Company number 11910770

LOUNGERS LIMITED
(formerly LOUNGERS plc)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 20 APRIL 2025

CONTENTS

COMPANY INFORMATION

Directors	A M Reilley N C E Collins S Marshall (appointed 23 April 2024)
Company secretary	MUFG Corporate Governance Limited
Registered number	11910770
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Solicitors	Jones Day 21 Tudor Street London EC4Y 0DJ
Independent auditors	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX
Bankers	Santander Corporate Banking 1st Floor Alliance House 12 Baldwin Street Bristol BS1 1SD

STRATEGIC REPORT

The directors present their strategic report for the 52 weeks ended 20th April 2025.

Events during the year

During the year, Loungers plc underwent a delisting process, which completed on 11 February 2025 and the Group removed its shares from AIM on 12 February 2025. The Company was subsequently acquired by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP. Following the delisting, the Group re-registered from a public to a private limited company and changed its name from Loungers plc to Loungers Limited.

Principal Activities

Loungers Limited (formerly Loungers plc) and its subsidiaries, (the "Group") is a substantial and growing operator in the UK hospitality sector. As at 20th April 2025, Loungers operates 291 sites in England and Wales across three distinct but complementary brands, Lounge, Cosy Club and Brightside.

A Lounge is a neighbourhood café-bar combining elements of a restaurant, British pub and coffee shop culture. As of April 2025, there are 251 Lounges nationwide. Lounges are principally located in secondary suburban high streets and small town centres. *The sites are characterised by informal, unique interiors with an emphasis on a warm, comfortable atmosphere, often described* as a 'home-from-home'. The Lounge estate has a consistent look and feel, but each Lounge is individually named and tailored to the site and local area, and the design of each Lounge is continually evolving, meaning no two sites are the same.

Cosy Clubs are more formal bars/restaurants offering reservations and table service but share many similarities with the Lounges in terms of their broad, all-day offering and their focus on hospitality and culture. Cosy Clubs are typically located in city centres and large market towns.

Loungers launched its third brand – a roadside dining concept called Brightside – in November 2022, inspired by childhood road trips of days gone by, where the highlight of the journey was a stop with the family at a roadside restaurant, taking the time to enjoy some proper hospitality. The Brightside menu offers a wide range of freshly cooked comfort classics.

The Directors intend to continue to pursue an organic growth strategy, driven principally by the rollout of new Lounge and Cosy Club sites and an ongoing focus on operational improvements to drive further sales and margin improvements across the existing estate. This strategy is consistent with the strategy successfully executed by the Group over the past three years. The Directors are targeting in excess of 30 new site openings per annum over the medium term.

Business Review

Sales performance and our evolving offer

Our sales performance throughout the year was once again strong, achieving sales growth of 15.0% for the 52 weeks ended 20 April 2025 through a combination of organic growth in our existing sites, the full year impact of sales from the 34 sites launched in FY24 and the sales of the 35 new sites opened in the year.

We continue to innovate on both the food and drink menus, with two menu changes a year. The versatility of our all-day offer is at the core of our success – with varied menus offering brunch, sandwiches, burgers, mains, tapas, and puddings right across the day. There continues to be a good balance to sales across the dayparts, with brunch, lunch and dinner all contributing to our sales growth.

We are often asked who our competitors are, and the answer is that coffee shops, bakeries, sandwich shops, pubs and restaurants (both independents and chains) all compete with us at different times of the day. The appeal of our sites is the result of a combination of our unique culture, hospitality and the personality of our teams; the changing atmosphere across the day; the individual design of each site; value for money; and consistently great and evolving food and drink. As the UK high street shifts around us, we are constantly striving for improvement in all these departments.

People and culture

Providing genuine hospitality is at the core of our business, and it's our incredible teams that make that happen. Our teams bring the positive, sunny and optimistic feel of our sites alive by genuinely caring about each and every customer, ensuring they walk out with a smile on their face.

We're growing rapidly so have an abundance of opportunities available, and pride ourselves in being the kind of place where a job naturally turns into a career. We love to nurture and grow as a company, and we do the same with our staff.

The ongoing roll-out and the opportunity in front of us

During the year we opened another 35 sites comprising 33 Lounges, one Cosy Club and one Brightside, and also relocated one of our Lounges, Pinto Lounge in Banbury, to a larger site. We also closed one site, Castano Lounge in Ealing Broadway.

Our acquisitions, design, development and build teams have again delivered sites to a fantastically high standard and we continue to benefit from a tenant friendly property market.

Lounge

The Lounge new openings strategy continues to see us in-fill across England and Wales in areas where we already have a strong presence, as well as continuing to nudge into new territories further north and east from our heartland in the South West. This was evidenced by a cluster of openings in the North East and Lancashire, as well as openings in Kent and Essex. The openings reflect the diversity of location type where Lounges trade, with a good mix of suburban high streets, small towns, coastal locations, and mixed-use retail-leisure schemes. We smashed our individual site sales records in the year, with our new flagship Lounge in Bristol, Ritorno achieving record Lounge weekly sales. The strength of our new site openings continues to give us real confidence in the roll-out, as well as the viability of our conservative target of at least 600 Lounges across the UK.

Cosy Club

In July 2024, we opened a beautiful Cosy Club in Sheffield, which has traded well since opening. The brand is going through an exciting period of change and elevation, and in early FY26, we unveiled our new design features in our existing Cosy Club Manchester site and in a new Cosy Club in Reading. We continue to look for new Cosy Club opportunities and anticipate opening two to three sites per year.

Brightside

Our first three Brightside units have now all traded for a full financial year, and a fourth Brightside unit opened on the A1 in Rutland in November 2024. We have been delighted with the customer experience, and the feedback has been consistently strong. Over the course of the year, we have learnt more about the mix of local vs tourist traffic, and our marketing strategy has evolved accordingly, including offering 'to go' options for customers who require even faster service. These continued learnings are paying off and the brand is showing much improved sales figures.

Our impact on society and the environment

Community is at the heart of our business and continues to be a major focus as we think about our role and responsibilities towards society more broadly. Last year we created around 1,000 new jobs on high streets across England and Wales. We continue to encourage our teams to think about the local community and how their Lounge can be used to promote kindness, charity and social interaction. The introduction of our Regional Community Managers has provided our sites with even more resource to share best practice across the business. Towards the end of last year, we launched our Community Fund, which means that each Lounge has the opportunity to put £1,000 towards local causes important to either our teams or customers.

We continue to pursue our goals as set out in our 'Good Stuff Strategy', setting out our ambition under the five key pillars of community, customers, people, planet and suppliers. We are working hard on our target to have 40% of senior leadership positions held by women over the next five years and getting 100% of our suppliers to connect with us on SEDEX to ensure they follow sustainable and ethical practices.

Financial Review

The results for the Group for the 52 weeks ended 20th April 2025 are shown in the consolidated income statement on page 25.

During the year, Loungers plc underwent a delisting process, which completed on 11th February 2025 and removed its shares from AIM on 12th February 2025. The company was subsequently acquired by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP.

Following the delisting, the Group re-registered from a public to a private limited company and changed its name to Loungers Limited (formerly Loungers plc).

As outlined in the business review, we have delivered record sales on the back of market leading revenue growth in our mature estate, strong sales performance in our newer sites and 35 new site openings. Our strong cash conversion continues to allow us to fund our growth through internally generated profits. We remain confident in our ability to deliver strong top line performance through our compelling all-day offer in our existing and new sites. Whilst the impact of the increased National Living Wage and National Insurance Contributions in April 2025 has imposed a significant additional cost burden on all hospitality businesses, we are confident we can improve profitability over the medium term. As a result, we see significant potential to continue our strong growth trajectory over the coming years.

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000	Change
Revenue	406,355	353,486	15.0%
Adjusted EBITDA (IAS 17)	55,027	44,236	24.4%
Adjusted EBITDA margin (%)	13.5%	12.5%	1.0ppts

Financial Performance

Year on year revenue was up by 17.2% to a £406.4m on a 52-week basis (FY24: £346.6m). This sales performance reflects both continuing strong sales growth across our mature estate and the ongoing success of our new site opening programme.

Throughout the financial statements we use a range of financial and non-financial measures to assess our performance. A number of the financial measures, for example, Adjusted EBITDA are not defined under IFRS and accordingly they are termed Alternative Performance Measures ("APMs"). The Company believes that these APMs provide stakeholders with additional useful information on the underlying trends, performance and position of the Company and are consistent with how business performance is measured internally. Adjusted EBITDA is also the measure used by the Company's banks for the purposes of assessing covenant compliance.

A reconciliation of numbers reported below to non-GAAP alternative performance measures is included on page 63.

The table below summarises the key APM's for the past two financial years, with FY24 on a 52 week basis to aid comparison:

	52 weeks ended 20 April 2025	52 weeks ended 14 April 2024
Sites at year end (number)	291	257
New sites opened (number)	35	36
Revenue (£000)	406,355	346,590

Financial Review (continued)

Impairment costs

The statutory operating profit of £13.2m is after incurring the following charges:

- £6.0m relating to the impairment of right of use assets
- £0.6m impairment reversal relating to a finance lease receivable for a sub-let of an existing site
- £1.3m relating to the impairment of property, plant and equipment
- The release of impairment provisions totalling £0.5m that were established in previous financial years

The impairment methodology included the calculation of a value in use for all sites. This valuation was based upon three year site cash flow forecasts covering FY26 through to FY29 which incorporated assumptions regarding future trading, and a full allocation of central costs and maintenance capex spend. The release of excess impairment provisions created in prior years relate to the improved trading performance in a number of sites relative to the assumptions about future trading made at the time of the impairment.

Refinancing

In February 2025, the Group refinanced its borrowing facilities following the acquisition by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP. As a result, the previously held term loan of £20m was fully repaid. Following the acquisition by CF Exedra Bidco Limited, the Group's facilities consist of a £155m term loan from its immediate parent undertaking, CF Exedra Bidco Limited, and access to a £35m RCF facility, with all debt held by the parent, and therefore not included in these consolidated financial statements.

Exceptional items

A net exceptional pre-tax charge of £7.9m has been recorded in the year (2024: £nil). The exceptional items are not part of the Group's underlying trading activities and include takeover costs, which relate to the approved offer for Loungers Plc by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP. Costs of £7.9m (2024: £nil) were spent on due diligence and external advisors.

Financial Position

At 20 April 2025 the Group reported net assets of £160.7m (2024: £156.4m). The increase in net assets reflects the Group's retained profits for the year.

Taxation

The Group has reported a tax charge of £2.5m for the 52 weeks to 20 April 2025 (2024: charge of £2.3m) and at year end carried a corporation tax receivable of £nil (2024: £1.2m receivable). The corporation tax charge represents 66.4% of profit before tax (2024: 20.3%). The current year tax charge is impacted by two items relating to the sale of the Loungers Limited (formerly Loungers plc) to Fortress Investment Group LLC, being the closure of the share based payment plan, resulting in a charge to deferred tax of £2.3m (2024: £0.6m credit), and the exceptional items included within PBT of £7.9m, the majority of which are not expected to be tax deductible.

Financial Review (continued)

Key Performance Indicators ("KPIs")

The KPIs, both financial and non-financial, that the Board reviews on a regular basis in order to measure the progress of the Company are as follows:

	52 weeks ended 20 April 2025	53 weeks ended 21 April 2024
New site openings (number)	35	36
Capital expenditure (excluding IFRS16 RoU assets)	£50.4m	£47.2m
Total sales growth	17.2%[1]	22.2%
Adjusted EBITDA margin (IAS 17)	13.5%	12.5%

(1) *Sales growth over the 52 weeks ended 20 April 2025 versus the 52 weeks ended 14 April 2024.*

Going Concern

In concluding that it is appropriate to prepare the financial statements for the 52 weeks ended 20 April 2025 on the going concern basis attention has been paid both to the current sector headwinds in terms of consumer confidence and inflationary pressures and also longer term risks such as climate change. As noted in the refinancing section on page 7, the Group's loan facilities are now held in CF Exedra Bidco Limited and as such, going concern has been assessed from a CF Exedra Group perspective. The Loungers group is funded via parent company funding, which is interest free and repayable on demand.

The Group has traded successfully over the past financial year and ended the year with net cash of £13.8m. In order to assess the Group's going concern position, the Board has considered a base case and downside case scenario. The base case scenario indicates that the Group has significant headroom in respect of both its liquidity position and its banking covenants. In the downside scenario the Group is able to maintain its new site opening programme and continues to have liquidity and banking covenant headroom. In addition, the Group's directors are in receipt of an undertaking from the parent company, CF Exedra Bidco Limited to provide financial assistance for a period of at least one year to enable the Group to continue to meet its obligations as they fall due. Accordingly, the Directors have concluded that it is appropriate to prepare the financial statements for the 52 weeks ended 20 April 2025 on the going concern basis.

Principal risk and uncertainties

The Group has continued to develop and adhere to its risk management disciplines and managed risks in line with good practice. The Group continually assesses risks and takes appropriate action to mitigate risks that could impact the achievement of the Group's objectives.

The Directors consider the following to be the principal risks faced by the Group:

Key Risks	Risk Description	Mitigating Actions
Consumer confidence	The Group derives all its profits from the United Kingdom and is therefore sensitive to fluctuations in the UK economy. The Group's performance depends to a certain extent on several factors outside of the control of the Group which impact on consumer sentiment.	The Group's existing offer has value for money as a core principle and the Directors believe this will provide a level of resilience in the event of a consumer slow down.
Cost inflation	The Group operates in a sector that has seen significant cost pressures in recent months, notably staff costs driven by annual increases in the National Living Wage ("NLW") and increases to employer National Insurance Contributions, utilities, business rates and food and drink input cost inflation. The value for money principles of the Group's offer requires the Group to manage cost inflation tightly.	The increasing scale of the Group and its attractiveness to suppliers has assisted in mitigating cost inflation in respect of food and drink products. Utility costs are hedged 100% to September 2025. The Group continues to monitor its supply chain constantly and seeks to optimize efficiency through a number of initiatives.
Health and safety and food safety	The health and safety of the Group's employees and guests is of key concern and the Group is required to comply with health and safety legislation that includes fire safety, food hygiene, and allergens.	The Group invests significantly in the training of its employees and in third party specialists to ensure adherence to legislation and the safety of our employees and guests. Allergen training is mandatory for all employees in sites.
Recruitment and retention	The success of the business to date and our ability to maintain our roll-out programme is in large part down to our ability to recruit and retain the best teams in our sites. Recruitment remains challenging across the hospitality sector. The increased level of competition has the potential to put additional pressure on wage inflation.	Employee engagement and satisfaction is a key focus of management. Employees are incentivised through a mixture of competitive pay scales, bonus and retention awards. The Group is also committed to offering a fair and supportive workplace. The Group continues to strengthen its recruitment and training and development teams to assist in recruiting and retaining the best talent.
Availability of new sites	The Group's growth strategy includes an expectation that we can continue to open up to a maximum of 35 new sites per annum. The Board only approves new site investment where strict economic criteria are met. The availability of sites, with the correct rent levels, cost of investment, and demographics, are critical to the delivery of the roll-out programme.	In the current economic environment, there is considerable new site acquisition opportunity in a more tenant friendly environment. The Group continues to strengthen its property team to ensure that we can respond to the right opportunities in a timely fashion.

Principal risk and uncertainties (continued)

Key Risks	Risk Description	Mitigating Actions
Information technology and data security	The Group is increasingly reliant on information technology and the risk of failure leading to disruption of trading, loss of data and reputational damage. The Group recognises that cyber threats pose a significant risk and works to continually assess and manage these risks.	The Group continues to invest in its IT platforms to ensure that upgrades are implemented on a timely basis and that appropriate data protection measures are in place.
Environment and sustainability	The Group recognises that climate change may impact on its ability to operate, through weather related impacts (flooding closing sites, disruption to supply chain) and shifts in consumer behaviour towards sustainable choices.	Loungers seeks to deliver a credible ESG agenda for its customers and employees. The Group has established a Sustainability Committee to monitor climate related risks, set targets for efficiency and decarbonisation and deliver initiatives to meet those targets effectively.

The Good Stuff

Since Loungers was founded, we have looked for ways to make a positive difference – for our people, customers, and suppliers, as well as for the communities we serve and our shared planet. In November 2023, we formalised this with the creation of our sustainability strategy, which we call "The Good Stuff". In the 52 weeks ended 20 April 2025, we have continued to build on the goals and objectives that we have set ourselves.

Setting and delivering this strategy is the Sustainability Committee, which provides oversight and governance on behalf of the Board. The Committee is chaired by Justin Carter, Group Managing Director, and contains representatives from key functions including Commercial, People, Finance, Compliance, Marketing and Property as well as an external sustainability expert to challenge our thinking. The Committee meets monthly to review progress against targets and agree new areas of opportunity or concern.

Strategy and Targets

We have engaged with our stakeholders and with industry experts to understand how our actions are impacting on others and the environment, and what we can do to make those impacts positive. We have also invited feedback from our teams and held workshops to consider what we can do better.

Our "Good Stuff" strategy is organised around five key pillars:

Community We exist to bring people together	**Customers** We are proud of what we put on the plate	**People** We care about our teams
FY25 progress • Over 12,000 community events • £208,000 raised for charity through LoungeAid	**FY25 progress** • Introduced internal reporting on nutritional traffic lights for biannual menu cycle • Maintained 2 mains under 800kcal and added Good Stuff salad with just 366kcal	**FY25 progress** • 200 managers invited onto development programmes • 38% of site management roles filled internally • The overall engagement score, measured against the statement 'Overall I enjoy working at Loungers' was 74%

Planet We deliver hospitality sustainably	**Suppliers** We are working with our partners to raise standards
FY25 progress: • Emissions per £m turnover fallen by 10% • Increased collection of Dry Mixed Recycling by 25% and reduced residual waste by 4%	**FY25 progress:** • Linked to 97% of food and soft drink suppliers on Sedex • Better Chicken Commitment report published externally

Communities – We exist to bring people together

As at 20 April 2025, we have 251 Lounges which sit in the heart of communities all over England and Wales, offering a "home from home" where everyone is welcome. We want to earn our place in the community by having a knock-on positive impact on the businesses and groups around us. We have opened 35 Lounge, Brightside, and Cosy sites this financial year and, at each one, we invested nearly £1m in the local high street as well as adding around 30 jobs to the area, creating around 1,000 new jobs over 12 months.

This year, we introduced the Lounge Community Fund, providing every site with a budget of up to £1,000 to support local causes. Our team of eight Regional Community Managers help our sites to use it effectively and, in FY25, we spent £88,000 on deepening our engagement with our local community. Examples included:

- Cooking meals for foodbank users,
- Hosting a Christmas feast for a local food charity,
- and providing children with a free breakfast in the school holidays through our Little Loungers Breakfast Clubs.

We continue to support local charities through our "LoungeAid" programme, devoting June and December to fundraising initiatives for local charities chosen by the sites. In FY25, our sites raised over £208,000 under the LoungeAid banner through activities from walking challenges to bake sales. Our site openings generate further donations: in our opening week, we give 50p from every burger and 20p from every coffee sold to a local charity. In the last financial year, this activity raised an additional £29,000.

Over and above our fundraising efforts, we encourage our teams to look after individual customers through our "Random Acts of Kindness" programme in which staff have discretion to offer a free cup of coffee for someone caught in the rain or a piece of cake to someone who's having a bad day. In FY25, we gave away over £700,000 worth of food and drink to our customers.

Collectively, this adds up to £1.0m raised for good causes or gifted to the local community.

Customers – We are proud of what we put on the plate

We want to make sure that when our customers pick up our menus, there is something on there for everyone, whether they're avoiding meat, watching their weight, managing a food allergy, or looking to try something new. In addition to putting the calories on our menus, we always offer a couple of tempting main menu items with fewer than 800 calories and plenty of veggie side dishes. We don't offer fizzy drinks on our kids' menus, and kids' meals come with a complementary pot of hummus and crudites plus a carton of fruit juice.

This year our Lounge food development team worked with Angry Chef Anthony Warner to improve the nutritional profile of our Lounge menu through menu analysis, new dish development, and the reformulation of best-selling dishes and products. We now use a traffic light system for salt, sugar and saturated fats to better understand the nutritional profile of the items on our menu and to help us identify where improvements can be made. We reformulated nine dishes to bring down the amount of saturated fat they contain without affecting the way they taste. The changes we made will remove 6.5 tonnes of saturated fat from our customers' meals over the coming year. Bolstered by our success, we are now exploring other opportunities to reformulate recipes to reduce the salt, fat and sugar in our dishes, and increase the amount of fibre.

People – We care about our teams and are committed to doing the right thing

"The Commitments," which set out what our site-based teams can expect from working at Loungers, continue to be at the heart of our culture today. We support our managers to deliver on these and hold ourselves accountable with the goal of making sure everyone who's with us thoroughly enjoys their time whether they're here for a long time or a short time. Team morale remains high, with 74% of respondents to our Pulse survey in October 2024 telling us that, overall, they 'enjoy working for Loungers', and more than 80% feeling that they can be accepted and be themselves at work.

We enjoy sharing business success with our teams at site, and in 2024, awarded shares worth more than £1 million to over 1,000 site based team members, which then vested early as part of the acquisition of Loungers Limited (formerly Loungers plc) in February 2025. We continue to look for new and innovative ways to reward our teams.

More than half our workforce is female, and we have set ourselves a target to have 40% of our senior leadership positions held by women over the next five years[1]. Currently, 30% of our senior leadership team is female and to help develop our talent pipeline, we welcomed a second cohort into our 'Face Forward' female leadership development programme and continue to insist on balanced shortlists when recruiting for senior roles.

For those that want them, we help our people to build careers with us and, in FY25, 80%[2] of Operations Managers and Operations Chef roles came from internal appointments. We continue to aspire to fill half of all management roles from within and we have really invested in our people to prepare them to take the next step in their career. Across FY25, we were able to invite around 200 managers looking to progress their careers onto structured development programmes, and were pleased that, at the end of the year, 30% of attendees had been promoted and were still with the company[3]. This is something we'll continue to invest in and grow throughout 2026.

Planet – We deliver hospitality sustainably

Loungers remain committed to running a net zero business (Scopes 1 and 2) by 2035 and net zero Scope 3 by 2050. During the financial year, we partnered with Zero Carbon Forum to run energy-saving campaigns, encouraging behaviours that reduce demand and wastage of energy and estimate we saved around £200,000 in unused energy. We also conducted trials of several items of energy-saving equipment, adding successful items to our core procurement list for all new sites and existing kitchen upgrades. This includes a reduced wattage heat lamp, and new bottle fridges that cost less than seven pence per day to run.

Despite sending zero waste to landfill, we wanted to increase the volume of waste that is recycled or composted, rather than incinerated in an Energy from Waste plant. In FY25, we overhauled our approach to recycling and communicated our ambitions

[1] As measured through the Executive Committee plus direct reports
[2] As of the 13.03.2025 and including holding roles
[3] Based on P1FY26 report – 63 out of 196 on the Step up FY25 cohort

to our team. Our big focus has been on encouraging people to separate out food waste for industrial composting, as a result, we doubled the volume we collect. We also increased our volume of Dry Mixed Recycling by 25% and cut residual waste by 4%.

We have also been looking at our use of water and now measure it at all sites. We are exploring more effective technologies to help us reduce our water use and now install low-flow flushes, taps, and dishwashing hoses as standard at all new sites.

Suppliers – We are working with our partners to raise standards

Over the years, we have created a fantastic network of suppliers, many of whom have grown alongside us. We seek to build meaningful relationships with them, treat them fairly, and work with them to build an ethical supply chain.

We expect all our suppliers to behave ethically and sustainably and use external standards and certifications to check this. This year, we continued to encourage more of our suppliers to join SEDEX, and by the end of FY25, 97% of our food and drink suppliers are now linked to it, improving transparency about the ethical standards within our supply chain.

We are committed to serving our customers high quality products that are ethically sourced. We choose to buy 100% free-range shell eggs, higher welfare meat, and MSC or MCS fish. This year, we switched to a sausage supplier that uses RSPCA welfare assured pork. We aim to use soy and palm oil from certified sustainable sources and have worked with our suppliers to make the switch. At the end of the financial year, we were pleased that 37 of 41 ingredients that contain palm oil were confirmed as coming from sustainable sources. Likewise, 35 of 43 of soy-containing ingredients are sustainably sourced. We are now working with our suppliers to explore sustainable alternatives for the remaining products.

We are committed to improving chicken welfare standards and are working toward meeting the Better Chicken Commitment for 100% of the chicken in our supply chain.

Non-Financial Sustainability Impact Statement

The Board is responsible for setting the strategic direction of the Group and ensuring the long-term success of the business. As part of this, the Board ensures that risks are identified and considered, and that appropriate actions are taken to limit any negative impact to Loungers.

The Board is kept informed of key risks and actions through the operation of specific committees, including the Health and Safety Committee and the Sustainability Committee. The Sustainability Committee meets on a regular basis and is responsible for identifying and proposing relevant actions to reduce carbon emissions. As proposals are agreed upon by the Sustainability Committee these are formally presented to the Board, and included in business plans where necessary, to ensure that the correct focus is given to delivering the required output.

The Sustainability Committee also facilitates analysis of climate-related risks and opportunities. This group has continued to work alongside external experts to assess material physical and transition risks related to our business. In order to ensure that all risks are identified, it includes representatives from key areas of the business (Commercial, Finance, Operations, Marketing, Compliance, Property and People) as well as an external expert and the Group Managing Director, with the remit of setting Loungers' agenda and targets in this area.

During the year, the Sustainability Committee met to review the risks arising from climate change. These risks continue to be reviewed on an annual basis, to ensure that they remain up to date and relevant. Risks are assessed at a Group level. However, given the structure of the business, this is very closely aligned and focussed on the risks associated with the main trading subsidiary, Loungers UK Limited.

Loungers classify risks as either critical or key. Critical risks are those which would prevent the business operating or have a significant impact on profitability or reputation. Key risks are those which the business needs to consider and mitigate in the normal course of business. The critical climate related risks and opportunities reviewed by the Sustainability Committee were as follows:

Risk identified	Mitigation	Type	Risk category	Potential financial impact	Timeframe
Increased rainfall over UK winters increases flood risk	A minimal number of our sites are in coastal or riverside locations at risk of flooding. The risk of flooding is considered as part of the site approval process when selecting new sites and monitored through the annual insurance process.	Physical	Acute	Low to medium	Medium
Drier/ hotter summers leads to droughts/ water shortages, while heatwaves impact our staff	Portfolio of sites with a mix of indoor and outdoor space and suburban/ coastal locations. When fitting out new sites we seek to incorporate technology such as air source heat pumps that will maximise our efficiency.	Physical	Acute	Medium to high	Medium
Extreme weather events cause disruption in supply chains	We use a selection of large national wholesalers to procure our ingredients and continue to work with them to ensure the resilience of their sourcing. In the event of major disruption over a sustained period we would seek to flex our menus accordingly.	Physical	Chronic	Medium to high	Long
Compliance and cost risk from new government regulation	We have sought input from industry experts on our Sustainability and energy reporting. Our teams are kept up to date by industry bodies such as the ICAEW and continue to look out for new legislation coming down the line. The Sustainability Committee monitors new legislation and will report to the Board on any impacts to allow Loungers to respond in a measured and timely fashion	Transitional	Policy, regulatory & compliance	Low to medium	Medium
Cultural shift to prioritising sustainability – opportunity to differentiate ourselves to employees & customers, but a risk if we are not perceived to be responsible	We take frequent feedback from both customers and employees, and this is reviewed and taken into account when making menu decisions and policy decisions. We have appointed an industry expert to our Sustainability Committee and worked with specialists like the Zero Carbon Forum to help us drive leading sustainability performance	Transitional	Market: consumer preference	Medium	Medium
Timeframe referred to above defined as: Short - 1-5 years, Medium - 5-10 years, long – 10+ years					

Opportunity identified	Actions being taken	Type	Opportunity category	Potential financial impact	Timeframe
Loungers can differentiate itself to its customers by the strength of its sustainable offerings, such as the breadth of our vegan menu	We have set a target of a minimum of 18 vegan options and 36 gluten free options per menu	Transitional	Market: consumer preference	Medium	Medium
Hotter summers in the UK could result in Loungers being able to source more ingredients locally that have previously been imported (e.g. wines, fruit)	We review product lists on a regular basis with our key suppliers. Tools such as Sedex will also give us greater visibility over our supply chain, enabling us to make informed decisions	Physical	Chronic	Low to medium	Medium to long
Identify more sustainable processes and technology to improve efficiency	By increasing focus in areas such as waste and recycling we can reduce costs across the business	Transitional	Technology	Medium	Short
Timeframe referred to above defined as: Short - 1-5 years, Medium - 5-10 years, long – 10+ years					

Loungers' strategy is to support long term business growth whilst minimising its impact on the environment and operating in a verifiably ethical and responsible way. Where we are aware of significant risk or opportunity, the Sustainability Committee is responsible for coordinating the response from the wider business to ensure that we are building the appropriate actions into our operational and financial planning. This includes identifying opportunities (such as current projects to improve energy efficiency and recycling rates) as well as working with suppliers to ensure that we have a secure and ethical supply chain.

As part of our annual review, we have modelled the impact of climate change on our business under different scenarios to review the resilience of our business model and strategy. We have therefore considered the risks out to 2035, being the year targeted for Loungers to achieve net zero, using the scenarios used in UK CCRA3.

Scenario 1 – temperature rise of less than 2 degrees Celsius
In this scenario, government intervention through regulation and taxation as well as societal shifts in perception and behaviour limit the average temperature rise to 2 degrees. We would envisage carbon taxation, energy efficiency regulation and mandatory decarbonisation, alongside improvements in technology to maximise efficiency. In this environment, we would expect consumers to start shifting towards less carbon intensive food options as well as avoiding flights. All of these would potentially cause a significant increase in operational and capex costs which would require judicious actions on pricing and controllable costs such as labour.

Under this scenario, our key risks would predominantly be transitional:

Risk	Mitigation
Increased government intervention through areas such as carbon pricing, energy tax, efficiency regulations etc, resulting in higher operating costs and potential impacts on menu choices, fit out options etc	• Menu innovation to reduce reliance on high emission products • Partnership with suppliers to decarbonise supply chain • Pricing decisions to consider carbon costs to preserve margin where needed • More efficient technology in build process reduces operating costs for energy, waste etc
Failure to pivot quickly enough to low carbon options results in lack of compliance, with resulting reputational damage and financial penalties	• Sustainability committee monitors risk horizon • Targets in place to incentivise more efficient build strategies • Strong relationships with external advisors to ensure we don't fall behind the curve

Scenario 2 - temperature rise of more than 2 degrees Celsius
In this scenario, regulation would be reactive rather than proactive, responding to extreme weather events as they arose. Risks would therefore mainly be physical, from the impact of droughts, floods etc on our supply chain, our sites, and our staff.

Risk	Mitigation
Global weather becomes unpredictable, with extreme events impacting availability of key products in our supply chain	• Menu innovation to remove products impacted by supply shortages as we did at the start of the Ukraine war • Pricing decisions to offset costs that we cannot absorb
Extreme weather in the UK results in flooding in winter and heatwaves and water shortages in summer, impacting our ability to operate and the health of our staff	• Flood risk monitored as part of Site Acquisition sign off process • Diverse portfolio of sites enables us to offset risk in some with opportunities in others
Temperature volatility in the UK results in disruption to energy supply or digital infrastructure	• Investigation of alternative energy generation sources • Digital contingency plans for our data to look at alternative back up options

In this scenario, there could also be opportunities such as:

- New agriculture options in the UK in the warmer climate meaning that new supply chain options are open to us (e.g. wine)
- UK coastal areas become more desirable as holiday destinations, resulting in greater sales potential

While it is difficult to predict the full impact of these events with certainty, Loungers believes that we will be able to develop plans that enable us to respond effectively to these scenarios and takes some comfort from the agility of our response to the Covid-19 pandemic, which severely impacted the hospitality industry but from which we have emerged strongly.

Targets and KPIs

Our sustainability related targets are as set out on page 11. These are tracked throughout the year and their delivery forms part of the key strategic priorities against which management are measured.

Loungers are targeting to achieve net zero operations (Scopes 1 and 2) by 2035, in line with the majority of our peers in the hospitality sector. The key metric at Board level for carbon emissions is tonnes CO2e/£m turnover. As we did last year, in FY25 we engaged a specialist consultancy to calculate the carbon footprint of the whole supply chain from procurement of purchased goods and services through operations and included the impact of sold goods and services. As part of this process, we have used a spend based model to estimate Scope 3 emissions (those emissions from activities outside our control but for which we are indirectly responsible up and down our value chain) in addition to the Scope 3 energy component as set out in the SECR reporting.

This has given us the base to enable us to track our progress to net zero, acknowledging that reducing carbon emissions while growing our business so strongly is challenging. Over the course of FY25, we have made progress on reducing our carbon footprint relative to the size of the business, with our total CO2e tonnes per £m revenue decreasing by 10% to 42.9, compared to 47.4 in FY24.

Streamlined Energy and Carbon Reporting

The data below relates wholly to the United Kingdom and covers the 52 week period to 20 April 2025 and 53 week period to 21 April 2024.

	2025 Energy Usage (kWh)	2025 GHG Emissions (CO2e tonnes)	2024 Energy Usage (kWh)	2024 GHG Emissions (CO2e tonnes)
Grid electricity	41,414,340	9,332	42,993,946	9,663
Natural gas	27,570,821	4,595	32,584,875	5,995
Transport fuel (purchased and reimbursed)	4,928,984	3,497	4,459,776	1,097
Total	**73,914,145**	**17,424**	**80,038,597**	**16,755**
Scope 1	28,537,502	6,988	33,373,893	6,193
Scope 2	41,414,340	8,575	42,993,946	8,903
Scope 3	3,962,302	1,861	3,670,758	1,659
Total	**73,914,145**	**17,424**	**80,038,597**	**16,755**
Intensity ratio				
Annual revenue (£000)		406,355		353,486
Total CO2e tonnes per £m revenue		42.9		47.4

Quantification and reporting methodology

We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The DEFRA issued 2023 conversion figures for CO2e were used along with the fuel property figures to determine the kWh content for unknown liquid fuels used in transport.

Intensity measurement

The chosen intensity measurement ratio is £m turnover.

Measures taken to reduce carbon and improve energy efficiency

Loungers continues to strive for energy and carbon reduction arising from their activities. During this reporting period, the Group has:

- Trialled energy management processes and technologies at a number of sites
- Installed air source heat pumps in new sites
- Continued to reuse materials in its sites, such as reclaimed flooring and vintage lampshades
- Continued to collect used cooking oil from its sites for recycling into biofuel
- Introduced a new bin system to divert more waste to be recycled or composted
- Worked with suppliers to reduce packaging into sites, and increase use of reusable solutions
- Improved focus on water management

Stakeholders and Government

Over the past year we have sought to be transparent about our ESG strategy and policies with our stakeholders. As more sustainability focused legislation is rolled out that may influence our operations, we will continue to engage with regulatory bodies to understand the impact of this and ensure that we are prepared.

Directors' Duties - S172 Statement
The Directors are aware of their duty under Section 172(1) of the Companies Act 2006, to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequence of any decision in the long term.
- The interests of the Group's employees.
- The need to foster the Group's business relationships with suppliers, customers and others.
- The impact of the Group's operations on the community and the environment.
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Group.

The Directors consider the Group's key stakeholders to be its employees, its customers, its suppliers, the communities in which it operates and its shareholders. Details about how the Group interacts with these stakeholders can be found in 'The Good Stuff' section of the Strategic Report on pages 11-13.

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) and together with the information set out in the ESG section of the Strategic Report on pages 11-16 forms the Directors' statement under section 414CZA of the Companies Act 2006.

The Board considers the impact upon the key stakeholders as part of all decision making. It seeks engagement from stakeholders through a variety of methods, including briefings from Executive Directors and senior leaders within the business, customer feedback and staff surveys. The Board is mindful of the positive impact that opening a Lounge, Cosy Club or Brightside can have on local communities, but also of ensuring that the Group has the operational capability to deliver new sites.

During the year, the key strategic issues under discussion by the Board included the management of significant National Living Wage and employer National Insurance increases, coupled with menu pricing, against a backdrop of inflation and consumer pressure. There was also continued focus on recruitment and retention, including the development of the Group's organisational structure and ensuring that it is well equipped for future growth.

During the year, Loungers Plc underwent a delisting process, which completed on 11th February 2025 and removed its shares from AIM on 12th February 2025. The company was subsequently acquired by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP.

Following the delisting, the Group re-registered from a public to a private limited company and changed its name to Loungers Limited.

In considering the proposed transaction, the Board noted Fortress Investment Group LLC and Lion Capital LLP's confidence in the future of the Group and its intention to invest and expand the business working with existing management and employees.

Having reviewed other potential scenarios and strategic options, the Board, having consulted with specialist advisors, concluded that the certainty provided by the eventual offer made it a superior outcome for all shareholders, with the 325p per share offer valuing the entire issued, and to be issued, ordinary share capital of Loungers at approximately £354.4 million. This implied an enterprise value of approximately £366.6 million and a multiple of approximately 8.4 times Loungers' FY24 Adjusted EBITDA (before site pre-opening costs).

Directors and Board Advisors undertook extensive consultations with major shareholders on the proposed acquisition, and the feedback from individual shareholders was circulated internally when received.

Following the acquisition, the board reviewed the company's governance arrangements at its first meeting to consider the appropriate systems and governance that it would need to put in place given the change in ownership and Board Structure.

The Strategic Report, from pages 4 to 17, was approved by the Board of Directors and signed on its behalf by:

S Marshall
Director
29 July 2025

DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of Loungers Limited (formerly Loungers plc) for the 52 weeks ended 20 April 2025.

Principal activities

The principal activity of the Group is the operation of café bars and café restaurants.

Results and dividends

The consolidated statement of comprehensive income is set out on page 25 and shows the comprehensive income for the year.

There were no dividends paid or proposed in the year under review.

Strategic report

Information in respect of the Business Review, Future Outlook of the Business, Section 172 reporting, SECR disclosures and Principal Risks and Uncertainties are not shown in the Directors' Report because they are presented in the Strategic Report.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Alex Reilley
Nick Collins
Gregor Grant (resigned 23 April 2024)
Stephen Marshall (appointed 23 April 2024)
Nick Backhouse (resigned 11 February 2025)
Adam Bellamy (resigned 11 February 2025)
Robert Darwent (resigned 11 February 2025)
Jill Little (resigned 11 February 2025)

Corporate Governance Statement

For most of the reporting year, until the acquisition of the Group by Fortress Investment Group LLC., the Group was AIM listed and consequently adhered to the provisions of the UK Corporate Governance Code, adopting and reporting against Quoted Companies Alliance Corporate Governance Code 2023 (the "**QCA Code**").

Since delisting in February 2025, the Group is in the process of reviewing its governance arrangements, with the intention to follow corporate governance principles suitable for large Private Companies. Board meetings will be held by the ultimate holding Company, CF Exedra Topco Limited and will cover both the wider CF Exedra Group, and the existing Loungers Limited Group, given the strategy and Directors are consistent across all entities.

Delivering Growth

The Board has collective responsibility for setting the strategic aims and objectives of the Group. These aims are articulated in the Strategic Report on pages 4 to 17.

The Group takes its corporate social responsibilities very seriously. The Board recognises that, for the Company to achieve long-term success, effective working relationships must be maintained across a wide range of stakeholders, including employees, existing and new customers, suppliers and others that it collaborates with as part of its business strategy. In order to further governance and transparency in this area, the Board has established a Sustainability Committee, chaired by the Group Managing Director, to develop and deliver the Group's ESG objectives. More information on these objectives and the FY25 progress against them is contained in 'The Good Stuff' section of this report on pages 11 to 13.

Effective risk management is also critical to meeting the Company's strategic objectives and the Company operates a risk management and internal control framework. The Board has overall responsibility for determining the Company's risk management objectives and policies and for keeping under review the Company's systems for risk management and internal control. The Company's principal risks can be found on pages 9 to 10. The Board regularly monitors the risks the Company faces and takes appropriate action where necessary. This has continued to be an area of focus for the Board as the Company has navigated through UK economic concerns and increased business costs. The Board is particularly cognisant of the recent further increases in inflation and wage costs and the impact this could have on consumer discretionary spending.

Maintaining a Dynamic Management framework

The Company promotes a culture of integrity, honesty, trust and respect and all employees are expected to operate in an ethical manner in all their internal and external dealings. The Company's staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery, communication and general conduct of employees.

The Board places significant importance on the promotion of ethical values and good behaviour within the Company and takes ultimate responsibility for ensuring that these are promoted and maintained throughout the organisation and that they guide the Company's business objectives and strategy.

Build Trust

The Board recognises the importance of understanding the expectations of our stakeholders, and a description of our activity in this area is set out on page 16, within the ESG section of the Strategic Report.

The Board has a schedule of matters that are reserved for its decision, which include corporate governance, strategy, major investments, financial reporting and internal controls.

Board Structure and Operation

The Board comprises three Directors at 20 April 2025: the Founder Chairman and two Executive Directors.

The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Chief Executive Officer and the Chief Financial Officer are responsible for the day-to-day management of the Company and for implementing the strategic goals agreed by the Board.

The Board meets regularly (at least eight times a year and met 10 times during the year under review) and is responsible for strategy, performance, approval of any major capital expenditure and the framework of risk management and internal control.

Risk management and internal control

The Board has ultimate responsibility for the Group's system of risk management and internal control and for the ongoing review of its effectiveness. The system of risk management and internal control can only identify and manage risk and not eliminate it entirely. As a result, such a framework cannot provide an absolute assurance against misstatement or loss. The Board considers that the framework which has been established and implemented is appropriate for the size, complexity and risk profile of the Group. The Board continues to review the system of risk management and internal control to ensure it is fit for purpose and appropriate for the size and nature of the Company's operations and resources.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities as set out on page 4 as well as the Company's principal risks and uncertainties as set out on pages 9 and 10, including the downside sensitivities outlined in note 2.2. Based on the Company's cash flow forecasts and projections, the Board is satisfied that the Company will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Board considers it appropriate for the Company to adopt the going concern basis in preparing its financial statements.

Employment policy

Our policy is to promote equal opportunity in employment regardless of gender, race, colour or disability, subject only to capability and suitability for the task and legal requirements. Where existing employees become disabled, it is our policy to provide continuing employment under equivalent terms and conditions, and to provide equal opportunity for promotion to disabled employees wherever appropriate.

The Board recognises that Loungers' performance and success are directly related to our ability to attract, retain and motivate high-calibre employees. We are committed to linking reward to business and individual performance, giving employees the chance to share in the Group's financial success. Eligible employees are typically provided with financial incentives related to the Group's performance in the form of annual bonuses or longer term incentive plans.

Employee Engagement

We keep our team members regularly updated with issues affecting the running of the business and obtain their views on any key matters, all of which is in accordance with our obligations under the Information and Consultation Regulations 2004. The dissemination of information is achieved in many ways including weekly and quarterly newsletters, regular regional and area meetings, our company intranet and Directors and Managers briefings. These are opportunities for team members to express their views and ask questions. Outside of these specific events, we welcome any questions that team members may have about the business. Further information on employee engagement is provided on page 12.

Financial Risk Management

The Group finances its operations through a combination of intra-Group funding and bank debt. The Group uses various financial instruments in the form of cash, third-party bank debt and other items, such as trade payables, that arise directly from its operations. The main purpose of these financial instruments is to fund the Company's operations. These financial instruments expose the Company to several financial risks, principally liquidity and interest rate risks. The Company seeks to meet liquidity risk through assessment of short-, medium- and long-term cash flow forecasts to ensure the adequacy of committed debt facilities.

The Group's policy and use of Financial Instruments is set out in note 21.

Directors' liability insurance and indemnity

The Group has arranged insurance cover in respect of legal action against its Directors. To the extent permitted by UK law, the Group also indemnifies the Directors. These provisions are qualifying third party indemnity provisions which were in force throughout the year and in force at the date of this report.

Political Donations

During the 52 weeks ended 20 April 2025 the Group made no political donations (2024: £nil).

DIRECTORS' REPORT

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 102 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the groups and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

So far as each of the Directors is aware, there is no relevant audit information that has not been disclosed to the Group's auditors and each of the Directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Group's auditors have been made aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

This report was approved by the Board of Directors and signed on its behalf.

Stephen Marshall
Chief Financial Officer
29 July 2025

Independent auditors' report to the members of Loungers Limited
Report on the audit of the financial statements

Opinion

In our opinion:

- Loungers Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 20 April 2025 and of the group's profit and the group's cash flows for the 52 week period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company statement of financial position as at 20 April 2025; the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated and company statement of changes in equity for the period then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information (group) and which includes a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 20 April 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, food safety, and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and taxation legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to increase revenue or profits or the manipulation of accounting estimates which could be subject to management bias.

Audit procedures performed by the engagement team included:

- Confirmation and enquiry of management and those charged with governance over compliance and financial reporting and taxation legislation, including consideration of actual or potential litigation and claims;
- Reviewing relevant minutes of director board meetings;
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Identifying and testing journal entries, in particular any entries posted with unusual account combinations
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to impairment of property, plant and equipment

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Sarah Phillips

Sarah Phillips (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
29 July 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 20 APRIL 2025

	Note	52 weeks ended 20 April 2025	53 weeks ended 21 April 2024
		£000	£000
Revenue	4	406,355	353,486
Cost of sales		(238,791)	(209,338)
Gross profit		167,564	144,148
Administrative expenses		(154,413)	(123,833)
Operating profit	5	13,151	20,315
Finance income	8	279	154
Finance costs	9	(9,723)	(9,025)
Profit before taxation		3,707	11,444
Tax charge on profit	10	(2,462)	(2,320)
Profit for the year		1,245	9,124
Total comprehensive income for the year		1,245	9,124

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 20 APRIL 2025

	Note	At 20 April 2025	At 21 April 2024
		£000	£000
Assets			
Non-current			
Goodwill	11	114,722	114,722
Property, plant and equipment	12	308,840	271,359
Finance lease receivable	13	668	-
Total non-current assets		424,230	386,081
Current			
Inventories	14	3,718	2,910
Assets held for sale	15	1,910	-
Trade and other receivables	16	14,169	10,487
Cash and cash equivalents	17	13,814	10,349
Total current assets		33,611	23,746
Total assets		457,841	409,827
Liabilities			
Current liabilities			
Trade and other payables	18	(123,926)	(79,788)
Lease liabilities	19	(13,557)	(11,876)
Total current liabilities		(137,483)	(91,664)
Non-current liabilities			
Borrowings	20	-	(19,810)
Lease liabilities	19	(154,529)	(139,333)
Deferred tax liabilities	22	(5,096)	(2,634)
Total liabilities		(297,108)	(253,441)
Net assets		160,733	156,386
Called up share capital	24,25	1,090	1,039
Share premium	25	8,066	8,066
Treasury shares	25	(31)	(376)
Other reserve	25	-	-
Retained earnings	25	151,608	147,657
Total equity		160,733	156,386

Notes 1 to 30 form part of these financial statements. The Company's registered number is 11910770.

The financial statements on pages 25 to 55 were approved and authorised for issue by the Board of Directors on 29 July 2025 and were signed on its behalf by:

SMarshall

Stephen Marshall
Chief Financial Officer

29 July 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 52 WEEKS ENDED 20 APRIL 2025

	Called up share capital £000	Share premium £000	Treasury shares £000	Other reserve £000	Retained earnings £000	Total equity £000
At 17 April 2023	1,133	8,066	-	14,278	121,175	144,652
Ordinary shares issued	6	-	-	-	(6)	-
Share based payment charge	-	-	-	-	3,086	3,086
Group reorganisation	-	-	-	(14,278)	14,278	-
Redemption of preference shares	(100)	-	-	-	-	(100)
Purchase of own shares	-	-	(376)	-	-	(376)
Total transactions with owners	(94)	-	(376)	(14,278)	17,358	2,610
Profit for the year	-	-	-	-	9,124	9,124
Total comprehensive income for the 53 week year ended 21 April 2024	-	-	-	-	9,124	9,124
At 21 April 2024	1,039	8,066	(376)	-	147,657	156,386
Ordinary shares issued	51	-	-	-	(51)	-
Share based payment charge	-	-	-	-	3,102	3,102
Cancellation of treasury shares	-	-	345	-	(345)	-
Total transactions with owners	51	-	345	-	2,706	3,102
Profit for the year	-	-	-	-	1,245	1,245
Total comprehensive income for the 52 week year ended 20 April 2025	-	-	-	-	1,245	1,245
At 20 April 2025	1,090	8,066	(31)	-	151,608	160,733

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 20 APRIL 2025

	Note	52 weeks ended 20 April 2025	53 weeks ended 21 April 2024
		£000	£000
Net cash generated from operating activities	26	**101,491**	**64,648**
Cash flows from investing activities			
Purchase of property, plant and equipment		(50,424)	(47,716)
Interest received		279	154
Net cash used in investing activities		(50,145)	(47,562)
Cash flows from financing activities			
Shares issued on exercise of employee share awards		(2,181)	(193)
Cash settlement of share awards		(1,724)	(333)
Cancellation of treasury shares / (Purchase of own shares)		345	(376)
Loan arrangement fees		(190)	(266)
Bank loans repaid		(20,000)	(12,500)
Interest paid		(1,737)	(1,882)
Principal element of lease payments		(14,409)	(10,607)
Interest paid on lease liabilities		(7,985)	(6,950)
Net cash used in financing activities		(47,881)	(33,107)
Net increase / (decrease) in cash and cash equivalents		3,465	(16,021)
Cash and cash equivalents at beginning of the year		10,349	26,370
Cash and cash equivalents at end of the year	27	13,814	10,349

1. General information

Loungers Limited (formerly Loungers plc) ("the Company") and its subsidiaries ("the Group") operate café bars, café restaurants, and roadside dining through three complementary brands, Lounge, Cosy Club and Brightside.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom and registered in England and Wales.

The registered address of the Company is 26 Baldwin Street, Bristol, United Kingdom, BS1 1SE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The consolidated financial statements of the Loungers Limited group (formerly Loungers plc) have been prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The accounting policies adopted in the preparation of the Financial Statements are consistent with those applied in the preparation of the financial statements of the Group for the 53 weeks ended 21 April 2024.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives) at fair value through profit and loss. The financial statements are presented in thousands of pounds sterling ('£000') except where otherwise indicated.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

Judgements made by the Directors in the application of the accounting policies that have a significant effect on the consolidated financial statements and estimates with significant risk of material adjustment in the next year are discussed in note 3.

2.2 Going concern

In concluding that it is appropriate to prepare the FY25 financial statements on the going concern basis the Directors have considered the Group's cash flows, liquidity and business activities in accordance with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014 published by the UK Financial Reporting Council.

As at 20 April 2025 the Group had cash balances of £13.8m (2024: £10.3m) and access to undrawn facilities through its parent company, CF Exedra Bidco Limited of £29.5m (2024: £22.5m), providing total liquidity of £43.3m (2024: £32.8m). In February 2025, as a result of the acquisition by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP, the previously held term loan of £20m was fully repaid. New loan facilities that support the working capital of Loungers Limited Group are now held by CF Exedra Bidco Limited, a company that has 100% ownership of Loungers Limited and its subsidiary companies, and part of the new CF Exedra Group (the Acquisitor Group). The Acquisitor Group's facilities consist of a £155m term loan from its immediate parent undertaking, and access to a £35m RCF facility, with all debt held by CF Exedra Bidco Limited, a company that has 100% ownership of Loungers Limited and its subsidiary companies.

The Group has modelled financial projections for the going concern period to the 4 October 2026 based upon two scenarios, a base case and a downside case. The base case incorporates the Board approved budget for FY26 as well as the first six periods of the FY27 business plan. The base case scenario indicates that the Group has significant headroom in respect of both its liquidity position and its banking covenants.

In the downside scenario it has been assumed that sales volumes fall by 10% from the base case with an associated reduction in labour and variable cost efficiency. Under this scenario the Group is able to maintain its *new site opening programme and continues to have liquidity and banking covenant headroom.*

2 Accounting policies (continued)

2.2 Going concern (continued)

The Directors have also considered the potential impact of climate change on going concern and have concluded that there is not expected to be any impact on the business during the going concern period.

In addition, the Group's directors are in receipt of an undertaking from the parent company, CF Exedra Bidco Limited to provide financial assistance for a period of at least one year to enable the Group to continue to meet its obligations as they fall due. Based upon the forecasts described above the Directors deem it appropriate to prepare the FY25 financial statements on the going concern basis.

2.3 Basis of consolidation

A subsidiary is an entity controlled by the Group. Control exists when the Group possesses power over the investee, has exposure to variable returns from its involvement with the entity and has the ability to use its power over the investee to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

2.4 Alternative performance measures ("APM's")

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These APMs are not defined or specified under the requirements of IFRS.

The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. Adjusted EBITDA is also the measure used by the Group's banks for the purposes of assessing covenant compliance. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies' alternative performance measures.

The key APMs that the Group uses include Adjusted EBITDA and Adjusted operating profit. These APMs are set out on page 63, including explanations of how they are calculated and how they are reconciled to a statutory measure where relevant.

The Adjusted EBITDA and Adjusted operating profit measures exclude adjusting items and site pre-opening costs, as defined below, and share-based payment charges. The calculation of these measures aligns to the way in which they are calculated by the Group's lenders for the purpose of testing compliance with its covenants.

Adjusting items

The Group classifies certain charges or credits as 'adjusting'. These are disclosed separately to provide further understanding of the financial performance of the Group. Management splits out these costs for internal purposes when reviewing the business. Adjusting items include exceptional items, impairment charges and reversing credits, profit or loss on disposal of fixed assets, and acquisition related transaction costs.

2 Accounting policies (continued)

Site pre-opening costs

Site pre-opening costs refer to costs incurred in getting new sites fully operational, and primarily include costs incurred before opening and in preparing for launch. These costs are disclosed separately to provide a more accurate indication of the Group's underlying financial position.

2.5 Revenue

The Group has recognised revenue in accordance with IFRS 15. The standard requires revenue to be recognised when goods or services are transferred to customers and the entity has satisfied its performance obligations under the contract, and at an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Group has one revenue stream which comprises food and beverage sales and therefore represent one performance obligation that is satisfied when control is transferred to the customer at the point of sale when payment is received and therefore no contract assets or contract liabilities are created.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of sales/value added tax, returns and discounts.

2.6 Finance costs

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

2.7 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred and the amount of any non-controlling interest in the acquiree. The consideration transferred is measured at the acquisition date fair value. The non-controlling interest is measured as the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in adjusting items.

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition.

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicated that they may be impaired.

2 Accounting policies (continued)

2.8 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Freehold land is not depreciated.

Depreciation is provided on the following basis:

Leasehold building improvements	- straight-line over the life of the lease
Motor vehicles	- 25% straight-line
Fixtures and fittings	- 6.67% - 33% straight-line or over the life of the lease
Freehold land and buildings	- 2% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.9 Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities, for example resulting from rent reviews. The cost of right-of-use assets includes the amount of lease liabilities recognised, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are related to the property leases and are depreciated on a straight-line basis over the lease term.

2.10 Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in profit or loss.

2.11 Trade and other receivables

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method.

2.12 Impairment

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicated that it might be impaired. Goodwill is not allocated to individual cash generating units (CGUs) but to a group of CGUs. As the business has a single operating segment as disclosed in note 4, and goodwill is not disaggregated for internal management purposes, goodwill impairment testing is performed for the business as a whole, in accordance with IAS 36.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

2 Accounting policies (continued)

2.13 Cash and cash equivalents

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

2.14 Financial instruments

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Fees paid on the establishment of loan facilities are recognised as transactional costs of the loan and the fee is capitalised as a pre-payment for liquidity services and amortised using the effective interest rate method over the period of the facility to which it relates.

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

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

2.15 Derivative financial instruments and hedge accounting

The Group uses interest rate swaps to hedge its exposure to interest rate fluctuations on its variable rate bank loans. Interest rate swaps are initially measured at fair value, if any, and carried on the balance sheet as an asset or liability. The Group has adopted cash flow hedge accounting and subsequent measurement is at fair value, with the effective portion of the gain or loss on an interest rate swap recognised in other comprehensive income, whilst any ineffective portion is recognised immediately in finance costs. When a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting, amounts previously recognised in other comprehensive income are held there until the previously hedged transaction affects the Statement of Comprehensive Income. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in other comprehensive income is immediately transferred to finance costs.

2.16 Trade and other payables

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

2.17 Leased assets: the Group as lessee

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include lease payments less any lease incentives receivable. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, for example a rent review or a change in the lease term.

2 Accounting policies (continued)

2.18 Pensions

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Provisions

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

Onerous contracts are contracts in which the unavoidable costs of meeting obligations under the contract exceed the economic benefits expected to be received under it, where the unavoidable costs are defined as the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. As soon as a contract is assessed to be onerous, a provision is recognised in the Balance Sheet and charged as an expense to the Statement of Comprehensive Income.

2.20 Share based payments

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 23.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line or a graded basis over the vesting period as appropriate, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserve.

2.21 Current and deferred taxation

The tax expense for each reporting year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

2 Accounting policies (continued)

2.22 Current and deferred taxation (continued)

- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.23 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group Financial Statements.

2.24 New standards, amendments and interpretations adopted

Amendments to accounting standards applied from 22 April 2024 included amendments to:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules - amendments to IAS 12

The application of the above accounting standards did not have a material impact on the Group's accounting treatment and have therefore not resulted in any material changes for the 52 weeks ended 20 April 2025.

Certain new accounting standards and interpretations have been published that are not mandatory for 20 April 2025 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods an on foreseeable future transactions.

3 *Critical accounting judgements and estimation uncertainty*

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 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:

Key judgements

Determining the rate used to discount lease payments

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In the 52 weeks ended 20 April 2025, new leases have been discounted at a rate of 7.0%. For the lease liabilities at 20 April 2025 a 1.5 per cent change in the discount rate used would have adjusted the total liabilities by £2,640,000.

3 Critical accounting judgements and estimation uncertainty (continued)

Key estimates

Impairment of property plant and equipment

Annually, the Group considers whether tangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the CGUs. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. Individual sites are viewed as separate CGUs in respect of the impairment of property, plant and equipment. Details of the sensitivity of the estimates used in the impairment exercise are provided in note 12.

4 Revenue

Revenue arises from one key revenue stream, being the sale of food and drink to customers in the Group's sites for which payment in cash or cash equivalents is received immediately. The Group operates in a single geographical region (the UK) and hence all revenues are impacted by the same economic factors. Accordingly, revenue is presented as a single category, and further disaggregation is not appropriate or necessary to gain an understanding of the risks facing the business.

5 Operating profit

The operating profit is stated after charging / (crediting):

	Note	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Depreciation of tangible fixed assets	12	21,595	17,311
Depreciation of right of use assets	12	13,802	11,391
Net impairment on property, plant and equipment	12	1,083	304
Net impairment on right of use assets	12	5,689	2,215
Loss on disposal of tangible fixed assets	12	110	(15)
Exceptional costs related to sale process	6	7,873	-
Net finance lease receivable	13	(668)	-
(Gain) on write back of lease liability		-	(67)
Inventories – amounts charged as an expense		89,579	81,587
Fees payable to the company's auditors and their associates for the audit of parent company and consolidated financial statements		125	110
Fees payable to company's auditors and their associates for other services:			
- for statutory audit services (subsidiary companies)		125	110
Staff costs (excluding share based payments)		194,299	150,989
Pre-opening costs		4,060	4,164

6 Exceptional costs

Exceptional costs can be categorised as follows:

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Costs related to sale process	7,873	-
	7,873	-

The exceptional items are not part of the Group's underlying trading activities and include takeover costs, which relate to the approved offer for Loungers plc by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP. Costs of £7.9m (2024: £nil) were spent on due diligence and external advisors.

7 Employees and directors

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

	52 weeks ended 20 April 2025 Number	53 weeks ended 21 April 2024 Number
Management, administration and maintenance	270	228
Site	9,287	8,403
	9,557	8,631

Staff costs were as follows:

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Wages and salaries	177,605	139,856
Social security costs	14,153	9,250
Share based payments	5,605	3,907
Other pension costs	2,541	1,883
	199,904	154,896

Additional payroll costs of £3,571,000 (2024: £2,726,000) relating to the build team have been capitalised.

The key management personnel are considered to be the Directors of the Company and details of their remuneration are disclosed below.

The following table shows a breakdown of the Director remuneration of all Directors who served in all or part of the year.

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Directors' emoluments	1,154	1,034
Other benefits	6	2
Bonus	773	801
Share awards	238	668
	2,171	2,505

During the year retirement benefits were accruing to 1 director (2024: nil) in respect of defined contribution pension schemes.

The highest paid director received total remuneration of £770,000 (2024: £1,047,000) and received company contributions to defined contribution pension schemes of £nil (2024: £nil). Their remuneration included £119,000 in share awards in the year (2024: £290,000) and all Directors in possession of share options exercised these fully during the year, as a result of the Group's sale and subsequent delisting (2024: no Directors).

8 Finance income

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Bank interest receivable	279	154
	279	154

9 Finance costs

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Bank interest payable	1,752	2,075
Finance cost on lease liabilities	7,971	6,950
	9,723	9,025

10 Tax charge on profit

The income tax charge is applicable on the Group's operations in the UK.

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Taxation charged to the income statement		
Current income taxation	-	-
Adjustment for current tax of prior periods	-	(1,259)
Total current income taxation	-	(1,259)
Deferred Taxation		
Origination and reversal of temporary timing differences	4,199	3,941
Adjustments to tax charge in respect of prior years	(1,737)	(687)
Adjustment in respect of change of rate of corporation tax	-	325
Total deferred tax	2,462	3,579
Total taxation charge in the consolidated income statement	2,462	2,320
The above is disclosed as:		
Income tax charge – current year	4,199	4,266
Income tax (credit) – prior year	(1,737)	(1,946)
	2,462	2,320

Further information on the movement on deferred taxation is given in note 22.

10 Tax charge on profit (continued)

Factors affecting the tax charge for the year

	52 weeks ended 20 April 2025	53 weeks ended 21 April 2024
	£000	£000
Profit before tax	3,707	11,444
At UK standard rate of corporation taxation of 25% (2024: 25%).	927	2,861
Expenses not deductible for tax purposes	3,272	1,080
Adjustments to tax charge in respect of prior years	(1,737)	(1,946)
Adjustment in respect of change of rate of corporation tax	-	325
Total tax charge for the year	2,462	2,320

11 Goodwill

	20 April 2025 £000	21 April 2024 £000
Net book value		
At beginning of year	114,722	114,722
Additions	-	-
At end of year	114,722	114,722

Goodwill of £113,227,000 arose on the acquisition of a majority stake in the Group by the former controlling party, Lion Capital LLP, on 19 December 2016.

Goodwill of £1,495,000 arose on the acquisition of Route Restaurants Limited and Nightlife Leisure (South West) Limited on 1 December 2022.

Goodwill is not amortised, but an impairment test is performed annually by comparing the carrying amount of the goodwill to its recoverable amount. The recoverable amount is represented by the greater of the business's fair value less costs of disposal and its value in use.

Goodwill is monitored at the operating segment level identified in note 4. For assessing impairment at 20 April 2025 and 21 April 2024, a value in use calculation has been performed using a discounted cash flow method based on the forecast cash flows and a terminal growth rate. The cash flows used in this assessment are based on a three year business plan to April 2028, the cash flows include ongoing capital expenditure required to maintain the sites but exclude any growth capital. The discount rate used to determine the present value of projected future cash flows is based on the Group's Weighted Average Cost of Capital ("WACC") and the Group's current view of achievable long-term growth. The post-tax discount rate and terminal growth rate used in the discounted cash flow model were 9.0% and 2.0% respectively (2024: 9.0% and 2.0% respectively). The pre-tax discount rate used in the discounted cash flow model was 12.0% (2024: 12.0%).

The estimation of value in use is most sensitive to changes in future cash flows, discount rates and terminal growth rates applied to cash flows beyond the forecast year. The sensitivity of key inputs and assumptions used was tested by recalculating the recoverable amount using reasonably possible variances to those assumptions. The discount rate was increased by 1%, the terminal growth rate was decreased by 1%, and future cash flows were reduced by 10%. As at 21 April 2024 and 20 April 2025, no reasonably possible change in an individual key input or assumption, as described, would result in the carrying amount exceeding its recoverable amount based on value in use.

12 Property, plant and equipment

	Freehold Land and Buildings	Leasehold Building Improvements	Motor Vehicles	Fixtures and Fittings	Right of use asset	**Total**
	£000	£000	£000	£000	£000	**£000**
Cost						
At 17 April 2023	2,451	84,114	201	91,704	173,900	**352,370**
Additions	2,865	20,005	-	24,302	27,046	**74,218**
Disposals	-	-	-	-	(243)	**(243)**
At 21 April 2024	5,316	104,119	201	116,006	200,703	**426,345**
Accumulated depreciation						
At 17 April 2023	14	22,527	111	39,114	62,190	**123,956**
Provided for the year	40	6,085	35	11,151	11,391	**28,702**
Impairment	-	422	-	333	3,940	**4,695**
Impairment reversal	-	(451)	-	-	(1,725)	**(2,176)**
Disposals	-	-	-	-	(191)	**(191)**
At 21 April 2024	54	28,583	146	50,598	75,605	**154,986**
Net book value						
At 21 April 2024	5,262	75,536	55	65,408	125,098	**271,359**
Cost						
At 22 April 2024	5,316	104,119	201	116,006	200,703	**426,345**
Additions	1,100	23,522	9	25,792	31,279	**81,702**
Transfers to assets held for sale	(1,950)	-	-	-	-	**(1,950)**
Disposals	-	(823)	(201)	(763)	-	**(1,787)**
At 20 April 2025	4,466	126,818	9	141,035	231,982	**504,310**
Accumulated depreciation						
At 22 April 2024	54	28,583	146	50,598	75,605	**154,986**
Provided for the year	180	7,374	48	13,993	13,802	**35,397**
Transfers to assets held for sale	(40)	-	-	-	-	**(40)**
Impairment	-	890	-	380	6,027	**7,297**
Impairment reversal	-	(175)	-	(12)	(338)	**(525)**
Disposals	-	(720)	(194)	(731)	-	**(1,645)**
At 20 April 2025	194	35,952	-	64,228	95,096	**195,470**
Net book value						
At 20 April 2025	4,272	90,866	9	76,807	136,886	**308,840**

The above includes assets in the course of construction with a total cost of £2,296,000 (2024: £2,270,000) which have not been depreciated to date.

12 Property, plant and equipment (continued)

Impairment of property, plant and equipment and right of use assets

The Group has determined that each site is a separate CGU for impairment testing purposes. Each CGU is tested for impairment at the balance sheet date if there exists at that date any indicators of impairment. As at 21 April 2024 impairment provisions totalling £9,044,000 were carried. In undertaking the current year review a number of those sites where provisions were carried at 21 April 2024 have generated sufficient cashflows to justify an assessment that impairment is no longer necessary and consequently a reversal of £525,000 has been released to the income statement (2024: £2,176,000). Conversely, the assessment carried out at the end of FY25 indicated that a further 22 sites showed potential impairment, and a £7,297,000 charge has been recognised in respect of these sites (2024: £4,695,000).

The value in use of each CGU is calculated based upon the Group's latest three-year forecast. The site cash flows include an allocation of central costs and ongoing capital expenditure to maintain the sites. The cash flows exclude any growth capital. Cash flows beyond the three-year period are extrapolated using the Group's estimate of the long-term growth rate, currently 2.0% (2024: 2.0%).

The key assumptions in the value in use calculations are the like for like sales projections for each site, changes in the operating cost base, the long-term growth rate and the pre-tax discount rate. The post-tax discount rate is derived from the Group's WACC and is currently 9.0% (2024: 9.0%).

The cash flows used within the impairment model are based upon Board approved forecasts. Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in the key assumptions. A reduction in site cash flows of 10% in each year would result in an incremental impairment charge of £1,221,000 (2024: £1,978,000). A 100 basis point increase in the discount rate would result in an incremental impairment charge of £587,000 (2024: £455,000) and a 50 basis point reduction in the terminal growth rate would result in an incremental impairment charge of £167,000 (2024: £174,000).

13. Finance lease receivable

At the balance sheet date, the company had amounts receivable under finance leases as follows:

	20 April 2025 £000	21 April 2024 £000
Gross investment in finance leases	847	-
Unearned finance income	(179)	-
Net investment in finance leases	668	-

The non- discounted net investment in finance leases is analysed as follows:

	20 April 2025 £000	21 April 2024 £000
Receivable in one year	12	-
Receivable between one and five years	360	-
Receivable after five years	475	-
	847	-

14 Inventories

	20 April 2025 £000	21 April 2024 £000
Food and beverages for resale	3,718	2,910
	3,718	2,910

There is no material difference between the replacement cost of inventories and the amounts stated above. Inventories are charged to cost of sales in the consolidated statement of comprehensive income.

15 Assets held for sale

	20 April 2025 £000	21 April 2024 £000
Assets held for sale	1,910	-
	1,910	-

At year end, Loungers Limited (formerly Loungers plc) were in the process of marketing two freehold properties, with the intention to complete the sale process by the end of the financial year.

16 Trade and other receivables

	20 April 2025 £000	21 April 2024 £000
Included within current assets		
Trade receivables	1,639	549
Corporation tax recoverable	-	1,175
Other receivables	1,152	1,302
Prepayments	11,378	7,461
	14,169	10,487

Receivables are denominated in sterling.

The Group held no collateral against these receivables at the balance sheet dates. The Directors consider that the carrying amount of receivables are recoverable in full and that any expected credit losses are immaterial. At each year end, there were no overdue receivable balances.

17 Cash and cash equivalents

	20 April 2025 £000	21 April 2024 £000
Cash at bank and in hand	13,814	10,349
	13,814	10,349

Cash and cash equivalents comprise cash at bank and in hand. The fair value of cash and cash equivalents is the same as the carrying value of £13,814,000 (2024: £10,349,000).

18 Trade and other payables

	20 April 2025 £000	21 April 2024 £000
Included in current liabilities:		
Trade payables	37,114	31,773
Amounts owed to Group	33,899	-
Other taxation and social security	16,173	15,158
Other payables	20,345	17,177
Accruals and deferred income	16,395	15,680
	123,926	79,788

Trade payables were all denominated in sterling and comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing.

Balances owed to Group relate to transactions with CF Exedra Bidco Limited, the new direct parent company of Loungers Limited (formerly Loungers plc), which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP, as a result of the sale process that completed during the year. All amounts owed to Group are unsecured and have no fixed repayment date. No interest is charged, and amounts are repayable on demand.

The Directors consider that the carrying amount of trade payables approximate to their fair value.

19 Leases

This note provides information for leases where the Group is the lessee.

The Group leases the vast majority of its estate as well as its Head Office. The leases are non-cancellable, with varying terms, escalation clauses and renewal rights and in some cases include variable payments that are not fixed in amount but based upon a percentage of sales. Rental contracts are typically made for fixed years of between 10 and 25 years, the average lease runs for 15.9 years from commencement.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

19 Leases (continued)

Amounts recognised in the balance sheet

	20 April 2025 £000	21 April 2024 £000
Right of use assets – leasehold properties	136,273	125,098
Right of use assets – vehicles	613	-
	136,886	125,098
Lease liabilities		
Current	13,557	11,876
Non-current	154,529	139,333
	168,086	151,209

Additions to right of use assets during the 52 weeks ended 20 April 2025 were £31,279,000 (2024: £27,046,000).

A maturity analysis of gross lease liability payments is included within note 21.

Amounts recognised in the consolidated statement of comprehensive income

	20 April 2025 £000	21 April 2024 £000
Depreciation charge of right of use assets	13,802	11,391
Net impairment of right of use assets	5,689	2,215
Interest expense (included in finance cost)	7,971	6,950

Total cash outflow for leases in 2025 was £22,394,000 (2024: £17,557,000).

20 Borrowings

	20 April 2025 £000	21 April 2024 £000
Long term borrowings:		
Secured bank loans	-	20,000
Loan arrangement fees	-	(190)
	-	19,810

Secured bank loans

The Group's bank borrowings were secured by way of fixed and floating charges over the Group's assets.

As at 20 April 2025, the Group had cash balances of £13.8m (2024: £10.3m) and access to undrawn facilities through its parent company, CF Exedra Bidco Limited of £29.5m (2024: £22.5m), providing total liquidity of £43.3m (2024: £32.8m). In February 2025, as a result of the acquisition by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP, the previously held term loan of £20m was fully repaid. New loan facilities that support the working capital of Loungers Limited Group are now held by CF Exedra Bidco Limited, a company that has 100% ownership of Loungers Limited and its subsidiary companies, and part of the new CF Exedra Group (the Acquisitor Group). The Acquisitor Group's facilities consist of a £155m term loan from its immediate parent undertaking, and access to a £35m RCF facility.

The repaid term loan and RCF were subject to financial covenants relating to leverage and interest cover. There were no breaches of these tests in the financial years to 21 April 2024 or 20 April 2025.

At 20 April 2025 the term loan and RCF were fully repaid and all borrowings in the Loungers Limited Group (formerly Loungers plc) had ceased (2024: term loan fully drawn and £nil drawn down under the RCF).

21 Capital management and financial instruments

The Group's capital management strategy seeks to maintain an optimal structure, facilitating the ongoing investment in new sites while maintaining a strong financial position from which to generate shareholder value. The Board reviews key metrics such as return on capital on an achieved and forecast basis at the end of every period. Headroom against key covenant metrics such as the ratio of net debt to adjusted EBITDA and interest cover is also reviewed at the end of every period.

The Group finances the business through a mixture of equity and debt, with the debt being comprised of bank funding and lease liabilities. Further funding needs are met through the management of working capital.

The Group is exposed to the risks that arise from its use of financial instruments. Derivative instruments may be transacted solely for risk management purposes. The management consider that the key financial risk factors of the business are liquidity risks, interest rate risk and market risks. The Group operates solely within the UK and therefore has limited exposure to foreign exchange risk. The Group's exposure to credit risk is limited due to insignificant receivables balances.

This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them.

Interest rate risk

The Group continues to review its options for mitigating interest rate exposure.

Commodity price risk

The Group is exposed to movements in the wholesale prices of foods and drinks. Prices are typically fixed for periods of 3-6 months to address seasonality, with suppliers hedging foreign exchange risk across these years. The Group benchmarks and verifies any potential cost changes from suppliers and also has the ability to flex its menu items to mitigate specific product related cost pressures. The Group has hedged its energy costs 100% through to September 2025.

Liquidity risk

The Group's primary objective is to ensure that it has sufficient funds available to meet its financial obligations as they fall due. During the year the Group has refinanced its debt to reduce its ongoing interest costs, while retaining a more flexible financing facility. The Directors continue to monitor cashflow in order to ensure access to sufficient liquidity.

Capital risk

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders through optimising the debt and equity balance.

The Group monitors cash balances and prepares regular forecasts, which are reviewed by the board.

Reconciliation of adjusted EBITDA (IAS17) to the statutory results can be found on page 63.

21 Capital management and financial instruments (continued)

Financial assets and liabilities

Financial assets and liabilities consist of the following:

	20 April 2025 £000	21 April 2024 £000
Financial Assets		
Financial assets that are debt instruments measured at amortised cost	16,605	12,200
Financial liabilities		
Financial liabilities measured at amortised cost	(259,444)	(219,968)

Financial assets held at amortised cost include trade and other receivables and cash. Financial liabilities held at amortised cost include trade and other payables, intercompany balances, lease liabilities and borrowings.

Financial assets held at fair value represent interest rate swaps. Interest rate swaps are valued at the present value of the estimated future cash flows based on observable yield curves and hence are considered to be level 2 of the fair value hierarchy under IFRS 13.

There are no material differences between the carrying values of financial assets and liabilities held at amortised cost and their fair values.

Hedging

The Group had no interest rate swaps or other hedging in place as at 20 April 2025 (2024: nil).

Maturity analysis

The maturity analysis table below analyses the Group's contractual undiscounted cash flows (both principal and interest) for the Group's financial liabilities, after taking into account the effect of interest rate swaps.

	Less than 1 year £000	Between 1 and 5 years £000	More than 5 years £000	Total £000
As at 20 April 2025				
Secured bank loans	-	-	-	-
Lease liabilities	21,414	83,320	114,899	219,633
Trade and other payables	91,358	-	-	91,358
	112,772	83,320	114,899	310,991
As at 21 April 2024				
Secured bank loans	1,391	21,570	-	22,961
Lease liabilities	18,607	73,325	108,565	200,497
Trade and other payables	48,950	-	-	48,950
	68,948	94,895	108,565	272,408

22 Deferred tax (liabilities)/ assets

	Accelerated capital allowances £000	Losses £000	Acquisition accounting £000	Share schemes £000	Other £000	Total £000
At 17 April 2023	(5,653)	2,795	(523)	1,758	2,568	945
Recognised in income statement	(3,313)	(1,387)	255	580	286	(3,579)
At 21 April 2024	(8,966)	1,408	(268)	2,338	2,854	(2,634)
Recognised in income statement	(4,603)	3,609	255	(2,338)	615	(2,462)
At 20 April 2025	(13,569)	5,017	(13)	-	3,469	(5,096)

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences where it is probable that these assets will be recovered. Based on its current business plan, the Group anticipates that future taxable profits will be generated in excess of the profits arising from the reversal of existing taxable temporary differences. It is expected that all of the deferred tax liabilities will be settled more than 12 months after the end of the accounting period.

The Group had no unrecognised deferred tax assets at 20 April 2025 or 21 April 2024.

23 Share based payments

The Group operated the following share based payment schemes:
- Loungers plc Employee Share Plan
- Loungers plc Senior Management Restricted Share Plan
- Loungers plc Value Creation Plan

As a result of the acquisition of the Group in February 2025, vesting of the outstanding options granted under the schemes was accelerated for all participants. Awards granted during the 52 weeks ended 20 April 2025 were accelerated on a pro-rata basis, due to the exceptional circumstances of the acquisition. All options were exercised on completion of the transaction.

In accordance with IFRS 2 Share Based Payments, the value of the awards is measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. The Group recognised a total charge of £4,568,000 (2024: £3,419,000) in respect of the Group's share-based payment plans, of which £3,102,000 was equity settled (2024: £3,655,000) with the remaining £1,466,000 cash settled (2024: £333,000). There was a related employer's national insurance charge of £1,037,000 (2024: £488,000). The total charge of £5,605,000 is split by scheme as follows:

	52 weeks ended 20 April 2025 £000	**53 weeks ended 21 April 2024 £000**
Employee share plan	1,499	999
Senior management restricted share plan:		
RSP	1,435	1,131
PSP	2,582	945
Retention award	78	398
Value creation plan	11	434
	5,605	3,907

23 Share based payments (continued)

A summary of the movements in each scheme is outlined below:

	Outstanding at 21 April 2024 Number	Granted during the year Number	Exercised during the year Number	Lapsed during the year Number	Outstanding at 20 April 2025 Number
Employee share plan	464,500	484,218	(830,500)	(118,218)	-
Senior management restricted share plan					
RSP	2,378,372	533,380	(2,390,705)	(521,047)	-
PSP	1,555,095	718,630	(1,642,506)	(631,219)	-
Retention award	477,546	-	(477,546)	-	-
Value creation plan	536,156	-	(536,156)	-	-
	5,411,669	1,736,228	(5,877,413)	(1,270,484)	-

Employee Share Plan

Share grants over 588,500 nil cost options were made on 5 July 2023. These awards had no performance conditions other than continued employment for one year from grant date, and during the year, 464,500 shares were settled in respect of those awards, of which awards over 382,500 shares were settled in cash. On 29 April 2024, share grants over 484,218 nil cost options were made, of which 366,000 options were settled on completion of acquisition.

Senior Management Restricted Share Plan – RSP award

Share options in respect of 625,000 shares were granted at the time of the IPO. These options vested at the date of grant. The option price is £0.01 and the options are exercisable in equal instalments on the first, second and third anniversary of the IPO.

During the year ended 19 April 2020, 472,069 nil cost options were awarded. These options had no performance conditions, other than continued employment for three years post grant, and are exercisable from the third anniversary of issue. A total of 111,478 options in respect of this award had lapsed prior to awards over 365,493 shares vesting on 24 July 2022, and as at 21 April 2024 options had been exercised in respect of 277,380 shares. During the 52 weeks ended 20 April 2025, all remaining options were exercised.

During the year ended 18 April 2021, 718,766 nil cost options were awarded. These options have no performance conditions, other than continued employment for three years post grant, and are exercisable on the third anniversary of issue. At 21 April 2024 a total of 166,865 options in respect of this award had lapsed, whilst options had been exercised over 255,956 shares. During the 52 weeks ended 20 April 2025, all remaining options were exercised.

During the year ended 17 April 2022, 435,334 options were granted. These options have no performance conditions, other than continued employment for three years post grant, and are exercisable on the third anniversary of issue. A total of 105,234 options in respect of this award had lapsed at 21 April 2024 and a further 23,705 options had been exercised. During the 52 weeks ended 20 April 2025, all remaining options were exercised.

During the year ended 16 April 2023, 537,653 options were granted. These options have no performance conditions, other than continued employment for three years post grant, and are exercisable on the third anniversary of issue. A total of 71,940 options in respect of this award had lapsed at 21 April 2024 and a further 3,631 shares had been exercised. During the 52 weeks ended 20 April 2025, a further 62,108 options lapsed whilst options in respect of the remaining shares were exercised.

During the 53 weeks ended 21 April 2024, 629,192 options were granted. These options have no performance conditions, other than continued employment for three years post grant, and are exercisable on the third anniversary of issue. A total of 39,500 options in respect of this award had lapsed at 21 April 2024. During the 52 weeks ended 20 April 2025, a further 107,721 options lapsed whilst options in respect of the remaining shares were exercised.

During the 52 weeks ended 20 April 2025, 533,380 options were granted. These options had no performance conditions, other than continued employment for three years post grant, and are exercisable on the third anniversary of issue, although were accelerated and prorated due to the exceptional circumstances of the acquisition. During the 52 weeks ended 20 April 2025, 351,218 options lapsed whilst options in respect of the remaining shares were exercised.

23 Share based payments (continued)

Senior Management Restricted Share Plan – PSP award

The Group operated a Performance Share Plan (PSP) for its senior executives. In accordance with the PSP schemes outlined in the Group's Remuneration Committee Report the vesting of these awards is conditional upon the achievement of performance targets in respect of, firstly, total shareholder return and secondly the earnings per share of the Group. Each performance target accounts for 50% of the total award.

The first award (the "FY23 Award") was granted in June 2023 over 756,321 shares and was due to vest in July 2025. Based upon the communication of the clear intention to grant the awards during FY23, the cost was recognised over the three years to July 2025. An accelerated charge of £704,000 (2024: £409,000) has been recognised in the 52 weeks ended 20 April 2025. 16,703 share options lapsed in year, whilst the remainder were exercised as part of the acquisition.

The second award (the "FY24 Award") was granted in December 2023 over 798,774 shares and will vest in July 2026. An accelerated charge of £987,000 (2024: £536,000) has been recognised in the 52 weeks ended 20 April 2025. 35,616 share options lapsed in year, whilst the remainder were exercised as part of the acquisition.

The third award (the "FY25 Award") was granted in November 2024 over 718,630 shares and would have vested in July 2027, however, were accelerated and prorated due to the exceptional circumstances of the acquisition. An accelerated charge of £391,000 (2024: £nil) has been recognised in the 52 weeks ended 20 April 2025. 578,900 share options lapsed in year, whilst the remainder were exercised as part of the acquisition.

The fair value of the total shareholder return ("TSR") element of the awards was estimated at the grant date using a stochastic (Monte Carlo) simulation model, taking into account the terms and conditions upon which the awards were granted. This model simulates the TSR and compares it against a group of comparator companies. It uses historic dividends and share price fluctuations to predict the distribution of relative share price performance. The shares are potentially dilutive for the purposes of calculating diluted earnings per share. The following assumptions were used:

	FY24 Award	FY23 Award
Share price at date of grant	£2.26	£2.08
Exercise price	Nil	Nil
Expected volatility	21%	24%
Term until exercised	2.6 years	2.4 years
Maximum dilution	0.38%	0.36%
Risk free interest rate	4.14%	3.53%
Expected dividend yield	0.00%	0.00%

The element of the PSP in each award relating to expected payout on the adjusted EPS target has been expensed over the 3 year vesting period.

Senior Management Restricted Share Plan – Retention award

In 2022 the Group announced its intention to grant one off retention awards to the Executive directors. These took the form of 572,792 nil cost options and were granted in May 2023. Based on the communication of the clear intention to grant the awards, the cost of the awards was apportioned over the two year vesting period. At 21 April 2024 a total of 47,623 options in respect of this award had lapsed, whilst options had been exercised over 47,623 shares. A charge of £nil (2024: £398,000) has been recognised in the 52 weeks ended 20 April 2025 and all outstanding options were exercised as part of the acquisition.

23 Share based payments (continued)

Value Creation Plan

The Value Creation Plan ("VCP") was a discretionary executive share plan under which awards were granted at the time of the IPO in April 2019.

The fair value of the total shareholder return ("TSR") element of the award was estimated at the grant date using a Monte Carlo simulation model, taking into account the terms and conditions upon which the awards were granted. This model simulates the TSR and compares it against a group of comparator companies. It uses historic dividends and share price fluctuations to predict the distribution of relative share price performance. The shares are potentially dilutive for the purposes of calculating diluted earnings per share. The following assumptions were used:

Share price at date of grant	£2.00
Exercise price	Nil
Expected volatility	35%
Term until exercised	3 years
Maximum dilution	6.00%
Risk free interest rate	0.74%
Expected dividend yield	0.00%

The fair value of the VCP at the time of grant in April 2019 was £2,600,000. At this time it was not anticipated that there would be a Covid related equity raise in April 2020. As reported in the FY22 Remuneration Committee Report external advice was taken as to how the impact of the equity raise might be reflected in the VCP scheme, and it was decided to replicate the thresholds and vesting conditions of the original scheme in respect of the April 2020 equity raise, with a start date of April 2020.

The performance period for the VCP ended on 29 April 2022 and it was determined that a total of 595,729 shares would be issued to executive directors and senior management in respect of the VCP. These shares vest in three equal instalments in July 2022, April 2023 and April 2024. The original fair value calculation of £2,600,000 did not reflect the impact of the April 2020 equity raise and accordingly a further fair value charge of £1,477,000 was required to be recognised over the period to April 2024. No additional charge was required in respect of these awards for the 52 weeks ended 20 April 2025 (2024: £252,000). All options were exercised as part of the acquisition.

24 Called up share capital

	20 April 2025 £000	21 April 2024 £000
Allotted, called up and fully paid ordinary shares	1,090	1,039
	1,090	1,039

	20 April 2025 Number	21 April 2024 Number
Ordinary shares at £0.01 each	109,044,598	103,945,057

24 Called up share capital (continued)

The table below summarises the movements in share capital for Loungers Limited (formerly Loungers plc) during the 52 weeks ended 20 April 2025:

	Ordinary Shares £0.01 NV Number	Redeemable Preference Shares £49,999 NV Number	£'000
At 17 April 2023	103,332,033	2	1,133
Shares issued	613,024	-	6
Shares redeemed	-	(2)	(100)
At 21 April 2024	103,945,057	-	1,039
Shares issued	5,278,291	-	53
Treasury shares cancelled	(178,750)	-	(2)
At 20 April 2025	**109,044,598**	**-**	**1,090**

On 14 June 2024 the Company allotted and issued 69,629 ordinary shares of 1 pence each in the Company following the vesting of awards made to Company employees pursuant to the Company's Employee Share Plan.

During the year to 20 April 2025 the Company allotted 140,705 ordinary shares of 1 pence each in the Company following the vesting of awards made to Company employees under the Senior Management Share Plan.

On 7 February 2025, as a result of the acquisition of Loungers Limited (formerly Loungers plc), the Company allotted 5,067,957 ordinary shares of 1 pence each in the Company following the vesting of all outstanding awards made to Company employees, under all Share Plans.

On 13 March 2025, 178,750 of the Company's treasury shares were cancelled.

25 Equity

The Group's Equity comprises the following:

Called-up share capital

Called-up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account records the amount above the nominal value received for shares sold.

Treasury shares

The treasury share account records the amount of ordinary shares repurchased by the company. On 8 June 2023, the group repurchased 195,000 ordinary shares, with a total value of £376,000 (2023: £nil). Given the prevailing share price, this was considered an efficient use of capital. As part of the Loungers sale process, 178,750 treasury shares were cancelled on 13 March 2025. The outstanding treasury shares will be cancelled over the course of the next financial year.

25 Equity (continued)

Other reserve

The other reserve comprises:

	Other Reserve	Merger Reserve	Capital Contribution Reserve	Total Other Reserves
	£000	£000	£000	£000
At 21 April 2024 and 20 April 2025	-	-	-	-

The other reserve and the merger reserve arose on the share for share exchange between Loungers Limited (formerly Loungers plc) and Lion Capital LLP /Jenga Topco Limited. These reserves were eliminated as a result of the group reorganisation in the 53 weeks ended 21 April 2024.

The capital contribution reserve represents additional contributions from shareholders.

Retained Earnings

The retained earnings account represents cumulative profits or losses, net of dividends paid and other adjustments.

26 Net cash generated from operating activities

	52 weeks ended **20 April 2025** **£000**	*53 weeks ended* **21 April 2024** **£000**
Cash flows from operating activities		
Profit before tax	**3,707**	**11,444**
Adjustments for:		
Depreciation of property, plant and equipment	21,595	17,311
Depreciation of right of use assets	13,802	11,391
Disposals of property, plant and equipment	141	-
Net impairment of property, plant and equipment	1,083	304
Net impairment of right of use assets	5,689	2,215
Share based payment transactions	5,605	3,907
Loss/(profit) on disposal of tangible assets	111	(15)
Finance income	(279)	(154)
Finance costs	9,723	9,025
Changes in finance lease receivables	668	-
Changes in inventories	(808)	(434)
Changes in trade and other receivables	(4,858)	(836)
Changes in trade and other payables	44,137	10,319
Cash generated from operations	**100,316**	**64,477**
Tax refunded	1,175	171
Net cash generated from operating activities	**101,491**	**64,648**

27 Analysis of changes in net debt

	17 April 2023	Cash flows	Non-cash movement	21 April 2024
	£000	£000	£000	£000
Cash in hand	26,370	(16,021)	-	10,349
Bank Loans – due after one year	(32,392)	12,766	(184)	(19,810)
Lease liabilities	(134,837)	17,557	(33,929)	(151,209)
Net debt	**(140,859)**	**14,302**	**(34,113)**	**(160,670)**

	22 April 2024	Cash flows	Non-cash movement	20 April 2025
	£000	£000	£000	£000
Cash in hand	10,349	3,465	-	13,814
Bank Loans – due after one year	(19,810)	20,000	(190)	-
Lease liabilities	(151,209)	22,394	(39,271)	(168,086)
Net debt	**(160,670)**	**45,859**	**(39,461)**	**(154,272)**

Non-cash movements in bank loans due after one year relate to the amortisation of bank loan issue costs.

28 Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group.

	52 weeks ended 20 April 2025	53 weeks ended 21 April 2024
	£000	£000
Pension cost	2,541	1,883

The following Contributions were payable to the fund and are included in creditors:

	20 April 2025	21 April 2024
	£000	£000
Pension contributions payable	966	410

29 Related party transactions

A Reilley and J Bishop, directors of the Company's subsidiary, Loungers UK Limited, are partners in Colombe D'Or Property LLP (formerly Loungers Property LLP); the Group leases four properties from Colombe D'Or Property LLP. The Group undertook the following transactions, stated net of VAT:

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Purchases from related parties:		
Colombe D'Or Property LLP	199	204
Amounts owed to related parties:		
Colombe D'Or Property LLP	-	-

A Reilley is a director and shareholder of Reilley Properties Limited. The Group leases two properties from Reilley Properties Limited and undertook the following transactions:

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Purchases from Reilley Properties Limited	248	250
Amounts owed to Reilley Properties Limited	-	-

30 Legal entities

The following table presents the investments in which the Group owns a portion of the nominal value of any class of share capital:

Direct Subsidiary Holding Loungers Holdings Limited	Ordinary 100%	Holding company
Loungers UK Limited	Ordinary 100%	The development, operation and management of all day neighbourhood café/bars and bar/restaurants.

At 21 April 2024, the process to strike off the two dormant entities, Route Restaurants Limited and Nightlife Leisure (South West) Limited was in progress. These two companies were dissolved on 18 June 2024.

The registered office of all four subsidiaries is 26 Baldwin Street, Bristol, BS1 1SE.

In February 2025, the company was subsequently acquired by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP.

The immediate parent company of Loungers Limited (formerly Loungers plc) is CF Exedra Bidco Limited, a company registered in England and Wales. The ultimate parent company is CF Exedra Topco Limited, a company incorporated in Jersey, whose registered office is 2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St. Helier, JE2 3QB, Jersey, and there is no ultimate controlling party. The consolidated financial statements of Loungers Limited are available to the public via Companies House.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 20 APRIL 2025

	Note	At 20 April 2025 £000	At 21 April 2024 £000
Assets			
Non-current			
Investments	6	191,555	188,453
Total non-current assets		191,555	188,453
Current assets			
Trade and other receivables	7	507	1,129
Total current assets		507	1,129
Total assets		192,062	189,582
Liabilities			
Current liabilities			
Trade and other payables	8	(36,941)	(36,941)
Total current liabilities		(36,941)	(36,941)
Total liabilities		(36,941)	(36,941)
Net assets		155,121	152,641
Called up share capital	9, 10	1,090	1,039
Share premium account	10	8,066	8,066
Treasury shares	10	(31)	(376)
Retained earnings			
Brought forward		143,912	141,532
Loss for the year attributable to the owners		(622)	(700)
Other changes in retained earnings	10	2,706	3,080
		145,996	143,912
Total equity		155,121	152,641

The financial statements on pages 56 to 62 of Loungers Limited (formerly Loungers plc) (registered number 11910770) were approved and authorised for issue by the Board and were signed on its behalf by:

SMarshall

Stephen Marshall
Chief Financial Officer

29 July 2025

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 20 APRIL 2025

	Called up share capital £000	Share premium £000	Treasury shares £000	Other reserves £000	Retained earnings £000	Total equity £000
At 17 April 2023	1,133	8,066	-	18,451	141,532	169,182
Ordinary shares issued	6	-	-	-	(6)	-
Preference shares redeemed	(100)	-	-	-	-	(100)
Share based payments	-	-	-	-	3,086	3,086
Group reorganisation	-	-	-	(18,451)	-	(18,451)
Purchase of own shares	-	-	(376)	-	-	(376)
Total transactions with owners	(94)	-	(376)	(18,451)	3,080	(15,841)
Loss for the financial year	-	-	-	-	(700)	(700)
Total comprehensive expense for the 53 week year ended 21 April 2024	-	-	-	-	(700)	(700)
At 21 April 2024	1,039	8,066	(376)	-	143,912	152,641
Ordinary shares issued	51	-	-	-	(51)	-
Share based payments	-	-	-	-	3,102	3,102
Cancellation of treasury shares	-	-	345	-	(345)	-
Total transactions with owners	51	-	345	-	2,706	3,102
Loss for the financial year	-	-	-	-	(622)	(622)
Total comprehensive expense for the 52 week year ended 20 April 2025	-	-	-	-	(622)	(622)
At 20 April 2025	1,090	8,066	(31)	-	145,996	155,121

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 20 APRIL 2025

1. General information

Loungers Limited (formerly Loungers plc) ("the Company") is incorporated and domiciled in the United Kingdom and registered in England and Wales, with company number 11910770. The registered address of the Company is 26 Baldwin Street, Bristol, United Kingdom, BS1 1SE.

The Company was incorporated on 28 March 2019.

The Company is a private company limited by shares.

The principal activity of the Company and the nature of the Company's operations is as a holding entity.

2. Accounting policies

A summary of the significant accounting policies is set out below. These have been applied consistently in the Financial Statements.

2.1 Basis of preparation of financial statements

The Financial Statements have been prepared in accordance with 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.

The financial statements have been prepared under the historical cost convention. The financial statements are presented in thousands of pounds sterling ('£000') except where otherwise indicated.

The Company is a qualifying entity for the purposes of FRS 102, as it prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of the exemptions from the following disclosure requirements in FRS 102:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument not measured at fair value through profit or loss, and information that enables users to evaluate the significance of financial instruments.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

These financial statements present information about the Company as an individual entity and not about its Group.

As permitted by section 408(3) of the Companies Act 2006, no profit and loss account has been presented for the Company. The loss for the financial year dealt with in the Financial Statements of the Parent Company is £622,000 (2024: £700,000).

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

2.2 Going concern

The directors have concluded that it is appropriate for the financial statements to be prepared on the going concern basis (see note 2.2 to the consolidated financial statements).

2.3 New standards, amendments and interpretations adopted

No new standards have been adopted during the year.

2.4 Investments

Investments held as fixed assets are stated at cost less provision for any impairment. The carrying value of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

2. Accounting policies (continued)

2.5 Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS102 in respect of financial instruments.

Basic financial assets, including trade and other receivables, 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.

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts, discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

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

2.6 Current and deferred taxation

The tax expense for each reporting year comprises current and deferred tax.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.7 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company Financial Statements.

3 Critical accounting judgements and estimation uncertainty

There were no matters of material accounting judgement or estimation uncertainty within the Company financial statements.

4 Information included in the notes to the consolidated financial statements

Some of the information included in the notes to the consolidated financial statements is directly relevant to the financial statements of the company. Please refer to the following:

Note 5 – Auditors' remuneration
Note 23 – Share based payments

5 Staff Costs

Loungers Limited (formerly Loungers plc) has no employees other than the Directors. Details of Directors' emoluments are disclosed in note 7 of the notes to the consolidated financial statements.

6 Investments

	Shares in subsidiary undertakings £000
At 22 April 2024	188,453
Additions: (consolidated statements note 23)	3,102
At 20 April 2025	191,555

Additions represent the value of share based payment arrangements related to shares in the Company issued to employees of one of the Company's subsidiaries, Loungers UK Limited. The Company's subsidiary undertakings are shown in note 30 to the Consolidated Financial Statements.

7 Trade and other receivables

	20 April 2025 £000	21 April 2024 £000
Included within current assets		
Amounts owed by Group undertakings	504	1,126
Other debtors	3	3
	507	1,129

Amounts owed by Group undertakings are repayable on demand and are non-interest bearing.

8 Trade and other payables

	20 April 2025 £000	21 April 2024 £000
Included within current liabilities		
Amounts owed to Group undertakings	36,941	36,941
	36,941	36,941

Amounts owed to Group undertakings are payable on demand and are non-interest bearing.

9 Called up share capital

	At 20 April 2025 £000	At 21 April 2024 £000
Allotted, called up and fully paid ordinary shares	1,090	1,039
	1,090	1,039

	At 20 April 2025 Number	At 21 April 2024 Number
Ordinary shares at £0.01 each	109,044,598	103,945,057

The table below summarises the movements in share capital for Loungers Limited (formerly Loungers plc) during the 52 weeks ended 20 April 2025:

	Ordinary Shares £0.01 NV Number	£'000
At 22 April 2024	103,945,057	1,039
Shares issued	5,278,291	53
Treasury shares cancelled	(178,750)	(2)
At 20 April 2025	**109,044,598**	**1,090**

On 14 June 2024 the Company allotted and issued 69,629 ordinary shares of 1 pence each in the Company following the vesting of awards made to Company employees pursuant to the Company's Employee Share Plan.

During the year to 20 April 2025 the Company allotted 140,705 ordinary shares of 1 pence each in the Company following the vesting of awards made to Company employees under the Senior Management Share Plan.

On 7 February 2024, as a result of the acquisition of Loungers Limited (formerly Loungers plc), the Company allotted 5,067,957 ordinary shares of 1 pence each in the Company following the vesting of all outstanding awards made to Company employees, under all Share Plans.

On 13 March 2025, 178,750 of the Company's treasury shares were cancelled.

10 Equity

The Group's Equity comprises the following:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium

The share premium account records the amount above the nominal value received for shares sold.

Treasury shares

The treasury shares account records the amount of ordinary shares repurchased by the company. On 8 June 2023, the group repurchased 195,000 ordinary shares, with a total value of £376,000 (2023: £nil). Given the prevailing share price, this was considered an efficient use of capital. As part of the Loungers sale process, 178,750 treasury shares were cancelled on 13 March 2025. The outstanding treasury shares will be cancelled over the course of the next financial year.

Retained Earnings

The retained earnings account represents cumulative profits or losses, net of dividends paid and other adjustments.

11 Legal entities

The registered office of Loungers Limited is 26 Baldwin Street, Bristol, BS1 1SE.

In February 2025, the company was subsequently acquired by CF Exedra Bidco Limited, which is indirectly owned by funds managed by affiliates of Fortress Investment Group LLC and Lion Capital LLP.

The immediate parent company of Loungers Limited (formerly Loungers plc) is CF Exedra Bidco Limited, a company registered in England and Wales. The ultimate parent company is CF Exedra Topco Limited, a company incorporated in Jersey, whose registered office is 2nd Floor Sir Walter Raleigh House, 48-50 Esplanade, St. Helier, JE2 3QB, Jersey, and there is no ultimate controlling party. The consolidated financial statements of Loungers Limited are available to the public via Companies House.

RECONCILIATION OF STATUTORY RESULTS TO ALTERNATIVE PERFORMANCE MEASURES

	52 weeks ended 20 April 2025 £000	53 weeks ended 21 April 2024 £000
Operating profit	13,151	20,315
Net impairment charge	6,772	2,519
Net loss / (profit) on disposal of fixed and right of use assets	110	(15)
Net investment in finance lease	(666)	-
Transaction costs	7,873	-
Share based payment charge	5,605	3,907
Site pre-opening costs	4,060	4,164
Adjusted operating profit	**36,905**	**30,890**
Depreciation (pre IFRS 16 right of use asset charge)	21,595	17,311
IFRS 16 right of use asset depreciation	13,802	11,391
Adjusted EBITDA (IFRS 16)	**72,302**	**59,592**
Adjusted EBITDA % (IFRS 16)	**17.8%**	**16.9%**
IAS 17 Rent charge	(17,820)	(15,886)
IAS 17 Rent charge included in IAS 17 pre-opening costs	545	530
Adjusted EBITDA (IAS 17)	**55,027**	**44,236**
Adjusted EBITDA Margin % (IAS17)	**13.5%**	**12.5%**