NIGHTCAP LIMITED
Annual Report & Accounts
65-week period ended 29 September 2024

Company Number 12899067

CONTENTS

COMPANY INFORMATION

COMPANY NAME	Nightcap Limited
DIRECTORS	Sarah Willingham-Toxvaerd Michael Willingham-Toxvaerd Gareth Edwards (Non-Executive Chair) Lance Moir
REGISTERED NUMBER	12899067
REGISTERED OFFICE	119 Wardour Street London W1F 0UW
INDEPENDENT AUDITOR	HaysMac LLP 10 Queen St Place London EC4R 1AG

ABOUT NIGHTCAP LIMITED

WHO WE ARE

Nightcap Limited is well on its way to becoming the leading operator of premium bars in the UK through rapid organic growth and the acquisition of scalable late night bar concepts with innovation at their core. Established during the COVID-19 pandemic, Nightcap took advantage of the significant disruption to the sector at the time and now operates 44 bars across the UK, in a market ripe for consolidation.

The Company will continue to take advantage of the current exceptional opportunity to acquire and grow 'drinks-led' hospitality concepts that focuses on the consumers' social experience. The market for suitable and well-priced properties remains strong, with the balance of power having shifted from landlord to tenant in recent years. The Board believes that there is scope to grow from 44 to more than 150 sites during its next phase of growth. The Company has developed a cluster model, where several brands can exist almost side by side in city centres across the country without risk of dilution due to the differentiated curated events and experiences offered by the different brands. This has been a proven success in a number of cities across the UK from Bristol to Birmingham and back to some parts of London where multiple Nightcap brands flourish next to each other.

The Company's Millennial and Gen Z target customers are generations with an increasingly fast-paced lifestyle - they are seeking 'experiential' ways to fill their leisure time, favouring concepts that offer new and immersive nights outs. Guests have become more discerning than ever and they are actively seeking individually themed sites that use the highest quality ingredients to produce innovative and outstanding drinks, all served in fun and exciting environments with a promise of a truly memorable night out. Nightcap is perfectly placed to fulfil this demand. These generations make most of their decisions online and switch seamlessly between offline and online experiences. As a result there is a significantly increased obligation on hospitality companies to connect these two worlds. Nightcap is prioritising investment in systems and digital platforms to connect our loyal customers, living in our cluster cities, to the best, most timely offers, events and experiences offered across the Nightcap portfolio.

Led by entrepreneur and ex BBC Dragon Sarah Willingham, Nightcap has built a team of some of the most talented people in the hospitality industry, each with extensive experience in the sector and the ability to build and grow Nightcap's brands both rapidly and sustainably across the UK.

WHAT WE DO

THE COCKTAIL CLUB

The Cocktail Club has earned its reputation as a pioneer of the cocktail bar scene, carving out their own niche early on. The Cocktail Club has a clear mission to serve world class cocktails in unpretentious, speak-easy style venues, where no-holds-barred partying is at the top of the agenda.

Co-founded in 2010 by winner of the World's Best Bartender JJ Goodman, The Cocktail Club now operates 16 bars – ten in London and a number across the south-west (Reading, two in Bristol, Exeter, Cardiff and Birmingham).

The Cocktail Club ethos is simple - everybody deserves to be able to let go and have a wild time, from their loyal guests to their dedicated team. Championing the idea that anyone who walks through the doors to a Cocktail Club can leave their inhibitions behind and party like nobody's watching. No pretention, no judgment, just pure party vibes.

Known for its theatrical displays of mixology, The Cocktail Club offers up an electric atmosphere, led by their team of world-class bartenders, who consistently deliver great cocktails. 2023/2024 has seen them cement their USPs even further, with their recognisable displays of lamp swinging and ice throwing seen increasingly outside of London. Our bartenders believe in providing unforgettable experiences in a unique environment that guests will talk about for years to come.

It may look like one big party but it's the science behind the madness that sets our bartenders apart from the rest. Focusing on world class drinks development, meticulously curated playlists, leading bartender training and clear career progression, they have managed to ensure they adopt new trends before others and execute them to perfection. Their innovative approach lends itself aptly to the phrase – "go hard or go home".

Each Cocktail Club site is designed to offer its own unique experience, switching up the décor and design for each location means guests will have a desire to visit more locations. Whilst the décor may differ, one thing that remains consistent across all sites is the outrageously high standard of the drinks, music, training and service.

The Cocktail Club became part of the Nightcap portfolio in January 2021.

ADVENTURE BAR GROUP

Adventure Bar Group is one of the most dynamic bar companies in London, which now also operates in several locations across the country. After 15+ years the Adventure Bar Group has built an extremely successful portfolio of bars in the bustling areas of Covent Garden, Waterloo, Shoreditch, Clapham, Birmingham, Cardiff, Bristol and Liverpool. As well as expanding the portfolio of bars, Adventure Bar Group has built on its success with two large outdoor venues and Luna Springs in Birmingham.

Known for thinking outside of the box, from ticketed events, wild weeknight entertainment and interiors, to name a few, Adventure Bar Group is always looking to make an impact and set itself apart from the crowd. Tonight Josephine took the Instagram world by storm with their infamous neon sign "Well Behaved Women Don't Make History", now recognisable across the UK.

Famous for their outstanding sold-out brunch events, including: Britney Bottomless Brunch, Mamma Mia Bottomless Brunch and more recently Cosmic Disco, Adventure Bar Group is constantly tapping into the latest trends and delivering out-of-this-world experiences for their guests. Nurturing talents such as Ru Paul's iconic Bimini Bon Boulash and Victoria Scone, it comes as no surprise that their drag brunches are seen by many as some of the best in the UK.

It's no wonder this combination of unapologetic partying, tabletop dancing and legendary events has earnt Adventure Bar Group a firm place in the hearts of party-seeking 20 somethings around the UK.

Adventure Bar Group became part of Nightcap in May 2021 with a vision of expanding the brands, particularly the roll-out of Tonight Josephine and Blame Gloria, throughout cities across the UK.

BARRIO FAMILIA GROUP

Barrio was founded in 2007 with the aim of bringing a slap of Latino attitude to the London bar scene. The first Barrio opened in Angel in 2007 and the concept proved to be a resounding success with Barrio bringing its vibrant mix of sights, sounds and colours to Soho, Shoreditch and Brixton soon afterwards.

Nightcap acquired Barrio Familia group in November 2021 which included the four Latino-inspired Barrio sites in addition to Disrepute, a 60s inspired member's bar in Kingly Court, Soho. Disrepute is for the sophisticated, discerning cocktail drinker – it is consistently in the top 50 cocktail bars in the UK (currently number 12) and is nestled away in what was formerly 'the Kingly Club', famous for its involvement in the Profumo affair scandal.

Barrio Familia fits the same mould as the other groups within the Nightcap estate – offering a top-quality party style atmosphere, carefully curated entertainment events with a vibrant cocktail menu at its core. It is known for its flamboyant interiors, great food, outstanding margaritas and tacos and guaranteed party atmosphere!

DIRTY MARTINI

Dirty Martini is a leading UK cocktail bar brand, known for its bespoke cocktail menu specialising in martinis, spirited atmosphere, brunch and its happy hours. The Dirty Martini offers an environment which operates successfully at brunch, after work, through a popular happy hour, and late into the night. Dirty Martini has a complementary food offering that has been specifically tailored to be served alongside its signature drinks.

With their mix of Martini cocktails and popular mini burgers and chicken slider birdcages, Dirty Martini has created a great relaxing atmosphere to enjoy corporate and private events. This is often followed by a DJ led party atmosphere, ending in selfies taken by groups of friends in front of the signature angel wings, epitomising the Dirty Martini night out.

Dirty Martini currently operates sites in sought-after locations in the UK, including existing Nightcap cluster cities across London, Birmingham, Bristol, and Cardiff, as well as taking the group into Leeds and Manchester, two new target cities with extensive potential for additional roll-out.

Nightcap acquired Dirty Martini in June 2023 and considers that Dirty Martini has significant potential for further roll-out in key identified cities and clusters.

PIANOWORKS

The Piano Works is a unique live music bar and restaurant concept, celebrated for its high-energy atmosphere, immersive entertainment, and audience-led performances. With venues in vibrant London locations, The Piano Works delivers a memorable night out through its signature live band experience, where guests request the songs and the musicians bring them to life in real time.

Operating seamlessly across brunch, after-work drinks, and late-night revelry, The Piano Works offers an all-day experience. The venue transitions from lively dining and socialising in the early evening to a full-blown party environment as the night progresses, all underscored by high-calibre musical performances. Guests can enjoy a carefully curated menu of cocktails, wines, and sharing platters that are perfectly designed to complement the dynamic, music-led setting.

Whether for corporate events, birthdays, hen parties or spontaneous nights out, The Piano Works caters to groups looking for a truly interactive and unforgettable evening. The combination of non-stop live music, crowd engagement, and premium hospitality has made it one of the capital’s most talked-about party destinations.

With three flagship venues located in Farringdon, Covent Garden and Cardiff, The Piano Works is positioned in high-footfall areas that draw both locals and tourists. The brand is well-aligned with the UK’s growing demand for experiential nightlife, offering a compelling proposition for further expansion.

Now under the Nightcap umbrella, The Piano Works is poised for growth, bringing its high-energy, customer-led entertainment experience to new audiences across the UK. Nightcap acquired The Piano Works in February 2024 and recognises the brand’s strong appeal and scalability and sees significant potential for roll-out in key cluster cities where live entertainment is in demand.

STRATEGIC REPORT

INTRODUCTION

We are pleased to present the Strategic Report for Nightcap Limited for the 65-week period ended 29 September 2024 — an extended financial year reflecting an important transitional phase in our journey. This period captures the full final stretch of Nightcap's time as a listed company and includes a number of significant strategic developments, including the integration of Dirty Martini, acquired just before the previous period end, the acquisition and expansion of The Piano Works, and the de-listing of Nightcap shares from trading on the Alternative Investment Market of the London Stock Exchange.

We continue to operate in a challenging macroeconomic environment. The night-time economy has been particularly exposed to the ongoing pressures of the cost-of-living crisis, persistent rail strikes, and substantial increases to labour costs resulting from the rise in the National Living Wage. These external headwinds have had a tangible impact on trading across the sector, and Nightcap has not been immune. Nevertheless, we have taken decisive steps to mitigate these challenges while continuing to grow our market share, streamline our operations, and strengthen the platform on which we build long-term shareholder value.

Over the past three years, we have acquired five separate businesses (6 including the Brighton i360 in FY 24/25) and grown to 44 trading venues across the UK. Most recently, we completed the acquisition of Dirty Martini and The Piano Works for total considerations of £4.65 million and £0.2m respectively. Within weeks, all leases, but one, had been successfully assigned, 95% of historic revenue preserved, and site-level EBITDA maintained. Integration into our shared-services platform was executed at pace, delivering immediate cost synergies — a clear demonstration of the operational efficiency that underpins our acquisition strategy.

While headline trading has been impacted by sector-wide headwinds and negative like-for-like comparatives across the market, we are encouraged by recent indicators. In the final months of the period, we saw early signs of recovery, with improved trading performance in key venues and early evidence of regained momentum with key brands returning to like for like growth. This progress, while modest, reflects our ability to adapt quickly and effectively, both commercially and operationally.

We also undertook a comprehensive programme of digital transformation during the period, simplifying our operating model, increasing visibility of performance data, and embedding automation across multiple business functions. These initiatives are already yielding results — not only through central cost reduction, but also by enabling faster, better-informed decision-making. Our digital agenda will remain a cornerstone of our value creation strategy, with a number of AI-driven projects now in development to support further customer engagement and operational optimisation.

The de-listing of Nightcap shares from trading in July 2024 was a carefully considered strategic decision. While the listed environment had served us well in our early growth phase, the burden of ongoing listing costs and regulatory requirements was no longer aligned with our priorities. The move to private ownership has reduced overheads and provided greater agility to pursue longer-term strategic goals. We remain committed to robust governance and transparency and will continue to report to shareholders with the same rigour and discipline.

As we reflect on this extended year, we are proud of what the Group has achieved, not just in terms of operational delivery, but in how we have remained focused on our purpose: to create welcoming, experience-led environments that bring people together. We know the operating environment will remain tough in the near term, but we are confident that the actions we are taking now — investing in infrastructure, growing sustainably, and putting our people and customers at the heart of every decision — will position Nightcap for long-term success.

I would like to take this opportunity to thank our exceptional teams across the Group. Their resilience, professionalism, and dedication to creating memorable experiences for our customers continue to drive Nightcap forward.

FINANCIAL REVIEW

Revenue for the 65-week period ended 29 September 2024 was £72.7 million, compared with £46.4 million for the 52 weeks to 2 July 2023. On a 52-week comparable basis, revenue for the 52 weeks to 30 June 2024 was £59.7 million, representing a year-on-year increase of 29%. This growth is primarily attributable to the impact of the acquisitions of Dirty Martini and The Piano Works, both of which contributed significantly to Group revenue in the period.

Following a record-breaking year of like-for-like revenue growth in 2022 of 23.6%, trading normalised in 2023 with a 12.5% decline, which continued into 2024 with a further decline of 12.1% over the 65-week period. As a result, like-for-like revenue levels are now broadly in line with 2019 pre-pandemic comparatives, reflecting the broader macroeconomic pressures affecting discretionary consumer spending across hospitality.

Adjusted EBITDA (EBITDA plus adjustments for exceptional items) for the period was £6.0 million, compared with £6.6 million in 2023. Underlying EBITDA (IAS 17 basis) was a loss of (£1.3 million), down from a profit of £2.6 million in the prior year. While site-level margins remained resilient and central cost control continued to improve, the decline in underlying EBITDA was primarily by the reduction in like-for-like revenue. In addition, as part of a prudent and comprehensive balance sheet review, we recognised several legacy items in the period – a deliberate 'clearing of the decks' approach to ensure we enter the new financial year on a stronger footing.

During the year, the Group undertook a full review of its balance sheet, prompted by the pace of acquisitions, the de-listing from AIM, and associated structural integration. As a result, the Group reported a statutory loss of (£11.3 million) for the period (2023: profit of £3.9 million). This reflects a number of responsible accounting adjustments, including exceptional and acquisition related items of £3.0 million related to acquisition transaction costs, pre-opening expenses, site closures, and organisational restructuring. Additionally, the Group recognised amortisation and impairment charges of £1.5 million and depreciation of £8.9 million, in line with our expanded estate and the capital investment required to integrate and modernise our platforms.

While the headline results reflect a period of transition and adjustment, the Group has made substantial operational and strategic progress. The decisions taken during the period — including investment in integration, balance sheet adjustments, digital transformation, and de-listing — are expected to support improved earnings quality and operational efficiency in future periods, positioning Nightcap for long-term, sustainable value creation.

FINANCIAL POSITION

The Group began the period with net debt of £4.0 million (excluding IFRS 16 lease liabilities and convertible loan notes), supported by a cash position of £5.0 million.

On 20 February 2024, Nightcap completed the acquisition of The Piano Works through a pre-pack administration process for a total consideration of £0.2 million. This opportunistic and value-driven acquisition was funded through the successful raising of £1.0 million in equity capital from existing investors, further demonstrating continued shareholder support for our strategic growth agenda.

Throughout the period, we maintained a strong working relationship with our banking partner, HSBC, and continued to make scheduled repayments on our outstanding £8.3 million debt facility. At the end of the reporting period, net debt stood at £5.9 million (excluding IFRS 16 lease liabilities and convertible loan notes), with cash reserves of £2.4 million.

Despite a challenging trading environment, the Group remains in a stable financial position, with continued access to capital and a balanced approach to leveraging investment opportunities. Our limited net debt position strengthened capital base and disciplined financial management provide a solid foundation from which to continue executing our strategy and delivering on our ambition to build one of the UK's leading hospitality groups.

PEOPLE

With the acquisitions of Dirty Martini, The Piano Works, and more recently the i360, the Nightcap Group now employs over 1,000 people across the UK. A significant proportion of our workforce is made up of individuals at the beginning of their careers in hospitality, and we remain deeply committed to supporting them with meaningful development opportunities and a clear path to progression within our business.

The cost of attracting and retaining talent continues to be a challenge for the hospitality sector as a whole, particularly in a climate of rising wage pressures. However, we firmly believe that our people are the engine of our long-term success. The pace of our growth, the variety within our brand portfolio, and the energy and creativity of our venues have made Nightcap an attractive employer for ambitious and capable individuals at all levels. We are proud to work alongside such a skilled, passionate and committed team.

As our Group has grown, so too has our investment in training and development. During the year, we have significantly expanded our efforts in this area — enhancing our structured training programmes for in-house trainers, strengthening leadership development opportunities for our managers, and embedding performance management tools and frameworks to ensure consistency across the organisation. We remain focused on delivering best-in-class training for young people in hospitality and contributing meaningfully to the development of talent across the industry.

On a personal note, changing the way people view hospitality as a career has been a long-standing priority for us. It's a sector that offers opportunity, creativity, and rapid progression, and I could not be prouder of the progress we've made in showcasing this. While there is more work to do, the culture we are building — one that values people, prioritises development, and celebrates individuality — gives me enormous pride.

Inclusion and diversity have always been integral to Nightcap's identity, and we are working hard to ensure this is felt across every level of the organisation. From our front-line teams to our boardroom, we are committed to fostering an environment where all individuals — regardless of background — feel welcome, supported, and empowered to succeed.

Over the past year, we have continued to make tangible progress in this area. We have deliberately shaped a diverse executive and senior leadership team, reflective of the communities we serve and the people we employ. In our most recent employee survey (October 2024), 86% of respondents agreed that Nightcap is an inclusive place to work — a strong affirmation of our efforts and an indicator of the culture we are embedding.

To support this progress, we have integrated inclusion and diversity metrics into leadership performance evaluations, introduced unconscious bias training across the Group, and held company-wide workshops to encourage open dialogue. Our 'Magic Moments' internal channel continues to celebrate the unique stories and achievements of our team members, spotlighting the talent that makes Nightcap exceptional.

At Nightcap, inclusion is not a standalone initiative. It is a fundamental part of who we are and how we operate. Guided by our values — People Are EVERYTHING and Be Your Best Self — we are building a business where every colleague has the opportunity to grow, lead, and thrive. This cultural foundation is vital not only to the experience of our team members, but also to the long-term value we aim to create for our shareholders, our customers, and our communities.

CURRENT TRADING AND PROSPECTS

The combination of our extended financial year and the decision to de-list from AIM meant that the new financial year began in October 2024, immediately ahead of the critical Christmas trading period. Trading during the first 13 weeks — including the peak festive season — was satisfactory, with positive momentum across several key brands, particularly The Piano Works and The Cocktail Club. This performance underpinned a record December Group EBITDA of £2.7 million, a notable achievement in the context of a persistently challenging operating environment.

Unaudited Group revenue for the first quarter of the new financial year was £17.9 million (down 2% vs £18.3m last year), generating an unaudited EBITDA of £2.3 million (flat vs. last year). For the half year ended 30th March 2025 unaudited Group revenue was £30.0 million (down 3% vs £30.8m last year), reflecting the slower January/February period. However, there was a significant improvement in unaudited EBITDA which reached £1.2 million (up 65% vs. £0.7m last year), reflecting the increased efficiencies implemented throughout the business. Across the estate we continued to gain market share against the broader market and these early indicators provide encouraging evidence of the operational improvements made across the estate and support our cautiously optimistic outlook for the year ahead.

In February 2025, we completed our sixth acquisition — the i360 attraction in Brighton — acquired out of administration. This transaction represents our third acquisition out of administration in just over two years. The site includes over 20,000 square feet of hospitality space on a 115-year lease and was secured for a total consideration of £150,000, paid in cash on completion. We believe this is a transformational opportunity, with the potential for i360 to become the highest-revenue site within the Group.

To support this and other strategic initiatives, we completed a £3.4 million equity raise, funded by new and existing investors. The funds are being used to deliver a significant investment programme at the i360 and to accelerate our wider capital deployment plans, including the opening of our third The Piano Works venue in Cardiff in May 2025 and the refurbishment of several existing sites across the Group.

While the macroeconomic environment remains uncertain, we are beginning to see clear signs of continued progress across the business. Multiple brands are now outperforming the wider market, and trading consistency is improving across the estate. The Board remains appropriately cautious in its near-term outlook but is encouraged by the operational and financial momentum seen in early 2025.

Our current focus is on maximising the performance of our existing venues and continuing to improve the quality and consistency of operations across the Group. With the ongoing capital investment programme, we believe Nightcap is now operating a stronger, better-aligned, and more resilient estate than at any previous point in our history.

As at 29 June 2025, the Group's balance sheet remains in a stable position, with cash at bank of £3.1 million and outstanding bank debt of £7.1 million.

In summary, while the past year reflects the impact of an extremely tough trading environment and the full accounting consequences of an ambitious acquisition strategy and structural realignment, we are now starting to see the benefits of those decisions. The Group is better positioned for long-term, sustainable value creation — with a refreshed estate, a disciplined financial framework, and strong brand-led customer engagement. Our mission to build one of the UK's leading hospitality groups remains unchanged, and our confidence in the long-term opportunity is undiminished.

Sarah Willingham

Chief Executive Officer

FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Sites trading at period end	44	47
Revenue	72.7	46.4
Adjusted EBITDA (IFRS 16)*	6.0	6.6
Adjusted EBITDA (IAS 17)*	(1.3)	2.6
(Loss) / Profit from operations	(7.4)	(2.8)
(Loss) / Profit before tax	(12.0)	(4.9)
Cash and equivalents	2.4	5.4
Net Debt (including IFRS 16 lease liabilities)	0	(44.5)
Net (Debt) (excluding IFRS 16 lease liabilities)	(4.0)	(6.7)
Net Assets	5.9	14.5

Revenue for the 65-week period ended 29 September 2024 was £72.7 million, compared with £46.4 million for the 52 weeks to 2 July 2023. On a 52-week comparable basis, revenue for the year was £59.7 million, representing a year-on-year increase of 29%. This growth is primarily attributable to the impact of the acquisitions of Dirty Martini and The Piano Works, both of which contributed significantly to Group revenue in the period.

Following a record-breaking year of like-for-like revenue growth in 2022 of 23.6%, trading normalised in 2023 with a 12.5% decline, which continued into 2024 with a further decline of 12.1% over the 65-week period. As a result, like-for-like revenue levels are now broadly in line with 2019 pre-pandemic comparatives, reflecting the broader macroeconomic pressures affecting discretionary consumer spending across hospitality.

Adjusted EBITDA for the period was £6.0 million, compared with £6.6 million in 2023. Underlying EBITDA (IAS 17 basis) was a loss of (£1.3 million), down from a profit of £2.6 million in the prior year. While margins at site level remained robust and cost control improved both centrally and across the estate, the decline in underlying EBITDA was primarily driven by the reduction in like-for-like revenue.

During the year, the Group undertook a full review of its balance sheet, prompted by the pace of acquisitions, the de-listing from AIM, and associated structural integration. This contributed to the Group's reported statutory loss of (£11.3 million) for the period (2023: loss of £3.9 million). This also reflects a number of responsible accounting adjustments, including exceptional items of £3.0 million related to acquisition transaction costs, pre-opening expenses, site closures, and organisational restructuring. Additionally, the Group recognised amortisation and impairment charges of £1.5 million and depreciation of £8.9 million, in line with our expanded estate and the capital investment required to integrate and modernise our platforms.

While the headline results reflect a period of transition and adjustment, the Group has made substantial operational and strategic progress. The decisions taken during the period — including investment in integration, balance sheet adjustments, digital transformation, and de-listing — are expected to support improved earnings quality and operational efficiency in future periods, positioning Nightcap for long-term, sustainable value creation.

FINANCIAL POSITION

The Group began the period with net debt of £4.0 million (excluding IFRS 16 lease liabilities and convertible loan notes), supported by a cash position of £5.0 million.

On 20 February 2024, Nightcap completed the acquisition of The Piano Works through a pre-pack administration process for a total consideration of £0.2 million. This opportunistic and value-driven acquisition was funded through the successful raising of £1.0 million in equity capital from existing investors, further demonstrating continued shareholder support for our strategic growth agenda.

Throughout the period, we maintained a strong working relationship with our banking partner, HSBC, and continued to make scheduled repayments on our outstanding £8.3 million debt facility. At the end of the reporting period, net debt stood at £5.9 million (excluding IFRS 16 lease liabilities and convertible loan notes), with cash reserves of £2.4 million.

Despite a challenging trading environment, the Group remains in a stable financial position, with continued access to capital and a balanced approach to leveraging investment opportunities. Our limited net debt position, strengthened capital base and disciplined financial management provide a solid foundation from which to continue executing our strategy and delivering on our ambition to build one of the UK's leading hospitality groups.

KEY PERFORMANCE INDICATORS (KPIS)

The Directors use a balanced set of financial and non-financial Key Performance Indicators (KPIs) to monitor the performance and strategic progress of the Group. These KPIs provide critical insight into both the operational and financial health of the business, aligned with our long-term objectives of sustainable growth, operational excellence, and stakeholder value.

FINANCIAL KPIS

The Group monitors the following financial KPIs:

Revenue Growth (%)

Definition: Year-on-year percentage growth in total Group revenue.

Purpose: Reflects the overall top-line performance and market demand for our venues and offerings.

Revenue growth was 57% (£72.7 million, compared with £46.4 million for the 52 weeks to 2 July 2023). On a 52-week comparable basis, revenue for the 52 weeks to 30 June 2024 was £59.7 million, representing a year-on-year increase of 29%. This growth is primarily attributable to the impact of the acquisitions of Dirty Martini and The Piano Works, both of which contributed significantly to Group revenue in the period.

Adjusted EBITDA Margin (% of Revenue)

Definition: Earnings before interest, tax, depreciation and amortisation as a percentage of revenue.

Purpose: Measures core operating profitability and efficiency across the estate.

The EBITDA margin for the 65 weeks ended 29 September 2024 was 8.2% compared to 14.2% for the 52 weeks ended 2 July 2023 due to the additional costs of incorporating the Dirty Martini and The Piano Works businesses. While margins at site level remained robust and cost control improved both centrally and across the estate, the decline in underlying EBITDA was primarily driven by the reduction in like-for-like revenue.

Like-for-Like (LFL) Sales Growth (%)

Definition: Revenue growth from sites open for at least 12 months.

Purpose: Assesses organic growth, excluding the impact of new openings or closures.

Following a record-breaking year of like-for-like revenue growth in 2022 of 23.6%, trading normalised in 2023 with a 12.5% decline, which continued into 2024 with a further decline of 12.1% over the 65-week period. As a result, like-for-like revenue levels are now broadly in line with 2019 pre-pandemic comparatives, reflecting the broader macroeconomic pressures affecting discretionary consumer spending across hospitality.

Cash Generated from Operations (£m)

Definition: Net cash generated from operating activities.

Purpose: Indicates the Group's ability to fund operations, capital expenditure, and shareholder returns.

The cash generated from operations for the 65 weeks ended 29 September 2024 was £4.9m compared to £6.8m for the 52 weeks ended 2 July 2023, largely due to the additional costs of incorporating the Dirty Martini and The Piano Works businesses.

Net Debt to EBITDA Ratio

Definition: Adjusted net debt divided by EBITDA.

Purpose: Tracks leverage and balance sheet strength.

The net debt to EBITDA ratio for the 65 weeks ended 29 September 2024 was 1.8. This is broadly in line with equivalent figure of 1.76 for the 52 weeks ended 2 July 2023, reflecting disciplined capital allocation.

NON-FINANCIAL KPIS

The Group recognises the importance of non-financial metrics in assessing the broader sustainability and effectiveness of its operations:

Customer Satisfaction Score (CSAT)

Definition*:* Average post-visit rating collected via reputation.com

Purpose: Provides insight into guest experience and service delivery.

The score as at 29th September 2024 was 773/1000 vs 742/100 as at 2 July 2023.

Carbon Emissions (tCO_2e)

Definition: Scope 1 and Scope 2 greenhouse gas emissions, reported in tonnes of CO_2 equivalent.

Purpose: Tracks environmental impact and informs our net zero strategy.

The CO2 emissions for the 65 weeks ended 29 September 2024 were 590 CO2e tonnes vs 420 CO2e tonnes for the 52 weeks ended 2 July 2023. This increase is due to the additional sites obtained as part of the Dirty Martini and The Piano Works acquisitions.

The Board regularly reviews the above KPIs to ensure they remain aligned with the Group's strategic objectives and risk management framework. Where appropriate, targets are benchmarked against industry standards and internal forecasts to support continuous improvement and shareholder value creation.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has continued to develop its risk management procedures so that it identifies, monitors, and evaluates risks as they arise and then prioritises them, allowing management to make critical decisions. The Board then reviews and considers the risks and has accepted them after considering the relevant control and mitigation strategies. The Group's risk register is reviewed at least twice per year by the Audit and Risk Committee and material changes reported to the Board. The Board also has a policy of assigning the responsibility of reviewing and reporting on the Group's key risks to an individual director or member of the senior management team.

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

COST INFLATION & SUPPLY CHAIN

Nature
The Group operates in a sector that has been and may continue to be subject to significant cost pressures. This includes pressures such as increases in energy prices, rising staff costs led by increases in wages, together with increases in the prices of food and drink.

Mitigation Strategies
As the Group expands, it has been able to secure new 'pouring contracts' for key drinks lines through its buying power to help mitigate cost inflation. Alternative products have also been identified should any shortfall become apparent or if any item becomes cost-prohibitive and relationships are maintained with alternative suppliers. The Group has locked into multi-year energy contracts for most of the Group's sites to give certainty over the Group's energy costs.

We continue to reward staff with industry-leading training programmes, promotion opportunities and competitive pay and incentives, including share options. The Group's strategy on recruitment and retention is to remain an employer of choice. To this end, in August 2022, the Group launched the Nightcap Bar Academy to focus on this key part of our business. The Nightcap Bar Academy is a central point for training across the Group, for both new and existing teams. The Nightcap Bar Academy provides in depth training for all staff members to improve their skills and delivery of consistent levels of excellence and customer service across the estate. It is envisaged that the Academy will function as a central hub to improve both recruitment and retention, as Nightcap continues to open bars and seek out and train the best talent in the sector across the UK.

CONSUMER CONFIDENCE AND LEVELS OF DISPOSABLE INCOME

Nature
The Group derives all of its sales 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 its control which have an impact on consumer sentiment and dictate levels of disposable income.

Mitigation Strategies
The Group has traded extremely well during times when there has been a national cost of living crisis. However, if poor economic conditions were to continue for a significant period of time, then the impact from this could be greater. The Group's focus is on cost controls and regular assessments of the UK hospitality market and the macroeconomic environment and how this could impact the business. Systems are in place to give quick and accurate information for decision making. In addition, the Group has sought to reduce the concentration risk of sites solely in London with six of the seven sites opened in the financial year being outside of London.

The Board considers that the Group's offering is strong and this provides a level of resilience if there were to be an economic slowdown. The Board considers that the following, in particular, are relevant when considering the resilience of the Group's offering.

Our target market (being Gen Z and millennials) is more resilient than other segments of the hospitality sector.
We focus on reviewing customer feedback and addressing it, as well as a monthly analysis of customer dashboard scores.
We have a heightened focus on value of offer with best-in-class service and we have flexibility in terms of the speed of our site roll out.

RECRUITMENT AND RETENTION

Nature
An important factor of the future success of the Group lies in our ability to continue to recruit and retain the best bartenders and management personnel. This remains a challenge across the sector.

Mitigation Strategies
The Group's focus on engagement and satisfaction is key to retaining a high-quality workforce, together with an industry leading training programme.

The Group will continue to listen to its workforce and continually adapt the way it provides incentives and rewards its staff, to maintain its position as an employer of choice.

The Group reviews salaries to confirm that these are close to market levels. Share options are available for key management personnel.

As described above, the Group has launched its Nightcap Bar Academy, whose focus is to be a centre of training excellence.

INCREASED COMPETITION

Nature
Following the impact of the cost-of-living crisis, existing businesses may take advantage of other businesses which enter into administration and create most significant competitors in the marketplace.

Mitigation Strategies
The Board believes that the Group has a distinct proposition and is constantly reviewing the market. The Directors and the executive management team believe that they have strong experience in relation to evaluating competitors and the need to expand at the appropriate pace relative to competitors.

AVAILABILITY OF NEW SITES

Nature of risk
The Group's growth strategy is to roll out its current brands and also future brands across the UK. New sites are the focus of management, with reviews of new site activity taking place at each Board meeting. Each proposed site is supported by a robust appraisal model with strict economic criteria examining rent levels, fit out costs, and demographics, which are instrumental to the delivery of the Group's strategy.

Mitigation Strategies
The Directors believe that the current property opportunities provide the Group with a strong pipeline of sites on attractive terms. The Group conducts regular surveys of possibilities. The Group can look at a large diversity of properties due to the different brands within the Group. This allows us to secure sites from 1,500 – 10,000 square feet.
The Group has appointed agents to find properties. These are presented and discussed at subsidiary company board meetings and then taken forward to investment appraisals for sign off by the subsidiary board and/ or the main Nightcap Ltd board.

HEALTH AND SAFETY AND FOOD AND DRINK SAFETY

Nature
The health and safety of the Group's employees and customers is a key concern and the Group is required to comply with health and safety legislation that includes fire safety, food and drink hygiene, and allergens.

Mitigation Strategies
The Group invests significantly in the training of its employees with the creation of the Nightcap Bar Academy launched this year. There are specific modules that focus on the welfare and safety of both our customers and employees.

SECTION 172 STATEMENT

DIRECTORS' DUTIES

The Directors are aware of their duty under Section 172(1) of the Companies Act 2006, to act in the way that 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 as between members of the Group, Our key stakeholders; and how we engage with them

Further to the section 172 statement, the Directors consider the following as the key business decisions made by the Group during the period:

- The decision to delist from AIM
- The acquisition of Piano Works
- Navigating the impact of the cost-of-living crisis on our estate
- Managing the increasing cost base of our operations and employees

This report details how the Directors carry out their activities to promote long-term success for the benefit of the Company's stakeholders.

The Directors view our stakeholders as being our employees, our shareholders, our customers, our suppliers and the communities in which we operate. We set out below some of the ways in which we have engaged with our stakeholders over the past financial year. Further relevant information is included in the Environmental, Social and Governance report.

DELISTING FROM AIM

Persistent challenges to the UK economy have negatively impacted liquidity across the AIM market. Nightcap suffered from extremely low trading volumes and a share price that the Board believed did not represent the underlying value of the business being built. With 76.4% of all shareholders providing the company with irrevocable undertakings, there was overwhelming support for the delisting to take place. The Board therefore made the decision in the interests of shareholders to delist from AIM and to re-register as a private limited company. This decision has led to a material reduction in the cost base. In order to provide a market for shareholders who wish to sell shares, a process was established to facilitate matched bargain sales. Since the delisting the Company has been able to raise further equity at a price higher than the price on AIM immediately before delisting. Following the delisting we have begun uploading regular updates on our website www.nightcapgroup.com for all shareholders to access.

THE ACQUISITION OF PIANO WORKS

Prior to the acquisition, an existing Nightcap site in Covent Garden had enjoyed a material uplift in trading revenues from a residency co-operation agreement with The Piano Works. The acquisition of The Piano Works assets out of administration was done partly to secure The Piano Works at the Covent Garden site as well as securing the original Farringdon site which had traded successfully since 2015. The Piano Works is an interactive live music entertainment concept, typically involving pianists, vocalists and other musicians performing an audience curated playlist, accompanied by a high-quality food, drinks and cocktail offering. The drinks-led part of the hospitality industry is seeing a growing trend towards interactive, immersive and live music led concepts. The acquisition of The Piano Works offered an opportunity to increase our presence in the interactive and live music markets. Subsequent to the acquisition, it was operationally integrated into the main group with the former management exiting the business towards the end of the financial year. The intention is to prove the concept further with a regional opening and if successful to then continue to roll out this format across the country.

COST-OF-LIVING CRISIS

The impact of the cost-of-living crisis has been significant for the hospitality industry as a whole and disproportionally so for drinks-led and late-night focussed groups and venues. Whilst a gradual shift in consumer habits among younger consumers have also had an impact, the cost-of-living crisis has been more significant due to its sudden sharp forced change to the social habits of our customers. Starting with the energy cost crisis caused by the war in Ukraine, followed by rising inflation and simultaneous increase in interest rates, these factors created a consumer spend squeeze still being felt in the market today. It has been a positive outcome for Nightcap that a squeeze of a market, still over-leveraged from being shut during COVID, has let to good value transactions buying quality assets and brands out of Administration, but the same challenging marketplace has forced the Group to accelerate our centralisation of brands, standardized technology and processes, resulting in significant one-off costs, with the ultimate benefit of driving down operational costs materially, in the medium term and long term.

OUR PEOPLE

The Board has actively addressed the evolving needs of our workforce amidst the Group's rapid expansion. Key areas of focus include recruitment, retention, training, pay, incentives, diversity, inclusion, and overall employee engagement. As part of the wider integration and centralisation of the operating model, the Group has taken concrete steps to engage our teams. We conduct surveys to gauge employee engagement, motivation, pride, and commitment to the business. We want our team to enjoy their work, fostering a sense of unity, togetherness, and openness. Monitoring team turnover and gauging colleague satisfaction is a priority. Through our employee surveys, we measure employee engagement, motivation, and engagement with the business. These metrics are reviewed at our Group Executive Board meetings and with the senior management team to address any concerns effectively and take steps to deliver a positive work environment.

Further steps were taken this year to standardise employment conditions for everyone across both Nightcap sites and centrally. Pay and bonus structures for our teams in the sites have been revised to align around seniority, skill levels, and the success of individual venues. This ensures that compensation reflects the contributions of our employees and incentivises performance. By focusing on these areas, the Group aims to create a positive, inclusive, and engaging work environment that supports both personal and professional growth.

MANAGING THE INCREASING COST BASE OF OUR OPERATIONS AND EMPLOYEES

The increase in input costs from the surge in energy prices as well as increase in wages caused by persistent inflation, hit hospitality hard during the year. This drove the strategic decision to operate one group management structure, instead of individual subsidiary structures, to allow for additional efficiency, cost reduction as well as continued growth, both through roll-out and acquisition. As part of the decision-making process, the Board considered the impact on existing employees as well as the need for additional subject matter experts in key roles and the disruption this change would have on the organisation in the short term. This process has continued with the further reduction of group staff, as much-improved systems and more streamlined processes allow further accountability at the individual bar level whilst equally improving insights and decision making centrally.

OUR CUSTOMERS

Our amazing customers are the reason we exist. Our success is down to our loyal customers who come back to enjoy our brands and venues time and again. The Board continues to challenge management to evolve and innovate our offering to anticipate and recognise the changes in our customers' needs and to ensure we provide them with a safe environment in which to have fun. In order to understand and to track our customers view on the quality of the delivery of our products we use reputation.com, which is also used as part of our employee bonus structure to ensure there is alignment between how our business is perceived and how quality delivery of product is rewarded.

The key interests of our stakeholders are as follows:

- Quality of offering and atmosphere
- Entertainment and experience
- Value for money
- Service

We engage with our customers directly through our website, Customer Relationship Management tools and social media platforms as well as through third party review platforms. We promote offers and events as well as new site openings through email, digital marketing and social media channels, as well as working with a number of third-party promoters. In addition to reputation.com, we undertake regular guest surveys to understand our guests' needs, taking immediate steps to correct the delivery of our product in sites where customers are showing lower levels of satisfaction.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORT

FINANCIAL YEAR ENDING 29 SEPTEMBER 2024

Nightcap continues to build on its mission to grow drinks-led hospitality businesses across the UK while embedding sustainability and responsible practices at the core of our operations. As a dynamic and expanding company, we understand the importance of balancing growth with a commitment to environmental, social, and governance (ESG) priorities. This report outlines our progress, achievements, and future ambitions for the financial year ending September 2024, reflecting our dedication to creating long-term value for our stakeholders, including employees, customers, investors, and communities.

ENVIRONMENT

Nightcap recognises the environmental footprint of the hospitality sector and remains focused on minimising our impact through proactive measures. Over the past year, we have intensified efforts to enhance the sustainability of our 44 bars located in cities such as London, Bristol, Exeter, Cardiff, Liverpool, Manchester, Birmingham, and Leeds.

Carbon Footprint: We have expanded our partnership with energy consultants to implement energy-saving technologies across all sites, building on last year's successful trials. Following a 25% average reduction in energy consumption at pilot locations, we rolled out smart meters, voltage optimisers, and LED lighting across the entire estate, including the newly integrated Dirty Martini venues. Real-time energy monitoring now allows us to address inefficiencies promptly and benchmark site performance, with incentives for top-performing locations in energy reduction.

Renewable Energy: A growing number of our sites source electricity from green suppliers, and we are on track to transition the entire estate to 100% renewable energy as existing contracts expire. This aligns with our goal to achieve full renewable energy usage within the next six years.

Resource Efficiency: We have introduced advanced water conservation measures and enhanced waste management programs, partnering with zero-landfill waste companies for separate collections of food waste, glass, and dry mixed recycling. Our procurement strategy now prioritises sustainable packaging and reduced delivery emissions by optimising supplier networks and minimising transit times.

As part of the smart plug implementation, a detailed timeline of operational and non-operational hours was drafted, finalised and agreed which automatically terminates power to the agreed items of equipment, thus allowing us to realise savings and reduce our energy leakage outside of our trading windows. This was implemented at the beginning of September 2023 and is constantly evolving in-line with the operational needs of the business.

Supply chain: This year, we initiated a detailed assessment of the environmental impact of importing and distributing spirits, focusing on production and transportation emissions. We aim to develop actionable strategies to reduce this footprint in the coming year.

STREAMLINED ENERGY AND CARBON REPORTING

The data below relates wholly to the United Kingdom and covers the 65-week period ending on 29 September 2024 (2023: 52-week period ending on 2 July 2023).

	2024 Energy Usage (kWh)	2024 GHG Emissions (CO2e tonnes)	2023 Energy Usage (kWh)	2023 GHG Emissions (CO2e tonnes)	2022 Energy Usage (kWh)	2022 GHG Emissions (CO2e tonnes)
Scope 1 – Natural Gas	1,752,661	351	245,601	49	305,793	67
Scope 2 – Electricity	1,240,415	240	1,916,135	371	1,582,785	337
Total	2,993,076	591	2,161,736	420	1,888,578	404
Energy Intensity (Tonnes CO2e per £1,000 of Revenue)		0.01		0.01		0.01

This is the Group's third period for the reporting of the energy consumption and comparative figures have been disclosed.

Scope 2 emissions have been calculated on a market-based approach. Estimation has been required in some areas where data has not been available. These have been completed using standard estimation methods (direct comparison, pro-rata etc.). For sites acquired in the period where information was not readily available, the estimation has been based on the usage at comparable sites within the Group.

The Group operates solely within the UK.

Initiative: In 2025, we propose launching a pilot program for onsite food waste composting at select urban locations to further reduce waste sent to third-party processors. Additionally, we plan to explore carbon offset programs to neutralise unavoidable emissions from spirit imports, ensuring alignment with our long-term Net Zero ambitions.

SOCIAL

Our people and communities remain central to Nightcap's identity. With over 1,000 colleagues across the UK, we are committed to fostering an inclusive, supportive workplace while engaging meaningfully with the communities we serve.

Workforce Diversity and Inclusion: As of October 2024, our workforce comprises 47% female employees, with 50% female representation on the Group Executive Board. We continue to prioritise gender parity and aim to achieve a 50/50 balance across all roles by setting clear diversity targets.

Employee Wellbeing and Development: We expanded wellbeing initiatives, including fitness and mental health retreats for senior management, with ongoing education on healthy lifestyles. A funded private medical scheme is now available to managers, offering comprehensive wellbeing resources. Our nationwide Academy, led by the Group Learning and Development Team, delivered specialised training in drinks expertise, customer service, and leadership development, supporting career progression.

Community Engagement: Nightcap strengthened ties with local communities through partnerships with organisations like Springboard UK and the Prince's Trust, creating employment opportunities for underrepresented groups. Fundraising efforts supported causes such as Breast Cancer awareness and WaterAid, while our "Safer Together" campaign enhanced customer safety with free charger cables, drink-spiking test kits, and staff training on protecting vulnerable guests.

Initiative: For the upcoming year, we will look to establish a formal "Community Impact Fund" to support local charities and initiatives in each city where we operate, focusing on employability and youth outreach. Additionally, we plan to introduce a cycle-to-work scheme and an electric vehicle salary-sacrifice program to promote sustainable commuting among staff.

GOVERNANCE

Strong governance underpins Nightcap's commitment to ethical operations and transparency, ensuring we meet the expectations of all stakeholders.

Ethical Practices and Oversight: We maintain a robust governance structure with a diverse Board of Directors and a Group Executive Board overseeing daily operations. New group-wide policies on compensation, anti-bribery, and procurement have standardised processes and reinforced accountability across our brands.

Stakeholder Engagement: Transparent communication with shareholders remains a priority, with active involvement in key decisions. We continue to refine our risk management framework to address emerging ESG challenges and regulatory requirements.

Initiative: In 2025, we are proposing to implement an annual ESG stakeholder forum to gather direct feedback from employees, customers, and investors on our sustainability priorities. This will help refine our strategy and ensure alignment with stakeholder expectations.

KEY TARGETS AND INITIATIVES FOR THE FUTURE

Looking ahead, Nightcap is committed to accelerating progress across all ESG pillars with ambitious goals and innovative approaches:

- **Environmental Goals:** Achieve 100% renewable energy usage by 2030 and reduce water consumption by 20% across all sites by the same year through advanced technologies and behavioural change campaigns.
- **Social Ambitions:** Expand apprenticeship programs to attract young talent into hospitality as a long-term career path, and enhance diversity data collection via our HR systems to identify and address representation gaps.
- **Technological Innovation:** Leverage artificial intelligence and digital tools to improve customer engagement and operational efficiency, particularly in high-impact cities like Bristol, where we operate multiple venues. This includes personalised customer experiences and streamlined energy management systems.
- **Team Investment:** Roll out additional wellbeing bootcamps and financial planning support for staff, ensuring a holistic approach to employee development and satisfaction.

CONCLUSION

Nightcap's journey in the financial period ending September 2024 reflects a steadfast commitment to sustainability, social responsibility, and ethical governance. By integrating ESG principles into our growth strategy, we aim to lead by example in the hospitality sector. Through continued collaboration with stakeholders and innovative initiatives, we are confident in our ability to drive meaningful change and build a resilient, responsible business for the future.

DIRECTORS’ REPORT

The Directors present their report and the audited consolidated financial statements of Nightcap Limited for the 65-week period ending on 29 September 2024.

PRINCIPAL ACTIVITY

The principal activity of the Group is the operation of bars.

RESULTS AND DIVIDENDS

The consolidated statement of comprehensive income shows the comprehensive profit for the year. There were no dividends paid or proposed in the period under review.

STRATEGIC REPORT

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

DIRECTORS

The Directors who served during the year, and up to the date of this report, unless otherwise stated, were as follows:

- Sarah Willingham-Toxvaerd
- Toby Rolph (resigned 30 November 2023)
- Michael Willingham-Toxvaerd
- Gareth Edwards
- Tobias van der Meer (resigned 5 November 2024)
- Thi-Hanh Jelf (resigned 31 July 2024)
- Lance Moir

DIRECTORS’ INTERESTS

A table showing the Directors’ interests in the share capital of the Company is set out in the Directors’ Remuneration Report.

SHARE CAPITAL

Details of the issued share capital, together with details of movements during the period are shown in Note 27 to the Consolidated Financial Statements.

The Company has one class of share being the ordinary shares of 1p par value each and each ordinary share carries the right to one vote at general meetings on any resolution proposed on a poll.

There are no restrictions on the transfer of the ordinary shares other than those restrictions which may from time to time be imposed by law, for example, insider trading laws.

Financial Risk Management

The Group's operations are subject to a variety of financial risks arising from its use of financial instruments. The principal financial risks to which the Group is exposed are interest rate risk, liquidity risk, market risk (including commodity price risk), and capital risk. The Group does not engage in speculative trading of derivatives; any derivative instruments are transacted solely for risk management purposes.

Interest Rate Risk
The Group is exposed to cash flow interest rate risk through long-term borrowings issued at variable rates. To manage this exposure, the Group has implemented a hedging strategy by entering into an interest rate cap agreement covering over 80% of its debt. This cap limits the base rate component of interest payments to 3% for a period of three years, providing certainty over a majority of the Group's borrowing costs during a time of inflationary and interest rate volatility.

Liquidity Risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group actively manages its liquidity position by maintaining adequate cash reserves and through regular cash flow forecasting. Following successful share placements in February 2024, July 2024, and April 2025, and through ongoing discussions with HSBC Bank concerning the refinancing of its debt facility, the Group has taken steps to strengthen its liquidity profile.

Market Risk (Commodity Price Risk)
The Group is exposed to market risk in the form of rising wholesale prices for food and drink products, which may be driven by supply chain disruptions and broader global instability. While the Group sources the majority of its products domestically, it mitigates price volatility by annually fixed pricing structures with suppliers, benchmarking supplier cost increases, and maintaining the flexibility to adapt its product offering to reduce exposure to specific cost pressures.

Credit Risk
The Group's exposure to credit risk is minimal, as receivables represent an insignificant portion of total financial assets. The Group holds cash and deposits only with reputable UK-based financial institutions.

Capital Risk Management
The Group manages its capital structure to ensure ongoing operational sustainability while optimising shareholder returns. This involves monitoring the balance of debt and equity, managing leverage, and considering equity issuance for strategic purposes, including acquisitions. The Board regularly reviews cash flow forecasts and capital requirements to ensure appropriate capital levels are maintained.

Financial Instruments
As at 29 September 2024, the Group held financial assets at amortised cost of £3.2 million (2023: £6.3 million) and financial liabilities at amortised cost of £15.6 million (2023: £16.3 million). There were no material differences between the carrying amounts and fair values of these financial instruments. A detailed maturity analysis of financial liabilities and lease commitments is included in Notes 22 and 24 to the financial statements.

EMPLOYMENT POLICY

Our policy is to promote equal opportunity in employment regardless of gender, race, sexual orientation, identity, 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 Nightcap and its subsidiary businesses' 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 Company's financial success. Eligible employees are typically provided with financial incentives related to the Group's performance in the form of annual bonuses. The Group also operates incentive plans and share option 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 in the Section 172 Statement.

ENGAGEMENT WITH OTHER STAKEHOLDERS

The Board understands the importance of engagement with key stakeholders, including our customers, the broader communities in which we operate, our suppliers and trading partners and our shareholders. Further information on the stakeholders and the manner in which we engage with them is provided in the Section 172 Statement.

ENVIRONMENTAL IMPACT

Information in respect of the environmental impact of the Business can be found in the ESG Report on page 16.

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.

POST BALANCE SHEET EVENTS

In February 2025, the business acquired the i360 attraction in Brighton out of administration. The site includes over 20,000 square feet of hospitality space on a 115-year lease and was secured for a total consideration of £150,000, paid in cash on completion. We believe this is a transformational opportunity, with the potential for i360 to become the highest-revenue site within the Group.

To support this and other strategic initiatives, in April 2025 the business also completed a £3.4 million equity raise, funded by new and existing investors.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report 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 in conformity with the requirements of the Companies Act 2006 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

GOING CONCERN

The financial statements have been prepared on a going concern basis. In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's cash flow forecasts, covenant compliance, and available sources of finance over a period of at least 12 months from the date of signing the financial statements.

Management has prepared detailed bottom-up forecasts for a period of 18 months, covering each individual trading site and central costs on a line-by-line basis. These forecasts reflect a cautious approach, incorporating conservative assumptions and applying a range of sensitivities to model various downside scenarios. These scenarios consider the potential impact of macroeconomic factors, trading performance variability, and cost pressures.

The Group is currently trading in line with its revised base case model. Even under a severe but plausible downside case, the Group is forecast to maintain adequate liquidity and remain compliant with its financial covenants. The Group also retains flexibility in its cost base and capital expenditure plans. In the event of materially adverse trading conditions, the Board has identified a number of mitigation strategies, including deferral of non-essential capital projects and further reductions in discretionary and central overhead expenditure, to protect liquidity.

A key judgement in the going concern assessment is the refinancing of the Group's existing bank facility, which is due for renewal in September 2025. The Board is actively engaged in discussions with its principal lender, HSBC, and has already received indicative renewal terms. In parallel, the Group has engaged an independent funding consultant to explore alternative financing options, including asset-backed lending secured on recently acquired assets such as the Brighton i360 site. The consultant has identified a number of viable funding providers who have expressed initial interest in supporting the Group.

Additionally, the Group has held preliminary discussions with certain shareholders who, if necessary, may be willing to provide financial support in the form of equity or shareholder loans, thereby further strengthening the Group's financial position as a contingency measure.

Taking into account the Group's current trading, available cash resources, conservative forecasting approach, committed cost control actions, and the reasonable expectation of securing refinancing or alternative funding, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

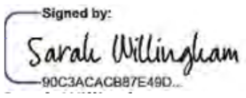
DISCLOSURE OF INFORMATION TO AUDITOR

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, HaysMac LLP have indicated their willingness to continue in office.

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



Sarah Willingham

Chief Executive Officer

28th September 2025

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Nightcap Limited (the 'Company') for the period ended 29 September 2024 which comprise Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and [=UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 September 2024 and of the its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations such as minimum wage legislation and alcohol licencing, 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 preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

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 inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

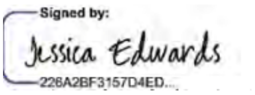
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

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

Use of our report

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



Jessica Edwards (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors

15th October 2025.

10 Queen Street Place
London
EC4R 1AG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 65 WEEKS ENDED 29 SEPTEMBER 2024

	Note	**65 weeks ended 29 September 2024 £'000**	52 weeks ended 02 July 2023 £'000
Revenue	4	72,743	46,414
Cost of sales		(15,901)	(9,029)
Gross profit		56,842	37,386
Administrative expenses		(64,244)	(40,643)
Other income	5	30	446
Adjusted EBITDA	36	5,972	6,625
Share based payments	7, 26	10	(181)
(Loss) / profit on disposal of right of use asset / liability	6	(9)	220
Depreciation	6, 15, 16	(8,897)	(5,745)
Amortisation of intangible assets	6, 14	(1,297)	(627)
Exceptional items	10	(2,513)	(792)
Acquisition related transaction costs	11	(428)	(734)
Pre opening costs	12	(42)	(1,013)
Impairment	6	(168)	(565)
Loss before finance expense		(7,372)	(2,812)
Net finance expense	8	(4,618)	(2,052)
Loss before taxation		(11,990)	(4,863)
Tax credit on loss	9	672	931
Loss and total comprehensive loss for the period		(11,318)	(3,932)
Loss for the period attributable to:			
– Owners of the parent		(11,207)	(4,169)
– Non-controlling interest		(111)	237
		(11,318)	(3,932)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 29 SEPTEMBER 2024

	Note	29 September 2024 £'000	02 July 2023 £'000
Non-current assets			
Goodwill	14	12,144	12,144
Intangible assets	14	6,223	6,971
Property, plant and equipment	15	10,054	12,723
Deferred tax asset	25	2,384	1,489
Right of use assets	16	45,040	35,905
Derivative financial asset		62	361
Other receivable	18	1,229	914
Total non-current assets		77,136	70,507
Current assets			
Inventories	17	990	1,154
Trade and other receivables	18	2,610	3,266
Cash and cash equivalents	19	2,437	5,017
Total current assets		6,037	9,438
Total assets		83,173	79,945
Current liabilities			
Loans and borrowings	22	(9,213)	(1,000)
Trade and other payables	20	(13,870)	(12,980)
Lease liabilities due less than one year	21	(5,164)	(3,281)
Total current liabilities		(28,247)	(17,261)
Non-current liabilities			
Borrowings	22	(1,650)	(10,687)
Lease liabilities due more than one year	21	(43,592)	(34,594)
Provisions	23	(638)	(683)
Deferred tax provision	25	(2,694)	(2,200)
Total non-current liabilities		(48,574)	(48,164)
Total liabilities		(76,821)	(65,425)
Net assets		6,352	14,520
Called up share capital	27	2,796	2,179
Share premium	27	26,070	23,527
Share based payment reserve		651	661
Reverse acquisition reserve		(2,513)	(2,513)
Retained earnings		(21,273)	(10,066)
		5,731	13,788
Non-controlling interest		621	732
Total equity		6,352	14,520

The financial statements on pages 28 to 66 were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:
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Michael Willingham-Toxvaerd
Executive Director
28th September 2025

Signed by:
Sarah Willingham
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Sarah Willingham-Toxvaerd
Chief Executive Officer
28th September 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 65 WEEKS ENDED 29 SEPTEMBER 2024

	Called up share capital £'000	Share premium £'000	Share based payment reserve £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Total attributable to equity holders of parent £'000	Non-controlling interest £'000	Total equity £'000
At 3 July 2022	1,983	21,373	543	(2,513)	(5,640)	15,746	495	16,241
Shares issued for cash subscription - 8 June 2023	196	2,154	–	–	–	2,350	–	2,350
Share based payments and related deferred tax recognised directly in equity	–	–	118	–	–	118	–	118
Dividends paid – non controlling interest portion	–	–	–	–	(257)	(257)	–	(257)
Total transactions with owners recognised directly in equity	**2,179**	**23,527**	**661**	**(2,513)**	**(5,897)**	**17,957**	**495**	**18,452**
Total comprehensive expense for the 52 week period	–	–	–	–	(4,169)	(4,169)	237	(3,932)
At 2 July 2023	2,179	23,527	661	(2,513)	(10,066)	13,788	732	14,520
Shares issued for cash subscription - 14 February 2024	167	833	–	–	–	1,000	–	1,000
Shares issued for cash subscription - 1 July 2024	300	1,140	–	–	–	1,440	–	1,440
Shares issued for cash subscription - 12 July 2024	150	570	–	–	–	720	–	720
Share based payments and related deferred tax recognised directly in equity	–	–	(10)	–	–	(10)	–	(10)
Total transactions with owners recognised directly in equity	**2,796**	**26,070**	**651**	**(2,513)**	**(10,066)**	**16,938**	**732**	**17,670**
Total comprehensive expense for the 65 week period	–	–	–	–	(11,207)	(11,207)	(111)	(11,318)
At 29 September 2024	**2,796**	**26,070**	**651**	**(2,513)**	**(21,273)**	**5,731**	**621**	**6,352**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE 65 WEEKS ENDED 29 SEPTEMBER 2024

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Cash flows from operating activities		
(Loss) / profit for the period	(11,318)	(3,932)
Adjustments for:		
Depreciation	8,900	5,745
Amortisation	1,297	627
Profit on disposal of right of use asset / liability	371	(220)
Share based payments	(10)	181
Interest on lease liabilities	2,992	1,699
Interest on borrowings	1,148	714
Amortisation of Debt	179	–
Net change in fair value of interest rate cap	299	(361)
Impairment	168	565
Tax expense	(671)	(931)
Decrease / (increase) in trade and other receivables	369	(1,377)
Increase / (decrease) in trade and other payables	878	4,387
Decrease / (increase) in inventories	206	(255)
Cash generated from operations	4,808	6,840
Corporation taxes (paid)	69	(184)
Net cash flows from operating activities	4,877	6,656
Investing activities		
Acquisition of Dirty Martini	(500)	(4,150)
Acquisition of the Piano Works (Note 32)	(198)	–
Purchase of property, plant and equipment	(1,219)	(6,658)
Purchase of intangible assets	(182)	(45)
Net cash used in investing activities	(2,099)	(10,853)
Financing activities		
Issue of ordinary shares	3,160	2,350
Proceeds from borrowings (net of repayments of £500,000)	–	12,030
Issue costs in connection with borrowings	–	(479)
Repayment of loans and borrowings	(1,006)	(5,597)
Principal paid on lease liabilities	(3,760)	(2,255)
Interest paid on lease liabilities	(2,992)	(1,699)
Interest paid on loans and borrowings	(760)	(489)
Net cash inflow / (outflow) from financing activities	(5,358)	3,861
Net (decrease) in cash and cash equivalents	(2,580)	(336)
Cash and cash equivalents at beginning of the period	5,017	5,353
Cash and cash equivalents at end of the period	2,437	5,017

NOTES TO THE CONSOLIDATED FINANICAL STATEMENTS

FOR THE 65 WEEKS ENDED 29 SEPTEMBER 2024

1. GENERAL INFORMATION

Nightcap Ltd ("the Company") and its subsidiaries ("the Group") is an award-winning independent operator of 43 themed bars, as well as the Brighton i360 tower. At 31 May 2025 the Group operates 16 bars under The Cocktail Club brand, 12 under the Adventure Bar Group ("ABG") brand, 3 under Barrio Familia Group brand, 9 under the Dirty Martini brand, and 3 under the Piano Works brand.

On 19 February 2024, the Group acquired the trade and assets for certain bars relating to the Piano Works business, for a total consideration of up to £0.2m. Further information on this acquisition is provided in Note 32. On 4 February 2025, the Group acquired the trade and assets of the Brighton i360 tower for a total consideration of £0.2m. Further information on this acquisition is provided in Note 35.

The Company (Nightcap Ltd) is a private company limited by shares it is incorporated and registered in England and Wales. The registered address of the Company is 119 Wardour Street, London, England, W1F 0UW. The company is registered under company number 12899067.

2. ACCOUNTING POLICIES

2.1. Basis of preparation of financial statements

The consolidated financial statements of Nightcap Ltd have been prepared in accordance with International Accounting Standards as adopted for use in the United Kingdom ("UK adopted IAS") 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 have been consistently applied to all years presented, unless otherwise stated. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements have been prepared under the historical cost convention. The financial statements are presented in pounds Sterling ('£') rounded to the nearest thousand, except where otherwise indicated.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

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.

Due to rounding, numbers presented in the Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the presented figures as the underlying calculations are referenced from absolute values, whereas numbers presented have been rounded to thousands.

2.2. Going concern

The financial statements have been prepared on a going concern basis. In assessing the Group's ability to continue as a going concern, the Directors have considered the Group's cash flow forecasts, covenant compliance, and available sources of finance over a period of at least 12 months from the date of signing the financial statements.

Management has prepared detailed bottom-up forecasts for a period of 18 months, covering each individual trading site and central costs on a line-by-line basis. These forecasts reflect a cautious approach, incorporating conservative assumptions and applying a range of sensitivities to model various downside scenarios. These scenarios consider the potential impact of macroeconomic factors, trading performance variability, and cost pressures.

The Group is currently trading in line with its revised base case model. Even under a severe but plausible downside case, the Group is forecast to maintain adequate liquidity and remain compliant with its financial covenants. The Group also retains flexibility in its cost base and capital expenditure plans. In the event of materially adverse trading conditions, the Board has identified a number of mitigation strategies, including deferral of non-essential capital projects and further reductions in discretionary and central overhead expenditure, to protect liquidity.

A key judgement in the going concern assessment is the refinancing of the Group's existing bank facility, which is due for renewal in September 2025. The Board is actively engaged in discussions with its principal lender, HSBC, and renewal terms have already been received. In parallel, the Group has engaged an independent funding consultant to explore alternative financing options, including asset-backed lending secured on recently acquired assets such as the Brighton i360 site. The consultant has identified a number of viable funding providers who have expressed initial interest in supporting the Group.

Additionally, the Group has held preliminary discussions with certain shareholders who, if necessary, may be willing to provide financial support in the form of equity or shareholder loans, thereby further strengthening the Group's financial position as a contingency measure.

Taking into account the Group's current trading, available cash resources, conservative forecasting approach, committed cost control actions, and the reasonable expectation of securing refinancing or alternative funding, the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2.3. Basis of consolidation

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

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

2.4. Alternative performance measures

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These alternative performance measures ("APMs") are not defined or specified under the requirements of UK adopted IAS.

The Group believes that these APMs, which are not considered to be a substitute for, or superior to, UK adopted IAS 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 one of the measures used by the Group's banks for the purposes of assessing covenant compliance. The APMs are not defined by UK adopted IAS and therefore may not be directly comparable with other companies' alternative performance measures.

The key APM that the Group uses is Adjusted EBITDA. This APM is set out on note 36 including an explanation of how it is calculated and how it reconciles to a statutory measure where relevant.

These measures exclude exceptional items, as defined below, non-cash share-based payment charges, pre-opening costs and acquisition related costs.

Exceptional items

Exceptional items are those where, in management's opinion, their separate reporting provides a better understanding of the Group's underlying business performance; and which are significant by virtue of their size and nature. In considering the nature of an item, management's assessment includes, both individually and collectively, whether the item is outside the principal activities of the business; the specific circumstances which have led to the item arising; the likelihood of recurrence; and if the item is likely to recur, whether it is unusual by virtue of its size.

No single criterion classifies an item as exceptional, and therefore management must exercise judgement when determining whether, on balance, presenting an item as exceptional will help users of the financial statements understand the Group's underlying business performance.

Non-cash share based payment charges

Charges/credits relating to share-based payments arising from the Group's long-term incentive schemes are not considered to be exceptional but are separately identified due to the scope for significant variation in charges/credits.

Pre-opening costs

Pre-opening costs can vary significantly depending on the number of new sites acquired and opened in any period, and so do not reflect the costs of the day-to-day operations of the business. These costs are therefore split out in order to aid comparability with prior periods. Site pre-opening costs refer to costs incurred in getting new sites operational, and primarily include costs incurred before opening and in preparing for launch.

Acquisition-related costs

Acquisition-related costs are costs incurred to effect a business combination. Those costs include advisory, legal, accounting, valuation and other professional or consulting fees including employees bonuses in connection with the successful completion of a transaction. Acquisition-related costs are expensed in the period in which the costs are incurred and the services are received.

2.5. Revenue

IFRS 15 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. Revenue predominantly arises from the sale of food and drink to customers in the Group's bars for which payment in cash or cash equivalents is received immediately and as such revenue is recognised at point of sale.

The Group operates in a single geographical region (the UK) and hence all revenues are impacted by the same economic factors.

Retrospective volume rebates ('retro' payments) and listing fees are spread over the life of the contract. The income is recognised as a credit within cost of sales.

Revenue is shown net of value added tax, returns and discounts.

Customer deposits received in advance of events and bookings are recorded as deferred revenue on the balance sheet. They are recognised as revenue along with any balancing payment from the customer when the associated event / booking occurs.

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. Intangible assets – goodwill

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.

2.8. Intangible assets – trademarks, licenses and brands

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Asset class	Amortization method and rate
Trademarks	– 10% straight-line
Licenses	Straight line over the life of the lease
Brand	Straight-line over the expected useful economic life of the brand being 7.5 to 10 years

2.9. 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.

Depreciation is provided on the following basis:

Leasehold building improvements	– straight-line over the life of the lease
Plant and machinery	– 25% straight-line
Fixtures and fittings	– 25% straight-line
Computer equipment	– 33% straight-line

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

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

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. 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 encompassing all bars operating under certain brands, including any additional new sites. The brands that make up that group of CGUs is defined by the original acquisition group.

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.

2.12. 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. Payments taken from customers on debit and credit cards for which cash remains outstanding at any reporting date ("cash in transit") are recognised as trade receivables. The trade receivable is converted to cash within 3 days of processing. The Directors view these trade receivables as cash when monitoring cash flows and forecasts internally.

2.13. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition

The Group initially recognises trade receivables, trade payables, deposits, loans and borrowings on the date on which they are originated. All other instruments are recognised on the trade date, which is the date on which the Group becomes party to the contractual provisions of the instrument.

All financial instruments are recognised initially at fair value plus or minus, in the case of assets not at fair value through the Statement of comprehensive income, transaction costs that are attributable to the acquisition of the financial asset or liability.

Financial assets

The Group financial assets are measured at amortised cost.

A financial asset is measured at amortised cost when assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in finance income using the effective interest rate method.

The derivative financial asset / liability comprises the Group's interest rate cap. It is carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance expense line. The fair value of the interest rate cap is determined using the market standard methodology of discounting the future expected cash flow that would occur if variable interest rates rise above the strike rate of the interest rate cap. The variable interest rates used in the calculation of projected cash flow on the interest rate cap is based on an expectation of future interest rates derived from observable market interest rate curves and volatilities.

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 method.

Payments taken from customers on debit and credit cards for which cash remains outstanding at any reporting date ("cash in transit")
are recognised as trade receivables. The trade receivable is converted to cash within 3 days of

processing. Impairment losses are presented as a separate line item in the statement of profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Loss allowances for expected credit loss ("ECLs") are presented in the statement of financial position as a deduction from the gross carrying amount of the assets. In the profit or loss, the amount of ECL is recognised as an Impairment gain or loss.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss or as financial liabilities measured at amortised cost, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

The Group's financial liabilities include trade and other payables, loans and borrowing and other financial liabilities and accrued liabilities that are classified as measured at amortised cost.

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.

Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in interest and other revenues and finance costs. For substantial and non-substantial modifications the Group derecognises a financial liability from the statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

2.14. Leased assets

Under IFRS 16, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Unless the Group is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognised right-of-use assets are depreciated over the shorter of its estimated useful life and lease term. Right- of-use assets are subject to impairment testing as described further in Note 15. 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 fixed 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 if 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 lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense in the Statement of Comprehensive Income.

For leases acquired as part of a business combination the lease liability is measured at the present value of the remaining lease payments at the acquisition date with the right of use asset being measured at the same value. The discount rate applied to the remaining lease payments is the incremental borrowing rate of the acquiree.

2.15. 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.

2.16. 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 period 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.

2.17. 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 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, 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.

2.18. Current and deferred taxation

The tax expense for each reporting period 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
- 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.

2.19. Related party transactions

The Group discloses transactions with related parties which are not consolidated and 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.

2.20. New standards, amendments and interpretations adopted

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the financial statements.
IAS 1 (Amendment) Classification of liabilities as current or non-current
IAS 1 (Amendment) Disclosure of accounting policies
IAS 8 (Amendment) Definition of accounting estimates
IAS 12 (Amendment) Deferred tax related to assets and liabilities arising from a single transaction
IFRS 17 (Amendment) Insurance contracts
IFRS 18(Amendment) Presentation and Disclosure in Financial Statements
The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations. Given the nature of the standards/interpretations the Group considers that the impact will not be material.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The preparation of consolidated financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an on-going basis and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ. Revisions to accounting estimates are recognised in the period in which the revision takes place and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the date of the statement of financial position that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial period are set out below.

The Directors consider the principal judgements made in the Financial Statements to be:

KEY JUDGEMENTS

Operating Segments
The Directors have taken a judgement that individual bars meet the aggregation criteria in IFRS 8 and hence have concluded that the Group only has a single reporting segment, as discussed in Note 4.

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. As the Group has external borrowings, judgement is required to compute an appropriate discount rate which was calculated based on UK bank borrowings and adjusted by an indicative credit premium that reflects the credit risk of the Group. The weighted average discount rate applied to all leases is 5.65%. For the lease liabilities at 29 September 2024 a 0.1% increase in the discount rate used would have reduced the total liabilities by £257,000.

Consolidation of Waterloo Sunset Limited
Waterloo Sunset Limited ("Waterloo Sunset") is a subsidiary that ran and operated the Bar Elba bar in Waterloo, London. The Group has a 50% economic interest in Waterloo Sunset with each partner holding 50% of the voting rights. Bar Elba ceased to trade on 24 February 2024 and Waterloo Sunset is expected to be wound up in due course.

The Directors have determined that the Company exerts significant influence and control because it has the power to direct all significant activities of Waterloo Sunset and has a higher economic interest in it as compared to its unrelated venture partner, and as a result consolidates Waterloo Sunset in these financial statements with a 50% non-controlling interest representing the 50% of the equity the Group does not own.

There is an ongoing dispute between the directors representing Nightcap Limited ('Nightcap Directors') and the Directors representing the original owners of Bar Elba prior to acquisition ('Elba Directors'). Whilst the Nightcap Directors actively continue to resolve this dispute in a fair and amicable manner, the Elba Directors are currently refusing to approve the statutory accounts for the years ended 30th June 2023 and 30th June 2024 and the company is therefore in breach of its statutory filing requirements with Companies House.

Exceptional items
Exceptional items are those where, in management's opinion, their separate reporting provides a better understanding of the Group's underlying business performance; and which are significant by virtue of their size and nature. In considering the nature of an item, management's assessment includes, both individually and collectively, whether the item is outside the principal activities of the business; the specific circumstances which have led to the item arising; the likelihood of recurrence; and if the item is likely to recur, whether it is unusual by virtue of its size.

No single criterion classifies an item as exceptional, and therefore management must exercise judgement when determining whether, on balance, presenting an item as exceptional will help users of the financial statements understand the Group's underlying business performance.

Valuation of intangible assets and goodwill

Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

During the period, the Group acquired the trade and assets of the business known as the Piano Works for total consideration of £0.2m. Details of the acquisition is set out in Note 32. In accordance with IFRS 3, the identifiable assets acquired and liabilities and contingent liabilities assumed should be measured at fair value at the acquisition date in order to determine the difference between the cost of acquisition and the fair value of the Group's share of net assets acquired, which should then be recognised as goodwill on the balance sheet or recognised in the income statement.

In determining the fair value, management has recognised brand value totalling £0.4m in respect of the business acquired. Key estimates used in arriving at the brand valuation include growth rates, discount rate, cashflow assumptions including working capital estimates, appropriate royalty rates and useful economic lives. Further information is provided in Notes 14 and 32.

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Legal and Other Claims

The Group considers all legal or other claims against it. Where appropriate provision is made for management's best estimate of any liability arising. These provisions are reviewed regularly by management and the audit and risk committee and amended to reflect any new information. Where a claim has been received but management consider that it is unlikely that any liability will result this is disclosed as a contingent liability. The Group receives a number of employment or accident-related claims that, having sought appropriate advice, it believes have no merit and, as a consequence, the likelihood of any payout is remote. No provision is included in the financial statements for any amounts that are considered remote.

KEY ESTIMATES

Impairment of non current assets

Annually, the Group considers whether non-current assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates and the longer-term growth rate in order to calculate the net present value of those cash flows. Individual bars 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 Notes 14 and 15.

Forecast business cashflows

For purposes of the going concern assessment and as an input into the impairment assessment, the Group makes estimates of likely future cash flows which are based on assumptions in the base case, normalised case and significant but plausible downside case, given the uncertainties involved. The assumptions as outlined in the going concern section of the Financial Review include a deterioration of the macro environment as well as reduced profitability for the Group along with a range of mitigating factors within the Boards control. These assumptions are made by management based on recent performance and management's knowledge and expertise of the cashflow drivers going forward.

Share-based payments

The charge for share-based payments in respect of the Nightcap Ltd Share Option Plan is calculated in accordance with the methodology described in Note 26. The model requires subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yield, risk-free interest rates, expected time of exercise and employee attrition rates. Changes in such estimates may have a significant impact on the original fair value calculation at the date of grant and therefore the share-based payments charge.

Amortisation of intangible assets

Amortisation is recorded to write down intangible assets to a residual value of nil over their useful economic lives (UELs). Management must therefore estimate the appropriate UELs to apply to each class of intangible asset. Changes in the estimated UELs would alter the amount of amortisation charged each year, which could materially impact the carrying value of the assets in question over the long term. UELs are therefore reviewed on an annual basis to ensure that they are in line with policy and that those policies remain appropriate.

Depreciation of PPE

The estimated useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Due to the significance of tangible fixed asset investment to the company, variations between actual and estimated useful economic lives could impact operating results both positively and negatively, although historically few changes to estimated useful economic lives have been required.

4. SEGMENTAL REPORTING

The Group's continuing operating businesses are organized and managed as reportable business segments according to the information used by the Group's Chief Operating Decision maker ("CODM") in its decision making and reporting structure. The CODM is regarded as the Chief Executive together with other Board Members who receive financial information at a bar-by-bar level.

The Group's internal management reporting is focused predominantly on revenue and adjusted EBITDA, as these are the principal performance measures and drive the allocation of resources. The CODM receives information by trading venue, each of which is considered to be an operating segment. All operating segments have similar characteristics and, in accordance with paragraph 12 of IFRS 8, are aggregated to form an 'Ongoing business' reportable segment. Economic indicators assessed in determining that the aggregated operating segments share similar economic characteristics include expected future financial performance, operating and competitive risks and return on investment. These common risks include, but are not limited to, cost inflation, recruitment and retention, Brexit and supply chain disruption, consumer confidence, availability of new sites, impact of national industrial action health and safety and food and drink safety. These risks are discussed in more detail in the "Principal Risks and Uncertainties" section of this Annual Report. The risks are managed, discussed and monitored at a Board level across the Group.

The Group performs all of its activities in the United Kingdom. All the Group's non-current assets are located in the United Kingdom. Revenue is earned from the sale of drink and food with a small amount of admission income.

Revenue

Revenue arises from the sale of food and drink to customers in the Group's bars 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. OTHER INCOME

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Insurance claims	30	446

6. OPERATING (LOSS) / PROFIT

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

	Note	**65 weeks ended 29 September 2024 £'000**	52 weeks ended 02 July 2023 £'000
(Loss) / profit from operations is stated after charging / (crediting):			
Share based payments	7, 26	(10)	181
Depreciation of tangible fixed assets	15	3,570	2,467
Depreciation of right of use assets	16	5,330	3,278
Amortisation of intangible assets:			
– Trademarks	14	58	30
– Brands	14	1,239	597
Auditors' remuneration			
– for statutory audit services		146	176
– for tax advisory services		45	-
Exceptional costs	10	2,513	792
Acquisition related transaction costs	11	428	734
Pre–opening costs	12	42	1,013
Profit on disposal of right of use asset / liability		9	(220)
Impairment of tangible fixed assets	15	–	565
Impairment of right of use asset	16	168	-

7. EMPLOYEES AND DIRECTORS

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

	65 weeks ended 29 September 2024	52 weeks ended 02 July 2023
Management	88	85
Operations	919	669
	1,007	754

Staff costs were as follows:

	Note	**65 weeks ended 29 September 2024 £'000**	52 weeks ended 02 July 2023 £'000
Wages and salaries		25,329	15,798
Social security costs		2,137	1,339
Defined contribution pension costs		277	183
Other employment costs		312	48
		28,055	17,368
Share based payments	26	(10)	181
		28,045	17,549

All of the Group's employees were based in the United Kingdom in the current and prior periods.

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

Name	Salary and Fees £'000	Annual Bonus £'000	Transaction Related Bonus £'000	Pension Contribution £'000	Total £'000
Sarah Willingham-Toxvaerd	343	–	–	–	343
Toby Rolph	168	–	–	–	168
Michael Willingham-Toxvaerd	247	–	175	–	422
Gareth Edwards	90	–	–	–	90
Tobias Van der Meer	–	–	–	–	–
Lance Moir	36	–	–	–	36
Thi-Hanh Jelf	31	–	–	–	31
Total	915	–	175	–	1,090

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company listed above.

	65 weeks ended 29 July 2024 £'000	52 weeks ended 02 July 2023 £'000
Key management emoluments	1,342	1,192
Pension contribution	–	40
	1,342	1,223

8. FINANCE COSTS

	Note	**65 weeks ended 29 September 2024 £'000**	52 weeks ended 02 July 2023 £'000
Interest on bank overdrafts and loans		1,148	503
Interest on lease liabilities	21	2,992	1,699
Net change in fair value of hedging instrument in a fair value hedge		299	(361)
Amortisation of debt issue costs - HSBC		179	136
Amortisation of debt issue costs - legacy debt		–	74
		4,618	1,169

9. TAX (CREDIT) / CHARGE ON LOSS

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

	Note	**65 weeks ended 29 September 2024 £'000**	52 weeks ended 02 July 2023 £'000
Taxation charged / (credited) to the income statement			
Current income taxation		(282)	61
Adjustments for current taxation of prior periods		11	(12)
Total current income taxation		(271)	49
Deferred Taxation			
Origination and reversal of temporary timing differences			
Current period		(401)	(988)
Adjustments in respect of prior periods		–	37
Adjustment in respect of change of rate of corporation tax		–	(29)
Total deferred tax	25	(401)	(980)
Total taxation credit in the consolidated income statement		(672)	(931)
The above is disclosed as:			
Income tax (credit) - current period		(683)	(956)
Income tax charge - prior period		11	25
		(672)	(931)

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Factors affecting the tax credit for the period		
Loss before tax	(11,990)	(4,863)
At UK standard rate of corporation taxation of 25% (2023: 20.5%)	(2,998)	(997)
Income not assessable for tax purposes	(18)	–
Expenses not deductible for tax purposes	614	175
Fixed asset differences	591	161
Timing differences on leases	1,227	–
Deferred tax (charged)/credited directly to equity	–	(63)
Other temporary differences	–	100
Movement in unrecognised deferred tax	18	(215)
Adjustments to current tax charge in respect of prior periods	11	(12)
Adjustments to deferred tax charge in respect of prior periods	-	37
Adjustment in respect of change of rate of corporation tax	(119)	(116)
Total tax credit for the period	(674)	(931)

10. EXCEPTIONAL ITEMS

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Included in administrative expenses:		
Legal cost accrual	–	300
Site closure costs	703	81
Reorganisation costs	1,810	411
	2,513	792

In the 65 weeks ended 29 September 2024 the Group closed Bar Elba, Barrio Watford, and Barrio Brixton. In the 52 weeks ended 2 July 2023 the Group closed The Cocktail Club in Bethnal Green.

In the 65 weeks ended 29 September 2024 and the 52 weeks ended 3 July 2023, reorganisation costs were incurred in relation to the restructuring and reorganisation of certain employees in the Group. These costs also reflect prudent accounting adjustments following a comprehensive review of historical transactions across several previously acquired businesses, underscoring management's commitment to robust financial governance.

In the 52 weeks ended 3 July 2023 the Group has made an accrual for legal costs in relation to a claim – see Note 34 for further details.

11. ACQUISITION RELATED TRANSACTION COSTS

	Note	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Acquisition related transaction costs – Dirty Martini		–	734
Acquisition related transaction costs – The Piano Works		428	–
	2.4	428	734

The acquisition related transaction costs in the 65 weeks ended 29 September 2024 relate to costs incurred directly in connection with the acquisition of the trade and assets relating to the Piano Works. For the 52 weeks ended 2 July 2023 these costs relate the acquisition of the trade and assets relating to Dirty Martini.

12. PRE OPENING COSTS

	Note	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Pre-opening costs	2.4	42	1,013

13. EARNINGS PER SHARE

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Loss for the period after tax for the purposes of basic and diluted earnings per share	(11,672)	(4,169)
Non-controlling interest	(111)	237
Taxation credit	(207)	(931)
Finance cost	4,618	2,052
Exceptional items	2,513	792
Acquisition related costs	428	734
Pre-opening costs	42	1,013
Share based payment (credit) / charge	(10)	181
Impairment	168	565
Depreciation and amortisation	10,195	6,372
Profit on disposal of right of use asset / liability	9	(220)
Profit for the period for the purposes of Adjusted EBITDA (IFRS 16) basic and diluted earnings per share	**5,973**	**6,625**
IAS 17 Rent Charge	(7,261)	(3,997)
Profit for the period for the purposes of Adjusted EBITDA (IAS 17) basic and diluted earnings per share	**(1,288)**	**(2,627)**

	Note	65 weeks ended 29 September 2024 Number	52 weeks ended 02 July 2023 Number
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share		234,953,587	199,591,866
Effect of dilutive potential ordinary shares from share options		1,534,800	950,758
Weighted average number of ordinary shares in issue for the purposes of diluted earnings per share		234,953,587	200,542,623

	65 weeks ended 29 September 2024 Pence	52 weeks ended 02 July 2023 Pence
Earnings per share:		
Basic	(4.97)	(2.09)
Diluted	(4.97)	(2.09)
Adjusted EBITDA (IFRS 16) basic	2.54	3.32
Adjusted EBITDA (IFRS 16) diluted	2.54	3.20
Adjusted EBITDA (IAS 17) basic	(0.55)	1.32
Adjusted EBITDA (IAS 17) diluted	(0.55)	1.31

During a period where the Group or Company makes a loss, accounting standards require that 'dilutive' shares for the Group be excluded in the earnings per share calculation, because they will reduce the reported loss per share.

14. INTANGIBLE ASSETS

	Trademarks and licenses £'000	Brand £'000	Total £'000	Goodwill £'000
(i) Cost or valuation				
At 4 July 2022	304	4,918	5,222	9,751
Additions	45	–	45	–
On acquisition – Dirty Martini	–	2,950	2,950	2,393
At 2 July 2023	349	7,868	8,217	12,144
At 3 July 2023	349	7,868	8,217	12,144
Additions	176	6	182	–
On acquisition – The Piano Works (Note 32)	–	366	366	–
At 29 September 2024	525	8,240	8,765	12,144
(ii) Amortisation				
At 4 July 2022	41	577	618	–
Provided for the period	30	597	627	–
At 2 July 2023	71	1,174	1,245	–
At 3 July 2023	71	1,174	1,245	–
Provided for the period	58	1,239	1,297	–
At 29 September 2024	129	2,413	2,542	–
(iii) Net book value				
At 3 July 2022	263	4,341	4,604	9,751
At 2 July 2023	278	6,694	6,972	12,144
At 29 September 2024	396	5,827	6,223	12,144

Goodwill of £2,393,000 arose on the acquisition of Dirty Martini in June 2023.

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.

For the purposes of its impairment test for goodwill and intangible assets, the CGU is determined by the acquisition that generated the respective goodwill and intangible assets. Our CGUs with related goodwill and brand intangibles are Adventure Bar Group, Barrio Familia, Dirty Martini, and The Piano Works.

Brand	Trademark,, License and Brand £'000	Goodwill £'000
London Cocktail Club	169	
Adventure Bar Group	1,741	6,573
Dirty Martini	2,462	2,393
Barrio	1,479	3,178
Stamp	371	
Total	6,222	12,144

The value in use is calculated based upon the Group's latest five-year forecast to September 2029, incorporating the assumptions concerning the rate at which business unit level cash flows are generated and ongoing capital expenditure. The value in use calculations use an annual growth rate of 6.5% in the initial period. 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 pre-tax discount rate and terminal growth rate used in the discounted cash flow model were 12.5% and 6.5% respectively.

The estimation of value in use involves significant judgement in the determination of inputs to the discounted cash flow model and 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 3%, and future cash flows were reduced by 10%. As at 29 September 2024, 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.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	Plant and computer equipment £'000	Furniture, fixtures and fittings £'000	Total £'000
(i) Cost or valuation				
At 3 July 2022	9,680	4,411	2,778	16,869
Additions	2,708	1,842	1,652	6,202
On acquisition – Dirty Martini	306	136	–	442
Disposals	(40)	(1,102)	(1,063)	(2,205)
At 2 July 2023	12,655	5,288	3,367	21,308
At 3 July 2023	12,655	5,288	3,367	21,310
Additions	290	145	784	1,220
On acquisition – Piano Works	45	–	–	45
Reclassification	766	(4,256)	3,490	–
Disposals	(1,895)	(221)	(477)	(2,593)
At 29 September 2024	**11,861**	**956**	**7,164**	**19,981**
(ii) Depreciation				
At 3 July 2022	3,329	2,788	1,643	7,760
Provided for the period	1,024	761	681	2,467
Disposals	(40)	(1,102)	(1,063)	(2,205)
Impairment	294	17	254	565
At 2 July 2023	4,608	2,465	1,514	8,587
At 3 July 2023	4,608	2,465	1,514	8,587
Provided for the period	1,547	253	1,770	3,570
Reclassification	110	(1,881)	1,771	–
Disposals	(1,642)	(163)	(427)	(2,232)
At 29 September 2024	**4,623**	**674**	**4,628**	**9,925**
(iii) Net book value				
At 3 July 2022	6,351	1,623	1,136	9,110
At 2 July 2023	8,047	2,822	1,853	12,723
At 29 September 2024	**7,238**	**282**	**2,536**	**10,056**

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

The Group has determined that each Brand 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.

The value in use of each CGU is calculated based upon the Group's latest five-year forecast. The bar cash flows include an allocation of central costs and ongoing capital expenditure. Cash flows beyond the initial FY24/25 budget period are extrapolated using the Group's estimate of the long-term growth rate, currently 6.5%.

The key assumptions in the value in use calculations are the like-for-like sales projections for each bar, changes in the operating cost base, the long-term growth rate and the pre-tax discount rate. The pre-tax discount rate is derived from the Group's WACC and is currently 12.5%.

The cash flows used within the impairment model are based upon assumptions which are sources of estimation uncertainty. Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in the key assumptions.

16. RIGHT OF USE ASSETS

	Right of use assets £'000
(i) Cost	
At 4 July 2022	30,730
Additions	12,746
Disposals	(312)
At 2 July 2023	43,164
At 3 July 2023	43,164
Additions	16,844
Disposals	(3,107)
At 29 September 2024	56,901
(ii) Depreciation	
At 4 July 2022	4,269
Provided for the period	3,278
Disposals	(288)
At 2 July 2023	7,259
At 3 July 2023	7,259
Provided for the period	5,330
Disposals	(896)
Impairment	168
At 29 September 2024	11,861
(iii) Net book value	
At 3 July 2022	26,462
At 2 July 2023	35,905
At 29 September 2024	45,040

The Barrio Watford site has remained vacant and did not trading during the 65 weeks ended 29 September 2024. As a result, an impairment has been recognised for £168,000.

17. INVENTORIES

	29 September 2024 £'000	02 July 2023 £'000
Food, beverage and consumables	990	1,154

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.

18. TRADE AND OTHER RECEIVABLES

	29 September 2024 £'000	02 July 2023 £'000
Included within Current assets		
Trade receivables	763	1,277
Other receivables	28	169
Prepayments and accrued income	1,819	1,820
	2,610	3,266
Included within Non-current assets		
Other receivables - rent deposits	1,229	914

Included within trade receivables is £557,000 (2 July 2023 - £349,000) relating to credit card receivables (Note 2.13). Receivables are denominated in Sterling.

The Group held no collateral against these receivables at the balance sheet dates. The Directors consider that the carrying amounts of receivables are recoverable in full and that any expected credit losses are immaterial.

At each period end, there were no overdue receivable balances.

19. CASH AND CASH EQUIVALENTS

	29 September 2024 £'000	02 July 2023 £'000
Cash at bank and in hand	2,437	5,017

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.

20. TRADE AND OTHER PAYABLES

	29 September 2024 £'000	02 July 2023 £'000
Trade payables	4,705	4,628
Social security and other taxes	3,438	2,458
Corporation tax	69	288
Other payables	845	2,048
Accruals and deferred income	4,813	3,559
	13,870	12,980

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

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

21. LEASES

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

The Group leases the entire trading sites estate as well as its Head Office. The leases are non-cancellable operating leases 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. Lease agreements are typically made for fixed years of between 5 and 25 years. At year end the weighted average lease term remaining is 14 years (02 July 2023 – 14 years).

In accordance with IFRS 16, leases of property, plant and equipment are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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.

	Lease liability £'000
At 4 July 2022	27,627
Additions	12,746
Disposals	(244)
Interest expense	1,699
Lease payments	(3,954)
At 2 July 2023	37,875
At 3 July 2023	37,875
Additions	16,843
Disposals	(2,202)
Interest expense	2,992
Lease payments	(6,752)
At 29 September 2024	48,756

	29 September 2024 £'000	02 July 2023 £'000
Lease liability:		
Current	5,164	3,281
Non-current	43,592	34,594
	48,756	37,875

Amounts recognised in the consolidated statement of comprehensive income

	29 September 2024 £'000	02 July 2023 £'000
Depreciation charge of right of use assets	5,330	3,278
Interest expense (included in finance cost)	2,992	1,699

22. BORROWINGS

	29 September 2024 £'000	02 July 2023 £'000
Short-term borrowing		
Secured bank loans	8,213	1,000
Convertible loan notes ("A Notes")	1,000	–
	9,213	1,000

	29 September 2024 £'000	02 July 2023 £'000
Long term borrowings		
Secured bank loans	-	8,037
Convertible loan notes ("B Notes")	1,650	2,650
	1,650	10,687

Secured bank loans

In August 2022, the Group refinanced its borrowings from three individual lenders under multiple tranches with a new £10.0m debt facility from HSBC Bank, comprised of a £3m term loan and a £7m Revolving Credit Facility, to provide support to the business as it executes on its roll out strategy. The £10.0m HSBC facility, replaced £5.5m of legacy debt that was acquired from acquisitions, which had a blended interest margin of 4%, with the new facility bearing a margin of 3% above SONIA on the £3m term loan and 3.25% above SONIA on the £7m Revolving Credit Facility. The Group has taken out an interest rate cap on its reference base rate at 3% on £8m out of £10m of its HSBC facility.

The Group's borrowings are secured on a fixed and floating charge basis over the assets of the Company and its wholly owned subsidiaries.

Convertible loan notes

The convertible loan notes were issued on 9 June 2023. They are convertible at the option of the investors following a period of 12 months from issue. They bear a coupon of 10% per annum which shall be rolled up and settled either when a conversion notice has been served or on an Exit. In this context, an Exit is defined as being a change of control in the Company or the sale of substantially all of the business and assets of the Company.

The A Notes are as originally issued and mature on 9 September 2025. They are convertible at the higher of 12 pence per share or a 15% discount to the volume weighted average share price of the Company's shares for the five business day period prior to the investor notifying the Company of its intention to convert.

On 19 February 2024 the Group entered into an amendment and restatement agreement ("ARA"), which amends and restates certain terms of the convertible loan notes to B Notes. The B Notes are now convertible at the higher of 10 pence per share or a 15% discount to the volume weighted average share price of the Company's shares for the five business day period prior to the note holder notifying the Company of its intention to convert. Additionally, the maturity date on the B Notes has been extended by a further 12 months to mature on 9 September 2026. All other terms of the B Notes remain the same as the A notes.

The loan note holders who have remained on original terms the option to convert their A notes to B Notes on the new terms at any time prior to 15 August 2024.

23. PROVISIONS

	Dilapidations provisions £'000
At 3 July 2022	366
On acquisition – Dirty Martini	317
At 3 July 2023	683
Utilisation	(45)
At 29 September 2024	638

The Group expects the dilapidations provision to reverse at the termination of the associated lease.

24. FINANCIAL INSTRUMENTS

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 is exposed to cash flow interest rate risk from long-term borrowings at variable rates.

Given the turbulent nature of inflation and its link to interest rates as a key tool of the Bank of England to control inflation, the Group has hedged over 80% of its debt interest costs for three years by taking out an interest rate cap, so that there is certainty that whilst interest rates increase, the majority of our interest costs will be fixed based on the reference base rate at 3%.

Commodity price risk

The Group is exposed to movements in the wholesale prices of foods and drinks. Although the Group sources a majority of products in the UK there is a risk that disruption to supply caused by global instability will cause a significant increase in wholesale food and drink prices. Prices for drinks typically rise once a year to provide short term protection to the Group. The Group benchmarks and verifies any potential cost changes from suppliers and also has the ability to flex its offering to customers to mitigate specific product related cost pressures.

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. Following the placement of additional shares in February 2024, July 2024, and April 2025, and active discussions with HSBC Bank regarding the refinance of the current debt facility (Note 22),

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. In order to maintain or adjust the capital structure, the Group may, in the future, issue new shares for future acquisition opportunities.

Financial assets and liabilities

Financial assets and liabilities consist of the following:

	29 September 2024 £'000	02 July 2023 £'000
Financial Assets at amortised cost		
Trade receivables	763	1,277
Cash and cash equivalents	2,437	5,017
	3,200	6,334
Financial liabilities at amortised cost		
Trade payables	4,705	4,628
Borrowings	10,863	11,687
	15,568	16,315

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

Maturity analysis

The maturity analysis table below analyses the Group's contractual undiscounted cash flows for the Group's financial liabilities:

	Less than 1 year £'000	1 – 2 years £'000	2 – 3 years £'000	3 – 4 years £'000	4 – 5 years £'000	More than 5 years £'000	Total £'000
29 September 2024							
Secured bank loans	1,500	6,713	–	–	–	–	8,213
Convertible loan notes	1,000	1,650	–	–	–	–	2,650
Trade and other payables	4,705	–	–	–	–	–	4,705
	7,205	8,363	–	–	–	–	15,568
02 July 2023							
Secured bank loans	7,537	1,500	–	–	–	–	9,037
Convertible loan notes	–	–	2,650	–	–	–	2,650
Trade and other payables	4,628	–	–	–	–	–	4,628
	12,165	1,500	2,650	–	–	–	16,315

The maturity profile of the Group's lease liabilities was as follows:

	29 September 2024 £'000	02 July 2023 £'000
Within one year	7,645	4,956
In more than one year but less than two years	5,991	3,938
In more than two years but less than three years	5,442	3,812
In more than three years but less than four years	5,359	3,785
In more than four years but less than five years	5,268	3,744
In more than five years	38,545	31,661
	68,250	51,897
Effects of discounting	(19,494)	(14,023)
Lease liabilities	48,756	37,875

There are no committed lease liabilities not yet commenced at 29 September 2024.

25. DEFERRED TAXATION

	Fixed asset timing differences £'000	Losses £'000	Acquisition accounting £'000	Share Schemes £'000	Other £'000	Total £'000
At 3 July 2022	(182)	(350)	1,518	(86)	(8)	891
On acquisition - Dirty Martini (Note 32)	–	–	738	–	–	738
Reclassification	127	(91)	(24)	(12)	–	–
Recognised in income statement (Note 9)	704	(1,489)	(188)	–	(8)	(980)
Transferred to deferred tax asset	–	1,489	–	–	–	1,489
Recognised in equity	–	–	–	63	–	63
At 3 July 2023	649	(441)	2,044	(36)	(16)	2,200
On acquisition - Dirty Martini (Note 32)	(91)	–	91	–	–	91
Reclassification	–	–	–	–	–	–
Recognised in income statement (Note 9)	467	(855)	–	–	(13)	(401)
Transferred to deferred tax asset	–	895	–	–	–	–
Recognised in equity	–	–	–	–	–	–
At 30 September 2024	1,025	(401)	2,135	(36)	(29)	2,694

26. SHARE BASED PAYMENTS

The Group currently uses one equity settled share plan to incentivise its Executive Directors and employees – The Nightcap Ltd Share Option Plan (the "Plan").

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 vesting period on the Plan is between 1 and 3 years with an expiration date of 10 years from the date of grant. Furthermore, share options are forfeited if the employee leaves the Group before the options vest unless forfeiture is waived at the discretion of the Board of Directors.

The Group recognised a total credit of £181,000 (52 weeks ended 02 July 2023 – charge of £181,000) in respect of the Group's share based payment plans and related employer's national insurance of a credit of £14,000 (52 weeks ended 03 July 2022 £21,000).

	The Nightcap Ltd Share Option Plan Number
Outstanding at 3 July 2022	23,504,225
Granted during the period - December 2022	2,770,000
Granted during the period - June 2023	1,160,000
Lapsed / forfeited during the period	(3,574,946)
Outstanding at 2 July 2023	23,859,279
Lapsed / forfeited during the period	(9,780,130)
Outstanding at 29 September 2024	14,079,149

Nightcap Share Option Plan

The Nightcap Ltd Share Option Plan (the "Plan") is a discretionary executive and management share option plan. One-off Plan awards were granted at the time of the IPO, and subsequently post IPO. The vesting conditions of the Plan are set out in the Remuneration Committee report.

No options were granted in the period.

The fair value of the options granted in the 52 weeks to 2 July 2023 were calculated using the Black Scholes option pricing model assuming the inputs shown below. The fair value of the option awards was estimated at the grant date taking into account the terms and conditions upon which the awards were granted. This model uses historic dividends and share price fluctuations to predict the distribution of relative share price performance. The shares are not potentially dilutive for the purposes of calculating diluted earnings per share.

The following assumptions were used:

	15 December 2022	29 June 2023
Number of options granted	2,770,000	1,160,000
Share price at date of grant (pence)	8.5	11
Exercise price (pence)	10	11
Option life in years	10 years	10 years
Risk free rate (%)	3.21%	4.71%
Expected dividend yield (%)	0.00%	0.00%
Fair value of options (pence)	3.30	5.20

The weighted average exercise price for options outstanding at the year-end was 11p (02 July 2023 – 12p).

The weighted average exercise price for options outstanding at the beginning of period was 12p (02 July 2023 – 12p).

The weighted average exercise price for options forfeited in the period was 15p (02 July 2023 – 25p).

27. CALLED-UP SHARE CAPITAL

	29 September 2024 £'000	02 July 2023 £'000
Allotted, called up and fully paid ordinary shares	2,796	2,179

	29 September 2024 Number	02 July 2023 Number
Ordinary shares at £0.01 each	279,550,657	217,883,990

The table below summarises the movements in share capital for Nightcap Ltd during the periods ended 29 September 2024 and 2 July 2023:

	Ordinary Shares Number of shares	Ordinary Shares £0.01 Nominal Value £'000	Ordinary Shares Share Premium £'000
At 3 June 2022	198,300,657	1,983	21,372
Shares issued for cash subscription - 8 June 2023	19,583,333	196	1,051
At 2 July 2023	217,883,990	2,179	23,527
Shares issued for cash subscription – 14 February 2024	16,666,666	167	833
Shares issued for cash subscription – 1 July 2024	30,000,000	300	1,140
Shares issued for cash subscription – 12 July 2024	15,000,000	150	570
At 29 September 2024	279,550,656	2,796	26,070

- On 1 July and 12 July 2024 the Company issued a total of 45,000,000 ordinary shares at a price of 5 pence per share. The consideration of £2,160,000 was used to strengthen the Group's balance sheet and for general working capital purposes.
- On 14 February 2024 the Company issued 16,666,666 ordinary shares at a price of 6 pence per share. The consideration of £1,000,000 was used to fund the acquisition of the Piano Works and to provide working capital to Stamp Entertainment Ltd.
- On 8 June 2023 the Company raised new funds, totalling £5.0 million, through a combination of new ordinary shares and convertible loan notes ("CLNs") in order to fund the acquisition of Dirty Martini. 19,583,333 new shares were issued at a price of 12 pence per share totalling £2.35 million alongside CLNs totalling £2.65 million.

28. 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.

Share based payment reserve
The share option reserve represents the cumulative amounts charged to profit in respect of employee share option arrangements where the scheme has not yet been settled by means of an award of shares to an individual.

Reverse acquisition reserve
The reverse acquisition reserve arose on the share for share exchange between Nightcap Ltd and London Cocktail Club Limited on 13 January 2021.

Retained earning
Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

Non-controlling interest
Non-controlling interest represents the portion of equity ownership in a subsidiary's net assets not attributable to the parent company.

29. ANALYSIS OF CHANGES IN NET DEBT

	At 4 July 2022 £'000	Cash flows £'000	Reclass long term to short term £'000	Non cash movement £'000	At 2 July 2023 £'000
Cash at bank	5,353	(336)	–	–	5,017
Bank loans falling due within 1 year	(793)	794	(1,000)	(1)	(1,000)
Bank loans falling due greater than 1 year	(4,723)	(4,105)	1,000	(209)	(8,037)
Other loans falling due within 1 year	(7)	–	–	–	–
Other loans falling due greater than 1 year	–	(2,650)	–	–	(2,650)
Lease liabilities falling due within 1 year	(2,374)	2,255	(3,162)	–	(3,281)
Lease liabilities falling due greater than 1 year	(25,254)	–	3,162	(12,502)	(34,594)
Total debt	(33,150)	(3,699)	–	(12,713)	(49,562)
Net debt	(27,797)	(4,035)	–	(12,713)	(44,545)
Net debt – pre IFRS 16 leases	(170)	(6,289)	–	(211)	(6,670)

	At 3 July 2023 £'000	Cash flows £'000	Reclass long term to short term £'000	Non cash movement £'000	At 29 September 2024 £'000
Cash at bank	5,017	(2,580)	–	–	2,437
Bank loans falling due within 1 year	(1,000)	1,000	(8,037)	–	(8,037)
Bank loans falling due greater than 1 year	(8,037)	–	8,037	–	–
Other loans falling due within 1 year	–	–	–	(1,000)	(1,000)
Other loans falling due greater than 1 year	(2,650)	–	–	1,000	(1,650)
Lease liabilities falling due within 1 year	(3,281)	3,281	(5,164)	–	(5,164)
Lease liabilities falling due greater than 1 year	(34,594)	479	5,164	(14,641)	(43,592)
Total debt	(49,562)	4,760	–	(14,641)	(59,443)
Net debt	(44,545)	2,180	–	(14,641)	(57,006)
Net debt – pre IFRS 16 leases	(6,670)	(1,575)	–	(181)	(8,426)

30. PENSION COMMITMENTS

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Pension cost	277	183

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

	29 September 2024 £'000	02 July 2023 £'000
Pension contributions payable	72	132

31. RELATED PARTY TRANSACTIONS

Related parties are considered to be the directors and former directors of Nightcap Ltd, The Cocktail Club, Adventure Bar Group and Barrio Familia Group and substantial shareholders. Transactions with them are detailed below:

	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Purchase of inventories - D&H Spirits Limited	–	33
Purchase of inventories - CGCC Limited	–	11
Consultancy fees - CGCC Limited	–	30
Consultancy fees – PAF Ventures	75	100
Consultancy fees – Ferdose Ahmed	3	44
Consultancy fees – James Hopkins	–	16
	78	234

The companies listed below are deemed to be related parties due to having common shareholders with the Company. These transactions are split by related party as follows:

	52 weeks ended 02 July 2023 £'000	53 weeks ended 03 July 2022 £'000
CGCC Limited - a company controlled by JJ Goodman	–	41
PAF Ventures – a company controlled by Michael Willingham-Toxvaerd	100	–
Ferdose Ahmed	44	–
James Hopkins	–	16
D&H Spirits Limited - a company co-controlled by James Hopkins	–	33
	147	90

There were no amounts owed to related parties at 29 September 2024 (2 July 2023: nil)

In accordance with paragraph 25 of IAS 24 *Related Party Disclosures*, the Company has not disclosed transactions with wholly owned subsidiaries and other group entities, as these transactions are eliminated in the consolidated financial statements.

32. BUSINESS COMBINATIONS

On 19 February 2024, the Group acquired the trade and assets for the Piano Works business, for a total consideration of up to £0.2m. Nightcap is currently the operator of two Piano Works venues, The Piano Works Covent Garden and The Piano Works Farringdon.

The acquired business contributed revenues of £3,107,000 and loss before tax of £989,000 (in accordance with IFRS) to the consolidated Group for the period from 19 February 2024 to 29 September 2024. As a result of acquiring the trade and certain assets out of administration, the Group is unable to report the pre-acquisition trading results of the business.

	Book Value £'000	Fair Value Adjustments £'000	Fair Value £'000
Property, plant and equipment	45	–	45
Intangible assets	–	366	366
Inventories	40	–	40
Receivables	28	–	28
Payables	(190)	–	(190)
Deferred tax liability	–	(91)	(91)
Total net assets acquired	(77)	275	198

Fair value of consideration paid	£'000
– Cash paid to vendor	200
Acquisition date fair value of the total consideration transferred	200
Goodwill (Note 14)	-

The Group has made certain estimates and judgements in arriving at the valuation of intangible assets and goodwill.

In accordance with IFRS 3, the identifiable assets acquired and liabilities and contingent liabilities assumed should be measured at fair value at the acquisition date in order to determine the difference between the cost of acquisition and the fair value of the Group's share of net assets acquired, which should then be recognised as goodwill on the balance sheet or recognised in the income statement. In determining the fair value, management has recognised brand values totalling £0.4 in respect of the brand acquired. Key estimates used in arriving at the brand valuation include growth rates, discount rate, cashflow assumptions including working capital estimates, appropriate royalty rates and useful economic lives.

The Group has not recognised a right of use asset on acquisition of the Piano Works as a result of the granting a license to trade while the lease assignments were being negotiated with the landlord. The assignment was completed on 5 April 2024 and has been included within additions in Note 16.

Acquisition costs of £428,000 arose as a result of the transaction (Note 11). These have been included as transaction related costs as part of administrative expenses in the statement of comprehensive income.

33. 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:

The following subsidiaries are all registered to **119 Wardour Street, London, England, W1F 0UW**

Direct Subsidiary Holding	**% Owned**	**Nature of Business**
London Cocktail Club Limited	Ordinary 100%	The development, operation and management of individually themed bars
+Venture Battersea Limited	Ordinary 100%	The development, operation and management of individually themed bars
Adventure Bars Mid Limited	Ordinary 100%	The development, operation and management of individually themed bars
Adventure Bars Luna Digbeth Limited	Ordinary 100%	The development, operation and management of individually themed bars
Barrio Familia Limited	Ordinary 100%	The development, operation and management of individually themed bars
DMN Bars Limited	Ordinary 100%	The development, operation and management of individually themed bars
Stamp Entertainment Limited	Ordinary 100%	The development, operation and management of individually themed bars
Indirect Subsidiary Holding	**% Owned**	**Nature of Business**
London Cocktail Club Trading Limited	Ordinary 100%	Dormant
London Cocktail Events Limited	Ordinary 100%	Dormant
The London Cocktail School Limited	Ordinary 100%	Dormant
The Craft Cocktail Club Limited	Ordinary 100%	Dormant
Adventure Bars Group CHS Limited	Ordinary 100%	The development, operation and management of individually themed bars
Adventure Bars Waterloo Limited	Ordinary 100%	The development, operation and management of individually themed bars
Waterloo Sunset Limited	Ordinary 50%	The development, operation and management of individually themed bars
Barworks (Electric) Limited	Ordinary 100%	The development, operation and management of individually themed bars
Adventure Bars Cardiff Limited	Ordinary 100%	Dormant
Adventure Bars Bristol Limited	Ordinary 100%	Dormant
Adventure Bars Liverpool Limited	Ordinary 100%	Dormant
Barrio Central Limited	Ordinary 100%	The development, operation and management of individually themed bars
Barrio Bars Limited	Ordinary 100%	The development, operation and management of individually themed bars
Barrio East Limited	Ordinary 100%	The development, operation and management of individually themed bars
Barrio Regio Limited	Ordinary 100%	The development, operation and management of individually themed bars

34. CONTINGENT LIABILITY

Nightcap Ltd and its subsidiary, DMN Bars Limited, received notification that 18 individuals intended to bring proceedings to an employment tribunal, naming Nightcap and DMN Bars Limited as second and third respondents respectively. The claim related to the acquisition of certain assets of Dirty Martini out of administration, in which the claimants—former employees of DC Bars Limited—alleged that their employment should have transferred to DMN Bars Limited or Nightcap under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE").

While management obtained legal advice and believed there was no merit to the claim, the matter was settled out of court on 26 July 2025 for a total of £287,000, to be paid over a 12-month period. As a result of the settlement, a provision has been recognised in these financial statements in respect of the agreed liability.

35. POST BALANCE SHEET EVENTS

On 4 February 2025, the Group acquired the trade and assets of the Brighton i360 Tower out of administration for consideration of £150,000. The Group recognised this consideration less the value of the stock (£5,000) as the goodwill as there was no independent Fair Value assessment. The Tower reopened to the public on 8 March 2025, along with the first part of the hospitality space. The Group intends to continue to invest in gradual opening of each of the six initial hospitality trading areas, whilst further developing plans for roof-top, terrace and beach trading during the peak summer period.

On 15 April 2025, the Group raised £3.4m by issuing 42,500,000 ordinary shares at 8p per share.

36. Adjusted EBITDA

	Note	65 weeks ended 29 September 2024 £'000	52 weeks ended 02 July 2023 £'000
Loss before taxation		(11,989)	(4,864)
Exceptional items	10	2,513	792
Acquisition related transaction costs	11	428	734
Pre-opening costs	12	42	1,013
Share based payment charge	7	(10)	181
Impairment	6	168	565
Depreciation and amortisation (pre IFRS 16 Right of use asset depreciation)	6	4,864	3,094
IFRS 16 Right of use asset depreciation	6	5,330	3,278
IFRS 16 Right of use asset / liability disposal	6	9	(220)
Net Finance Expense	8	4,618	2,052
Adjusted EBITDA (IFRS 16)		5,973	6,625
IAS 17 Rent charge		(7,260)	(3,998)
Adjusted EBITDA (IAS 17)		(1,288)	2,627

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 29 SEPTEMBER 2024

	Note	29 September 2024 £'000	02 July 2023 £'000
Non-current assets			
Investments	5	19,091	19,408
Derivative finance asset		62	361
Other receivable	6	21	-
Total non-current assets		19,174	19,769
Current assets			
Trade and other receivables	6	9,915	5,404
Cash and cash equivalents	11	271	1,359
Total current assets		10,186	6,763
Total assets		29,360	26,533
Current liabilities			
Loans and borrowings	8	(1,000)	–
Trade and other payables	7	(3,129)	(1,161)
Total current liabilities		(3,129)	(1,161)
Non-current liabilities			
Borrowings	8	(2,650)	(2,650)
Total non-current liabilities		(2,650)	(2,650)
Total liabilities		(5,779)	(3,811)
Net assets		23,581	22,721
Called up share capital	9	2,798	2,179
Share premium	9	26,070	23,527
Share based payment reserve		651	661
Retained earnings		(5,936)	(3,645)
Total equity		23,581	22,721

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 £2,291,000 (2023: loss - £1,746,000).

The financial statements on pages 86 to 92 were approved and authorised for issue by the Board and were signed on its behalf by:

DocuSigned by:
2345D27EA57C48E...

Signed by:
Sarah Willingham
90C3ACACB87E49D...

Michael Willingham-Toxvaerd
Executive Director

28th September 2025

Sarah Willingham-Toxvaerd
Chief Executive Officer

28th September 2025

Company Number: 12899067

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 65 WEEKS ENDED 29 SEPTEMBER 2024

	Called up share capital £'000	Share premium £'000	Share based payment reserve £'000	Retained earnings £'000	Total attributable to equity holders of parent £'000
At 3 July 2022	1,983	21,372	543	(1,899)	21,999
Shares issued for cash subscription - 8 June 2023	196	2,154	–	–	2,350
Share based payments and related deferred tax recognised directly in equity	–	–	118	–	118
Total transactions with owners recognised directly in equity	2,179	23,527	661	(1,899)	24,467
Total comprehensive expense for the 52 week period	–	–	–	(1,746)	(1,746)
At 2 July 2023	2,179	23,527	661	(3,645)	22,721
Shares issued for cash subscription - 14 February 2024	167	833	–	–	1,000
Shares issued for cash subscription – 1 July 2024	300	1,140	–	–	1,440
Shares issued for cash subscription – 12 July 2024	150	570	–	–	720
Share based payments and related deferred tax recognised directly in equity	–	–	(10)	–	(10)
Total transactions with owners recognised directly in equity	2,796	26,070	651	(3,645)	25,872
Total comprehensive expense for the 65 week period	–	–	–	(2,291)	(2,291)
At 29 September 2024	2,796	26,070	651	(5,936)	23,581

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE 65 WEEKS ENDED 29 SEPTEMBER 2024

1. GENERAL INFORMATION

Nightcap Ltd ("the Company") is incorporated and registered in England and Wales with company number 12899067. The registered address of the Company is 119 Wardour Street, London, England, W1F 0UW.

The Company was incorporated on 23 September 2020 and its ordinary shares were admitted to trading on the AIM market on 13 January 2021. The Company was delisted from the AIM market on 26 July 2024.

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

2. SUMMARY OF SIGNIFICANT 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 UK and 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 pounds Sterling ('£') rounded to the nearest thousand, 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 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.

The parent company has not presented its own profit and loss account, statement of total comprehensive income and related notes as permitted by section 408 of the Companies Act 2006.

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

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 periods 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. 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.

2.4. 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 Company 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 method.

2.5. Financial instruments

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

The derivative financial asset / liability comprises the Group's interest rate cap. It is carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance expense line. The fair value of the interest rate cap is determined using the market standard methodology of discounting the future expected cash flow that would occur if variable interest rates rise above the strike rate of the interest rate cap. The variable interest rates used in the calculation of projected cash flow on the interest rate cap is based on an expectation of future interest rates derived from observable market interest rate curves and volatilities.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

2.6. 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.

2.7. Current and deferred taxation

The tax expense for each reporting period 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.

2.8. 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. 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 6 – auditors' remuneration
- Note 26 – Share based payments
- Note 31 – Related party transactions – Nightcap PLC specific items included in note 12 below.
- Note 34 – Contingent liability
- Note 35 – Post balance sheet events

4. STAFF COSTS

Nightcap Ltd has no employees other than the Directors. Details of Directors emoluments are disclosed in Note 7 to the notes to the consolidated financial statements.

5. INVESTMENTS

	Investments £'000
At 3 July 2022	15,258
Acquisition of Dirty Martini	4,150
At 2 July 2023	19,408
Additions – Piano Works	10
Impairment of investment in Barrio Familia Ltd	(327)
At 29 September 2024	19,091

The Company's subsidiary undertakings are shown in Note 33 to the Consolidated Financial Statements.

6. TRADE AND OTHER RECEIVABLES

	29 September 2024 £'000	02 July 2023 £'000
Included within Current assets		
Trade receivables	222	177
Other receivables	48	–
Deferred tax asset	45	45
Amounts due from Group companies	9,571	5,108
Prepayments and accrued income	29	73
	9,915	5,404
Included within Non-current assets		
Other receivables - rent deposits	21	–

Amounts due from Group companies are repayable on demand and are non-interest bearing.

The deferred tax asset arises primarily from unutilised losses and timing differences on the share based compensation expense.

7. TRADE AND OTHER PAYABLES

	29 September 2024 £'000	02 July 2023 £'000
Trade payables	300	290
Social security and other taxes	–	86
Other payables	183	700
Amounts due to Group companies	1,696	–
Accruals and deferred income	950	86
	3,129	1,161

8. BORROWINGS

	29 September 2024 £'000	02 July 2023 £'000
Short term borrowings		
Convertible loan notes ("A Notes")	1,000	–
Long term borrowings		
Convertible loan notes ("B Notes")	1,650	2,650

The convertible loan notes were issued on 9 June 2023. They are convertible at the option of the investors following a period of 12 months from issue. They bear a coupon of 10% per annum which shall be rolled up and settled either when a conversion notice has been served or on an Exit. In this context, an Exit is defined as being a change of control in the Company or the sale of substantially all of the business and assets of the Company.

The A Notes are as originally issued and mature on 9 September 2025. They are convertible at the higher of 12 pence per share or a 15% discount to the volume weighted average share price of the Company's shares for the five business day period prior to the investor notifying the Company of its intention to convert.

On 19 February 2024 the Group entered into an amendment and restatement agreement ("ARA"), which amends and restates certain terms of the convertible loan notes to B Notes. The B Notes are now convertible at the higher of 10 pence per share or a 15% discount to the volume weighted average share price of the Company's shares for the five business day period prior to the note holder notifying the Company of its intention to convert. Additionally, the maturity date on the B Notes has been extended by a further 12 months to mature on 9 September 2026. All other terms of the B Notes remain the same as the A notes.

The loan note holders who have remained on original terms the option to convert their A notes to B Notes on the new terms at any time prior to 15 August 2024.

9. CALLED-UP SHARE CAPITAL

	29 September 2024 £'000	02 July 2023 £'000
Allotted, called up and fully paid ordinary shares	2,796	2,179

	29 September 2024 Number	02 July 2023 Number
Ordinary shares at £0.01 each	279,550,657	217,883,990

The table below summarises the movements in share capital for Nightcap Ltd during the period ended 02 July 2023:

	Ordinary Shares Number of shares	Ordinary Shares £0.01 Nominal Value £'000s	Ordinary Shares Share Premium £'000s
At 3 July 2022	**198,300,657**	**1,983**	**21,372**
Shares issued for cash subscription - 8 June 2023	19,583,333	196	2,155
At 2 July 2023	**217,883,990**	**2,179**	**23,527**
Shares issued for cash subscription – 14 February 2024	16,666,666	167	833
Shares issued for cash subscription – 1 July 2024	30,000,000	300	1,140
Shares issued for cash subscription – 12 July 2024	15,000,000	150	570
At 29 September 2024	**279,550,656**	**2,796**	**26,070**

10. EQUITY

The Company'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.

Share based payment reserve
The share option reserve represents the cumulative amounts charged to profit in respect of employee share option arrangements where the scheme has not yet been settled by means of an award of shares to an individual.

Retained earnings
Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

11. CASH AND CASH EQUIVALENTS

	29 September 2024 £'000	02 July 2023 £'000
Cash at Bank	**271**	**1,359**

12. Related Party Transactions

	65 weeks ended 29 September 2024 £'000
The Cocktail Club Ltd	
- Management Recharges	130
DMN Bars Ltd	
- Management Recharges	30
+Venture Battersea Ltd	
- Management Recharges	130
Barrio Familia	
- Management Recharges	**130**

RECONCILIATION OF STATUTORY RESULTS TO ALTERNATIVE PEFORMANCE MEASURE ('APMS')

	Note	**65 weeks ended 29 September 2024 £'000**	52 weeks ended 02 July 2023 £'000
Loss from operations		(7,372)	(2,812)
Exceptional items	10	2,513	792
Acquisition related transaction costs	11	428	734
Pre-opening costs	12	42	1,013
Share based payment charge	7	(10)	181
Impairment	6	168	565
Adjusted (loss) / profit from operations		(4,231)	473
Depreciation and amortisation (pre IFRS 16 Right of use asset depreciation)	6	4,864	3,094
IFRS 16 Right of use asset depreciation	6	5,330	3,278
IFRS 16 Right of use asset / liability disposal	6	9	(220)
Adjusted EBITDA (IFRS 16)		5,972	6,625
IAS 17 Rent charge		(7,260)	(3,997)
Adjusted EBITDA (IAS 17)		(1,288)	2,627