
LOUNGERS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018



LOUNGERS HOLDINGS LIMITED

CONTENTS

	Page(s)
Company Information	1
Strategic Report	2
Directors' Report	3-4
Directors' Responsibilities Statement	5
Independent Auditors' Report	6-8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statements of Changes in Equity	11
Notes to the Financial Statements	12-19

LOUNGERS HOLDINGS LIMITED

COMPANY INFORMATION

Directors

J Bishop
A M Reilley
N C E Collins
J M Carter
J Cocker
R Darwent
C Guy (resigned 15 March 2018)
G Grant (appointed 7 September 2018)

Registered number

07980338

Registered office

15 - 16 Lower Park Row
Bristol
Avon
BS1 5BN

Independent auditors

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

Bankers

Santander Corporate Banking
1st Floor
Alliance House
12 Baldwin Street
Bristol
BS1 1SD

LOUNGERS HOLDINGS LIMITED

STRATEGIC REPORT FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018

Introduction

The Directors present their strategic report for the 52 week period ended 22 April 2018.

Business review

Loungers Holdings Limited is an intermediate holding company within the Lion/Jenga Topco Limited group of companies.

The principal trading company within the Group is Loungers Limited, which operates café-bars and café-restaurants throughout England and Wales. Loungers Limited operated 121 sites at 22 April 2018 and generated total revenue of £121.1m in the year to 22 April 2018.

Financial key performance indicators

As the company is a non-trading investment holding company, it is considered that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business.

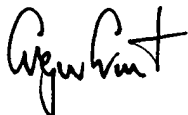
Principal risks and uncertainties

The principal activity of the company is an intermediate holding company for investments. The company is a wholly owned subsidiary of Lion/Jenga Bidco Limited and the directors manage the company's operations at a group level. Due to the non-complex nature of the company's activities, the directors believe that the principle risks are managed and mitigated at a group level.

Future prospects

The Directors anticipate that the Company will remain an intermediate holding company.

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



G Grant
Director

21 January 2019

LOUNGERS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018

The directors present their report together with the audited financial statements for the 52 week period ended 22 April 2018.

Principal activity

The principal activity of the Company during the year was to act as an intermediate holding company.

Directors

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

J Bishop
A M Reilley
N C E Collins
J M Carter
J Cocker
R Darwent
C Guy (resigned 15 March 2018)
G Grant (appointed 7 September 2018)

Results and dividends

The company did not trade and accordingly there was no trading income or expenditure in the year to 22 April 2018 (2017: Loss for the financial period of £1,786,000).

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

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Company.

Employees

The Company has no employees.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate. As at the Statement of Financial Position date the Lion/Jenga Topco Limited group of companies was funded through bank facilities and shareholder loans. The bank facilities comprise a combination of term loan, capex facility and revolving credit facility. These facilities are subject to covenants tested on a quarterly basis. After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

LOUNGERS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



G Grant
Director

21 January 2019

LOUNGERS HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018**

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

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

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LOUNGERS HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Loungers Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 22 April 2018 and of its result for the 52 week period (the "period") then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 22 April 2018; the statement of comprehensive income, the statement of changes in equity for the 52 week period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

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

LOUNGERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LOUNGERS HOLDINGS LIMITED (CONTINUED)

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 22 April 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

LOUNGERS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LOUNGERS HOLDINGS LIMITED
(CONTINUED)


Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Colin Bates (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Bristol

21 January 2019

LOUNGERS HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018**

		52 week period ended 22 April 2018 £'000	52 week period ended 23 April 2017 £'000
	Note		
Administrative expenses:			
Pre-exceptional administrative expenses		-	(1,008)
Exceptional administrative expenses		-	(576)
Total administrative expenses		-	(1,584)
Other operating income		-	908
Operating loss	4	-	(676)
Interest payable and similar expenses	6	-	(1,390)
Loss before taxation		-	(2,066)
Tax on loss	7	-	280
Loss for the financial 52 week period		-	(1,786)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income

There was no other comprehensive income for 2018 (2017:£nil).

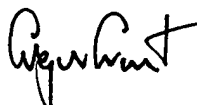
The notes on pages 12 to 19 form part of these financial statements.

LOUNGERS HOLDINGS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 22 APRIL 2018**

	Note	22 April 2018 £'000	23 April 2017 £'000
Fixed assets			
Investments	8	26,997	26,997
Current assets			
Debtors: amounts falling due after more than one year	9	-	632
Debtors: amounts falling due within one year	9	698	66
		698	698
Creditors: amounts falling due within one year	10	(32)	(32)
Net current assets		666	666
Total assets less current liabilities		27,663	27,663
Net assets		27,663	27,663
Equity			
Called up share capital	11	-	-
Share premium account	12	25,153	25,153
Share based payment reserve	12	638	638
Merger reserve	12	10,107	10,107
Profit and loss account	12	(8,235)	(8,235)
Total equity attributable to the owners of the parent company		27,663	27,663

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



G Grant
Director

21 January 2019

The notes on pages 12 to 19 form part of these financial statements.

LOUNGERS HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018

	Called up share capital £'000	Share premium account £'000	Share based payment reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total equity £'000
Balance as at 25 April 2016	-	-	258	10,107	(6,449)	3,916
Loss for the 52 week period	-	-	-	-	(1,786)	(1,786)
Total comprehensive expense for the 52 week period	-	-	-	-	(1,786)	(1,786)
Shares issued during the 52 week period	-	25,153	-	-	-	25,153
Share based payment	-	-	380	-	-	380
Total transactions with owners	-	25,153	380	-	-	25,533
Balance as at 23 April 2017	-	25,153	638	10,107	(8,235)	27,663
Result for the 52 week period	-	-	-	-	-	-
Total comprehensive income for the 52 week period	-	-	-	-	-	-
Balance as at 22 April 2018	-	25,153	638	10,107	(8,235)	27,663

The notes on pages 12 to 19 form part of these financial statements

LOUNGERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018

1. General information

Loungers Holdings Limited is a private company, limited by shares, incorporated in England and Wales. The address of the registered office is 15 - 16 Lower Park Row, Bristol, Avon, BS1 5BN.

2. Accounting policies

21 Statement of Compliance

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

22 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

23 Going concern

The financial statements have been prepared on the assumption that the Company is a going concern.

Following the acquisition of the Company by Lion/Jenga Bidco Limited (the "Group") in December 2016, the Group was re-financed in May 2017. The re-financing saw the bank debt previously held by the Company's subsidiary repaid and replaced by intra-group borrowing. Further, the re-financing provided the Group with a £15m capex facility and £5m revolving credit facility, committed facilities with a repayment date of May 2023.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

24 Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The Company has taken advantage of the following exemptions in its individual financial statements:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements under FRS102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

This information is included in the consolidated financial statements of Lion/Jenga Midco Limited as at 22 April 2018 and these financial statements may be obtained from Companies House, Cardiff, CF4 3UZ.

NOTES TO THE FINANCIAL STATEMENTS FOR
THE 52 WEEK PERIOD ENDED 22 APRIL 2018

2. Accounting policies (continued)

25 Finance costs

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

26 Debtors

Short-term debtors are measured at transaction price, less any impairment.

27 Creditors

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

28 Share based payments

The Company provides share-based payment arrangements to certain employees.

Equity-settled arrangements

Equity-settled arrangements are measured at fair value (excluding the effect on nonmarket-based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the Statement of Comprehensive Income.

Cash-settled arrangements

Cash-settled share options are measured at fair value at the Statement of Financial Position date. The Company recognises a liability at the Statement of Financial Position date based on these fair values, taking into account the estimated number of options that will actually vest and the current proportion of the vesting period. Changes in the value of this liability are recognised in the Statement of Comprehensive Income.

29 Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

2.10 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. The Company has taken advantage of the exemption not to disclose transactions with other wholly owned subsidiaries within the Lion/Jenga Midco Limited group as consolidated financial statements for Lion/Jenga Midco Limited are publicly available. 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

LOUNGERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 22 APRIL 2018

2. Accounting policies (continued)

211 Current and deferred taxation

The tax expense for the 52 week period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

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.

3. Critical accounting judgements and estimation uncertainty

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

4. Operating loss

	52 week period ended 22 April 2018 £000	52 week period ended 23 April 2017 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	-	6
- Non-audit services	-	3
Exceptional costs	-	576
Share-based payment charge	-	380
Management charges	-	(908)

During the 52 week period ended 23 April 2017 fees payable to the Company's auditors were borne by its subsidiary Loungers Limited.

Audit fees for the 52 weeks period to 22 April 2018 have been borne by another group company. Fees payable to the Company's auditors in the period ended 23 April 2017 relate to fees paid to the Company's previous auditors, BDO LLP.

Exceptional costs in the prior year relate to costs incurred in the sale of the Loungers Holdings Group during that year.

LOUNGERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR
THE 52 WEEK PERIOD ENDED 22 APRIL 2018

5. Employees and directors

Staff costs were as follows:

	52 week period ended 22 April 2018 £000	52 week period ended 23 April 2017 £000
Wages and salaries	-	686
Social security costs	-	89
Share-based payment charge	-	112
	-	887

Prior to the acquisition of the Loungers Holdings Group by Lion/Jenga Bidco Limited the company's only employees were the Directors. Following the acquisition the company has had no employees.

The directors' remuneration for the year was as follows:

	52 week period ended 22 April 2018 £000	52 week period ended 23 April 2017 £000
Directors emoluments	-	686
	-	686

During the prior period retirement benefits were accruing to one director in respect of defined contribution pension schemes.

The highest-paid director received remuneration of £nil (2017 - £159,000).

The directors consider that the above disclosure includes all key management personnel.

6. Interest payable and similar expenses

	52 week period ended 22 April 2018 £000	52 week period ended 23 April 2017 £000
Other loan interest payable	-	1,390

LOUNGERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE 52 WEEK PERIOD ENDED 22 APRIL 2018**

7. Tax on loss

Corporation tax

	52 week period ended 22 April 2018 £000	52 week period ended 23 April 2017 £000
Current tax on loss for the period	-	<u>(280)</u>

Factors affecting tax credit for the 52 week period

The tax assessed for the 52 week period in the prior year is lower than the standard rate of corporation tax in the UK of 19.83%. The differences are explained below:

	52 week period ended 22 April 2018 £000	52 week period ended 23 April 2017 £000
Loss on ordinary activities before tax	-	<u>(2,066)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.83%)	-	(412)
Effects of:		
Expenses not deductible for tax	-	139
Deferred tax not recognised	-	(7)
Total tax credit for the 52 week period	-	<u>(280)</u>

8. Fixed asset investments

	Investments in subsidiary undertaking £000
Cost and net book value	
At 23 April 2017 and 22 April 2018	<u>26,997</u>

Subsidiary undertaking

The Company owns 100% of the ordinary shares of its sole subsidiary undertaking, Loungers Limited. The principal activity of Loungers Limited is the development, operation and management of all-day casual dining café bars and café restaurants. The registered office for Loungers Limited is 15-16 Lower Park Row, Bristol, BS1 5BN.

The aggregate of the share capital and reserves of Loungers Limited as at 22 April 2018 was £13,168,000 and the retained profit for the 52 week period ended 22 April 2018 was £4,710,000.

LOUNGERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR
THE 52 WEEK PERIOD ENDED 22 APRIL 2018

9. Debtors

	22 April 2018 £000	23 April 2017 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	-	632
	22 April 2018 £000	23 April 2017 £000
Amounts falling due within one year		
Amounts owed by group undertakings	698	632
Other debtors	-	66
	698	698

10 Creditors: Amounts falling due within one year

	22 April 2018 £000	23 April 2017 £000
Amounts owed to group undertakings	23	23
Accruals and deferred income	9	9
	32	32

11 Called-up share capital

	22 April 2018 £000	23 April 2017 £000
Shares classified as equity		
Allotted, called up and fully paid		
17,401 A Ordinary shares of £0.01 each	-	-
12,800 B Ordinary shares of £0.01 each	-	-
9,740 C Ordinary shares of £0.01 each	-	-
2,400 D Ordinary shares of £0.01 each	-	-
	-	-

Rights of shareholders

A Ordinary shares

The A ordinary shares carry full voting rights, which may be enhanced in certain circumstances. They rank equally with B and C ordinary shares in relation to their entitlement to dividends. On a return of capital (including on winding up) they rank ahead of B, C and D ordinary shares. In the case of a surplus upon a return of capital (including on winding up) A, B and C ordinary shares shall be treated as if one class. They are not subject to rights of redemption.

B Ordinary Shares

The B ordinary shares carry full voting rights, which may be enhanced in certain circumstances. They rank equally with A and C ordinary shares in relation to their entitlement to dividends. On a return of capital (including on winding up) they rank behind A and ahead of C and D ordinary shares. In the case of a surplus upon a return of capital (including on winding up) A, B and C ordinary shares shall be treated as if one class. They are not subject to rights of redemption.

LOUNGERS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR
THE 52 WEEK PERIOD ENDED 22 APRIL 2018

11. Called-up share capital (continued)

Rights of shareholders

C Ordinary shares

The C ordinary shares carry full voting rights. They rank equally with A and B ordinary shares in relation to their entitlement to dividends. On a return of capital (including on winding up) they rank behind A and B and ahead of D ordinary shares. In the case of a surplus upon a return of capital (including on winding up) A, B and C ordinary shares shall be treated as if one class. They are not subject to rights of redemption.

D Ordinary shares

The D ordinary shares carry full voting rights. They carry reduced rights to participate in dividends of the Company. On a return of capital (including on winding up) they rank behind A, B and C ordinary shares. In the case of a surplus upon a return of capital (including on winding up) the D ordinary shares do not carry a right to further distribution. They are not subject to rights of redemption.

12 Reserves

The Company's capital and reserves are as follows:

Called-up share capital

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

Share premium account

The share premium account represents the premiums received on the issue of share capital. Any transaction costs associated with issuing of shares are deducted from the share premium.

Share based payment reserve

The share based payment reserve represents the fair value at the date of grant of share options issued to employees and existing shareholders.

Merger Reserve

The merger reserve arose on the acquisition of Loungers Limited and reflects the premium on share issue of equity shares.

Profit and loss account

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

13 Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other wholly owned subsidiaries within the Lion/Jenga Midco Limited group as consolidated financial statements, including the subsidiary undertakings, are publicly available.

LOUNGERS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR
THE 52 WEEK PERIOD ENDED 22 APRIL 2018**

14 Controlling parties

The immediate parent undertaking is Lion/Jenga Bidco Limited, a company incorporated in England and Wales.

Lion/Jenga Topco Limited, a company incorporated in Jersey, is the ultimate parent undertaking and controlling party of Loungers Limited.

Lion/Jenga Midco Limited, a company incorporated in England and Wales, is the parent undertaking of the largest group of companies for which group financial statements were drawn up at 22 April 2018 and 23 April 2017 and of which the Company is a member. The consolidated financial statements of Lion/Jenga Midco Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.