Caledonia TLG Bidco Limited

Annual Report and Consolidated Financial Statements
For the 52 week period ended 25 January 2025

Registered number 10246125

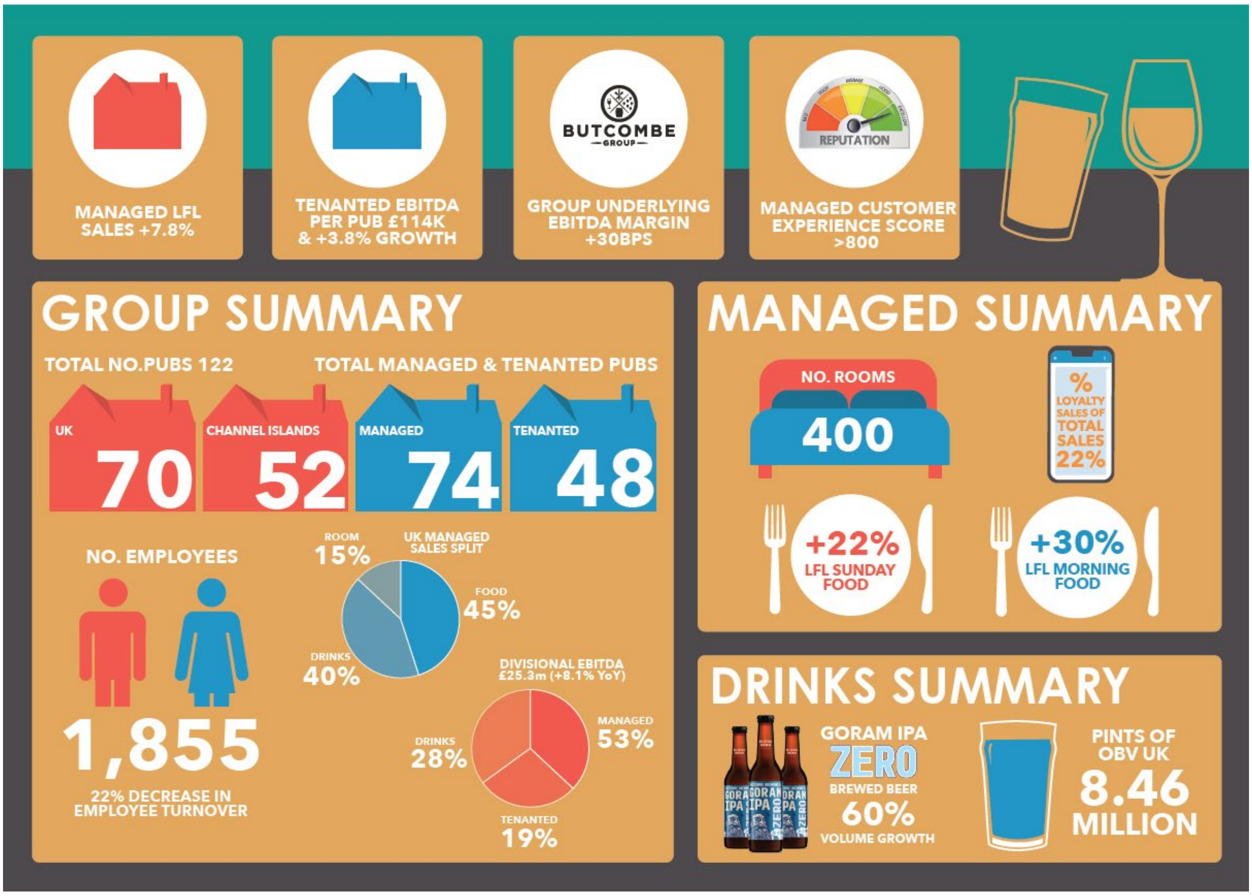
BUTCOMBE
GROUP

CONTENTS

STRATEGIC REPORT

The directors present their Strategic Report for the 52-week period ended 25 January 2025.

BUTCOMBE GROUP AT A GLANCE



STRATEGIC REPORT *(continued)*

CEO STATEMENT - JONATHAN LAWSON

A strong year, with sector leading LFL's, 7.4% growth in underlying EBITDA and improved margins.

It has been another strong year for Butcombe Group with encouraging revenue and EBITDA growth, sector leading like-for-like ("LFL") sales in our managed estate, a solid performance in our Brewing and Drinks business and important progression in areas that will provide future growth such as accommodation, mornings, loyalty, data and AI. We also grew year-on-year EBITDA margins across the group, with 150 bps improvement in the managed estate, which is a notable achievement and reflects our balanced approach to driving sales and delivering improved levels of profitability. Once again, we have seen the strength of our Groups geographic and channel diversity which enables us to leverage the scale of the business whilst also delivering to our local market needs.

We are fundamentally a people business, and we should start with a massive thank you to our incredible teams across our fantastic business. We now employ 1,855 people, more than double the number of people we employed in 2019 and firmly believe that delivering a strong customer experience starts with the colleague experience and we have continued to invest strongly in this area. The result has been a 22% improvement in retention across the Group and high levels of engagement, achieving a place in the Worlds Happiest Places to work index. This improvement in people retention and development has driven the managed pub Reputation score over 800 with three pubs now in the 900s.

Managed Pubs

Managed Pubs once again delivered sector leading LFL growth, at 7.8%. Our food performance was undoubtably the stand-out performance at +12.1%, well supported by growth in drink +4.7% and accommodation +3.8%. On food we have seen the benefit of staying close to emerging customer trends both in terms of menu development and day part offers. Our menus now offer fantastic choice and freedom for our customers, who can choose from all day brunch, small plates, sandwiches and classics such as our delicious homemade pies, great vegan options and outstanding steaks from matured grass reared beef. We've also recognised the changing habits of when people choose to eat, with a growth in customers eating out for breakfast, offering us another great opportunity to welcome new customers to our amazing pubs. The majority of our pubs and inns are now open for breakfast and trading all day on food. In drink we have seen a positive reaction to the enhancement of our wine lists where our good, better, best approach to our lists offers some outstanding entry price wine, building up to some prestige marques in the most premium of our pub locations.

Our accommodation business continues to mature and to increase its value to our business, accounting for 14.5% of our UK Managed sales and we are clear in our strategy of wanting overnight guests to eat and drink with us too. We have progressively invested into our managed estate over the last six years and continued that in 2024 with six major investments and four smaller sparkle schemes. The roll out of Butcombe Boutique Inns has continued and the proposition has now launched in 10 Inns with wonderful feedback from our customers and really encouraging results. We have further investments targeted this year which will see more Pubs join our Butcombe Boutique Inn offering and believe that ultimately 20 of our inns will belong in this format.

Data, Loyalty and AI

Our loyalty programme gives us significant advantage in the market to use our data to build customer segmentation and loyalty. We have 44% of till transactions in the Channel Islands and around 15% in the UK being tracked. We are using AI and machine learning to perform customer segmentation and significantly enhance personalisation enabling more targeted marketing and communication resulting in increased returns.

STRATEGIC REPORT *(continued)*

CEO STATEMENT - JONATHAN LAWSON (CONTINUED)

Data, Loyalty and AI (continued)

The wider UK economic environment, notably following the 2024 budget, has introduced significant increases in labour-related costs, such as higher employer National Insurance contributions and rising National Living Wage rates. These pressures make it essential for businesses, especially in hospitality sectors, to embrace efficiencies through technology, particularly AI and automation, to minimise passing increased costs onto customers. There are a number of areas where there is an opportunity for us to deploy AI and Machine Learning, these include:

- Food order predictions in Managed Pubs: Accurately forecasting demand using historical data, seasonal trends, and external factors to optimise stock and reduce waste.
- Wholesale drinks demand forecasting: improved forecasting accuracy to better manage inventory, reduce shortages and excess stock, and enhance profitability.

Brewing and Drinks and Tenanted Pubs

Our Brewing and Drinks business delivered a highly respectable performance, despite the inclement weather, with a notable achievement in the UK Free Trade, our largest drinks channel, which saw growth of +8.4% vs the previous year. Our strong range of own brewed beers, highly trained sales teams, dedicated fleets delivering fully consolidated deliveries combine to offer an exceptional service to our Free Trade customers and from this year we have now added the additional facility of online ordering. We are also encouraged by the increased distribution that our brands are now seeing in the major supermarkets and convenience stores with Tesco recently listing Goram IPA Zero in 73 stores. In the Channel Islands we continue to see growth opportunities and work with the support of some of the best drinks brand brands in the market. As a result, we are seeing an increased number of our high value customers signing up for three- and five-year deals which enables us to provide the best value and service possible. All of this enabled us to achieve both growth in EBITDA vs LY and EBITDA Margin progression.

The Group has continued to focus on the brand development of its three flagship beers, Butcombe Original, Tall Tales Pale Ale and Goram IPA Zero. Both Butcombe Original and Goram IPA Zero have had a creative refresh to help drive more standout on the bar and on the shelves. Events and sponsorship such as the Bristol Balloon Fiesta, Bath Half and Maverick Races has driven activation of the brands with extensive sampling and customer engagement, helping to further raise the profiles of the three brands. Butcombe Original is now the South West's favourite cask beer; Tall Tales Pale Ale has continued to show significant growth and Goram IPA Zero has continued to feature as our customer favourites with the most 5-star reviews of all our beers.

Tenanted pubs continue be a core part of our strategy. Although Tenanted pubs saw an overall reduction in EBITDA, the division saw an increase in average EBITDA per pub of +3.8% in the year, due to the disposal of nine dilutive sites which in turn allows us to focus on driving volume in the larger more progressive pubs, working closely with our tenanted partners, which includes targeted capital investment.

Environmental, Social and Governance

The ultimate goal of the Group is to grow the business in a sustainable manner which has a positive impact on regional and local communities and their environment. The Group continues to support and build new relationships with local charities, sports clubs and groups local to our pubs, to allow us to become a hub for each individual community, culminating in the Group's annual Community Week.

STRATEGIC REPORT *(continued)*

CEO STATEMENT - JONATHAN LAWSON (CONTINUED)

Current trading and outlook

We are encouraged by the start to the new financial year, particularly in our managed pubs, delivering LFL of +11.1% in Q1, with growth in all three categories of Food (+10.3%), Drink (+13.3%) and Accommodation (+5.3%). Given the uncertain consumer environment, it is an inherent strength to our business that we are focused on more premium customer segments in both the UK and the Channel Islands. We have also seen an increasing impact from areas of growth that we started to focus on last year, including mornings, events and occasions and particularly loyalty which we believe has played a crucial role in strong LFL and our outperformance versus the market. The quarter has seen us deliver our highest ever single day in managed pubs on Mother's Day, breaking the previous record set on Christmas Day 2024 and the spring sunshine that we experienced in March and April has given us an early benefit from our external spaces, with around 40% of our covers now outside, with a new app launching in May to assist in service delivery, sales and productivity.

The Brewing and Drinks division was broadly flat versus last year in Q1, once again the UK Free Trade performance lead the way growing by 8% vs LY, with online ordering now adding a further service provision to our customers and driving basket spend. The success of Goram Zero, our award-winning low alcohol IPA has encouraged us to develop Tall Tales Zero, a refreshing Pale Ale that will be perfect for the summertime.

The cost base of our business has clearly come under further pressure following last year’s budget and specifically the lowering of the NI threshold is something that we see as unwarranted and an action that discourages growth, investment and employment. We came into the year with a number of initiatives and projects aimed at improving the efficiency of our P&L and these are helping to offset the impact of these cost increases and we are confident in our ability to deliver strong EBITDA growth in managed pubs this year and improvements in EBITDA margin.

STRATEGIC REPORT *(continued)*

GROUP FINANCIAL REVIEW - SIMON HOPE, CHIEF FINANCIAL OFFICER

The consolidated financial statements of Caledonia TLG Bidco Limited include the trading of the whole of the Butcombe Group, which changed its corporate identity from The Liberation Group in December 2024. The Group operates Managed and Tenanted pubs and a Brewing and Drinks division in the UK and the Channel Islands. These Group accounts consolidate the results of Butcombe Brewery Limited, which is the trading company for all UK activities, and a number of companies registered in the Channel Islands. As disclosed in note 29, the largest Group in which the results of the Company are consolidated is Caledonia TLG Limited, which is a company registered in Jersey the financial statements of which are not filed on public record. The Caledonia TLG Limited Group reports an identical Underlying Group EBITDA to the Caledonia TLG Bidco Limited group and the only material difference in net assets is the existence of preference share capital, classified as debt, and accrued dividends thereon, which has been invested down to the Company as ordinary share capital.

The Group achieved £1.9m growth in Divisional EBITDA and £1.0m growth in Underlying Group EBITDA in the financial period due to strong sales and margin growth in Managed Pubs and continuing growth of the UK Brewing and Drinks business. Key highlights included:

- Divisional EBITDA grew by £1.9m (8.1%) led by Managed Pubs up £2.1m;
- Managed pubs achieved strong LFL growth for the second consecutive year. In the UK LFL sales were +7.5% building on +8.0% in the prior year, consistently above the CGA Coffer Pub Restaurants benchmark in every month of the financial year with an average outperformance of +5.4%pts. Channel Islands managed pubs rebounded with an +8.5% LFL sales growth in the year;
- Managed pub sales were driven by food sales which were up +12% on a LFL basis in both the UK and CI pubs, reflecting our strategy to focus on a premium, food-led offer;
- Brewing and Drinks division grew EBITDA by £0.3m due to the UK Drinks business, which achieved +8% growth in sales to Free Trade customers and +7% growth in the 3rd party packaging and brewing channel;
- The Tenanted division saw an overall reduction in EBITDA mainly due to the disposal of nine pubs over last two years but average EBITDA/pub still grew 3.8% due to the disposal of below-average poorer performing sites;
- The increase in central costs relates to the salary costs of support functions and professional fees and IT costs and additional investment in marketing and training.

The Group built momentum in revenue and profit growth during FY25 which provides a strong platform for further acceleration in FY26. A valuation of the group's pub estate by CBRE was commissioned in January 2025, valuing each of the 122 managed and tenanted pubs on the basis of individual sale transactions, as opposed to a portfolio transaction, and specifically excluding Brewing and Drinks division and non-trading properties. This provided an independent validation of the progress of the Pubs & Inns Division, resulting in a 12% increase in the valuation of the 122 pubs to £204.1m from the previous 2022 valuations. This valuation was used in the assessment of Fair Value Less Costs of Disposal in the impairment review of pubs, as the group accounts for tangible fixed assets at historic cost less depreciation and impairment. The review resulted in an impairment charge of £4.0m (see notes 6 and 13).

Trading performance

The management team monitor the growth trend of Divisional EBITDA whilst seeking to control Central costs as tightly as possible:

	2025	**2024**
	£000	**£000**
Managed Division	13,524	11,474
Tenanted Division	4,770	5,194
Pubs Division	18,294	16,668
Brewing and Drinks Division	7,045	6,778
Divisional EBITDA	**25,339**	**23,446**
Central costs	(11,587)	(10,647)
Underlying Group EBITDA	**13,752**	**12,799**

STRATEGIC REPORT *(continued)*

GROUP FINANCIAL REVIEW - SIMON HOPE, CHIEF FINANCIAL OFFICER (CONTINUED)

Trading performance (continued)

A reconciliation of Group Operating loss to the non-GAAP measure Underlying Group EBITDA is provided below:

	Note	**2025 £000**	2024 £000
Group operating loss (page 27)		**(4,630)**	(4,556)
Depreciation and impairment of tangible fixed assets	6	**15,380**	11,942
Amortisation and impairment of goodwill	6	**1,348**	1,205
Loss on disposal of fixed assets	6	**557**	216
Non-recurring costs	6	**1,097**	3,992
Underlying Group EBITDA		**13,752**	12,799

The management team focus on monitoring the movement in the following KPIs year on year:

Metric	**2025**	**2024**	**Comments**
Pubs & Inns Division EBITDA Margin	21.3%	20.5%	Pubs EBITDA Margin has improved 80bps due to the Managed Division achieving a 150bps improvement in margins offset by a reduced contribution from the Tenanted division, which was largely caused by the disposal of nine tenanted pubs over the last two years. The increase in Managed EBITDA margins was due to a 110bps improvement in gross margins and a 60bps improvement in overhead/sales ratio with labour ratio maintained despite the continual pressures from national minimum wage increases.
Brewing & Drinks Division EBITDA Margin	11.2%	10.8%	EBITDA margin continues to be strong for a predominantly wholesaling business. The 40bps increase in overall margin was due to an improvement in the UK margin, helped by growth in the higher Free Trade and 3rd party packaging channels, whilst the Channel Islands businesses maintained margins broadly level on prior year.
UK LFL Managed pub sales growth	+7.5% LFL pubs: 55	+8.0% LFL pubs: 37	UK Managed sites achieved a very strong LFL performance led by Food sales, especially given the similarly strong comparative growth rate in the prior year. The 21 pubs acquired in the Cirrus acquisition outperformed the existing estate's growth rate, which has started to close the gap in average weekly sales between the acquired and existing sites, but there is still plenty of upside opportunity in sales in these Cirrus sites.
Channel Islands LFL Managed pub sales growth	+8.5% LFL pubs: 18	+2.1% LFL pubs: 18	The 6 Guernsey managed pubs achieved another excellent LFL sales performance on top of strong results in FY24. The 12 Jersey LFL pubs achieved an encouraging improvement in trading in the year, especially in the second half, and contributed more of the £ of sales growth over the year, and this improvement especially in the larger volume sites is a positive sign for the year ahead.

STRATEGIC REPORT *(continued)*

GROUP FINANCIAL REVIEW - SIMON HOPE, CHIEF FINANCIAL OFFICER (CONTINUED)

Trading performance (continued)

Metric	2025	2024	Comments
Sales mix of UK Managed pubs from room sales	14.5%	14.7%	Sales revenue from rooms grew broadly similarly to bar sales and the mix of room sales reduced due to the excellent 12% LFL Food sales growth. We maintain our strategy to offer good value for money in our room offering and to encourage our overnight guests to enjoy our award winning food and drinks.
Geographical mix of UK sales within total group sales	55.6%	54.8%	UK mix of revenue continues to grow with UK Drinks achieving faster rate of sales growth and similar growth rates in the UK and CI in the Managed division, partially offset by pub closures and transfers.
OBV brewers barrels ("bbls") of UK Butcombe brewery	29,378	29,379	Butcombe Brewery volumes were broadly flat year-on-year with a decline in cask volumes of 2.3%, mainly attributable to sales into the Wholesale and National channels, although the volume of cask ales sold to Free Trade customers increased 6.4%. Volume of keg ales and bottled beers continued to grow, mitigating the drop in cask seen across the sector.
Tenanted average pub EBITDA (including brewery margin)	£114.4k LFL pubs: 47	£110.2k LFL pubs: 53	Average EBITDA per pub improvement came from the disposal of five underperforming sites.

Cash flow, liquidity and net debt

The group achieved a net cash inflow of £2.5m and a reduction in net debt of £2.3m during the financial period. Key highlights included:

- £10.3m of cash generated from operations, including a £2.4m increase in net working capital largely due to an increase in debtors year on year reflecting the year end date being two calendar days earlier so more December invoices debts not falling due until after year end;
- Capital expenditure of £8.5m across both maintenance and development spend included six major refurbishment projects totalling £2.3m, four smaller sparkle projects totalling £1.0m and £1.1m of additional spend on value driver initiatives and smaller projects (across both Brewing & Drinks and Pubs); and
- Disposal of underperforming freehold pubs (five tenanted and three managed) generating £4.4m of proceeds for reinvestment.

Future FRS102 changes to lessee accounting

The future changes to lessee accounting under FRS102 will have a significant impact on the Group's financial statements. The changes will first impact in the Group's financial period ended January 2027 and restatement of comparative figures is not required. The Group's underlying EBITDA in the current financial period of £13.8m includes lease rental expenses of £3.7m which would no longer be charged to EBITDA following these changes, to be replaced by increased depreciation and financing income statement charges. Note 25 to these financial statements discloses £47.1m of lease commitments at the balance sheet date and the present value of these future lease payments will be recognised as a lease liability upon transition with a right of use asset recorded as the sum of the lease liability and specified adjustments for other costs. We have begun discussions with our bank lenders over the process to make adjustments for the lack of comparability between this future basis of reporting and the existing basis on which covenant tests were set.

STRATEGIC REPORT *(continued)*

SECTION 172 COMPANIES ACT 2006 STATEMENT

The directors of the Company work in conjunction with the Board of directors of the parent company of the Group, Caledonia TLG Limited ("CTLG"), and other subsidiary companies to ensure that all colleagues work together in good faith to promote the success of the Company and the Group for the benefit of the shareholders as a whole. In discharging our Section 172 duty we have done so through our agreed strategy for the benefit of the members of the Parent company, having regard to the stakeholders and matters set out in the Section 172 of the Act in the decisions taken during the period.

In doing so Section 172 requires a company to have regard to:

i) The likely consequences of any decisions in the long term

ii) The interests of the Company's employees

iii) The need to foster the Company's business relationships with suppliers, customers and others

iv) The impact of the Company's operations on the community and environment

v) The desire of the Company to maintain a reputation for high standards of business conduct

vi) The need to act fairly between members of the Company

The Group's approach to these six areas is considered in the review below.

Our business priorities

Our Group-wide focus is on growth, something we are well positioned to achieve thanks to our commitment, operational excellence and social and environmental sustainability. Our strategy is designed to enable us to win in the marketplace, focus on long term sustainability of our business and create value for our stakeholders. We aim to consider our impact on the wider society, communities and the environment. The Company's strategy is built around four pillars.

Set the Bar High

We do everything to the very best of our capabilities and we push each other to be outstanding. We set the bar high. We brew the beer, we serve the beer; fresh locally sourced produce; in it together; if we're not proud of it we don't serve it.

Talk of the Town

Everything we do, from the way our pubs look, to the quality of our food and drink to the way we treat people, is irresistible; we're the talk of the town. We create wow moments; people can't help talking about us; share your passions; create a vibrant atmosphere.

From the Heart

We're made of different stuff at Butcombe Group. We're an eclectic bunch of passionate people, all brought together by our love of food, drink and service. We get the greatest buzz from seeing our customers enjoying the food and drink we've made and served with love.

Raise the Spirits

The Butcombe experience is always positive we do all we can to raise the spirits; can't help but smile; make their day better; choose your attitude; serving happiness.

STRATEGIC REPORT *(continued)*

SECTION 172 COMPANIES ACT 2006 STATEMENT (CONTINUED)

Board Composition

The Board is responsible for creating and delivering sustainable shareholder value through the management of the Group's business. In discharging its role, the Board is guided by the interests of the Company and its fellow subsidiary Companies, taking into consideration the interests of the Company's stakeholders. The Board is responsible for complying with all legislation, for managing the risks associated with the Company's activities and for financing the Company.

The membership of Board includes non-executive directors with substantial current and previous operational and financial senior management experience in complementary businesses and representation of the equity investors. Although the Group has a majority shareholder in Caledonia Investments plc and a significant minority shareholder in Cirrus Liberation LP, the broad experience base of the directors helps to ensure that the need to act fairly between all members is recognised at all times.

Employee Engagement

The Board understands that the interests of employees are key to the long-term success of the business. Our values are focused on delivering an experience to our guests and our teams that is truly from the heart. We care immensely about creating a culture that is centred around delivering an employee value proposition that truly adds value in and out of the working environment.

Employee Voice

Ensuring we understand how our team feels is a priority and so we have developed many methods of two-way communication with them. Our internal social platform, Viva Engage, allows us to communicate in real time with all colleagues. We run an internal engagement survey called Open Mic which goes to all employees and they can feed back confidentially on what is going well and how we can improve their experience. We have also launched a confidential whistleblowing service.

Employee Wellbeing

Employee wellbeing is one of the most important pillars of our strategy, whether that is financial, emotional, physical or mental wellbeing, we ensure we offer support for each. We have invested heavily in our financial wellbeing support and ensure we offer discounts across all major retailers to our employees as well as discounts across food, drink and accommodation in our managed pubs.

We have also further enhanced our employee offer this year, following the feedback from our Open Mic Survey. This includes enhanced Maternity Leave, Cycle to Work, employee discount, and a returnity leave programme supporting those people who have been out of work for personal reasons, ensuring they return confidently and feeling truly supported.

We have a deep partnership with The Burnt Chef Project who we work with on continually trying to raise the profile of mental health & remove the associated stigmas. The Burnt Chef provide a wellbeing hub for all our employees to access key training and insight on employee mental health and wellbeing as well as a 24/7 Employee Assistance Programme (EAP). This service is open to employees and their family to provide confidential professional counselling should they ever need it.

Employee Recognition

Being the *talk of the town* and *raising the spirits* is part of our DNA and we are continually recognising our people internally and externally. We have a *from the heart* recognition and reward mechanic in place that recognises anyone in the company for truly living our values. This is done through a digital platform and can be seen and celebrated by all colleagues. We also host our annual employee festival event, where we award trophies to our highest performing teams and individuals.

STRATEGIC REPORT *(continued)*

SECTION 172 COMPANIES ACT 2006 STATEMENT (CONTINUED)

Employee Engagement (continued)

Developing and Attracting Talent

We provide a bespoke induction for every new member of the team and ensure all managers receive face to face cultural training on our values and behaviours and their responsibility as a leader of people in our business.

We invest in the development of our staff and have a clear and documented career paths available. We have numerous active cohorts of assistant managers on route to their first general manager appointment and similarly sous chefs being supported into head chef positions. We have seen over 20% improvement in employee turnover and very low vacancy levels.

These pathways are underpinned by some of the best technical and management training around, including level 5 business and management and new bespoke apprenticeships with Performance Learning Group across operations and support roles. We also offer our central teams the ability to do bespoke training and qualifications with professional bodies such as CIPD and CIMA. We are proud to have won the National Innovation in Training Award for best training programme in 2024.

Stakeholder Engagement

Engaging with all stakeholder groups to deliver long term success is a key focus for the Board. All decisions take into account the impact on stakeholders, our strategy is designed to enable us to win in the marketplace, focus on sustainability of our business and create value for each of our stakeholder groups.

Customers and Consumers

We recognise that we must delight the customers and consumers of our brands, products and experience to be successful and to thrive. We always place the customer at the heart of everything we do, and we recognise that we cannot achieve success for our shareholders without being successful in the eyes of our customers and consumers.

Suppliers

We continue working together with our suppliers to ensure high ethical standards and respect for human rights and the environment. A focus is on reducing our, and our suppliers', impact through design and production of packaging and working on solutions for recycling, with a view to developing solutions to reduce emissions.

Lenders

Our syndicate of banks provide essential capital to finance the purchase and development of the assets of the Group including substantial freehold land and buildings. We maintain a regular dialogue with our lender group to ensure they are fully appraised of our trading, outlook and investment priorities.

Community and Environmental

Our approach to our role within our communities and our impact on the environment is set out in our Environmental, Social and Governance Report on page 13.

Responsible Business

The Group is committed in all its dealings to uphold the highest standards of business conduct and integrity. Our Ethical Conduct Policy sets out how we expect our colleagues to behave, covering conflicts of interest, reporting of wrongdoing and suppliers, gifts and hospitality. Our compliance procedures are designed to identify any related party transactions and ensure they are reported to the directors immediately to ensure appropriate safeguards are put in place. We are committed to paying suppliers to agreed terms.

The directors are aware of their duties to take into account the interests of all key stakeholders and the long-term impact in its decision-making processes. Decisions made by the Board consider the interests of the Group's key stakeholders and reflect the Board's belief that the long-term sustainable success of the Company and the Group depends on the achievement of the goals of its key stakeholders.

STRATEGIC REPORT *(continued)*
ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group places a high importance on its environmental, social and corporate governance responsibilities. Reducing the Group's impact on the environment is a key focus and the business has continued to make progress on this during the last year.

During FY25 the Group continued to develop its ESG vision and mission strategy; 'Our ambition, your future'. The ultimate goal of the Group is to grow the business in a sustainable manner which has a positive impact on regional and local communities and their environment. Within the strategy to achieve this ambition, there are three clear pillars;

1) **We love local** – our ethos is simple; source quality produce and products that are sustainable, traceable and local, wherever possible
2) **Embracing technology and innovation** – we are a nimble business that embraces change and utilises technology and innovation to improve our business performance. By increasing our operational efficiency, we will reduce our energy usage and waste to the benefit of the environment
3) **Enabling colleagues, drive change** – focusing on our most important asset – our people – is at the centre of our strategy. All of our colleagues are as individual as our pubs with no two being the same and we continue to invest in training and development for all colleagues, ranging from wine champions to apprenticeships, and our very own internal learning management system

The wider sustainability target of the business is to be carbon neutral by 2030 and the Group has also developed a Carbon Net Zero roadmap with its sustainability consultants Carbon Architecture. A detailed and actionable plan has been built in order to ensure the Group stays on track to achieve its sustainability goals in a commercially viable manner over the coming years.

The Group's approach to building its roadmap will focus primarily on reduction of carbon and reduction of waste rather than offset strategies.

During the year the Group have continued to deliver across a number of its sustainability workstreams;

- The trade effluent from our brewery is now transferred to a biogas generator, making effective use of the natural gas created and more than offsetting the site's total consumption of gas.
- Our lightweight glass bottles contain 10% less glass and are 70% recycled. The plastic shrink wrap is made from 50% recycled plastic.

  We use plastic and cardboard balers at our distribution centre to recycle incoming packaging and we also use cardboard shredders to re-use card for our online deliveries.
- We continue to use internal MI reports that allow us to monitor and reduce waste levels by increasing recycling rates across all sites (now over 63%).
- We work with local farmers to recycle the spent grain from our brewing process - the grain is fed to cattle that ultimately produce the cheese we use in our managed pubs. The cheese we use in our burgers that we sell in our pubs is produced by the cows that eat our brewing grain - providing a low carbon and virtuous manufacturing circle.
- Solar panels have been installed at our distribution centre and will generate up to 58% of the depot's electricity going forwards.

In FY26 we will continue to implement further initiatives based on our pipeline of short- and longer-term sustainability opportunities, each dependent on commercial viability and the condition of existing equipment.

STRATEGIC REPORT *(continued)*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (CONTINUED)

Streamlined Energy and Carbon Reporting (SECR) – UK subsidiaries only

In line with SECR regulations our energy usage and carbon consumption for the year is outlined below. This report relates solely to activities within the UK and covers the Managed pubs and Brewing & Drinks activities of the company.

Energy usage	**2025 KWh**	**2024 KWh**
Grid electricity	7,162,038	7,721,069
Fossil combustion fuels	14,444,016	13,728,928
Solar electricity consumed	183,619	156,164
Transport fuel (petrol/diesel)	2,382,885	2,610,357
Total energy usage	**24,172,558**	**24,216,518**
GHG emissions (in tonnes of CO_2e)	3,817	4,539
Intensity ratio: KW/h of energy usage per £1 of turnover	0.29	0.31
Intensity ratio: tonnes of CO_2e per £1,000 of turnover	0.046	0.058

The total energy usage reduced by 0.2% compared to the prior year despite a 6.5% increase in turnover, resulting in an improved intensity ratio of 0.29 compared to 0.31 in the prior financial period when calculated as KWh of usage per £1 of turnover. This reflects the impact of the key energy saving initiatives as outlined above.

The total tonnes of GHG emissions reduced by 16% due to the company entering into a REGO-backed contract for electricity usage for the majority of the financial period to September 2024.

The methodology used to calculate the above information is the GHG Reporting Protocol – Corporate Standard.

STRATEGIC REPORT *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES

The following sets out what the Board of directors consider to be the principal risks which could have an impact on the financial performance and stability of the business and the mitigating actions being taken.

Risk	Potential impact	Mitigation
Economic climate and general consumer confidence		
Demand for our offering is a largely discretionary purchase which is sensitive to growth or decline in the amount of disposable income. High rates of consumer price inflation can reduce real wages and the amount of income available for discretionary spend. Increasing interest rates can reduce disposable income available to households as monthly mortgage payments increase.	A worsening of the economic climate resulting in a fall in real wages or a drop in disposable income could reduce consumer confidence and lead to lower revenue in our pubs and other channels.	Our increasing mix of sales revenue from food and accommodation rather than drinks reduces the sensitivity to discretionary spend. We assess the economic climate carefully during our annual budgeting and rolling forecasting process and make decisions on pricing and cost budgeting in light of forecasts of future consumer trends. Pubs tend to be more resilient than elements of the economy relying on discretionary spend, given the relatively low ticket value. In addition, we can flex our offer and purchasing systems in managed pubs to deliver a good, better, best offer that delivers value for money for the customer whilst also protecting our margins and avoiding discounting.
Cost inflation		
Global and national events can lead to cost pressures within cost of goods sold, labour and other overhead costs and the costs of capital expenditure projects.	The cost of goods purchased from the EU could increase as a result of adverse movements in the GBP/EUR exchange rate. Global supply chain issues caused by events such as the global energy crisis or war/conflict can cause increases in input costs which are difficult to mitigate. The supply of labour in specific roles required in our pubs can become restricted resulting in higher wage rates or inability to staff roles in the extreme. National Minimum Wage legislation can introduce significant increases in labour costs in excess of general price inflation within our managed pubs.	We partner with major suppliers and buying groups to secure a broad-based supply of both drinks and food ingredients to provide access to alternative products in the event of cost inflation. We hedge our exposure to fluctuations on major input costs such as energy costs by entering into fixed price contracts for appropriate terms where possible. We have invested in sophisticated labour management software to maintain the optimal flexibility in staffing to flex labour cost with customer demand. We have developed an in-house recruitment function to maximise employer branding and minimise recruitment costs. A key part of our strategy has been to leverage the scale and buying power of the Group, whilst staying close to our local and customer needs. In February 2023 we completed a tender with drinks suppliers which provides certainty over cost inflation on this key area of cost of goods sold until February 2026.

STRATEGIC REPORT *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk	Potential impact	Mitigation
Changes in consumer trends in the hospitality sector		
Our revenue and profitability are dependent on an ability to adapt to changes in consumer preferences and behaviours.	A customer offer which fails to satisfy current consumer demand would result in a decline in customer numbers, revenue and profits.	We develop individually tailored menus for each pub to ensure the food offer is matched to the customer base. Our pubs are segmented to ensure the selection of draught beers and lagers best matches customer preferences. Our brewery has developed award winning new beers to mitigate the trend away from cask towards keg. We continually monitor trends in the sector by active involvement in trade bodies and analysing competitor offers. A number of trends have accelerated during recent years from which we stand to directly benefit in all markets and which we expect to continue post the pandemic including staycations, demand for local produce, outdoor dining and working from home.
Pandemic/disease		
Pandemic disease leading to government action to enforce closures of our pubs or to restrict their trading operations. The majority of our revenue and contribution to fixed overheads comes from our Managed and Tenanted pubs and our on-trade sales to free trade and national customers.	During periods of enforced closure, we derive no revenue from Managed pubs and on-trade customers. We might receive reduced rent from tenants. After reopening, governments might impose social distancing restrictions and limited opening hours to limit transmission. Consumer confidence might be affected and this could reduce demand to eat, drink and stay in our pubs and inns.	We prioritise measures to ensure the safety of our customers and colleagues. We take actions to maximise liquidity and to minimise the cash burn of the business. These include taking advantage of any available government support schemes in all territories and additional grants where available. The geographical diversification of our Managed and Tenanted pubs and on-trade customers being located in Jersey, Guernsey and the UK mitigates the impact of policies in individual territories. Our diversified channels to supply end consumers mitigates the impact as we grow sales and profits from off-trade customers such as supermarkets and online and retail shops.

STRATEGIC REPORT *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk	Potential impact	Mitigation
Risk of physical damage to operating locations		
Damage to our pubs, breweries or distribution facilities by fire, flood or other hazard could disrupt activities.	Loss of revenue and profit in the short and medium term. Loss of customer numbers and brand recognition in the longer term.	We maintain appropriate insurance against major risks. We perform regular insurance reinstatement valuation of all pub properties to ensure they are fully insured. We operate two breweries in Wrington, Somerset and in St Saviour, Jersey which are both able to brew both Butcombe and Liberation beers. We maintain strong relationships with major brewers to enable switching of own brewed beers to factored products if required in the short term to service customers in the event of a major incident at our breweries.
Health and safety		
Food hygiene, allergens and fire safety risks present the most common risks experienced in our business every day.	Customers could experience severe allergic reactions or even death caused by inadequate presentation of allergen information or allergen knowledge of our colleagues. Customers or colleagues could suffer physical injury or death arising from poor fire safety or other health and safety procedures.	Divisional Health and Safety committees meet monthly and the minutes and matters arising are reviewed by a Group Health and Safety Committee including the executive directors which meets monthly. All colleagues are required to complete mandatory training courses on key online training modules on Health and Safety, food safety and allergens within four weeks of joining.
Regulatory and taxation		
We operate in a highly regulated sector which is also subject to excise duty. Changes in government policy or taxation rates in any of our three jurisdictions can impact on consumer demand or costs within our business.	Changes in legislated minimum pricing or drink driving laws could reduce consumer demand for our products and services. Changes in the rate of duty, sales taxes or other tax rates could adversely impact on unit costs and consequently on margins or consumer demand.	We closely monitor all potential legislative developments and our directors and senior managers in all jurisdictions actively engage with government bodies both directly and through trade associations. Our increasing mix of food and accommodation within Group revenues reduces the exposure to alcohol related changes in regulations and taxation.

STRATEGIC REPORT *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk	Potential impact	Mitigation
Information Technology		
We are increasingly reliant on information technology to provide our products and services to our customers. We hold personal data which is a critical business asset but creates a risk to brand and reputation and of financial penalties if not protected. The risk of cyber security breaches is increasing exponentially.	An extended failure of our IT systems would impact on our ability to trade. A failure to invest sufficiently in IT systems could result in a loss of competitive advantage. A loss of personal data could result in reputational damage, loss of demand or significant penalties. A cyber-attack has the potential to impact on our Pubs or distribution channels.	Our core ERP and network systems are cloud-based to minimise dependence on a hosted data centre. We use industry leading and sector-specific software which allows us to implement mandatory developments and value enhancing customer facing features quickly, efficiently and effectively.
Funding risk		
We are dependent on bank debt which includes financial covenants within the facility agreement.	A downturn in EBITDA and cash generation from operating activities in the medium and longer term would create a risk that we breach banking financial covenants and ultimately jeopardise our ability to renew/replace our banking facilities.	We refinanced our bank debt in 2022 with a lower level of term debt which is not repayable until January 2027. We prepare long term financial projections to ensure our business plans are consistent with an ability to refinance the business. We maintain strong relationships with our lenders with regular communication. We obtain advice from our majority shareholder Caledonia and from professional consultants to manage our relationships with funding banks.
Interest rate risk		
We have substantial floating rate bank debt linked to SONIA interest rates.	Our costs of borrowing could increase significantly in the event of a rapid rise in market interest rates.	We periodically enter into interest rate financial instruments including interest rate swaps to hedge a proportion of our floating rate bank debt. We engage with our lenders on a proactive basis to plan for market developments which will impact the Group.

STRATEGIC REPORT *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk	Potential impact	Mitigation
Credit / counterparty risk		
We grant credit terms with third parties and other Group entities	A third-party customer or other Group entities could default on its contractual obligation to settle debts as they fall due resulting in financial impact on the Company.	We put credit limits in place with customers to ensure that significant debts are not allowed to build up with individual customers. We monitor outstanding debts on a customer-by-customer basis on a weekly basis. We monitor our exposure to individual customers to ensure that no single customer becomes a significant proportion of our revenue base.

Approved by the board on 14 May 2025 and signed on its behalf by:

Simon Hope
Director
14 May 2025

DIRECTORS' REPORT

The directors present their report and consolidated financial statements (the "financial statements") for the 52-week period ended 25 January 2025.

Directors of the Company

The directors who held office during the period and to the date of approval of the financial statements were as follows:

Jonathan Lawson
Simon Hope

Certain directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Incorporation and principal activities

Caledonia TLG Bidco Limited ("the Company", "the Group"), a private company limited by shares (Registered number 10246125) was incorporated in England and Wales on 22 June 2016 for the purposes of acquiring The Liberation Group Limited. The Liberation Group Limited was acquired by the Company on 8 September 2016 and the Group traded from that date. The financial statements cover the 52-week period from 27 January 2024 to 25 January 2025. Comparative figures represent the period from 28 January 2023 to 27 January 2024. The registered office of the Company is c\o Butcombe Brewery, Havyatt Road Trading Estate, Havyatt Road Wrington, Bristol, BS40 5PA.

The principal activities of the Company and its subsidiaries are the operation of pubs and inns, the wholesaling of wines, beers, spirits, soft drinks, tobacco products and snacks and the brewing of beer.

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Dividend

The directors do not recommend the payment of a dividend (*2024: none*).

Other information

An indication of likely future developments in the business, principal risks and uncertainties, and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report from page 3.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Butcombe Brewery
Havyatt Road Trading Estate
Havyatt Road
Wrington
Bristol
BS40 5PA

Simon Hope
Director
14 May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALEDONIA TLG BIDCO LIMITED

Opinion

We have audited the financial statements of Caledonia TLG Bidco Limited ("the Company") for the period ended 25 January 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 25 January 2025 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALEDONIA TLG BIDCO LIMITED (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to Brewing & Drinks revenue recognition based on historic knowledge over the entity's trading pattern and the low levels of revenue that were generated around the period end.

We also do not believe there is a fraud risk related to Pubs & Inns revenue, as any risk would manifest itself at the period end, and the quantum of revenue recognized in this period is not material, and for tenanted revenue within this wider revenue stream, revenue is based on underlying agreements with little risk of manipulation.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test for all full-scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual combinations.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALEDONIA TLG BIDCO LIMITED (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Identifying and responding to risks of material misstatement related to compliance with laws and regulations (continued)

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, GDPR compliance and employment and social security law recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALEDONIA TLG BIDCO LIMITED (CONTINUED)

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 21, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

Auditor's responsibilities (continued)

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

The purpose of our audit work and to whom we owe our responsibilities

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

NChrimes

Nathan Chrimes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

14 May 2025

Consolidated Statement of Comprehensive Income
for the 52 week period ended 25 January 2025

	Note	**52 week period ended 25 January 2025 £000**	52 week period ended 27 January 2024 £000
Turnover	*5*	**149,003**	144,369
Cost of sales	*5*	**(64,507)**	(64,708)
Gross profit		**84,496**	79,661
Distribution costs		**(774)**	(746)
Administrative expenses		**(88,352)**	(83,471)
Group operating (loss)	*6*	**(4,630)**	(4,556)
Fair value (loss) on financial instruments at fair value through profit or loss	*26*	**(138)**	(7)
Interest payable and similar charges	*10*	**(4,094)**	(4,144)
(Loss) before taxation		**(8,862)**	(8,707)
Tax (charge) / credit on loss	*11*	**(978)**	829
(Loss) after taxation		**(9,840)**	(7,878)

There are no items of other comprehensive income in either period. All amounts relate to continuing activities of the Group.

The notes on pages 33 to 61 form an integral part of these financial statements.

Consolidated Statement of Financial Position
At 25 January 2025

	Note	**25 January 2025**		27 January 2024	
		£000	**£000**	£000	£000
Fixed assets					
Intangible assets - Goodwill	*12*	**3,475**		4,823	
Tangible fixed assets	*13*	**178,874**		189,621	
			182,349		194,444
Current assets					
Stock	*15*	**6,384**		6,427	
Debtors (including £4,773,000 (*2024: £2,296,000*) due after more than one year)	*16*	**15,271**		10,883	
Cash at bank and in hand	*17*	**9,292**		6,836	
		30,947		24,146	
Current liabilities					
Creditors: amounts falling due within one year	*18*	**(24,681)**		(20,383)	
Financial instruments carried at fair value	*26*	**(1,659)**		(1,521)	
		(26,340)		(21,904)	
Net current assets			**4,607**		2,242
Total assets less current liabilities			**186,956**		196,686
Creditors: amounts falling due after more than one year	*19*		**(43,294)**		(42,991)
Deferred tax liability	*11*		**(215)**		(215)
Other provisions	*20*		**(1,161)**		(1,354)
Net assets			**142,286**		152,126
Capital and reserves					
Called up share capital	*21*		**441**		441
Share premium account	*21*		**174,585**		174,585
Profit & Loss account			**(32,740)**		(22,900)
Total shareholders' equity			**142,286**		152,126

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 14 May 2025 and were signed on its behalf by:

Simon Hope
Director

The notes on pages 33 to 61 form an integral part of these consolidated financial statements.

Company Statement of Financial Position
at 25 January 2025

	Note	**25 January 2025 £000**	27 January 2024 £000
Non – current assets			
Investment in subsidiary undertaking	*14*	**86,479**	83,951
		86,479	83,951
Current assets			
Debtors (including £124,683,000 (*2024: £123,171,000*) due after more than one year)	*16*	**124,714**	123,450
Cash and cash equivalents	*17*	**80**	126
Total current assets		**124,794**	123,576
Current liabilities			
Creditors: amounts falling due within one year	*18*	**(5,729)**	(3,320)
Financial instruments carried at fair value	*26*	**(8)**	-
Total current liabilities		**(5,737)**	(3,320)
Net current assets		**119,057**	120,256
Total assets less current liabilities		**205,536**	204,207
Creditors: amounts falling due after more than one year	*19*	**(43,221)**	(42,862)
Total net assets		**162,315**	161,345
Capital and reserves			
Called up share capital	*21*	**441**	441
Share premium account	*21*	**174,585**	174,585
Profit and loss account		**(12,711)**	(13,681)
Total Shareholders' equity		**162,315**	161,345

The notes on pages 33 to 61 form an integral part of these financial statements.

The Company reported a profit for the period ended 25 January 2025 of £970,000 (2024: £15,551,000 loss).

These financial statements were approved and authorised for issue by the board of directors on 14 May 2025 and were signed on its behalf by:

Simon Hope
Director

Company registered number: 10246125

Consolidated Statement of Changes in Equity
for the 52 week period ended 25 January 2025

2025	**Called up Share Capital**	**Share Premium**	**Profit and Loss Account**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 27 January 2024	441	174,585	(22,900)	152,126
Loss for the period	-	-	(9,840)	(9,840)
Balance at 25 January 2025	**441**	**174,585**	**(32,740)**	**142,286**

2024	**Called up Share Capital**	**Share Premium**	**Profit and Loss Account**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 28 January 2023	**441**	**174,585**	**(15,022)**	**160,004**
Loss for the period	-	-	(7,878)	(7,878)
Balance at 27 January 2024	**441**	**174,585**	**(22,900)**	**152,126**

The notes on pages 33 to 61 form an integral part of these financial statements.

Company Statement of Changes in Equity
for the 52 week period ended 25 January 2025

2025	**Called up Share Capital**	**Share Premium**	**Profit and Loss Account**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 27 January 2024	441	174,585	(13,681)	161,345
Profit for the period	-	-	970	970
Balance at 25 January 2025	**441**	**174,585**	**(12,711)**	**162,315**

2024	**Called up Share Capital**	**Share Premium**	**Profit and Loss Account**	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 28 January 2023	441	174,585	1,870	176,896
Loss for the period	-	-	(15,551)	(15,551)
Balance at 27 January 2024	**441**	**174,585**	**(13,681)**	**161,345**

The notes on pages 33 to 61 form an integral part of these financial statements.

Consolidated Statement of Cash Flows
for the 52 week period ended 25 January 2025

	Note	**52 week period ended 25 Jan 2025 £000**	52 week period ended 27 Jan 2024 £000
Operating activities			
Loss for the period after taxation		**(9,840)**	(7,878)
Adjustments for:			
Depreciation, amortisation and impairment	*6*	**16,728**	13,147
Loss on sale of fixed assets		**557**	216
Fair value loss on financial instruments	*26*	**138**	7
Interest payable and similar charges	*10*	**4,094**	4,144
Taxation	*11*	**978**	(829)
Changes for:			
Decrease / (increase) in net Stock		**43**	(122)
(Increase) / decrease in net Debtors		**(5,411)**	2,270
Increase / (decrease) in net Creditors		**3,245**	(476)
(Decrease) in provisions	*20*	**(232)**	(74)
(Increase) / decrease in net working capital		**(2,355)**	1,598
Net cash generated from operations		**10,300**	10,405
Interest paid		**(3,722)**	(3,365)
Tax received		**179**	685
Net cash from operating activities		**6,757**	7,725
Investing activities			
Purchase of tangible fixed assets	*13*	**(8,513)**	(12,312)
Proceeds from sale of tangible fixed assets		**4,377**	1,905
Net cash used in investing activities		**(4,136)**	(10,407)
Cash flow from financing activities			
Proceeds from drawing revolving loan facility		**2,000**	2,500
Repayment of revolving loan facility drawings		**(2,000)**	(2,500)
Finance lease payments		**(165)**	(153)
Net cash from financing activities		**(165)**	(153)
Increase / (decrease) in cash and cash equivalents		**2,456**	(2,835)
Cash and cash equivalents at 27 January 2024		**6,836**	9,671
Cash and cash equivalents at 25 January 2025		**9,292**	6,836

The notes on pages 33 to 61 form an integral part of these consolidated financial statements.

Notes to the Financial Statements

1 Reporting entity

Caledonia TLG Bidco Limited (the "Company"), a private company limited by shares, is registered in England and Wales, registration number 10246125. The Company is governed by the provision of the Companies Act 2006. The principal activities of the Company and its subsidiaries (together the “Group”) are the operation of pubs and restaurants, wholesaling of wines, beers, spirits, soft drinks, tobacco products and snacks and the brewing of beer in the Channel Islands and United Kingdom. The registered office of the Company is c\o Butcombe Brewery, Havyatt Road Trading Estate, Havyatt Road, Wrington, Bristol BS40 5PA.

2 Basis of accounting

These Group and Company financial statements give a true and fair view, comply with the Companies Act 2006 and were prepared in accordance with United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Basis of consolidation

The consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings as at and for the period ended 25 January 2025 and the comparative period is the 52 week period ended 27 January 2024. The acquisition method of accounting has been adopted for the acquisition of The Liberation Group Limited and for all acquisitions of shares and assets by the Group subsequently. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the Consolidated Statement of Comprehensive Income from the date of acquisition and up to the date of disposal. All intercompany accounts and transactions have been eliminated on consolidation.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except for derivative and other financial instruments which are accounted for on a fair value basis.

The directors of the Company have presented additional performance measures which they believe are relevant to an understanding of the Group’s financial performance which are not defined in FRS 102 and are therefore termed ‘non-GAAP’ measures. The Company’s definition of these terms may not be comparable with similarly titled performance measures and disclosures by other entities. Such non-GAAP measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure.

EBITDA is defined as the Group profit or loss before depreciation, amortisation, net finance expense and taxation. EBITDA is a common measure used by investors and analysts to evaluate the operating financial performance of companies. The directors consider EBITDA to be a useful measure of operating performance. This presentation is consistent with the way that financial performance is measured by management and reported internally and assists in providing a meaningful analysis of the trading results of the Group.

Accounting date

The consolidated financial statements are made up for the 52 week period ended 25 January 2025. Comparative figures represent the 52 week period ended 27 January 2024.

Notes to the Financial Statements (continued)

2 Basis of accounting (continued)

Going concern

The Group has reported a loss after tax for the period of £9,840,000 (2024: loss of £7,878,000). In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Group can continue in operational existence for at least twelve months from the date of approval of the financial statements.

At the period end, the Group has drawn down facilities (excluding loan arrangement fees) of £37,839,000 Facility B1 Loan and £6,312,000 Facility B2 Loan, across a syndicate of banks and an undrawn Revolving Credit Facility of £8,000,000 (see note 19 for details). The group's existing banking facility expires in January 2027, and the directors have commenced planning for the renewal of the facility. At the period end, the Group had cash at bank and in hand of £9,292,000, which sits at £9,854,000 as at 26 April 2025.

The Group has modelled financial projections for the going concern period, which is defined as the 15-month period from the date of these financial statements to July 2026, based upon two scenarios, the base case and the downside scenario.

Base case scenario: The "base case" to July 2026 indicates the group will have significant resources, to continue to settle its debts as they fall due and operate well within its covenants for the going concern assessment period. The base case is the Board approved FY2026 budget as well as an update to the FY2027 Business Plan both of which were completed in December 2024. The base case includes the adverse effects of the Chancellor's October 2024 budget including the impact of increased national minimum wage, the lowering of the Employers' National Insurance ("NI") thresholds and the increase in NI percentages. It also includes the impact of the Managed Estate investment plan which results in cash outflow in the near-term, generating EBITDA improvements by the end of FY26.

Downside scenario: The Group has also modelled downside scenarios whereby sales volumes drop by 3% in all divisions compared to the base case, and also assumes a 1% unbudgeted increase in the cost base of the Managed pubs across cost of goods sold ("COGS") and overheads. The downside scenario assumes a saving in COGS commensurate with the reduction in volumes and mitigating actions of a realistic saving in Managed pub labour costs based on past experience, plus an assumed saving in fixed asset spend from the base case scenario. Under this scenario, the Group will still have sufficient resources and headroom on its covenants throughout the assessment period.

The Group has also performed a reverse stress case which has shown that the Group could withstand a 4% fall in sales compared to the base case before the covenant levels would be exceeded on 31 January 2026. The stress test represents an 18% decline in the LTM EBITDA over the 9-month period from the date of signing these accounts and therefore the Directors believe this scenario to be remote.

Under both the base case and downside scenarios modelled, the Group would have sufficient headroom on its facilities throughout the going concern assessment period. Additionally, neither the downside scenario nor the reverse stress test includes additional mitigating factors which the Group have in their control, to either improve EBITDA or reduce net debt, such as disposals of licensed and unlicensed properties, reductions in development capex and further reductions in maintenance capex spend to only essential health and safety related expenditure. Furthermore, the group's actual performance in quarter 1 of FY2026 was ahead of the base case on sales, EBITDA and cash which has not been factored into any of these scenarios.

Under both the base case and downside scenarios, the Group is able to operate within its committed facilities. In the downside scenario the Net Leverage covenant comes under the greatest strain at the 31 January 2026 test date. Nevertheless, this Net Leverage covenant would continue to be met at all test dates under all the scenarios above. As a result, the directors consider that there is no material uncertainty about the Group's ability to comply with the banking covenants. The Group has strong long-term supportive relationships with its lending banks and remains in regular dialogue with them. The Directors have also determined that, over the period of the going concern assessment, there is not expected to be a significant impact on the Group because of climate change.

Based on this assessment, the directors consider it remains appropriate to prepare the financial statements on a going concern basis as the Group has sufficient financial resources to meet all liabilities as they fall due and comply with all bank covenants for at least 12 months from the date of approval of these financial statements. Accordingly, the directors have concluded that there is no material uncertainty regarding the use of the going concern assumption and have prepared the financial statements on a going concern basis.

Notes to the Financial Statements (continued)

3 Significant accounting policies

The Group has applied the following accounting policies to the period presented in these consolidated financial statements.

Consolidation

'Subsidiaries' are investees controlled by the Company. The Company 'controls' an investee when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable.

The Company's subsidiary undertakings are detailed in note 14.

Intercompany balances and profit or losses resulting from intragroup transactions have been eliminated on consolidation.

Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration; plus
- the fair value of any equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the Statement of Financial Position as negative goodwill.

Goodwill and intangible assets

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

Other intangible assets that are acquired by the Group are tested for impairment in accordance with Section 27 of FRS 102, Impairment of Assets, when there is an indication that goodwill or an intangible asset may be impaired.

Goodwill is derecognised on disposal of the business combination on which it arose or when no future economic benefits are expected from its use or disposal. The gain or loss on the derecognition of goodwill is recognised in profit or loss when the item is derecognised.

Tangible fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises: its purchase price including transaction costs, trade discounts and rebates; costs directly attributable to bringing it to the location and condition necessary for it to operate as intended; and related borrowing costs.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Notes to the Financial Statements (continued)

3 Significant accounting policies (continued)

Tangible fixed assets and depreciation (continued)

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives or depreciation rates used are as follows:

Freehold buildings	-	50 years with 80% residual value
Leasehold land and buildings	-	life of lease
Brewery Plant	-	5%
Casks*	-	10%
Other assets*	-	20-33%

* These are reported within the "Fixtures, Fittings & Other" category within note 13.

When assets are acquired in the course of a business combination they are depreciated on the cost to the Group and their useful life is reassessed.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits. The cost will equate to the fair value of the tangible fixed assets at the date of acquisition.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on the derecognition of tangible fixed assets is recognised in profit or loss when the item is derecognised.

Asset retirement obligations

As part of its property leasing arrangements, the Group has an obligation to return some properties to their original conditions. Where the Group has conducted significant leasehold improvements, it has an obligation to remove these improvements. The present value of the expected cost is capitalised as a part of the leasehold improvement asset.

Foreign currencies

Transactions in foreign currencies are recorded using an average rate for the period. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the date of purchase and the gains or losses on translation are included in profit or loss.

Post-retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to profit or loss represents the contributions payable to the scheme in respect of the accounting period.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Notes to the Financial Statements (continued)

3 Significant accounting policies (continued)

Basic financial instruments

Basic financial instruments include cash and cash equivalents, debtors, loans receivable and payable, and creditors.

Recognition and measurement

Basic financial instruments are recognised initially at transaction price. Trade debtors are recognised less attributable transaction costs and creditors are recognised plus attributable transaction costs.

Bank loans received at a market rate of interest are recognised at the amount of the cash received from the bank less separately incurred transaction costs. Finance payments associated with financial liabilities are dealt with as part of interest expense and similar charges.

Subsequent to initial recognition basic financial instruments are measured at amortised cost using the effective interest method, less any impairment losses in the case of financial assets at amortised cost.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment in the case of a financial asset.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Other financial instruments recognised at fair value

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and
- hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments are initially measured at fair value on the date on which a contract is entered into and are subsequently measured at fair value by mark to market method and any changes in valuation are accounted through profit or loss. Such instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Group uses interest rate swaps to hedge interest rate exposure and currency forward contracts to hedge currency exposure.

The group recognises a liability at fair value under a Phantom Equity Plan established as deferred consideration for the Cirrus group acquisition. The liability is remeasured at each balance sheet date using an arm's length valuation with changes recognised in profit and loss.

Notes to the Financial Statements (continued)

3 Significant accounting policies (continued)

Turnover

Sale of goods

The Group measures revenue at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the Group.

The following criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, usually on delivery of the goods, when the amount of revenue can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the Group and when the costs incurred or to be incurred in respect of the transaction can be measured reliably. Turnover excludes sales between Group companies.

Rental income

Income from tenancies is recognised in profit or loss on a straight line basis over the lease term. When the Group provides incentives to its tenants the incentive is recognised over the term, on a straight line basis, as a reduction of rental income.

Provision of services

Accommodation revenue is recognised on a daily basis based on occupancy at the agreed price net of discount and sales taxes.

Expenses

All expenses, including cost of sales, administration and similar charges are accounted for on an accruals basis.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the amount receivable. Grants relating to revenue are recognised in income in the period in which the income is receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Interest

Interest income and expense are recognised on an accruals basis, using the effective interest method.

Dividend Income

Dividend income is recognised on the date the Company’s right to receive payment is established.

Notes to the Financial Statements (continued)

3 Significant accounting policies (continued)

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Recognised deferred tax assets are measured at the tax rates enacted or substantively enacted at the period end and represent those amounts that are probable of realisation taking into account management's estimates of future taxable profit. In determining estimates of future taxable profit against which the deductible amounts can be utilised, the directors have considered the existence of taxable timing differences that will reverse in the same period that deductible amounts will reverse. Amounts recognised have been booked on the basis that group relief will be paid for across the group. Deferred tax balances are not discounted.

Provisions for liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Related parties

The Group discloses transactions with related parties which are not wholly owned within the Group. It does not disclose transactions with members of the Group that are wholly owned.

Share based payments

The Group issues Growth Shares to executives of the Company for consideration at nominal value which is below the accounting fair value of the instrument at the date of issue. The Group has calculated a share based payment expense in relation to these Growth Shares relating to the Group's employees and deemed that both the share based payment charge and note disclosures are not considered material to the financial statements.

Notes to the Financial Statements (continued)

4 Use of judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the balance sheet date and income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

Impairment of individual pub income generating units

- The Group considers whether tangible fixed assets are impaired which requires estimation of future cash flows, growth rates and judgement of appropriate discount rates in order to determine the net present value of future cash flows. The key assumptions within the calculation include:
    - Discount rate of 12.0% (2024: 11.3%);
    - Detailed cash flows for four (2024: two) financial periods from balance sheet date at an individual pub cash generating unit;
    - Terminal value at year five assuming a 2% (2024: 2%) perpetual growth rate.
- The impairment charge calculated is sensitive to the figures used for the key assumptions as shown in the table below:

Sensitivity	Increase in impairment charge £000
1% pt increase in discount rate to 13.0%	1,883
1% pt reduction in long term growth rate to 1.0%	1,402
5% reduction in Fair Value less Cost of Disposal	470

In the process of applying the Group's accounting policies, management have made the following critical judgements, which have the most significant effect on the amounts recognised in the financial statements:

- The estimated useful life and estimated residual values of freehold property are estimated after taking into consideration the type of asset and industry practice. The residual values used in the depreciation calculation for freehold property is 80% of carrying values. If residual values or useful lives are lower than estimated this may lead to an increase in depreciation.
- In management's judgement no other intangible assets other than goodwill on prior year acquisitions exist in the financial statements as no value can be reliably attributed to any other class of intangible assets.
- The 10-year period that goodwill is written down over is deemed to be a reliable estimate of its useful economic life ("UEL"), which does not exceed the maximum UEL as outlined per FRS102.
- Management have exercised their judgement in deciding whether pub acquisitions made during prior periods are considered trade purchases of assets and liabilities or business combinations. Management have concluded that such purchases are business combinations because the pubs are all operating businesses at the point of acquisition. The recognition of business combinations requires the excess of the purchase price over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the statement of comprehensive income.

Notes to the Financial Statements (continued)

4 Use of judgements and estimates (continued)

- 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, including an assessment of the fair value of fixtures and fittings acquired in addition to the freehold property value. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement, supported by industry specialist advisors where material.
- The group has approximately £10.5m (2024: £8.3m) of future tax deductions on carried forward tax losses of approximately £41.9m (2024: £33.3m) in UK subsidiary companies as at the balance sheet date. Management have estimated the utilisation of these losses by forecasting UK taxable profits over a five-year period using assumptions consistent with those used for impairment assessments, then applying a gradually reducing probability weighted assessment as the date of recovery is further from the balance sheet date. This has resulted in a recognition of a deferred tax asset on losses of £4,200,000 (2024: £3,908,000) at the balance sheet date. The estimation of future cash flows and growth rates and the tax treatment of future transactions requires significant judgements. Actual results could differ significantly from these estimates and management have allowed for this sensitivity by applying probability weightings to the estimated amount of recovery. Part of the deferred tax asset on UK company losses offsets the deferred tax liability on the revaluation of tangible fixed assets at acquisition (see note 11).
- Management have exercised judgement in performing an arm's length valuation of the liability arising under the Phantom Equity Plan at balance sheet date (see note 26) as this is recognised as a financial instrument measured at fair value but there is no publicly traded price of the relevant shares in the Company to which the liability is linked. Management has based its arm's length valuation on the most recent calculation of the enterprise value of Butcombe Group, used by Caledonia Investments plc to value its holding in the group for the purposes of its own financial statements, less net debt at the balance sheet date to estimate the value of each class of share should a capital event such as a transfer of the shares occur on the balance sheet date. This methodology is consistent with that used in the initial assessment of fair value.

Within the Company only financial statements, the recoverability of the investment in the subsidiary undertaking, The Liberation Group Limited, and recoverability of amounts due from group undertakings has been considered in light of the underlying profitability, asset base and valuation potential of the Company's subsidiary undertakings as a whole, operating as a pub and brewing business.

During the period, management identified indicators for impairment for the subsidiary. Accordingly, management estimated the recoverable amount by estimating both Value In Use and Fair Value Less Costs To Sell. The recoverable amount was estimated based on the Fair Value Less Costs To Sell, which took into account externally verifiable benchmarks including:

- Multiples paid in recent acquisitions of publicly quoted per companies applied to the group's historic Group EBITDA;
- The Enterprise Value at which the group's majority shareholder values its investment in the group's parent company Caledonia TLG Limited: and
- The group's recent valuation of the pub estate by CBRE.

In the current financial period the recoverable amount was assessed to be higher than the carrying amount. In the prior financial period the estimated recoverable amount was calculated to be lower than the carrying amount and consequently an impairment in the carrying value was recorded in the prior period of £18,462,000.

The assumptions used within the impairment calculation are very sensitive to the figures used, especially the discount rate and the EBITDA growth rate after five years in the Value In Use calculation and the implied EBITDA multiple in the assessment of Fair Value Less Costs To Sell.

Notes to the Financial Statements (continued)

5 Turnover & Cost of Sales

Turnover analysis	**2025 Group £000**	2024 Group £000
By Division		
Pubs & Inns	**86,003**	81,334
Brewing & Drinks	**63,000**	63,035
	149,003	144,369
By Geographical destination		
United Kingdom	**82,846**	79,066
Channel Islands	**66,157**	65,303
	149,003	144,369
Cost of sales analysis		
Pubs & Inns	**18,368**	17,708
Brewing & Drinks	**46,139**	47,000
	64,507	64,708

Pubs & Inns turnover includes rental income of £2,217,000 from pubs operated as tenancies (*2024: £2,441,000*).

6 Group operating (loss)

	2025 Group £000	2024 Group £000
Included in operating loss are the following charges/(credits):		
Operating leases - plant and machinery	**10**	94
Operating leases - other assets	**3,675**	3,180
Loss on disposal of tangible fixed assets	**557**	216
Depreciation of owned assets	**10,826**	9,274
Depreciation of leased assets	**861**	838
Impairment of tangible fixed assets	**4,020**	2,660
Impairment reversal of tangible fixed assets	**(327)**	(830)
Amortisation of goodwill	**1,184**	1,205
Impairment of goodwill	**164**	-
Non-recurring costs incurred in the period include:		
Restructuring costs	**319**	467
Costs of exiting discontinued tenancies	**-**	83
Costs of exiting other discontinued contractual arrangements	**-**	31
Non-recurring professional fees	**94**	-
Acquisition related transitional costs	**240**	439
Onerous lease provision	**-**	259
Launch costs	**85**	577
Project consulting costs	**359**	99
UK onerous electricity and gas contract costs	**-**	1,766
Professional fees on hive-up of Cirrus net assets to Butcombe	**-**	271
	1,097	3,992

Non-recurring costs relate to exceptional, one-off or non-recurring items or other items of an unusual nature:

- Restructuring Costs include costs of redundancy and other termination payments to employees and associated legal costs plus recruitment costs of replacements.
- Costs of exiting discontinued tenancies in the prior period related principally to payments to two exiting tenants in Jersey and Guernsey.

Notes to the Financial Statements (continued)

6 Group operating (loss) (continued)

- Costs of exiting other contractual arrangements in the prior period represents penalty payments to exit non-productive and dual running supply contracts relating to obsolete supply arrangements resulting from the Cirrus acquisition.
- Non-recurring professional fees relate to legal, financial and other professional fees incurred on projects including property valuations performed on an ad-hoc basis.
- Acquisition related transitional costs comprise consulting fees and costs of incremental transitional roles focused on integrating the Cirrus pubs into Butcombe/Liberation.
- Onerous lease provision in the prior period represented a provision for the net unavoidable costs under the lease of a vacant office building in Guernsey.
- Launch costs represent the costs of re-launching pubs upon reopening after a refurbishment following an acquisition or a transfer between managed and tenanted formats.
- Project consulting costs represent one-off consulting fees and fixed term roles to support business change programmes, including the creation of the Butcombe Boutique Inns brand and other Value Driver initiatives.
- UK onerous electricity and gas contract costs in the prior period related to the exceptional, non-recurring element of the contracts signed in October and November 2022 at the height of the energy crisis for electricity and gas respectively. The exceptional element of these contract costs was calculated by taking actual consumption for the period starting 1 April 2023 and ending at the contract end date of 30 September 2023 for electricity and 15 November 2023 for gas, and multiplying by the difference between the actual price paid after government discounts and the price at which a contract was entered into for the same period in 2024 (FY25).
- Costs relating to the hive-up of the trade and assets of Cirrus Inns Limited and Farm Street Inns Limited to Butcombe Brewery Limited in the prior period comprised legal, tax consulting and compliance and audit fees.

7 Auditor's remuneration

	2025 Group	2024 Group
Fees payable to the auditor for the audit of the financial statements of:		
The Group	**72**	60
Subsidiary companies	**123**	128
Total auditor's remuneration	**195**	188

The auditor provided no non-audit services in the period (*2024: none*)

Notes to the Financial Statements (continued)

8 Particulars of employees

The average number of persons employed by the Group (including directors) during the period, analysed by category was as follows:

	2025 Group	2024 Group
Management and administrative	**103**	97
Sales and sales support	**40**	39
Brewers and distribution staff	**112**	112
Public house staff	**1,600**	1,560
	1,855	1,808

The aggregate payroll costs were as follows:

	2025 Group £000	2024 Group £000
Wages and salaries	**41,499**	38,761
Social security costs	**3,126**	2,844
Contributions to defined contribution pension schemes	**796**	689
	45,421	42,294

Company

There were no staff costs for the period ended 25 January 2025 (*2024: none*) as there were no employees in either period.

9 Directors Remuneration

	2025 Group £000	2024 Group £000
Remuneration (including benefits in kind)	**643**	648

The highest paid director received remuneration of £388,000 (2024: £398,000). The value of the Group's contribution paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2024: £Nil)

The average number of directors of the Company during the period was 2 (*2024: 2*).

The remuneration received by the directors for their services rendered to the company totalled £1,000 *(2024: £1,000)* and was borne by another entity within the Group. No amounts have been cross charged in relation to these emoluments.

Notes to the Financial Statements (continued)

10 Interest payable and similar charges

	Group	Group
	2025	2024
	£000	£000
On bank loans and bank facilities	**3,675**	3,726
Amortisation of loan arrangement fees	**359**	357
Finance lease interest	**21**	22
Unwind of discount on provisions (note 20)	**39**	39
Total interest on financial liabilities at amortised cost	**4,094**	4,144

11 Taxation

Total tax expense / (credit) recognised in the profit and loss account	**Group Period ended 25 January 2025 £000**	Group Period ended 27 January 2024 £000
Current tax		
Channel Islands tax charge	**200**	168
UK Corporation tax charge	**-**	-
Adjustment in respect of prior periods	**18**	(262)
Total current tax charge / (credit)	**218**	(94)
Deferred tax		
Origination and reversal of timing differences	**760**	-
Recognition of previously unrecognised timing differences and losses carried forward	**-**	(735)
Total deferred tax charge / (credit)	**760**	(735)
Tax charge / (credit) on loss	**978**	(829)

Notes to the Financial Statements (continued)

11 Taxation (continued)

Reconciliation of effective tax rate

The tax charge / (credit) for the period is higher than *(2024: lower than)* the standard rate of corporation tax in the UK. The group is subject to corporate tax in the UK at the rate of 25% (*2024: 23.98%* which reflected the blended rate in the period of the 25% rate (effective 1 April 2023) which was substantially enacted on 17 March 2021).

	Group Period ended 25 January 2025 £000	Group Period ended 27 January 2024 £000
(Loss) after tax	**(9,840)**	(7,878)
Taxation charge / (credit)	**978**	(829)
(Loss) before taxation	**(8,862)**	(8,707)
Corporation tax at standard rate of 25% *(2024: 23.98%)*	**(2,216)**	(2,088)
Effects of:		
Income not taxable	**(854)**	(1,008)
Expenses not deductible	**2,352**	1,802
Adjustments in respect of prior periods	**18**	(262)
Recognition of previously unrecognised timing differences and losses carried forward	**-**	(735)
Movement in unrecognised deferred tax asset	**1,678**	1,462
Total tax credit	**978**	(829)

The effective rate of tax is -11.0% (2024: 9.5%).

Group

Recognised deferred tax balances consist of the following assets/(liabilities):

	Assets		**Liabilities**		**Net**	
	2025	2024	**2025**	2024	**2025**	2024
	£000	£000	**£000**	£000	**£000**	£000
Accelerated capital allowances	**-**	-	**(236)**	-	**(236)**	-
Other timing differences	**114**	91	**-**	-	**114**	91
Arising on business combinations	**-**	-	**(2,544)**	(1,705)	**(2,544)**	(1,705)
Unused tax losses	**4,200**	3,908	**-**	-	**4,200**	3,908
Net deferred tax asset/(liability)	**4,314**	3,999	**(2,780)**	(1,705)	**1,534**	2,294

The balances above are presented as a deferred tax asset of £1,749,000 *(2024: £2,509,000)* (as per note 16) and a deferred tax provision of £215,000 *(2024: £215,000)* as these represent the net positions in different jurisdictions, with the net settlement of these balances expected in each jurisdiction.

The group has £10,466,000 (2024: £8,334,000) of future tax deductions on carried forward tax losses of £41,865,000 (2024: £33,337,000) in UK subsidiary companies as at the balance sheet date. Of these, £4,200,000 (2024: £3,908,000) have been recognised as shown above, leaving unrecognised deferred tax assets on carried forward losses amounting to £6,266,000 at 25 January 2025 (*2024: £4,426,000*) on gross losses of £25,072,000 (2024: £17,704,000). The deferred tax assets relating to the UK tax jurisdiction have been recognised using a rate of 25%.

Notes to the Financial Statements (continued)

11 Taxation (continued)

The deferred tax liability arising on business combinations relates to freehold property is not expected to be paid in cash unless any of the acquired pubs are sold by the group and there are no current plans to do so.

Company

Recognised deferred tax balances of the Company consist of the following assets/(liabilities):

	Assets		**Liabilities**		**Net**	
	2025	2024	**2025**	2024	**2025**	2024
	£000	£000	**£000**	£000	**£000**	£000
Unused tax losses	**507**	772	**-**	-	**507**	772
Net deferred tax asset	**507**	772	**-**	-	**507**	772

Unrecognised tax effected losses amounted to £1,265,000 at 25 January 2025 (*2024: £871,000*) on gross losses of £5,059,000 *(2024: £3,484,000)*.

12 Intangible assets

Group

Cost	**Goodwill £000**
At 27 January 2024 and 25 January 2025	12,145
Amortisation	
At 27 January 2024	7,322
Amortisation for the period	1,184
Impairment of goodwill	164
At 25 January 2025	8,670
Carrying amount	
At 25 January 2025	**3,475**
At 27 January 2024	4,823

Goodwill is considered to represent the upside potential which acquired pubs provide to the company by virtue of changing the brand and offer to the Liberation or Butcombe proposition, the opportunity to develop the pubs to attract additional new customers and the ability to generate profit by selling own brewed beer and factored products at a profit to these pubs. Given that the ability to continue to supply OBV and factored goods to the pubs is under the control of the group and is not expected to diminish in value, it is considered that a reliable estimate of the useful life of goodwill can be made at 10 years. Therefore, goodwill arising on all acquisitions is amortised over 10 years.

The impairment of goodwill of £164,000 related to the goodwill recognised on the acquisition of two pubs from The OHH Pub Company Limited.

Notes to the Financial Statements (continued)

13 Tangible fixed assets

Group

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Fixtures, fittings and other	Total
	£000	£000	£000	£000	£000
Cost					
At 28 January 2024	165,786	15,728	8,718	45,952	236,184
Reclassification	(35)	-	-	35	-
Additions	6	111	548	8,902	9,567
Disposals	(8,414)	-	-	(1,058)	(9,472)
At 26 January 2025	157,343	15,839	9,266	53,831	236,279
Depreciation and impairment					
At 27 January 2024	12,931	5,911	5,180	22,541	46,563
Charge for the period	615	861	771	9,440	11,687
Impairment	3,843	177	-	-	4,020
Impairment reversal	(255)	(72)	-	-	(327)
Disposals	(3,768)	-	-	(770)	(4,538)
At 26 January 2025	13,366	6,877	5,951	31,211	57,405
Carrying amount					
At 25 January 2025	**143,977**	**8,962**	**3,315**	**22,620**	**178,874**
At 27 January 2024	152,855	9,817	3,538	23,411	189,621

Tangible fixed assets are carried at historical cost and are not revalued. Tangible fixed assets acquired in a business combination transaction are recorded at the fair value at the date of acquisition, which is determined to be its cost. In the case of freehold and leasehold land and buildings the assessment of fair value includes an estimate of the market value of the property on the basis of existing use, including the use of independent valuers where material.

For the period ended 25 January 2025, management determined that an impairment of certain land and buildings within the portfolio was required having regard to proposed sales and their assessment of the higher of value in use and recoverable amount following an impairment review. This review took into account a valuation performed by CBRE of the entire pub estate in January 2025. This valuation by CBRE were prepared on a Fair Value basis in accordance with the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement ("the Red Book") as at the date of valuation.

Certain properties included within tangible fixed assets have been pledged as security for the bank debt outlined in note 19. At period end the net book value of the assets pledged under the new financing agreement was £127,042,000 (2024: £136,544,000).

In the period ended 25 January 2025, management determined that the circumstances that led to the recognition of certain impairments booked in prior years were no longer prevalent. The reversed impairments were initially recognised following underperformance of specific pubs, however, operational changes since that point have led to improved performance and higher net present values of future cash flows.

At 25 January 2025, the gross carrying amount of motor vehicles leased under a finance lease was £429,000 (2024: £477,000), and accumulated depreciation relating to the same assets was £218,000 (2024: £150,000).

Notes to the Financial Statements (continued)

14 Investment in subsidiary undertaking

Company

	2025	2024
	£000	£000
Cost		
At start of financial period	**83,951**	102,413
Transfer from intercompany debtor (see note below)	**2,528**	-
Impairment of investment	-	(18,462)
At end of financial period	**86,479**	83,951

In historic accounts, the Company had incorrectly treated £2.5m transaction costs which arose on the acquisition of The Liberation Group Limited within intercompany debtors. The Directors do not consider the effect on the prior period financial statements to be material, and therefore this has been corrected in the current period and moved to investments.

During the prior period management identified indicators for impairment of investments in subsidiaries. Accordingly, management estimated the recoverable amount. The recoverable amount was estimated based on its value in use, based on management's intention for the operating business owned by the subsidiary, estimated using discounted cash flows (See note 4). The estimated recoverable amount was calculated to be lower than the carrying amount and consequently an impairment in the carrying value was recorded in the prior period of £18,462,000.

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of shares capital are as follows:

Subsidiary undertakings	*Registered Office*	*Holding*	*Proportion of voting rights and shares held*	*Principal activity*
The Liberation Group Limited	Tregear House, Longueville Road, St Saviour, Jersey, JE2 7WF	Ordinary	100%	Holding company of a pub and brewery group

The principal undertakings of The Liberation Group Limited (all of which are wholly owned with a period end accounting date of 25 January 2025) are as follows:

Company name		**Principal activity**
Principal subsidiary undertakings		
Jersey		
The Liberation Pub Company (Jersey) Limited		Intermediate holding company
Guernsey		
The Liberation Pub Company (Guernsey) Limited		Intermediate holding company
United Kingdom	**UK Company Registry Number**	
The Liberation Group UK Limited (i)	09253325	Intermediate holding company

Notes to the Financial Statements (continued)

14 Investment in subsidiary undertaking (continued)

Company name	**Principal activity**
Other subsidiary undertakings	
Jersey	
A E Smith & Son Limited	Brewery
A.S.B.M. Limited	Tenanted pub company
A.S.B.O. Limited	Managed pub company
A.S.B.T. Limited	Managed pub company
Aurora Hotel Limited	Tenanted pub company
Bath Street Wine Cellar Limited	Tenanted pub company
Brasserie du Centre Limited	Tenanted pub company
Caesarea Hotel Limited	Tenanted pub company
Café de Paris (Jersey) Limited	Managed pub company
Channel Wines & Spirits (Jersey) Limited	Tenanted pub company
Citann Limited	Property holding company
Cosy Corner (Jersey) Limited	Managed pub company
Craig Street Brewing Company Limited	Dormant company
Don Inn (Jersey) Limited	Managed pub company
Evenstar Limited	Managed pub company
Exeter Hotel (Jersey) Limited	Tenanted pub company
Farmers Inn Limited	Tenanted pub company
Five Oaks Hotel Limited	Managed pub company
Foresters Arms (Jersey) Limited	Dormant company
Gimbels (Jersey) Limited	Tenanted pub company
Glo'ster Vaults Limited	Tenanted pub company
Great Union Hotel (Holdings) Limited	Tenanted pub company
Great Western Hotel (Jersey) Limited	Tenanted pub company
Horse & Hound (Jersey) Limited	Tenanted pub company
John Tregear Limited	Property holding company
La Cave des Vins Limited	Tenanted pub company
La Rocque Enterprises Limited	Property holding company
La Rocque Inn (Jersey) Limited	Tenanted pub company
Lapwing (Trading) Limited	Public House operator
Le Hocq Hotel Limited	Managed pub company
Longueville Distributors Limited	Tobacco distributor
Mary Ann Products (Jersey) Limited	Managed pub company
Mitre Hotel (Jersey) Limited	Tenanted pub company
Nightbridge Limited	Property holding company
Old Court House (St. Aubin) 1972 Limited	Managed pub company
Parade Hotel (Jersey) Limited	Tenanted pub company
Peirson (1971) Limited	Tenanted pub company
Puffin NewCo Limited	Dormant company
Red Lion Limited	Managed pub company
Robin Hood (Jersey) Limited	Tenanted pub company
S.L. Limited	Tenanted pub company
Square Limited	Property holding company
St John's Hotel Limited	Tenanted pub company
Stag Hotel (Jersey) Limited	Tenanted pub company
Sussex Hotel Limited	Tenanted pub company
The Independent Brewing Company Limited	Dormant company
The Post Horn Limited	Managed pub company
Trafalgar Hotel (Jersey) Limited	Tenanted pub company
Union Inn (Jersey) Limited	Tenanted pub company
Victor Hugo Limited	Drinks wholesale business
Victoria (Valley) Limited	Tenanted pub company

Notes to the Financial Statements (continued)

14 Investment in subsidiary undertaking (continued)

Company name		**Principal activity**
Other subsidiary undertakings		
Jersey		
Victoria Hotel (Jersey) Limited		Tenanted pub company
Wellington Hotel Limited		Tenanted pub company
Wests Cinemas Limited		Tenanted pub company
Other subsidiary undertakings		
Guernsey		
Bucktrout & Company Limited		Drinks wholesale business
Captains Holdings Limited		Property holding company
Divette Holdings Limited		Property holding company
Guernsey Leisure Company Limited		Licence holding company
Guppy's Holdings Limited		Property holding company
Guppy's of Guernsey Limited		Tobacco distributor
Hautville Limited		Property holding company
Les Garcons Limited		Property holding Company
Ship Holdings Limited		Property holding company
The Guernsey Brewery Co. (1920) Limited		Pub operating company
White Hart Limited		Tenanted pub company
Marais Hall Limited		Tenanted pub company
United Kingdom	**UK Company Registry Number**	
Butcombe Brewing Company Limited (i)	04631172	Holding Company
Butcombe Brewery Limited	04631145	Brewing and pub operating company
Cirrus Inns Holdings Limited (i)	07680490	Holding Company
Cirrus Inns Limited (i)	07680497	Pub operating company
Farm Street Inns Limited (i)	08337916	Pub operating company
M Still Catering Limited	02901063	Dormant company
The Royal Oak Inn Trading Limited	04516182	Dormant company

(i) These UK subsidiary companies will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the 12 month period ending 25 January 2025.

15 Stock

	Group 2025 £000	Group 2024 £000
Raw materials and consumables	**902**	788
Finished goods and goods for resale	**5,482**	5,639
	6,384	6,427

Notes to the Financial Statements (continued)

16 Debtors

	Group 2025 £000	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Trade debtors	**6,401**	5,080	**-**	-
Other debtors	**746**	477	**-**	-
Prepayments and accrued income	**3,126**	1,872	**-**	-
Amounts owed by group undertakings:				
Butcombe Brewery Limited	**-**	-	**102,637**	100,545
The Liberation Group (UK) Limited	**-**	-	**21,512**	21,995
Amounts due from parent companies	**3,249**	682	**58**	58
Tax receivable – group loss relief	**-**	263	**-**	80
Deferred tax asset (note 11)	**1,749**	2,509	**507**	772
	15,271	10,883	**124,714**	123,450
Due within one year	**10,498**	8,587	**31**	279
Due after more than one year	**4,773**	2,296	**124,683**	123,171
	15,271	10,883	**124,714**	123,450

Of the deferred tax asset, amounts due after one year were £1,524,000 (*2024: £1,853,000*) in the Group accounts and £476,000 (*2024: £573,000*) in the Company accounts)

Included within the amount owed by The Liberation Group UK Limited falling due after more than one year is £16,233,000 (2024: £16,383,000) which is repayable in full on 8 September 2026 and bears interest at SONIA plus the relevant Credit Adjustment Spread + 3.5% per annum.

Trade debtors includes £2,000 (2024: £nil) owed from Woolpack Operating Company Limited ("WOCL"), a company which operates The Woolpack Inn and of which a director of the company is a director.

The amounts owed by group undertakings are repayable on demand and currently are interest free. As shown above, certain of these balances are expected to be recovered in more than one year from the balance sheet date.

17 Cash and cash equivalents

	Group 2025 £000	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Cash at bank	**9,292**	6,836	**80**	126

Notes to the Financial Statements (continued)

18 Creditors: amounts falling due within one year

	Group	Group	**Company**	Company
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Amounts owed to group undertakings:				
The Liberation Group UK Limited	**-**	-	**1,612**	1,612
The Liberation Group Limited	**-**	-	**1,033**	1,139
Amounts owed to parent undertaking	**2,528**	-	**2,528**	-
Trade creditors	**7,891**	8,440	**-**	-
Obligations under finance leases	**52**	161	**-**	-
Other taxation and social security	**2,640**	3,012	**-**	-
Corporation Tax	**419**	285	**-**	-
Other creditors and accruals	**11,151**	8,485	**556**	569
	24,681	20,383	**5,729**	3,320

The amounts owed to The Liberation Group UK Limited, The Liberation Group Limited and to the parent undertaking are all repayable on demand and non-interest bearing.

19 Creditors: amounts falling due after more than one year

	Group	Group	**Company**	Company
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Bank loans	**43,221**	42,862	**43,221**	42,862
Finance leases	**73**	129	**-**	-
	43,294	42,991	**43,221**	42,862

Notes to the Consolidated Financial Statements (continued)

19 Creditors: amounts falling due after more than one year (continued)

Group and Company

2025 Lender	Revolving Credit Loan £000	Facility B1 Loan £000	Facility B2 Loan £000	Total £000
HSBC Bank plc	-	12,613	2,104	14,717
National Westminster Bank plc	-	12,613	2,104	14,717
Santander UK plc	-	12,613	2,104	14,717
	-	37,839	6,312	44,151
Loan arrangement fees				(930)
Net bank loans				43,221
Due within one year				-
Due after more than one year				43,221

2024 Lender	Revolving Credit Loan £000	Facility B1 Loan £000	Facility B2 Loan £000	Total £000
HSBC Bank plc	-	12,613	2,104	14,717
National Westminster Bank plc	-	12,613	2,104	14,717
Santander UK plc	-	12,613	2,104	14,717
	-	37,839	6,312	44,151
Loan arrangement fees				(1,289)
Net bank loans				42,862
Due within one year				-
Due after more than one year				42,862

Terms of debt instruments

(i) The following represents the terms of the Bank loans at the balance sheet date:

The Bank loans bear interest at SONIA plus a margin between 2.75-3.75% dependent on certain conditions, principally based on achieving set leverage ratios, within the terms of the Group's Senior Facilities Agreement. The margin varied between SONIA + 3.25% and SONIA +3.50% per annum during the period. Both B1 Loan and Facility B2 are repayable in full at the termination date of the facility in January 2027.

The group has entered into certain derivatives to manage the interest rate exposure on the Term debt as explained in note 26.

The Revolving Credit Facility ("RCF") on the facility is £10,000,000. £2,000,000 has been carved out to provide a guarantee facility, leaving £8,000,000 remaining undrawn at the date of approval of the financial statements. During the period total cumulative drawings under the RCF amounted to £2,000,000 *(2024: £2,500,000)* which were fully repaid within the period (2024: fully repaid).

Notes to the Consolidated Financial Statements (continued)

19 Creditors: amounts falling due after more than one year (continued)

Excluding the amortisation of loan arrangement fee, the total amounts repayable are £nil (2024: £nil) within one year and £44,151,000 (2024: £44,151,000) between one and five years.

The bank loans are secured by charges on the Group's freehold properties in the Channel Islands and United Kingdom.

20 Provisions

Group

	Asset retirement obligations	Dilapidations	Onerous lease	Total
	£000	£000	£000	£000
At 27 January 2024	434	209	711	1,354
Reductions credited to fixed assets as disposals	(13)	-	-	(13)
Reductions credited to P&L	-	(1)	(43)	(44)
Costs charged against the provision	-	-	(175)	(175)
Unwind of discount	15	7	17	39
At 25 January 2025	436	215	510	1,161

Asset retirement obligations

As part of its property leasing arrangements, the Group has an obligation to return some properties to their original conditions. Where the Group has conducted significant leasehold improvements, it has an obligation to remove these improvements. The present value of the expected cost is capitalised as a part of the leasehold improvement asset. The provision is expected to be utilised at the end of the respective leases between 2025 and 2054.

Dilapidations provision

As part of the Group's property leasing arrangements there is an obligation to repair damages which occur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between 2025 and 2054 as the leases terminate.

Onerous lease provision

Where leasehold properties become vacant, the Group provides for all expected costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision is expected to be utilised over the life of the related lease to 2031.

Notes to the Financial Statements (continued)

21 Share Capital and Share Premium

	2025 No.	**2025 £000**	2024 No.	2024 £000
Share Capital				
Allotted, called up and fully paid shares				
Ordinary shares of £0.01 each	**44,146,104**	**441**	44,146,104	441

Share Premium

	2025 £000	2024 £000
At 27 January 2024 and 25 January 2025	**174,585**	174,585

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

22 Contingent liabilities

As at the balance sheet date, the Group had indemnified HSBC Bank plc in respect of guarantees given by the bank in the sum of £1,800,000 (2024: 1,800,000) to Guernsey Customs & Excise and of £120,000 (2024: £120,000) to HMRC.

23 Carrying amounts of financial assets and liabilities

Group

2025	**Financial assets at amortised cost £000**	**Financial liabilities at amortised cost £000**	**Financial assets at fair value through P&L £000**	**Financial liabilities at fair value through P&L £000**
Debtors	10,395	-	-	-
Cash at bank & in hand	9,292	-	-	-
Creditors	-	(24,628)	-	-
Loans, borrowings & finance leases	-	(43,346)	-	-
Other financial instruments	-	-	-	(1,659)
	19,687	(67,974)	-	(1,659)

Notes to the Consolidated Financial Statements (continued)

23 Carrying amounts of financial assets and liabilities (continued)

2024	**Financial assets at amortised cost £000**	**Financial liabilities at amortised cost £000**	**Financial assets at fair value through P&L £000**	**Financial liabilities at fair value through P&L £000**
Debtors	6,239	-	-	-
Cash at bank & in hand	6,836	-	-	-
Creditors	-	(20,222)	-	-
Loans, borrowings & finance leases	-	(43,152)	-	-
Other financial instruments	-	-	-	(1,521)
	13,075	(63,374)	-	(1,521)

Company

2025	**Financial assets at amortised cost £000**	**Financial liabilities at amortised cost £000**	**Financial liabilities at fair value through P&L £000**
Debtors:			
The Liberation Group UK Ltd	16,233	-	-
Butcombe Brewery Ltd	102,637	-	-
Caledonia TLG Ltd	58	-	-
The Liberation Group UK Ltd	5,279	-	-
Cash at bank & in hand	80	-	-
Creditors:			
Bank Loans	-	(43,221)	-
The Liberation Group Ltd	-	(1,033)	-
The Liberation Group UK Ltd	-	(1,612)	-
Caledonia TLG Midco Limited	-	(2,528)	
Loan Interest Accruals	-	(556)	-
Other financial instruments	-	-	(8)
	124,287	(48,950)	(8)

2024	**Financial assets at amortised cost £000**	**Financial liabilities at amortised cost £000**	**Financial liabilities at fair value through P&L £000**
Debtors:			
The Liberation Group UK Ltd	16,383	-	-
Butcombe Brewery Ltd	100,545	-	-
Caledonia TLG Ltd	58	-	-
The Liberation Group UK Ltd	5,612	-	-
Cash at bank & in hand	126	-	-
Creditors:			
Bank Loans	-	(42,862)	-
The Liberation Group Ltd	-	(1,139)	-
The Liberation Group UK Ltd	-	(1,612)	-
Loan Interest Accruals	-	(587)	-
Other financial instruments	-	-	-
	122,724	(46,200)	-

Notes to the Consolidated Financial Statements (continued)

24 Pension scheme

Defined contribution pension scheme

The Group operates defined contribution pension schemes in the Channel Islands and in the United Kingdom. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £796,000 (*2024: £689,000*). No contributions were payable by the company (2024: £Nil).

Contributions amounting to £158,000 (*2024: £150,000*) were payable to the schemes at 25 January 2025 and are included in other creditors and accruals. No contributions were payable by the company (2024: £Nil).

25 Commitments

Group

Capital commitments in respect of capital projects (property, plant and equipment) at the end of the financial period, for which no provision has been made, are as follows:

	2025	2024
	£000	£000
Contracted	187	-

Future minimum lease payments at the end of the reporting period, for each of the following periods:

	2025	2024
Amounts due on operating leases:	**Land and buildings £000**	Land and buildings £000
Within one year	**3,181**	3,441
In the second to fifth years inclusive	**11,763**	12,349
Over five years	**32,170**	30,970

Future minimum lease receivables under non-cancellable operating leases are as follows:

	2025	2024
Income due on operating leases:	**Land and buildings £000**	Land and buildings £000
Within one year	**1,870**	2,246
In the second to fifth years inclusive	**4,173**	4,855
Over five years	**1,836**	1,347

Company

There were no commitments within the Company (2024: none)

Notes to the Consolidated Financial Statements (continued)

26 Financial instruments at fair value

(Liability) / asset	**Group 2025 £000**	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
Interest rate swaps (i)	**(8)**	-	(8)	-
Forward foreign exchange contracts (i)	**-**	(5)	-	-
Phantom Equity Plan liability (ii)	**(1,651)**	(1,516)	-	-
	(1,659)	(1,521)	(8)	-
Disclosed as:				
Current assets	**-**	-	-	-
Current liabilities	**(1,659)**	(1,521)	(8)	-

Group

	At 27 Jan 2024 £000	**P&L (charge)/credit £000**	**At 25 Jan 2025 £000**
Interest rate swaps	-	(8)	(8)
Forward foreign exchange contracts	(5)	5	-
Phantom Equity Plan liability	(1,516)	(135)	(1,651)
	(1,521)	(138)	(1,659)

Company

	At 27 Jan 2024 £000	**P&L (charge) £000**	**At 25 Jan 2025 £000**
Interest rate swaps	-	(8)	(8)

(i) Interest rate swaps (Group and Company)

The company entered into two interest rate swaps during the period as follows:

	Notional Amount £000	**Fixed Rate**	**Floating Rate**	**Start Date**	**Termination Date**	**Fair Value**
Interest rate swap	22,075	4.207%	SONIA	01-Feb-24	28-Feb-26	29
Interest rate swap	22,075	4.454%	SONIA	01-Feb-24	28-Feb-26	(37)
						(8)

Notes to the Consolidated Financial Statements (continued)

26 Financial instruments at fair value (continued)

(ii) Forward foreign exchange contracts (Group only)

As at 25 January 2025 there were no forward contracts in place.

During the prior financial period, the Group entered into a forward foreign exchange contract to manage its exposure to foreign exchange rate movements on its euro expenditure. Details of contracts in place at 27 January 2024 are as follows:

2024	Original Notional Amount	Notional amount at 29 January 2022	Fixed Rate	Market rate at 29 January 2022	Start Date	Termination Date	Fair Value
	€000	€000					£000
Forward foreign exchange contract	210	210	1.1360	1.1701	17-May-23	15-Apr-24	(5)

(iii) Phantom Equity Plan liability (Group only)

As part of the consideration for the acquisition of the shares in Cirrus Inns Holdings Limited in December 2022, the Company's subsidiary Butcombe Brewery Limited created a Phantom Equity Plan under the terms of which it will pay the recipients a cash payment equal to the proceeds of sale of B ordinary and A3 Growth shares in the Company's intermediate parent, Caledonia TLG Limited, upon a capital event. The value of the liability under the Plan at acquisition date was measured by reference to an arm's length valuation of the B ordinary and A3 Growth shares at acquisition date consistent with the fair value attributed to the shares issued to Cirrus Liberation LP. The liability is reassessed at each balance sheet date by the directors using a valuation of the B ordinary and A3 Growth shares which resulted in a £135,000 charge to the Income statement (see note 4).

27 Notes to the cash flow statement – analysis of changes in net debt

Group

	At 27 Jan 2024	Cash flows	Other non-cash changes	At 25 Jan 2025
	£000	£000	£000	£000
Cash and cash equivalents				
Cash	6,836	2,456	-	9,292
Borrowings				
Debt due within one year	(161)	109	-	(52)
Debt due after one year	(42,991)	56	(359)	(43,294)
	(43,152)	165	(359)	(43,346)
Total	(36,316)	2,621	(359)	(34,054)

Non-cash movements represent increases in net debt arising from the amortisation of arrangement fees (£359,000).

Notes to the Consolidated Financial Statements (continued)

28 Related party transactions

Caledonia Investments plc, which is the ultimate controlling party of the Group (see note 29) receives a fee in respect of the services of directors it appoints to the Board of the parent Company pursuant to the Articles of Association of the parent Company. The fee payable in respect of the period ended 25 January 2025 amounted to £196,000 including reimbursement for expenses in the period (*2024: £201,000*).

At the date of signing these financial statements, the shares of the parent undertaking Caledonia TLG Limited held by directors of the Company were: 6,578 B Ordinary Shares (*2024:6,578*), 22,383 A Growth Shares (*2024:22,383*), 82,420 A1 Growth Shares (*2024:82,420*), 32,468 A2 Growth Shares *(2024: 32,468)*, 48,241 B Growth Shares (*2024: 48,241*) and 2,376 C Growth Shares (*2024: 2,376*).

The group provided management services to the value of £43,000 (2024: £62,000) to Woolpack Operating Company Limited ("WOCL"), a company which operates The Woolpack Inn and of which a director of the parent company is a director. WOCL owed Butcombe Brewery Limited, a subsidiary of the group, £2,000 at the balance sheet date (2024: £1,000).

The group also provided goods to the value of £3,000 (2024: £nil) to Starstock Group Limited, of which a director of the ultimate parent company is a director. Starstock Group Limited did not owe the company any debt at the balance sheet date (2024: £nil).

During the period, two directors acquired loans totalling £6,000 to acquire bicycles under the Cycle to Work scheme operated by subsidiary company Butcombe Brewery Limited. These loans were both fully repaid prior to the balance sheet date.

Other than the transactions disclosed above, the Company's other related party transactions were with wholly owned subsidiaries (the balances of which are disclosed in notes 16 and 18 respectively).

29 Ultimate controlling party

The immediate controlling party is Caledonia TLG Midco Limited, a company incorporated in Jersey.

The ultimate controlling party is Caledonia Investments Plc, a company incorporated in England and Wales. Copies of the accounts of Caledonia Investments Plc are available at the Registered Office, Cayzer House, 30 Buckingham Gate, London, SW1E 6NN.

The largest group in which the results of the group owned by the Company are consolidated is that headed by Caledonia TLG Limited, incorporated in Jersey.