recover and grow the brand as and when the pandemic impact receded. This included support from the Government through the furlough scheme, grants and rates relief, whilst under the property ‘licence to occupy’ regime no turnover rent was payable to landlords whilst the stores were not trading. Additionally, we ensured that the crucial brand knowledge and expertise was available to rebuild the team when conditions permitted. In November 2020, we made the difficult decision to reduce the number of stores from 27 to a stronger and leaner portfolio of 15 stores due to the slow recovery of London.

Through the Spring of 2021, we secured new lease assignments on Coco di Mama stores and finally recommenced stores restart



trading in May 21, with the plan to gradually nurture the business back towards its full product range and rebuilding the Coco team ahead of the anticipated lifting of restrictions in July 2021 and understanding new customer working patterns in the Autumn of 2021 and beyond.

Delivery Kitchens strategic pivot

With the Stores business ‘hibernated’ and secured by Autumn 2020, the management team explored options to develop the brand’s future omni-channel potential. With the pandemic accelerating the consumer trend into the home delivery occasion, as part of Azzurri’s ‘Out of Restaurant’ strategy in December 2020 we successfully trialled ‘delivery kitchens’ in London residential areas through Zizzi kitchens and teams. The early success of the trials led to rapid adaptation of the Brand to develop a delivery kitchen licence model, rolling out to 130 locations nationwide with both Zizzi and ASK Italian restaurants. These delivery kitchens efficiently utilise Azzurri Group’s existing restaurant assets and teams to introduce a ‘virtual delivery brand’ with fast, generous, value for money pasta in Coco’s iconic branded packaging at its heart. Working closely with our delivery partners the brand has rapidly established itself with further headroom to grow into new delivery zones. In the space of six months, we’ve taken Coco di Mama to customers nationwide who now enjoy pasta pots through delivery each week, which is similar levels to the pre-pandemic London stores business.

Continuous innovation

Whilst the stores hibernated, the Brand continued to innovate and prepare for the changing behaviours of the post-pandemic customer. This includes preparing full nutritional and allergen labelling to comply with ‘Natasha’s Law’, developing a ‘Central Production Kitchen’ operating model to improve efficiency and consistency for the stores estate, and evolving the digital customer journey with capability for click and collect, digital loyalty and kiosk ordering.

Coco di Mama won the QSR award best multi-site operator and

best CSR initiative being the first high street brand to remove plastic water bottles resulting in a reduction of 180,000 per year. The Brand remains in London's Top 5 London Food to Go brands, with rapidly rising nationwide Brand awareness.

Foundations for future growth

Emerging from the shadow of the pandemic, Coco di Mama now has strong foundations to recover and grow into a omni-channel brand. With 15 'mothership' stores secured in our London heartland, we are well placed to capitalise on the return of office workers over the next 12 to 18 months.

Beyond London, we plan to drive nationwide brand awareness of our delivery kitchens through digital media channels targeting the working from home 'functional fuelling' delivery occasion and students.

Building on the success with Azzurri's kitchens, we are developing licence partnerships with third parties to access priority delivery zone locations where Azzurri currently has no asset presence, focussing initially on London residential areas.

As we look forward we are excited about introducing the Coco brand and products to our increasing customer base either directly or through our expanding brand partners.



Financial Review

Azzurri Group Holdings UK Limited

The reported statutory results cover the period from the 14 July 2020 to 27 June 2021.

	14 July 2020 to 27 June 2021
	£m
Operating loss	(28.7)
Depreciation, amortisation and other adjustments	23.4
Exceptional items	10.9
Adjusted EBITDA	5.4

Adjusted EBITDA is defined as EBIT plus depreciation, amortisation, impairment of tangible assets, and items of a one-off non-recurring nature.

The one-off non-recurring costs totalled £4.8m, relating to net salary costs to the business not covered by government support (£3.6m), private equity costs (£0.8m) and other adjustments (£0.4m). EBIT Pre Exceptional items is defined as Operating Profit excluding Exceptional Items.

Financial Review

Formation of the Group

On the 17 July 2020 the Group was formed following the acquisition of the trade and assets, brand and employees of ASK, Zizzi & Coco Di Mama ("the transaction"). The Group acquired the assets through a competitive pre pack administration process for £116.3m including fees. The Group acquired 221 restaurants and stores.

Performance Summary

Total sales for the period since acquisition of the ASK, Zizzi & Coco brands is £116.9m with an adjusted EBITDA of £5.4m. This is in spite of two national lockdowns forcing all restaurants to operate a delivery only model & tiered system requiring a large proportion of the estate to be closed for substantial periods.

In a period where dine in trade has been prohibited for large parts of the period, the Azzurri delivery business has flourished. Delivery sales have increased by five times (on equivalent sites in the previous group). Azzurri has successfully launched 130 Coco di mama delivery kitchens operating out of ASK & Zizzi restaurants.

Market Update

The covid pandemic has potentially impacted the hospitality sector more than any other. The total number of restaurants fell by 9.7% during the pandemic & there are now 19.4% fewer 'casual dining restaurants', with a number of long established, multi site restaurant chains closing a significant proportion of their estate.

The Group monitors macroeconomic measures, sector indicators and its own business performance routinely in order to assess the validity of its business plans.

Cash Flow

Net cash inflow from operations for the year was £4.3m. During the period the key components of cash flow were:

- Net investment in new restaurants and the maintenance of the estate totalling £1.2m;
- Issue of bank debt totalling £138.4m

Financing

The Group's financing structure, implemented on acquisition in July 2020, comprises three main components:

- External senior bank debt;
- Shareholder debt; and
- Shareholder equity.

The Group's external senior debt is syndicated to a number of participating financial institutions with maturity dates of July 2025. The Group has a Revolving Credit Facility of £10.0m.

These external facilities are subject to certain financial and non-financial covenants. The financial covenants require the maintenance of a minimum ratio of Net Debt to EBITDA and maintain a minimum liquidity at the end of each period. The Group has met these covenants with adequate headroom throughout the period.

Taxation

The Group paid £5k in the period in relation to corporation tax instalments in Ireland. The level of payment is a result of two key continuing features of its business:

- Ongoing significant investment in capital expenditure across the estate, which qualifies for capital allowances that are designed to encourage such investment; and
- Interest payments on the external debt and shareholder loans, a proportion of which is deductible for tax purposes.

The Group's contribution to the UK Exchequer is significant, contributing over £11.5m during the financial period.

We are grateful to the government for their support of the hospitality sector during this pandemic, the Job Retention scheme allowed us to safeguard as many jobs as possible during the peak of the pandemic. The £26.2m received under the job retention scheme has given our restaurant employees the option to return to work should they wish. A further £8.8m has been received by the group through local restriction business grants & restart grants. This has helped to further mitigate losses during the periods of enforced closure.

The image is a collage of food and drink photography. The top half features a glass of dark beer with a thick head of foam next to a cluster of fried, breaded items on a blue ceramic plate. The bottom half shows two dessert squares on a similar blue plate: one is a light-colored cake with dried flowers, and the other is a dark brownie with white frosting and gold edible beads. The word 'GOVERNANCE' is centered in a dark teal serif font across a white horizontal band.

GOVERNANCE

Board of Directors



Stephen Holmes

Chief Executive Officer

- CEO of the Group since its inception in 2020, Previously had been CEO of Azzurri group since 2015.
- Prior to Azzurri, within Gondola Group, Steve was the CEO of ASK Italian & Zizzi since 2014 and managing director of ASK Italian since 2012.
- Joined Pizza Express in December 2001, following senior roles in casual dining brands.



Lindsay Dunsmuir

Chief Financial Officer

- CFO of the Group since its inception in 2020. Joined as CFO of the Azzurri Group in June 2018.
- Previously CFO of Maplin Electronics and Ben Sherman.
- Has a law degree from Edinburgh University and is a member of the Institute of Chartered Accountants of Scotland.



Kieran Pitcher

Commercial & Property Director

- Commercial & Property Director of the Group since its inception in 2020, previously Group Property Director of Azzurri Group since 2015.
- Joined Gondola in June 2007 as Group Property Director.
- Previously Property Director at The Restaurant Group and Laurel Pub Company.



Harvey Smyth

Chairman

- Chairman of the Group since its inception in 2020. Previously appointed as Chairman in 2015.
- Previously CEO of Gondola Group, from 2006 to 2015, a period which saw the incubation of Byron, the international expansion of Pizza Express in China and India and the successful re-positioning of both Zizzi and ASK Italian. Prior to this, UK MD of Pret a Manger.



Paolo De Bona

Non-Executive Director

- Appointed Non-Executive Director of the Group in March 2021. Mr. De Bona is a Principal at TowerBrook. Previously, Mr. De Bona was an Analyst in the Corporate and Investment Banking department at Citigroup in London, focusing on Telecom, Media and Technology companies.
- Mr. De Bona holds a M.Sc. in Finance from Bocconi University



Joseph Knoll

Non-Executive Director

- Mr. Knoll is a managing director of Towerbrook.
- Mr. Knoll was a Director of York Capital where he helped build the European distressed and event-driven credit business.
- Mr. Knoll holds a BS from Yeshiva University

Strategic Report for the period from 14 July 2020 to 27 June 2021

The Directors present their strategic report for Azzurri Group Holdings UK Limited ("the Company") and its subsidiaries (together "the Group") for the period from the 14 July 2020 to 27 June 2021 ("the period").

Introduction

During the period, the Parent Company operated as an intermediate holding company. The principal activity of the Group is to operate restaurants and stores.

On 17th July, Towerbrook acquired the trade & assets, brand, license to occupy and employees of ASK, Zizzi and Coco Di Mama through a competitive process for £116.3m consideration including fees. More information on the acquisition can be found in note 29. The leases were subsequently re-assigned to the relevant trading entity for the restaurants and stores.

The Group operates three brands: Zizzi and ASK Italian which operates restaurants in the Italian casual dining sector and Coco di Mama which operates stores in the food to go sector.

The Group trades primarily in the United Kingdom, but also has a presence in the Republic of Ireland, where three Zizzi restaurants are trading.

Results and performance of the group

The results of the Group for the period are set out on page 35 and show a loss on ordinary activities before taxation of £42.3m. The results for the Group were impacted by the Covid pandemic and the inability to trade throughout most of the year which resulted in impairment charges.

Key performance indicators

The Group measures performance using many key performance indicators, which are received regularly in a timely manner. The principal measures are set out below.

EBITDA

This measure serves as a proxy for cash generated which is key to investment and future growth. The Group uses adjusted EBITDA which is defined as profit before interest, tax, depreciation and amortisation and excludes exceptional items and items of a one-off non-recurring nature and pre-opening losses. This is a non-GAAP measure. Adjusted EBITDA for the period is £5.4m.

CASH

This measures liquidity within the business. The total amount of cash held at the end of the period is £19.8m.

NUMBER OF EMPLOYEES

Indicator for overall performance and staffing levels. The average number of employees during the financial year is 4,917.

Other performance indicators

LIKE-FOR-LIKE SALES GROWTH

The Group measures the year-on-year underlying performance of the existing estate. There is no accounting standard or consistent definition for "like-for-like sales". Group like-for-

like sales growth is defined as comparing the performance of all mature sites in the current period with the same sites in the comparable period in the previous year.

NEW SITES OPENED

The number of new sites opened during the year is an indicator of the growth of the business.

SITES REFURBISHED

The number of sites which get refurbished each year directly impacts like-for-like sales. The Group aims to constantly invest in the refurbishment of its estate and aims to achieve a refurbishment cycle of six years.

RETURN ON INVESTMENT

New site openings and refurbishments are monitored to ensure that the budgeted/required level of return is achieved. This is presented periodically to the Board.

BRAND STRENGTH

This is monitored in a myriad of ways, looking at TripAdvisor scores, surveys and questionnaires and the level of customer complaints.

STAFF METRICS

A variety of staff metrics are monitored including staff stability, vacancies and internal development.

Principal risks and uncertainties

The Board of Directors ("the Board") has the primary responsibility for identifying the principal risks which the business faces and for developing

appropriate policies to manage those risks. To assist with this process, an annual Risk Review is presented to the Board.

The implications of Brexit have been considered on the principal risks noted in the Directors Report. We note the potential risk on the economic conditions, particularly the impact of inflation and the reduced purchasing power of sterling as well as the uncertainty created around the availability of labour in the sector.

These are the principal risks affecting the Group operations, but this is not an exhaustive list. The comprehensive risk register ensures the Board is appraised of all risks, and contingent actions to mitigate them.

By order of the Board



LINDSAY DUNSMUIR
COMPANY SECRETARY

20 December 2021

Strategic Report for the period from 14 July 2020 to 27 June 2021

Risks and uncertainties	Mitigation
UK Market conditions: Uncertainty in the economic climate and the drop in consumer confidence.	Regular monitoring of performance and future consideration of growth plans to ensure appropriate investment. Ensuring that appropriate headroom is maintained on all borrowing facilities.
Competition: The casual dining sector is highly competitive and sees new concepts enter the market.	Constant innovation of our proposition to remain ahead of the competition. Monitoring of performance and reviewing new opportunities.
Brand damage: Associated with failures in food safety.	Focus on quality and safety at a restaurant level, with regular health and safety to ensure that brand standards are upheld and regularly reviewed.
Employees: Loss of key staff.	The Group seeks to comply with legislation and best practice at all times. Monitoring of staff turnover rates and a clear focus on succession planning, providing a clear career path, investing in training and ensuring the Group remains an employer of choice.
Supply chain: Failure of key suppliers to deliver on agreed terms.	The Group closely monitors suppliers against service level agreements and has contingent arrangements in place where necessary.
Covid 19: Uncertainty of potential further lockdowns.	Increased sales from delivery business prior to Covid, Close monitoring of the group's liquidity position
Fraud, error or security breaches: Breakdown of internal controls, major IT failure or cyber security breaches.	Establishment of disaster recovery procedures for major events. Internal controls are in place with an external consultant who performs site visits, and loss prevention processes are implemented across the Group.

Directors' Report

The Directors present their annual report for the Company and the Group together with their audited consolidated financial statements for the period from 14 July 2020 to 27 June 2021. The basis of preparation of the financial statements is set out in note 2.

Results and dividends

The results of the Group for the period are set out on page 19.

The Directors do not recommend the payment of a dividend.

Directors

The Directors of the Company during the period and up to the date of signing the financial statements, unless otherwise stated, are:

- Stephen Holmes (appointed on 30 July 2020)
- Lindsay Dunsmuir (appointed on 27 October 2020)
- Alexander Walsh (appointed on 14 July 2020, resigned on 17 March 2021)
- Matthew Gerber (appointed on 14 July 2020, resigned on 30 July 2020)
- Paolo De Bona (appointed on 9 April 2021)

A brief summary of the experience of each Director is provided on page 22.

Charitable and political donations

The Group made no charitable donations in the period.

The Group made no political donations in the period.

Going concern

The Group's financial performance and position is described in the Financial review on pages 19 and 20. The Directors have reviewed cash flow forecasts for a 12 month period from the date of signing the accounts, which indicate the Group will be able to meet all its liabilities when they fall due for the foreseeable future, despite having net liabilities as at 27 June 2021. Projected covenant compliance and liquidity is also monitored and management have considered the mitigating actions available to ensure that sufficient headroom on each covenant is maintained for the foreseeable future. The Group also an additional revolving credit facility and the maturity dates for all of the Group's banking arrangements are July 2025.

Having made an assessment of both liquidity and covenant compliance, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Refer to note 2.3 for further detail on the accounting policy.

Our people

TRAINING AND DEVELOPMENT

Our people truly are our greatest asset and as such we are committed to providing an engaging, inspiring, honest and open environment for our colleagues.

We believe our industry offers great careers and we invest a lot of time and resources to nurture talent and give people the opportunity to progress their careers with us. For both front and back of house staff, we provide relevant training and an exciting career development path for those who want to progress within the business. We prioritise internal development and promotion over external recruitment, aiming for at least 70% of positions to be filled by internal candidates. Some of our most popular training and development opportunities include ASK's Italian Journey and Avanti Leadership Programme and Zizzi Viaggio. In both businesses, there are clear development paths, with staff working their way up from kitchen porter to head chef, waiter to general and on to operational managers.

LOOKING AFTER OUR PEOPLE

We fundamentally believe in treating our people with respect whilst looking after their welfare. Robust policies and practices are in place to ensure that everyone is well compensated including a well operated 'Tronc policy', which means tips are democratically distributed amongst our restaurant teams only. Nothing is retained by the Group.

The Group also provides its employees with a comprehensive benefits system including healthcare access and negotiated discounts. We do not believe in zero hours contracts, and wherever possible, provide workplace flexibility to support family responsibilities.

EQUALITY AND DIVERSITY

We celebrate diversity of our workforce – it's great for our business and we believe in treating everyone equally, regardless of race, gender or any other marker of difference.

We are committed to ensuring that there is no unconscious bias that restricts the opportunity for career progression with Azzurri. We are working closely with our teams to ensure that our kitchens are set up to welcome female chefs, that all potential barriers are removed, and we are exploring how we can support females in these roles.

We have in place Flexible Working policies but are reviewing these to identify any further actions we can take to encourage career development and progression amongst our female employees.

The Group's policy is to encourage the employment of disabled people where reasonably practical. Full and fair consideration is given to employment applications from disabled persons having regard to their aptitude and abilities.

Directors' Report

Streamlined energy & Carbon reporting regulations (“SECR”)

As required under the SECR regulations the following information relates to the energy consumed in our operations.

Greenhouse gas emissions

Azzurri Group Holdings UK Limited is a 'quoted company' under the SECR and must report its greenhouse gas emissions from scope 1 and scope 2 electricity, Gas and transport annually:

Scope	Description	Specific Fuels	14 July 2020 to 27 June 2021 (tCO ₂ e)
Scope 1	Combustion of fuel on site and transportation	On site: Natural Gas, Wood fuel, Transport: Petrol, Diesel	3,761
Scope 2	Purchased Energy	Electricity – Location based	4,518
Scope 3	Supply chain Emissions	None - Voluntary	0
Total		Location Based	8,279
Intensity Ratio	tCO₂e /£1m Turnover	Location based	67.8
Energy usage	Total Kwh consumed	Electricity, Natural Gas, Wood fuel, Petrol, Diesel	39,268,530

Methodologies used in calculations if disclosures

The government's guidance document entitled “*Environmental Reporting guidelines: Including streamlined energy and carbon reporting guidance*” has been used as a guide to information that is required to be included in this report.

Information on energy efficiency actions during the year

The group recognises the impact that greenhouse gas emissions are having on climate change and are committed to reducing greenhouse gases where ever practical to do so.

Azzurri Group Holdings UK Limited has continued to reduce its impact on the environment by reducing its carbon footprint. There are a number of ongoing environmental programmes that work to do this, which include the following:

- Created a new role as head of ESG in the business to review existing carbon output and to challenge how we can operate more sustainably
- Azzurri manages waste & recycling at 124 ASK & Zizzi restaurants. All of these have some on-site recycling segregation, including 109 sites segregating food waste. Overall diversion from landfill for these sites is greater than 99.5%
- Used cooking oil is collected from all ASK and Zizzi restaurants and recycled into biodiesel
- ASK and Zizzi are members of the SRA (Sustainable Restaurant Association) to further assist them in their sustainability journey

The group is a founding member of the Hospitality Zero Carbon forum and is collaborating with industry peers to set out a strategic roadmap in order to deliver this ambition. Zero Carbon members are also moving to record Scope 3 emissions as we as setting the goal of achieving net zero carbon on Scope 1, 2 & 3.

Directors' Report

Operations outside the UK

We operate three Zizzi restaurants in Ireland, with the intention of opening further restaurants in future periods.

Financial risk management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, liquidity risk, cash flow risk, interest rate risk and price risk. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management under guidance of the Board. The Group identifies, evaluates and addresses financial risks in close co-operation with the Group's operating units.

(A) FOREIGN EXCHANGE RISK

The Group operates primarily in the UK and is not susceptible to foreign exchange risk in the normal course of trading.

Foreign exchange risk may however arise from commercial transactions, as the Group purchases certain goods from European suppliers.

(B) CREDIT RISK

The Group has no significant concentrations of credit risk. The nature of its operations results in a large and diverse customer base and a significant proportion of cash sales. The Group has policies that limit the amount of credit exposure to any financial institution.

(C) LIQUIDITY RISK

The Group manages its exposure to liquidity risk through a naturally low level of debtors, maintaining a diversity of funding sources and the spreading of debt repayments over a range of maturities.

(D) PRICE RISK

The Group is exposed to the variability in the price of commodities used in the running of our restaurants; this includes exposure to price fluctuations in ingredients purchased. The Group mitigates this risk by entering into price negotiations with suppliers to fix and reduce costs where possible.

Statement of directors' responsibilities in respect of annual report and the financial statements

The directors are responsible for preparing the Annual Report and the group 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard

the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' indemnities

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.

Provision of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

Directors' Report

Guarantees under section 479 of the companies act 2006

The following subsidiaries will take advantage of the exemption from audit of their individual financial statements, under section 479A of the Companies Act 2006:

- Azzurri Bidco Limited
- Azzurri Central Limited
- ASK & Zizzi Restaurants Limited
- POD restaurants Limited

As a condition of the above exemption, the Group has guaranteed the year end liabilities of the relevant subsidiaries until they are settled in full.

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 statements which give a true and fair view of the state of the affairs of the Company at 27 June 2021 and of its profit and loss for the year 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.

S172 Statement

The Directors have exercised their duties under the Companies Act 2006 throughout the period, including under Section 172, the duty to promote the success of the Company whilst having regard for the factors in 172(1) (a) to (f).

These and other factors are taken into consideration by the Directors when making decisions in their role as the Board of Azzurri Group Holdings UK limited. The factors listed under S172 are integral to most of the significant decisions taken during the period.

The Directors of Azzurri Group Holdings Limited are actively committed to sustainable growth & development in order to promote the success of the group, and for the benefit of all its shareholders. Key strategic decisions are underpinned by the Principle of S172 factors.

The Group seeks to serve its customers' and their best interests first, collaborate with its suppliers, to ensure a sustainable and fair supply of goods & services, invests in its employees to promote long term success and retention and supports the communities and environments in which it operates.

The Board is satisfied that the information provided by management and others via reporting, performance updates, key performance measures, independent advice and industry and economic updates is of the appropriate quality to allow the Board to have due regard for each of the factors.

Independent auditors

KPMG LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



LINDSAY DUNSMUIR

COMPANY SECRETARY
Registered Office

Third Floor
Capital House
25 Chapel Street
London
NW1 5DH

20 December 2021

Corporate Governance Report

The Group is committed to high standards of corporate governance appropriate for a large, private company and the Board is accountable to all of the Group's shareholders, including minority shareholdings held by management and employees, for good corporate governance.

The Board

The Board considers that it is of an appropriate size for the requirements of the business, and that it has the appropriate balance of skills, knowledge and experience.

The Board comprises a chairman, two Non-Executive Directors who represent the shareholders' interests and three Executive Directors, who are responsible for the day-to-day running of the Company and Group.

The Board's role is to provide leadership to, and to set the strategic direction of, the Group. The Board monitors operational performance and is also responsible for establishing Group policies and internal controls to assess and manage risk.

The Board meets regularly throughout the year and, in addition to the routine reporting of financial and operational issues, reviews the performance of each of the brands in detail. There is a schedule of matters reserved for the Board and certain matters are delegated to the Board's committees and the Executive Directors. The schedule of reserved matters includes approval of annual budgets, strategic plans, senior management appointments, dividend policy and capital structure, major contracts and major capital expenditure. Items delegated to the Executive Directors include the approval

of capital or other expenditure below the limits required for Board sign off, disposal of low value assets and approval of minor contracts or less senior appointments.

The Board is scheduled to meet between eight and twelve times each financial period.

The executive responsibility for overseeing the day-to-day management of the Group is delegated to Stephen Holmes, the Chief Executive, together with his executive team.

There is a clear division of responsibility between the Non- Executive Chairman and the Executive Directors.

The Chairman is responsible for:

- The leadership of the Board, ensuring its effectiveness and setting its agenda; and
- Facilitation of the effective contribution of Non-Executive Directors, and ensuring constructive relations between them and the Executive Directors

The Executive Directors are responsible for:

- Setting the strategic direction of the Group
- Preparing annual budgets and medium-term projections for the Group and monitoring performance against plans and budgets
- Overseeing the day-to-day management of the Group
- Effective communication with shareholders; and
- Preparing the annual financial statements

The Company Secretary acts as secretary to the Board and its committees. He is responsible for ensuring that the Directors receive appropriate information prior to meetings, and for ensuring that governance requirements are considered and implemented.

The Remuneration Committee has undertaken a review of the effectiveness of the Executive Directors during the year, reporting to the Chairman. Executive Directors are included in the annual performance evaluation of all senior management, which includes a review of performance against a range of specific objectives.

Relations with shareholders

The Group is committed to maintaining effective communication with all of its shareholders in order to maintain a clear understanding of its objectives and its performance against those objectives.

The two Non-Executive Directors are appointed by the largest shareholders of the Group, Towerbrook LLP.

Remuneration committee

This committee comprises the Chairman, the Chief Executive and two of the Non-Executive Directors and is chaired by Joseph Knoll.

The Remuneration Committee is responsible for the following key areas:

- Determining the participation of Directors and employees in the Azzurri Equity Plan and Azzurri Investment Plan
- Agreeing the framework for the remuneration of the Executive Directors and other senior Executives and determining the total individual remuneration packages of each person, including pension arrangements. The Chief Executive is not present when his own remuneration package is determined
- Determining specific incentives for the Executive Directors and senior management to encourage enhanced performance by being rewarded in a fair manner for their individual contributions to the success of the Group
- Ensuring that contractual terms on termination and any payments made are fair to the individual and to the Group (and that failure is not rewarded); and
- Evaluating the performance of the Executive Directors against objectives set

Audit committee

This committee comprises the Chairman, the Chief Financial Officer and two of the Non-Executive Directors and is chaired by Paolo De Bona. Relevant senior management are invited to attend Audit Committee meetings as required.

The Audit Committee is responsible for all matters relating to the regulatory and accounting requirements that may affect the Group, together with the financial reporting and internal control procedures adopted by the Group. In addition,

Corporate Governance Report

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the Committee is responsible for ensuring that an objective and professional relationship is maintained with the external auditors.

Key areas for which the Committee is responsible include:

- Reviewing the Group's financial statements prior to approval on behalf of the Board and reviewing the external auditor's reports thereon
- Establishing procedures to ensure that the Group monitors and evaluates risks appropriately
- Reviewing internal controls and establishing an internal audit plan to monitor the effectiveness of those controls
- Considering the consistency of accounting policies across the Group and the accounting for any significant or unusual transactions where different approaches are possible; and
- Assessing the effectiveness, independence and objectivity of the external auditors

Taxation policy

In line with its overall approach to corporate governance, Azzurri is committed to suitably strong governance in relation to all of its tax affairs.

The Group has published its tax strategy on the Azzurri Group website in June 2021. It seeks to:

- Structure its affairs in a tax efficient way, as would be expected in order to ensure commercial effectiveness, but using a

straightforward and transparent approach without use of any aggressive tax planning strategies

- Ensure that it pays all taxes which are due (and to do so promptly)
- Maintain adequate systems, processes and adequately experienced staff in order to achieve the above; and
- Maintain a transparent and constructive relationship with HMRC

Azzurri's tax affairs are relatively straightforward, given that it is UK domiciled and that it operates in a sector which does not have inherent complexity – i.e. consumer-facing, with no long-term or complicated sales streams and relatively predictable cost structures.

In managing its affairs, the Group's aim is to limit tax related uncertainty. Our approach is to discuss significant transactions openly with the tax authorities in 'real time', as far as is commercially practicable. Where there is uncertainty in relation to a material tax issue, we will seek to obtain tax authority agreement or clearance in advance where practicable.

Independent Auditors' Report to the Members of Azzurri Group Holdings UK Limited

Independent auditor's report to the members of Azzurri Group Holdings UK Limited

Opinion

We have audited the financial statements of Azzurri Group Holdings UK Limited ("the company") for the period ended 27 June 2021 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Balance Sheet, Company Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 27 June 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or

conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet targets, recent revisions to guidance, our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the underlying transactions are high in volume and low in value.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included entries to revenue and cash where the opposite entry was posted to an unusual or unexpected other accounts, material consolidation adjustments, those entries with unusual or unexpected pairings with cash accounts and those entries containing key words.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a

material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management

and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

STRATEGIC REPORT DIRECTORS' REPORT

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006, we are required 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.
- We have nothing to report in these respects.

DIRECTOR'S RESPONSIBILITIES

As explained more fully in their statement set out on page 25, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**THE PURPOSE OF OUR AUDIT WORK AND TO WHOM
WE OWE OUR RESPONSIBILITIES**

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.

WILLIAM SMITH (Senior Statutory Auditor)
**for and on behalf of KPMG LLP, Statutory
Auditor**

Chartered Accountants
Gateway House
Tollgate
Chandlers Ford
SO53 3TG

21 December 2021



FINANCIAL STATEMENTS



Consolidated Profit and Loss Account and Other Comprehensive Income for the period ended 27 June 2021

	Note	2021 £m
Turnover	3	116.9
Cost of sales		(144.8)
Gross loss		(27.9)
Administrative expenses		(25.0)
Exceptional costs	5	(10.9)
Other operating income		35.1
Operating loss	4	(28.7)
Loss on disposal of tangible assets		(2.5)
Loss before interest and taxation		(31.2)
Net finance costs	10	(11.1)
Loss before taxation		(42.3)
Tax on loss	11	3.5
Loss for the financial period		(38.8)
Total comprehensive expense:		
Loss for the financial period		(38.8)
Foreign exchange differences on translation of foreign operations		(0.1)
Total comprehensive expense for the period		(38.9)

The notes on pages 39 to 65 form part of these financial statements. The results above all relate to continuing operations.

As permitted by Section 408 of the Companies Act 2006, a profit and loss account for Azzurri Group Holdings UK Limited has not been presented in these Financial Statements. For the period ended 27 June 2021 the Company generated £0.0m loss.

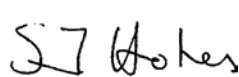
Consolidated Balance Sheet

As at 27 June 2021

	Note	2021 £m
Fixed assets		
Intangible assets	12	51.8
Tangible assets	13	61.2
		113.0
Current assets		
Inventories	14	1.9
Debtors	15	10.0
Cash at bank and in hand	16	19.8
		31.7
Creditors: amounts falling due within one year	17	(28.0)
Net current assets		3.7
Total assets less current liabilities		116.7
Creditors: amounts falling due after more than one year	18	(146.9)
Provisions for liabilities		
Other provisions	21	(8.7)
Net Liabilities		(38.9)
Capital and reserves		
Called up share capital	23	-
Translation Reserve	23	(0.1)
Accumulated Losses	23	(38.8)
Total equity attributable to the parent's shareholders		(38.9)

The notes on pages 39 to 65 form part of these financial statements.

These financial statements were approved and authorised for issue by the board on 20 December 2021 and were signed on its behalf by:



STEPHEN HOLMES

Director



LINDSAY DUNSMUIR

Director

Consolidated Statement of Changes in Equity

For the period ended 27 June 2021

	Share Capital	Translation Reserve	Other Reserves	Accumulated Losses	Total equity
	£m	£m	£m	£m	£m
At 14 July 2020		—	—	—	—
Loss for the period	—	—	—	(38.8)	(38.8)
Other comprehensive expense	—	(0.1)	—	—	(0.1)
Total comprehensive expense for the period		(0.1)		(38.8)	(38.9)
Transactions with owners recorded directly in equity					
Shares issued (note 23)	—	—	—	—	—
At 27 June 2021	—	(0.1)	—	(38.8)	(38.9)

The notes on pages 39 to 65 form part of these financial statements.

Consolidated Statement of Cash Flows

For the period ended 27 June 2021

	Note	2021 £m
Net cash inflow from operating activities	24	4.3
Interest paid		(0.0)
Taxation paid		(0.0)
Net cash generated from operating activities		4.3
Cash flow from investing activities		
Purchase of tangible fixed assets		(1.1)
Purchase of subsidiaries		(121.7)
Net cash used in investing activities		(122.8)
Net cash outflow before financing		(118.5)
Cash flows from financing activities		
Issue of bank debt & Shareholder debt		138.4
Net cash generated from financing activities		138.4
Effect of changes in exchange rates on cash and cash equivalents		(0.1)
Net cash increase in cash and cash equivalents	24	19.8
Cash and cash equivalents at the beginning of the period		—
Cash and cash equivalents at the end of the period		19.8

The notes on pages 39 to 65 form part of these financial statements.

Notes to the Financial Statements

For the period ended 27 June 2021

1. General Information

The principal activity of Azzurri Group Holdings UK Limited ("Azzurri" and the "Company") and its subsidiaries (together, the "Group") is operating restaurants and food to go stores. The consolidated financial information presented is in respect of the underlying business of Azzurri Central Limited (including the ASK Italian, Zizzi, Coco di Mama & POD businesses), together with the Group holding companies described in note 32 for the period from 14 July 2020 to 27 June 2021.

The Company is a private company limited by shares and is domiciled and registered in the United Kingdom. The registered number is 12740843 and the registered address is Third Floor, Capital House, 25 Chapel Street, London, NW1 5DH.

The company was incorporated on 14 July 2020 with the name Bulstrode Midco U.K Limited. The group started trading on 17 July 2020 when TowerBrook Capital Partners completed the transaction. The company name was subsequently changed to Azzurri Group Holdings UK Limited.

2. Accounting Policies

2.1 STATEMENT OF COMPLIANCE

The Group and individual financial statements of Azzurri Group Holdings UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2.2 BASIS OF PREPARATION

The financial information has been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The most significant accounting policies, which have been applied consistently throughout the period, are described below.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

2.3 GOING CONCERN

The directors have prepared cashflow forecasts for the 12 months from the signing date of the Annual Report & Accounts. Against a backdrop of the unprecedented circumstances regarding the Covid 19 pandemic, Azzurri has developed a "Base Case" scenario based on the group's FY22 (financial year end 26th June 2022) budget. The budget reflects an assumption on a significant reduction in dine in customers for all of FY22 & into FY23 vs pre pandemic levels, but does not include any further periods of lockdown.

The group's banking facilities have two covenant tests; one based on a quarterly comparison between EBITDA & net debt and the other requires a minimum liquidity at the end of each four week accounting cycle. As permitted under our lending agreement, as a result of the Covid-19 pandemic the first leverage covenant test is in January 2023. Cashflow forecasts under the "Base Case" produce significant cashflow & EBITDA to satisfy the both of the covenants for the next 12 months and the next EBITDA covenant due to be tested in January 2023. At the end of the year the group has £19.8m

of cash in the bank with an undrawn £10m revolving credit facility. The group has external debt of £146.9m split across 3 tranches, all have a repayment date of 16th July 2025. For the first 12 months post completion & during any subsequent periods of lockdown, the interest on the senior A facility (£101.5m) changes from 3.75% cash paid interest to 8% PIK interest. These balances have increased since the financial year end as the business has traded profitably since that date.

It is difficult to assess how the Covid 19 pandemic will evolve. The Directors believe that the Base Case scenario is reasonable & will allow the company to meet all of its liabilities through existing cash reserves & cash generated through operations. However, the Directors have also modelled a downside scenario that includes a further three period Covid lockdown across January, February & March 2022 with the restriction of all dine in sales. The downside scenario assumes that a continuation of off premise sales in line with previous lockdowns would be allowed and that there would be no return of further government support either Job retention scheme, rates relief or grant support. As a consequence of further lockdowns within the downside case, the leverage covenant would not be applicable in the period of review or the next test due in January 2023 and there is a significant headroom on the minimum liquidity covenant, with the £10m revolving credit facility remaining undrawn.

Post year end the Group remains in a strong financial position with considerable financial resources & positive cashflows, cash balances as at 14 November 2021 of £27.8m whilst debt

has increased to £149.1m. The Directors believe the Group is well placed to manage its business risks successfully and meet all its financial obligations for at least 12 months from the date of signing these financial statements.

As such the Group have adopted the going concern preparation basis in preparing these financial statements.

2.4 EXEMPTION FOR QUALIFYING ENTITIES UNDER FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Parent Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- (iii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7; and
- (iv) a reconciliation of the number of shares outstanding at the beginning and end of the period, required under FRS 102 p4.12(a)(iv).

2.5 BASIS OF CONSOLIDATION

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

All transactions and balances between the Group's businesses have been eliminated in the preparation of the consolidated financial information. All subsidiaries have co-terminous year ends and follow uniform accounting policies.

The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The non-controlling interest's proportionate share in total comprehensive income for the financial year is recognised in equity.

2.6 FOREIGN CURRENCY

The Group's financial statements are presented in pound sterling and rounded to millions, apart

from note 32. The Company's functional and presentation currency is the pound sterling.

Transactions denominated in foreign currencies are recorded at the spot rate applicable at the date of the transaction. Monetary assets and liabilities expressed in foreign currencies held at the balance sheet date are translated at the closing rate. The resulting exchange gain or loss is dealt with in the profit and loss account.

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. Exchange adjustments arising from the translation of the profits or losses at average rates are recognised in other comprehensive income.

2.7 TURNOVER

Turnover represents net invoiced sales of food and beverages, and excludes value added tax. Turnover is recognised when the goods have been provided.

2.8 ALLOCATION OF COSTS

Cost of sales includes all direct costs incurred in restaurants. Administrative expenses include central and area management, administration and head office costs, together with goodwill and intangible asset amortisation.

2.9 PENSION COSTS

Contributions to defined contribution personal pension schemes are charged to the profit and loss account in the year in which they become payable.

2.10 PRE-OPENING COSTS

Pre-opening costs, which comprise site operating costs, are expensed as incurred.

2.11 DEFERRED TAXATION

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date which are due to transactions or events which have occurred at that date and which will result in an obligation to pay more, or a right to pay less, tax in the future.

Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the deferred tax assets resulting from the underlying timing differences can be recovered against.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2.12 BUSINESS COMBINATIONS AND GOODWILL

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, control is transferred to the entity and the fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill represents the difference between the fair value of the purchase consideration and the fair value of the separable net assets acquired.

Goodwill on the acquisition of a business is capitalised and amortised over its useful economic life. The useful economic life applied by the Group is 20 years for the ASK and Zizzi acquisitions and ten years for the Coco di Mama acquisition.

On acquisition, goodwill is allocated to cash generating units ('CGUs') that are expected to benefit from the combination.

Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

2.13 INTANGIBLE ASSETS Brand Values

Brand Values are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets to the residual values of their estimated useful lives, over the following number of years:

ASK Italian brand	20 years
Zizzi Brand	20 years
Coco di Mama brand	10 years

Amortisation is charged to administrative expenses in the profit and loss account. Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

2.14 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the purchase price of the asset, together with incidental expenses incurred. Depreciation is provided at the following annual rates in order to write down to estimated residual values the cost of each asset over its estimated useful economic life on a straight-line basis.

Assets under construction comprise tangible fixed assets acquired for restaurants under construction, including costs directly attributable to bringing the asset into use. Assets are transferred to short leaseholds, plant and fixtures when the restaurant opens. No depreciation is provided on assets under construction as these assets have not been brought into working condition for intended use.

Short leasehold properties are depreciated over the length of the lease except where the anticipated renewal or extension of the lease is sufficiently certain so that a longer estimated useful life is appropriate. The maximum depreciation period for short-term leasehold properties is 30 years.

Depreciation is provided on the following basis:
Plant and machinery 20% per annum

Fixtures and fittings 10% per annum

IT equipment 20% per annum

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in loss/profit on disposal of fixed assets in the income statement. The carrying values of tangible fixed assets are

reviewed for impairment at each balance sheet date and in periods where events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

2.15 INVENTORIES

Raw materials and consumables are valued at the lower of cost and net realisable value. Cost is based on the purchase cost on a first in, first out basis.

2.16 CASH AND LIQUID RESOURCES

Liquid resources are defined as current asset investments, given that they are readily convertible into known amounts of cash without curtailing or disrupting the business. Liquid resources comprise term deposits of less than one year (other than cash).

2.17 REBATES RECEIVABLE FROM SUPPLIERS

Where a rebate agreement with a supplier covers more than one year the rebates are recognised in the financial statements in the period in which they are earned.

2.18 DEBT FINANCE

All borrowings are initially stated at the fair value of consideration received after deduction of issue costs. The issue costs and interest payable on borrowings are charged to the profit and loss account over the term of the borrowing, or over a shorter period where it is more likely than not that the lender will require earlier repayment or where the borrower intends or is required to redeem early.

2.19 OPERATING LEASES

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

The benefit of lease incentives is taken to the profit and loss account to reduce the lease expense on a straight-line basis over the lease term. The Group continues to credit these lease incentives to the profit and loss account over the period to the first review date.

2.20 SHARE BASED PAYMENTS

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group. All current arrangements are equity-settled arrangements.

For the equity-settled schemes, the fair value of a share plan is recognised as an expense over the expected vesting period with a corresponding entry to retained earnings. The fair value of the share scheme is determined at the date of the grant. Non-market based vesting conditions (i.e. Group profitability targets) are taken into account in estimating the number of awards likely to vest, which is reviewed at each accounting date up to the vesting date, at which point the estimate is adjusted to reflect the awards issued. For share-based payment awards with the non-vesting conditions, the grant date fair value of the share-based payments is measured to reflect such conditions and there is no true-up differences between expected and actual outcomes. The fair value of the share plan is measured

using the Black-Scholes model. No profit and loss account charge has been recognised in the Group financial statements as the Directors have assessed the charge to be immaterial for the period ended 27 June 2021.

2.21 FINANCIAL INSTRUMENTS

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

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

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The impairment reversal is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and preference shares that are classed 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 future receipts discounted at a market rate of interest.

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

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised over the period of the facility to which it relates.

2.22 INVESTMENTS

Investments are held at cost less accumulated impairment losses.

In the Group and Company financial statements, investments in subsidiary undertakings are stated at cost plus incidental expenses less any impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

2.23 CRITICAL ACCOUNTING JUDGEMENTS AND UNCERTAINTY ESTIMATION

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal

the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Business Combinations

The group has recognised assets and liabilities on acquisition of the Azzurri group using the purchase method of accounting as described in note 29. Under the purchase method of accounting assets are recognised at fair value. In order to measure fair value of certain assets the group has formed assumptions as to projected financial information, royalty rates, discount rates and depreciation rates. The value of goodwill, acquired intangible assets and PPE were sensitive to small movements in some of the assumptions applied. The group has applied its judgement, and in some cases employed specialist valuations experts, in determining the key assumptions which form the overall estimates. Given the high degree of sensitivity to some of these assumptions a small change in any of these key assumptions may have given rise to materially different asset values from those that were recognised, including resulting in materially larger goodwill or negative goodwill.

Impairment of intangible assets and goodwill

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified the estimation of the recoverable value requires estimation of the recoverable value of the cash generating unit. This requires an estimation of future cash flows and also a selection of appropriate discount rates in order to calculate the net present value

of those cash flows. A discount rate of 16.5% was used in evaluating the cash flows relating to the intangible assets of the Group. The group has applied its judgement, in determining the key assumptions which form the overall estimates. Given the high degree of sensitivity to some of these assumptions a small change in any of these key assumptions may have given rise to different impairment value.

Impairment of tangible fixed assets

The Group considers whether individual fixed assets are impaired by considering the profitability of the individual restaurant the assets relate to. This requires estimation about the future cash flows of that particular restaurant, being the designated cash generating unit. The group has applied its judgement, in determining the key assumptions which form the overall estimates. Given the high degree of sensitivity to some of these assumptions a small change in any of these key assumptions may have given rise to different impairment value.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of asset and liabilities, using rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the financial statements

3. Turnover

An analysis of turnover by class of business is as follows:	2021 £m
Restaurants	116.9
	116.9

Analysis of turnover by country of origin and destination:	2021 £m
United Kingdom	115.8
Republic of Ireland	1.1
	116.9

£4.5m of Turnover relates to income received through the Eat Out To Help Out scheme which is a UK Government support scheme.

4. Operating profit

The operating profit is stated after charging/(crediting):	2021 £m
Depreciation of tangible fixed assets (note 13)	11.5
Impairment of tangible fixed assets (note 13)	3.1
Loss on disposal of tangible fixed assets (note 13)	2.5
Amortisation of intangible assets, including goodwill (note 12)	3.4
Impairment of intangible fixed assets (note 12)	0.6
Exchange differences	0.1
Operating lease rentals	17.1
Defined contribution pension cost	1.5

Notes to the financial statements

5. Exceptional Items

	2021 £m
Payments to maintain supplier relationships	(8.1)
Lease assignment fees	(1.0)
Corporate transactions	(1.1)
Redundancy costs	(0.7)
	(10.9)

Following the acquisition of the "Brands", payments were made on behalf of the liquidated companies in order to maintain supplier relationships. Lease assignment fees relate to the costs incurred to re-assign each of the restaurant leases to the new legal entities. Corporate transactions include Legal and Professional fees in respect of legal advice regarding the transaction. The redundancies reflect the reduction in the restaurant estate from the restructuring.

6. Other Operating Income

	2021 £m
Furlough Income	26.3
Business grants	8.8
	35.1

Income was received from HMRC in the period in relation to the various furlough schemes available to the group. Business grants relate to Local Restrictions Support Grants (LRSG) provided by local governments in the year based on rateable values of the restaurants.

7. Auditors' Remuneration

During the period the Group incurred costs relating to services provided by the Group's auditors:

	2021 £m
Fees payable to the Group's auditors and their associates for the audit of the Group's annual financial statements	(0.4)
	(0.4)

There were no other fees payable to the Group's auditors in the period.

Notes to the financial statements

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 27 June 2021 £m
Wages and salaries	(70.6)
Social security	(5.2)
Other pension costs	(1.5)
	(77.3)

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

	2021 No.
Restaurants and distribution	4,672
Administration	245
	4,917

The Company has no employees other than the Directors. The Directors remuneration is born by subsidiary companies.

9. Directors' Remuneration

Total Directors' remuneration was as follows:

	2021 £'000
Aggregate emoluments	502.1

Included within the emoluments above are pension contributions of £1,337 paid into the individual pension plans of one Directors.

Notes to the financial statements

9. Directors' Remuneration CONTINUED

Highest Paid Directors

Emoluments in respect of the highest paid Director were as follows:

	2021 £'000
Aggregate emoluments	284.0
Pension contributions	1.3
	285.3

Paolo De Bona, who represents Towerbrook Capital Partners, received no remuneration from the Group in respect of their services as Directors or in respect of any services to the Group.

No Director waived any emoluments in the period. The Group does not operate a defined benefit pension scheme.

The Company has no employees other than the Directors.

Notes to the financial statements

10. Net Finance Costs

	2021 £m
Finance income	
Foreign exchange gain	—
Finance costs	
Bank loans – Senior facilities	(11.0)
Foreign exchange loss	(0.1)
Other interest	—
Net finance cost	(11.1)

Interest on the senior facilities rolls up into the principal balance each interest period and does not fall due until the maturity or repayment of the respective loan.

Notes to the financial statements

11. Tax On Loss

	2021 £m
Corporation tax	
Current tax on losses for the year	—
Adjustments in respect of prior periods	—
Total current tax	—
Deferred tax	
Origination and reversal of timing differences	(6.5)
Unused tax losses carried forward	3.0
Total deferred tax	(3.5)
Tax charge	(3.5)

Tax credit for the year is higher than the standard rate of corporation tax in the UK of 19%.

The differences are explained below:	2021 £m
Loss before taxation	(42.3)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19%	(8.0)
Effects of:	
Expenses non-deductible for tax purposes	1.2
Amortisation of goodwill non-deductible	0.3
Re-measurement of deferred tax, change in UK tax rate	3.0
Total tax credit	(3.5)

The Finance Bill 2021 (No 3) was substantively enacted on 24 May 2021 and increased the main rate of corporation tax to 25% with effect 1 April 2023. Closing deferred tax balances have therefore been valued at 19%, or 25% depending on the date they are expected to unwind.

Notes to the financial statements

12. Intangible Assets

	Brands £m	Goodwill £m	Total £m
Cost			
At 14 July 2020	—	—	—
Acquisitions through business combinations (see note 29)	41.3	14.5	55.8
Additions	—	—	—
At 27 June 2021	41.3	14.5	55.8
Accumulated amortisation			
At 14 July 2020	—	—	—
Charge for the period	2.0	1.4	3.4
At 27 June 2021	2.0	1.4	3.4
Impairment			
At 14 July 2020	—	—	—
Charge for the period	0.6	—	0.6
At 27 June 2021	0.6	—	0.6
Net book value			
At 27 June 2021	38.7	13.1	51.8
At 14 July 2020	—	—	—

ASK and Zizzi brand values are being amortised over 20 years. The Directors believe that the period is appropriate based on a review of the expected future cash flows of the Group, the fact that the ASK Italian and Zizzi businesses are long-standing operations and that the Group continues to have growth opportunities in the long-term future. The brand value relating to the Coco di Mama acquisition is amortised over 10 years, which the Directors believe is an appropriate period for the business.

Goodwill relating to the Azzurri acquisition is being amortised over 10 years which the Directors believe to be appropriate based on the reasons mentioned above.

The impairment relates to the Coco Di Mama brand value, which arose due to the slow recovery of London in the period and the closure of sites.

Notes to the financial statements

13. Tangible Fixed Assets

Group	Assets under construction £m	Short-term leasehold property £m	Plant, fixtures and IT equipment £m	Total £m
Cost or valuation				
At 14 July 2020	—	—	—	—
Acquisitions through Business Combinations (see note 29)	—	33	41.6	74.6
Additions	1.0	0.4	2.2	3.6
Disposals	—	(0.9)	(1.6)	(2.5)
Cost at 27 June 2021	1.0	32.5	42.2	75.7
Accumulated depreciation				
At 14 July 2020	—	—	—	—
Depreciation charge for the period	—	(1.4)	(10.1)	(11.5)
Impairment charge	—	(1.9)	(1.2)	(3.1)
Disposal Depreciation	—	—	0.1	0.1
Accumulated depreciation at 27 June 2021	0.0	(3.3)	(11.2)	(14.5)
Net book value				
Net book value at 27 June 2021	1.0	29.2	31.0	61.2
Net book value at 14 July 2020	—	—	—	—

There were no assets owned through finance leases.

Impairment tests were performed due to the external indicator of the ongoing impact of the global pandemic on the hospitality sector. The impairment arose due to changing working patterns and the impact this has on restaurant performance. Working from home, either fully or partially has had an impact on specific city centre restaurants.

The Company has no tangible fixed assets.

Notes to the financial statements

14. Inventories

Group	27 June 2021 £m
Food and drink	1.9
	1.9

The difference between purchase price or production cost of inventories and their replacement cost is not material. The amount of inventories recognised as an expense during the period was £22m.

The Company holds no inventories.

15. Debtors

	Group	Company
	27 June 2021 £m	27 June 2021 £m
Cash in transit	2.9	—
Trade debtors	2.7	—
Prepayments and accrued income	4.4	—
	10.0	—

Cash in transit reflect card payment receivables. All the debtors stated above are due within one year.

Notes to the financial statements

16. Cash at bank in hand

Group	27 June 2021
	£m
Cash at bank and in hand	19.8
Less: bank overdrafts	—
	19.8

The Company holds no cash.

17. Creditors: Amounts falling due within one year

	27 June 2021
	£m
Trade creditors	2.5
Other creditors	1.7
Accruals and deferred income	21.6
Accrued bank interest	2.2
	28.0

The Company has no creditors falling due within one year.

Notes to the financial statements

18. Creditors: Amounts falling due after more than one year

	27 June 2021 £m	27 June 2021 £m
Bank loans and overdrafts	146.9	—
Total creditors falling due after more than one year	146.9	—

19. Loans and borrowings

	27 June 2021 £m
Bank loans	146.9
Revolving credit facility	—
	146.9

SENIOR DEBT

On 17 July 2021, the Group entered into borrowing arrangements to finance the transaction. The loans were syndicated to a range of institutions and carry 8% PIK interest. After March 2022 the Senior A facility will incur interest at LIBOR plus 3.75%, payable in arrears at time periods of one, three or six months as agreed in advance.

	Principal loan amount at 27 June 2021 £m	Principal loan amount at 17 July 2020 £m	PIK Interest Rate	Maturity Date
Senior A facility	101.5	95.5	8%	July 2025
Senior B facility	29.2	27.5	8%	July 2025
Senior C facility	16.2	15.3	8%	July 2025

The Group has a revolving facility of £10m of which £0m, was drawn at 27 June 2021, however £0.1m has been designated to cover outstanding letters of credit. The utilised portion of each facility incurs interest at LIBOR plus 2.75%, while the unused facility incurs commitment fees of 1.1%. The facility has a final maturity date of July 2025.

Notes to the financial statements

20. Financial Instruments

		Group	Company
	Notes	27 June 2021 £m	27 June 2021 £m
Financial assets that are debt instruments measured at amortised cost			
Trade debtors	15	2.7	—
		2.7	—
Financial liabilities that are debt instruments measured at amortised cost			
Bank loans - senior facilities	17,18,19	(146.9)	—
Trade creditors	17	(2.5)	—
Revolving credit facility	17,19	—	—
Accruals and deferred income	17	(21.6)	—
Other creditors	17	(1.7)	—
		(172.7)	—

There is no material difference between the fair value and amortised cost of any of the financial instruments.

Notes to the financial statements

21. Other Provisions

Group	Deferred Tax £m	Total £m
At 14 July 2020	—	—
Arising on acquisition	(12.2)	(12.2)
Charged to profit or loss	3.5	3.5
At 27 June 2021	(8.7)	(8.7)

The Company had no provisions for liabilities at 27 June 2021.

22. Deferred Tax Assets and Liabilities

Group	Assets as at 27 June 2021 £m	Liabilities as at 27 June 2021 £m	Net as at 27 June 2021 £m
Arising on business combinations	—	(13.1)	(13.1)
Unused tax losses	3.8	—	3.8
Other	0.6	—	0.6
Tax assets / (liabilities)	4.4	(13.1)	(8.7)
Net tax liabilities			(8.7)

The Company had deferred tax assets or liabilities at 27 June 2021.

Notes to the financial statements

23. Share Capital

	27 June 2021 £'000
Allotted, called up and fully paid	
75,001 Ordinary shares at £0.01 each	0.75
	0.75

Ordinary A shares carry the voting rights and the right to receive notice of meetings and rights to appoint Directors. The shares were issued at par value on 17 July 2020 for cash consideration.

Translation Reserve	Group 27 June 2021 £m
Opening translation reserve at 14 July 2020	—
Foreign exchange loss for the period	(0.1)
Closing translation reserve at 27 June 2021	(0.1)

The Company has no Translation reserve at 27 June 2021.

Other Reserves	Group 27 June 2021 £'000	Company 27 June 2021 £'000
Opening translation reserve at 14 July 2020	—	—
Foreign exchange loss for the period	—	187.1
Closing other reserves at 27 June 2021	—	187.1

Accumulated Losses	Group 27 June 2021 £m
Opening balance at 14 July 2020	—
Loss for the financial period	(38.8)
Closing Accumulated Losses at 27 June 2021	(38.8)

The Company has no Profit and Loss reserve at 27 June 2021.

Notes to the financial statements

24. Notes to the Cash Flow Statement

A) RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS	27 June 2021
	£m
Loss for the financial period	(38.8)
Adjustments for:	
Tax on loss	(3.5)
Net finance cost	11.1
Loss before interest and taxation	(31.2)
Depreciation of tangible fixed assets	11.5
Impairment of tangible fixed assets	3.1
Amortisation of intangible fixed assets	3.4
Impairment of intangible fixed assets	0.6
Loss on disposal of assets	2.5
Increase in inventories	(0.3)
Increase in debtors	(6.7)
Increase in creditors	21.4
Net cash generated from operating activities	4.3

B) RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT	27 June 2021
	£m
Increase in cash (note 16)	19.8
Bank fees paid	0.0
Issue of debt	(138.4)
Repayment of debt	0.0
Change in net debt resulting from cash flows	(118.6)
Other non-cash changes	(8.5)
Net debt at beginning of period	0.0
Net debt at end of period	(127.1)

Notes to the financial statements

24. Notes to the Cash Flow Statement CONTINUED

C) ANALYSIS OF CHANGES IN NET DEBT	At 27 June 2020 £m	Cash flow movements £m	Non-cash flow movements £m	27 June 2021 £m
Cash at bank and in hand	0.0	19.8	0.0	19.8
Bank loans - senior facility (non-current)	0.0	(138.4)	(8.5)	(146.9)
Net debt at end of period	0.0	(118.6)	(8.5)	(127.1)

Other non-cash changes comprise of movements in accrued capitalised interest.

25. Commitments under Operating Leases

At the end of the financial period, the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:	Group 27 June 2021 £m
Not later than 1 year	15.4
Later than 1 year and not later than 5 years	59.8
Later than 5 years	119.1
	194.3

Notes to the financial statements

26. Contingent Liabilities

On 17 July 2020, certain Company subsidiaries (the "Original Obligors") became guarantors to a Senior Facilities Agreement between Azzurri Bidco Limited and Coöperatieve Rabobank U.A. trading as Rabobank London. The facilities were drawn on the 17 July 2020 to fund the acquisition of Azzurri Central Limited, at which point the acquired subsidiaries became "Additional Obligors" to the agreement. Subsequently, new subsidiaries of the Azzurri Group have been included to become "Additional Obligors" to the agreement. The amounts outstanding at the balance sheet dates for these loans were £146.9m including accrued interest. 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 obligations 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 enforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due.

27. Guarantees Under Section 479 of the Companies Act 2006

For the Group's subsidiaries, Azzurri Bidco Limited (Registered number: 12741616), Azzurri Central Limited (Registered number: 12457130), POD Restaurants Limited (Registered number: 12226594) and Ask & Zizzi Restaurants Limited (Registered number: 12525366), advantage has been taken of the audit exemption available for non-dormant subsidiaries conferred by section 479A of the Companies Act 2006.

As a condition of the above exemption, the Azzurri Group Holdings UK Limited (Registered number 12740843): has guaranteed all outstanding liabilities as at 27 June 2021 of the relevant subsidiaries until they are settled in full. No liability is expected to arise under the guarantee.

28. Related Party Transactions

No separate disclosure has been made of transactions and balances between companies in the Group that has been eliminated in the preparation of these financial statements. All other transactions and balances with related parties of the Group have been detailed below.

TRANSACTIONS WITH TOWERBROOK

Monitoring fees of £0.5m due to TowerBrook Capital Partners were incurred during the financial period and £0.5m remains outstanding at the balance sheet date. A £1.3m transaction fee due to TowerBrook Capital Partners were incurred during the financial period and £1.3m remains outstanding at the balance sheet date

LOAN WITH BULSTRODE B.V.

£83.5m of the total Loan facility and £5.9m of interest accrued is with Bulstrode B.V, a nominee company which holds Towerbrook's shares in the Group.

Notes to the financial statements

29. Business Combinations

On 17 July 2020 the Group acquired 100% of the ordinary share capital of Azzurri Bidco Limited, Azzurri Central Limited, Ask Italian Restaurants Limited, Zizzi Restaurants Limited, Coco Di Mama Limited, POD Restaurants Limited, ASK & Zizzi Restaurants Limited and Azzurri Restaurants Ireland Limited for cash consideration of £111.1m. These were "off the shelf" entities previously named Bulstrode Bidco U.K. Limited, De Facto 2251, De Facto 2246, De Facto 2247, De Facto 2248, De Facto 2250 and De Facto 2256 respectively.

The results of the Group relate entirely to the acquired entities. The following amounts of assets and liabilities were recognised at the acquisition date:

	Note	Book Value	Adjustment	Fair value recognised on acquisition £m
Assets				
Property, plant and equipment	(i)	111.8	(37.2)	74.6
Brand values	(ii)	—	41.3	41.3
Cash		0.2	—	0.2
Inventories		1.7	—	1.7
Trade debtors		0.2	—	0.2
Liabilities				
Trade payables		(1.1)	—	(1.1)
Other payables		(2.9)	—	(2.9)
Deferred tax	(iii)	—	(12.2)	(12.2)
Total identifiable net assets at fair value		109.8	(8.0)	101.8
Costs directly attributable to the business combination				
Goodwill arising on acquisition				(5.2)
				14.5
Purchase consideration transferred				111.1

Other payables consists of the first monthly payroll as well as holiday accrued at the time of transfer of assets.

Adjustments on acquisition made in respect of the following:

- (i) Step down in value of properties based on an independent valuation.
- (ii) Recognition of Ask Italian, Zizzi and Coco Di Mama's brand on acquisition.
- (iii) Recognition of additional deferred tax liability due to the acquisition.

Notes to the financial statements

30. Post Balance Sheet Events

There were no post balance sheet events.

31. Ultimate Parent Undertakings

Towerbrook's shares in the Group are held in the name of a nominee company, Bulstrode BV. Bulstrode BV's ultimate parent company is Towerbrook Capital Partners L.P.

Accordingly, at 27 June 2021, the Directors consider the Company's ultimate controlling party to be Towerbrook Capital Partners L.P.

These accounts represent the smallest group in which the company's results are consolidated. The largest group of accounts are consolidated up to Bulstrode B.V.

Notes to the financial statements

32. Principal Subsidiary Undertakings

The subsidiary undertakings of the Group for the period ended 27 June 2021 were as follows:

Name	Country	Class of Shares	Holding	Principal Activity
Azzurri Group Holdings UK Limited	UK	Ordinary	100%	Holding company
Azzurri Bidco Limited	UK	Ordinary	100%	Holding company
Azzurri Central Limited	UK	Ordinary	100%	Management services
Ask Italian Restaurants Limited	UK	Ordinary	100%	Restaurant operations
Zizzi Restaurants Limited	UK	Ordinary	100%	Restaurant operations
Coco Di Mama Limited	UK	Ordinary	100%	Restaurant operations
POD Restaurants Limited	UK	Ordinary	100%	Restaurant operations
ASK & Zizzi Restaurants Limited	UK	Ordinary	100%	Dormant company
Azzurri Restaurants Ireland Limited	Ireland	Ordinary	100%	Restaurant operations

The registered addresses for all UK companies are Third Floor, Capital House, 25 Chapel Street, London, NW1 5DH.

Azzurri Restaurants Ireland Limited's registered address is 25-28 North Wall Quay, Dublin 1.

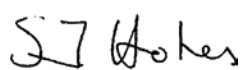
Company Balance Sheet

As at 27 June 2021

	Note	2021 £000's
Fixed assets		
Investments		187.9
		187.9
Current assets		
Debtors	15	—
Creditors: amounts falling due within one year	17	—
Net current assets / (liabilities)		—
Total assets less current liabilities		187.9
Creditors: amounts falling due after more than one year	18	—
Net Liabilities		187.9
Capital and reserves		
Called up share capital	23	0.8
Translation Reserve	23	—
Accumulated Losses	23	187.1
Total equity		187.9

The notes on pages 39 to 65 form part of these financial statements.

These financial statements were approved and authorised for issue by the board on 20 December 2021 and were signed on its behalf by:



STEPHEN HOLMES
Director



LINDSAY DUNSMUIR
Director

Company Statement of Changes in Equity

For the period ended 27 June 2021

	Share Capital	Accumulated Losses	Other Reserves	Total equity
	£m	£m	£m	£m
At 14 July 2020	—	—	—	—
Loss for the period	—	—	—	—
Other comprehensive expense	—	—	—	—
Total comprehensive expense for the period	—	—	—	—
Transactions with owners	—	—	—	—
Equity-settled share-based payment transactions	—	—	187.1	187.1
Shares issued (note 23)	0.8	—	—	0.8
At 27 June 2021	0.8	—	187.1	187.9

The notes on pages 39 to 65 form part of these financial statements.

Corporate Directory

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Lindsay Dunsmuir
Paolo De Bona

COMPANY SECRETARY

Lindsay Dunsmuir

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