wagamama

Annual Report 2024

Wagamama (Holdings) Ltd

Contents

1 Wagamama (Holdings) Ltd. The Wagamama Group includes the Company and its consolidated subsidiaries.

About us

Wagamama is the leading pan-Asian casual dining operator in the United Kingdom, offering value, quality and healthy dishes at our 'wagamama' branded restaurants.
Our first restaurant opened in Bloomsbury in London in 1992. Since then, we have grown to 166 locations in the United Kingdom and 63 restaurants across 18 other countries as of 29 December 2024, including eight in the United States.




Business review

Business activities

We directly run all our restaurants in the United Kingdom and the United States and operate a franchise model at our other international locations. Our restaurants offer an extensive menu with over 100 items, a pan-Asian style and healthy options throughout, including a wide range of plant-based choices. Our heritage Japanese-style communal dining and kaizen (or 'good change') philosophy are central to our brand, which drives innovation and fosters a culture of continuous improvement.

Our restaurants attract a broad range of customer segments, including young customers with a focus on delivery, students seeking affordable options, families, young, environmentally conscious, urban professionals, and older, more affluent customers who seek a superior experience and premium offerings.

Market review

During 2024, we finally started to see food inflation easing in our primary market in the UK although the upward pressure on wage costs continued with a further significant increase in the National Minimum Wage. The positive impact of interest rate reductions on consumer sentiment was also quickly eroded by the autumn budget statement with concerns surrounding the impact of employers' national insurance increases on wage growth, employment and broader investment.

Although the economic backdrop remains challenging, we continue to focus on food quality and great customer service, while managing our cost base efficiently to maintain margins. We have continued our measured approach to new store openings while investing in new technology to support customer initiatives, such as our loyalty scheme, soul club.

Strategy

We believe that pan-Asian cuisine is uniquely positioned to benefit from enduring consumer trends. These include a growing preference for healthy ingredients, increasing demand for diverse ethnic cuisines, and opportunities for frequent menu innovation with new and seasonal dishes.

We are the United Kingdom's longstanding leader in pan-Asian cuisine. Since our founding in 1992, we have grown to become the largest-scaled nationwide pan-Asian brand based on the number of restaurants, with 166 locations across the United Kingdom as of 29 December 2024.

We have developed a reputation for consistently offering our customers high-quality food in a contemporary, sophisticated environment. The nature of our offering enables us to capitalise on consumer trends, such as the transition towards localised delivery markets and the focus on healthy and fresh food served quickly. Our scale creates significant competitive advantages, including increasing our brand awareness, creating economies of scale, increasing operational efficiency and elevating barriers to entry.
Our brand has consistently resonated with consumers, supported by strong awareness and loyalty.

Business review continued

The business has a consistent and strong track record of market like-for-like sales outperformance, which continued in 2024 with like-for-like sales growth of +2.8%, representing continued outperformance versus the market (as measured by the CGA Coffer Business Tracker). Customer ratings have remained excellent, with December 2024 average NPS scores of +42 (as measured by BrandVue) positioning Wagamama as one of the top two casual dining chain brands in the UK.

The key activities during the year driving the Wagamama performance were:

- **Menu innovation:** In 2024, we launched a number of exciting new innovations for our guests, including the May introduction of a premium trade-up dish, the duck saku saku soba, which achieved 3.9% participation within the first three months, making it our fifth-highest selling main in this period. In October, we invested into the shareables category, launching three variants of hot honey chicken and a vegan version achieving a combined participation of 8.5%, and a lighter snack of koko 'prawn' crackers which delivered 3.9% participation. This saw our sides participation following the October menu launch grow from 67.0% to 76.8% (+9.8%). The hot honey chicken has become one of our highest performing dishes with a VFM score of 94.2% and had the highest satisfaction score of 2024 with 96.6%.
- **Focus on guest loyalty and rewards:** In July 2024, we launched our first ever loyalty programme, 'soul club', a unique app-led platform where members can earn stamps for free menu items, and receive access to exclusive food-led content, events and giveaways. This programme was introduced to say thank you to our guests, and incentivise repeat visits and brand engagement. By the end of 2024 we achieved over 800,000 sign ups.
- **Culture-charged marketing:** In 2024, our marketing strategy was to drive long-term brand growth and saliency, talkability and short-term sales growth. We introduced culturally relevant and credible food influencers including Alfie Steiner and Rahel Stephanie, and continued to invest in our student community through a high-reaching partnership with GK Barry, supported in paid media. We remained front of mind across the year with paid media across radio, digital and social, showcasing our menu innovation, new soul club loyalty programme, cookbook launch and Deliveroo partnership.
- **Community-first activations:** Charitable partnerships and community activations remained a focal point across the year, which included the introduction of a partnership with mental health charity Shout, featuring a £40,000 donation and event activation support across the year. We worked with the charity Only A Pavement Away to organise a Wagamama and TRG sponsored walk, raising them over £15,000. We also continued to have a presence in our communities with the regional marketing plan, and delivered support for community-based charities via our bowl to soul fund, including the London LGBTQ Centre, The Spencer Trust, Everyone on Boards and more.

Growth opportunities

Wagamama UK new openings

Wagamama continues to grow the number of restaurants in the UK, while remaining focused on the existing estate. The new site opening programme allows the business to grow the size of its estate year-on-year on a selective basis while ensuring that new sites deliver attractive returns. In 2024, Wagamama opened ten new sites in line with the proven strategy of finding sites that have multiple reasons for guests to visit, including shopping destinations and entertainment hubs, or virgin territory where Wagamama does not currently operate. Wagamama has a strong pipeline of future sites and in 2025 will open six new sites, including two in Dublin and one in Belfast. Wagamama has previously operated in both Northern Ireland and Ireland via a franchise partnership, however these sites will be company owned. The other sites include a city in the north of England where there is currently no Wagamama located, a newly built premium designer shopping outlet and a shopping park on the outskirts of a major city.

Wagamama US

Our US business was previously managed through a 17.5% investment in a US associate entity, Wagamama USA LLC, which had full control of the operations of the US business.

On 28 May 2024, we acquired the 82.5% interest held by the majority investor, CVC Ramen LLC, thereby bringing our US locations under full control of the Group.

Wagamama international franchise

At year end, our Wagamama franchise business comprised 55 sites across Europe and the Middle East. We opened five new international sites in 2024, with openings in the UAE, Italy, Cyprus, Greece and Malta. We are exploring opportunities to further accelerate our international footprint including signing a deal to enter the Indian market through airports and expect to open several new sites in 2025.

Financial review

In 2024, the Wagamama Group achieved an 8.2% increase in revenues and expanded its restaurant estate by adding ten new sites in the UK. The Group also completed the acquisition of CVC Ramen LLC's stake in our United States associate on 28 May 2024, bringing eight Wagamama restaurants in the US under our direct control.

The statutory results have been prepared on a continuing operations basis.

The key statutory financial measures are summarised below and are stated after the impact of exceptional costs and on a continuing operations basis. Operating profit before exceptional items and the impact of lease remeasurements (IFRS 16 adjustments) grew year on year due to strong revenue growth, good operating controls and some early benefits realised from our margin improvement initiatives. Exceptional items in total were £43.3m, an increase of £37.8m as a result of higher impairment charges, driving the decrease in statutory operating profit:

Statutory results

	52 weeks ended 29 Dec 2024 £m	52 weeks ended 31 Dec 2023 £m
Revenue	501.5	463.5
Operating profit	15.2	52.5
Profit / (Loss) before tax	(12.4)	31.5
Profit/(Loss) after tax	**(22.9)**	19.7

Revenue

In 2024, the Wagamama Group increased revenue by 8.2% to £501.5m from £463.5m. Company-operated revenue in our restaurant business in the United Kingdom increased 6.1% to £487.2m from £459.2m. This was due to a combination of the incremental revenue generated from new site openings as well as the like-for-like sales growth of 2.8% in the year.

Following the acquisition of Wagamama USA LLC on 28 May 2024, the Group recognised revenue in our restaurant business in the United States of £10.3m.

Cost of sales before exceptional items

Cost of sales increased 8.7% to £420.3m from £386.6m. This was primarily due to increased sales levels.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 34% to £22.6m from £16.9m. This increase was mainly driven by an increase in pre-opening costs associated with the increase in new site openings, as well as now incorporating the head office costs from our US business.

Exceptional administrative expenses

Exceptional administrative expenses increased to £43.3m from £5.4m. This was primarily due to the impairment of goodwill following the acquisition of the remaining equity stake in our US associate. While the current five-year forecast does not support the full recovery of the goodwill, necessitating a non-cash impairment charge, we remain confident in the long-term potential performance and value this acquisition brings to our business as we implement our plans to bring in new leadership, evolve the proposition to better adapt to the local US market and refine our site selection strategy.

Net finance costs

Net finance costs increased 19.4% to £27.7m from £23.2m in 2023. This was primarily due to an increase in the principal amounts due from parent undertakings.

Cash flow

Net cash flow from operating activities was £63.3m (2023: £50.9m). This increase was driven by strong total revenue growth and effective operating cost controls, driving good cash flow conversion.

Net cash outflows from investing activities increased by 51.2% to £42.5m (2023: £28.1m) as a result of increased investment in the estate including ten new restaurant openings compared to six in the prior year.

Net cash flows from financing activities were £20.1m (2023: £19.9m), arising from repayments of lease obligations.

Summary cash flow for the year is set out below:

	52 weeks ended 29 Dec 2024 £m	52 weeks ended 31 Dec 2023 £m
Cash generated from operations	74.5	60.7
Net interest paid	(11.2)	(9.8)
Net cash flow from operating activities	**63.3**	50.9
Capital expenditure	(35.9)	(24.5)
Purchase of intangibles	(4.3)	(2.2)
Other[1]	(2.4)	(1.3)
Net cash flows from investing activities	**(42.6)**	(28.0)
Repayment of obligations under leases	(20.1)	(19.9)
Net cash flows from financing activities	**(20.1)**	(19.9)
Foreign exchange movement	0.0	–
Net increase/(decrease) in cash and cash equivalents	**0.6**	3.0
Cash and cash equivalents at the beginning of the year	9.4	6.4
Cash and cash equivalents at the end of the year	**10.0**	9.4

1 Relates to loans made to the associate and the US acquisition costs.

Tax

The Group recorded a taxation charge of £10.4m on a pre-tax loss of £12.4m arising in respect of its continuing operations (2023: £11.8m tax credit).

Despite the loss incurred during the year, the tax charge is driven by the underlying taxable profits. The main driver of the loss is the impairment of the goodwill and related property, plant and equipment and right of use assets acquired as part of the acquisition of Wagamama US. These impairment costs are disallowable for tax purposes or not recognised for deferred tax purposes. This resulted in an ETR higher than the statutory rate of UK corporation tax of 25% as set out in Note 9.

Section 172 statement

Background

During the reporting year, Wagamama was managed as part of the wider TRG Group along with the other TRG business divisions. This statement provides details of how the TRG Directors considered the interests of key stakeholders and the broader matters set out in section 172(1)(a) to (f) of the Companies Act in respect of the Wagamama business.

Regular Board activities

s.172 consideration	Example Board actions
(a) the likely consequences of any decision in the long term	Under its Schedule of Matters Reserved, the TRG Board had responsibility for setting the objectives and strategy of the wider Group, focused on its long-term, sustainable success and on generating value for shareholders and benefits for other stakeholders and wider society. Each year, the TRG Board reviews and considers the strategy and three-year plans for Wagamama and its other business divisions as well as reviewing the strategic direction of the TRG Group as a whole.
(b) the interests of the Company's employees	The TRG Board was responsible for setting and monitoring the culture of all its business divisions, including Wagamama, during 2024. Health and Safety statistics are a standing item on Board agendas, and employee issues are considered as part of the strategic reviews noted above, as well as monthly at Wagamama executive team meetings.
(c) the need to foster the Company's business relationships with suppliers, customers and others	Customer satisfaction scores and customer engagement metrics were considered by the Board as part of its review of individual division strategies throughout the year. The Group CFO meets with the top three suppliers annually, or as required by the Group Procurement Director, to ensure strategic plans are aligned. TRG engages with peers through its membership of UK Hospitality and the Zero Carbon Forum.
(d) the impact of the Company's operations on the community and the environment	The TRG Board received updates twice a year on the activities of the Company's Preserving the Future Steering Committee, whose members include the CEO, the CFO and the Divisional CEOs/MDs. The Committee is responsible for the delivery of the sustainability and climate change agenda and meets once a quarter to provide direction and review progress.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	TRG and Wagamama have clear policies and processes covering anti-bribery and corruption, whistleblowing and other ethical issues, which were reviewed and approved by the TRG Board and published on the corporate website. Any potential and actual conflicts of interest at Board level are all recorded, monitored and managed by the Legal & Governance function.
(f) the need to act fairly as between members of the Company	Wagamama (Holdings) Ltd has a single shareholder within the Group. The Company does not have different types of shares with different voting or capital rights. Representatives from Apollo, Wagamama's ultimate controller, sit on the main TRG Board.

Principal risks and uncertainties

Risk management process

During 2024, key business risks were managed at TRG level through the Senior Management Risk Committee, which supported and assisted the TRG Board in its oversight of the risk exposures of the Group and future risk strategy. Following a corporate restructuring in early 2025, risk processes for the wider TRG Group and the individual constituent divisions are under review, with changes due to be implemented later in 2025. As part of that project, detailed risks specific to the Wagamama business (which will also feed into the ongoing overall TRG risk management process) are being reviewed and assigned to individual owners within the business. Those risks and the associated mitigations and controls will be reviewed by the Wagamama executive team every six months, as well as considered, where required, at the Committee.

The Senior Management Risk Committee maintains a watch on emerging risks, as well as those relating to climate change and the environment, to ensure that the appropriate steps are taken at the right time. The potential impacts of climate change on the business are recorded with a register managed by TRG's ESG function and are currently acknowledged within the key risks as part of TRG's broader supply chain risks. The key material risk areas are listed below, together with the main controls and mitigations that are in place:

Risk area	Mitigating factors
Consumer demand and economic climate	
• Ongoing impact from cost-of-living increases and inflation levels and global economic changes • Impact from competitors in the hospitality market and changes in consumer preference and choices • Risks from expansion of estate, especially internationally	• Ongoing focus on ensuring value for money offering across the brands with regular price benchmarking against competitors • Ongoing focus on guest satisfaction scores and ratings • Weekly trading meetings to review and assess any adaptation required to trading plans • Monthly business reviews for each division, which are then circulated to TRG Board • Wagamama executive team undertakes monthly reviews of trading and competitor data, including by reference to CGA tracker, BrandVue and HDI • Launch of Wagamama soul club loyalty programme
Supply chain and cost inflation	
• Increases in cost of goods sold inflation due to commodity, labour, distribution and utilities cost rises within the supply chain, including due to world events such as the Russia-Ukraine war • Increased labour costs due to Employer National Insurance and National Minimum Wage increases from April 2025 • Higher sourcing costs/supply issues for ingredients caused by increased climate-related extreme weather events impacting harvests • Possible impact from imposition of global tariffs	• Streamlined supply base • Identifying and delivering against a pipeline of commercial opportunities which includes bringing new suppliers to market • Dual sourcing of essential products • Monthly reviews in place with key partners to monitor performance • Inflation tracked by brand with monthly sign off in place tracking forecast vs actuals • All anticipated energy consumption for next 12 months hedged as from April 2025 • Review and potential adaptation of menus

Principal risks and uncertainties continued

Risk area	Mitigating factors
Cybersecurity and data • Risk of cyber or other incident leading to data loss or corruption, disruption of services or reputational damage • Loss or leak of customer or other personal data leading to reputational damage and/or enforcement fines	• Vulnerability assessments conducted monthly, and remediation works undertaken by IT department • Cyber Essentials gap analysis conducted annually • Annual penetration tests for all external services and regular phishing tests • Cyber insurance in place • Enhancement/expansion of privacy team resources • Clear lines for privacy governance and accountability through Privacy Committee
Allergens • Serious allergen incident involving adverse customer reaction or death as a result of failure of procedures on site or incorrect ingredient data being provided by suppliers	• Detailed database built up by ingredient/supplier and testing process including physical verification • Allergy advice and information available on websites and menus • Staff training focused on asking about allergies, allergen controls and reinforcing best practice • Weekly monitoring of training status for current and new employees, with compliance statistics sent out to the operations teams • Food technical team operate scheduled supplier checks • Any allergen incidents are reported to the Board as part of compliance report • Allergen incidents investigated and tracking of incidents to identify trends/issues and mitigate quickly
Employee recruitment and retention • Failure to attract, retain or develop colleagues	• Continued improvement of onboarding and induction process, focused on the first 90 days of employment • Employee turnover and other people metrics are reviewed monthly by the Wagamama executive team and the TRG Executive Directors • Leadership development and management programmes • Extension of apprenticeship schemes across brands • Ongoing focus on wellbeing and mental health as part of the employee proposition

Non-financial and sustainability information statement: Climate-related financial disclosures

The content in this section includes details of the climate-related risks and opportunities relevant to the Wagamama group, as required by the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022.

Governance

During the reporting year, Wagamama (Holdings) Ltd was fully owned by The Restaurant Group Ltd ('TRG') and consolidated within the TRG Group accounts. As a result, the Board of Wagamama (Holdings) Ltd placed reliance on its parent company for maintaining an effective system for managing risks, including climate-related risks. The TRG Board delegated some of its responsibilities in relation to governance of climate-related risks and opportunities to the management Risk Committee and the Steering Committee ('SteerCo') of its Preserving the Future ESG Programme.

Risk identification and management, integration into overall risk management process

Climate-related risks and opportunities are identified and updated quarterly by our ESG function through horizon scanning activity with reference to external sources and in consultation with the business. Understanding of the risks was further developed through a scenario analysis activity conducted in Q1 2024 (see p9 for further detail).

During the reporting year, climate-related risk management was fully integrated into the overall risk management process of TRG, with a dedicated risk register and representation at Risk Committee meetings, which are chaired by the TRG Group CFO, who also acts as a Director of Wagamama (Holdings) Ltd. The risk register identifies gross risk, likelihood of occurrence, mitigating controls and potential financial impact. Each risk is assigned a business owner who is responsible for monitoring the risk and undertaking mitigating actions where appropriate. Where required, specific action points are agreed at Risk Committee meetings. Climate-related risks and opportunities also inform activities within our ESG programme, which is overseen by a SteerCo chaired by the TRG Group CEO. The SteerCo meets quarterly and provides bi-annual updates to the Board.

Principal climate-related risks and opportunities

The principal climate-related risks and opportunities arising in connection with the operations of the Restaurant Group, including Wagamama, are outlined in the table below, along with mitigating actions in place or being considered. We also include the assessment of the potential financial impact on the Group in the short, medium and long term under two different climate scenarios considered: a 'below 2 degrees' scenario in which there are higher transition risks, and a '3 degrees+' scenario in which there is rapid warming, with higher physical climate-related risks.

Impact is assessed with reference to three time periods: short (0-3 years to align with the period considered in the budgeting cycle), medium (3-7 years to capture transition risks and opportunities and long (7+ years to capture physical risks and opportunities and align with longer-term liabilities). Financial impact ranges used are aligned with those used in TRG's risk management process for 2024, with 'high' representing a material impact on profitability at Group level, 'high-medium' representing a moderate impact on profitability at Group level or a material impact on specific areas of the business, 'low-medium' reflecting a limited impact on profitability at Group level or moderate impact on specific areas of the business, and 'low' representing very limited impact on profitability at Group level or limited impact on specific areas of the business.

Given that the climate-related risks and opportunities are similar across TRG's operating segments, of which Wagamama is the largest, the Directors' view is that the assessment of financial impacts remains appropriate to the Wagamama (Holdings) Ltd entity on a standalone basis.

As set out on the following pages, climate change will present both risks and opportunities to our business in the short, medium and longer term, in the form of physical and transition risks and opportunities. These feed into the development of our ESG programme and our business plans more broadly.

Climate-related financial disclosures continued

Risks and opportunities

		Potential financial impact (pre-mitigation)			
Risk/ opportunity type & description	Example mitigating actions being taken/considered as part of strategy development	Scenario	Short term	Medium term	Long term
Climate Physical Risk (acute or chronic): Higher sourcing costs and supply issues for ingredients caused by increase in extreme weather events, environmental degradation impacting harvests, and transportation disruption.	• Dual sourcing of key ingredients • Maintaining a large UK stock holding to mitigate international supply disruption • Purchasing team track and budget for impact of low yield harvests • Investigating options with suppliers for vertical farming (fresh produce), and regenerative agriculture See also mitigating factors included re supply chain inflation risk on p5	1.5-2°C	HM	H	H
		3°C+	HM	H	H
Climate Physical Risk (acute): Increased climate change-related extreme weather events in the UK (e.g. heatwaves, floods, storms) causing reduced footfall, site closures and impacting staff travel and wellbeing.	• Proactive maintenance, including fit for summer/winter programmes • Flood risk assessed on all sites, and new site criteria considers flood risk; business continuity plans in place • Experience of adapting menus to suit warmer conditions	1.5-2°C	L	HM	HM
		3°C+	L	HM	H
Climate Transition Risk: Costs of transitioning from gas to electric. To decarbonise our sites, we need to transition from gas to electric, supply upgrades are sometimes needed, and electricity is currently more expensive than gas in UK.	• Phased plan for electrification to spread costs (and Wagamama new sites all electric as default where grid capacity permits) • Energy efficiency technology installed where possible to reduce running costs • Landlords contribute to cost of supply upgrades where possible • Monitoring government plans to 'rebalance' gas/electric costs, and upgrade grid	1.5-2°C	LM	HM	LM
		3°C+	LM	LM	LM
Climate Transition Risk: Reputational/market risk of failing to meet sustainability commitments and decarbonise in line with net zero trajectory and stakeholder expectations (e.g. customers, colleagues, large landlords, etc.)	• 2040 target aligned with hospitality sector and adjacent sectors (BRC, NFU), and developing plans to ensure decarbonisation built into business strategy • Education and support for suppliers on data collection/decarbonisation • Wagamama 50% vegan/vegetarian menu • Partnership with menu carbon data provider to ensure carbon considered as part of menu development	1.5-2°C	LM	LM	LM
		3°C+	L	LM	HM

Climate-related financial disclosures continued

Risk/ opportunity type & description	Example mitigating actions being taken/considered as part of strategy development	Potential financial impact (pre-mitigation)			
		Scenario	Short term	Medium term	Long term
Climate Transition Risk (Policy): Introduction of policy measures targeting carbon emissions and wider environmental impacts, e.g. carbon tax on operational emissions or high emission inputs, products or transport (fertiliser, plastic, beef, shipping), or changes to waste/recycling systems.	• Electric kitchens default for new UK Wagamama sites from 2024 (where grid capacity permits) • Developing phased plan for electrification to reduce potential future liability around gas • Working with suppliers to reduce emissions of products supplied • Developing plant-rich and lower carbon options on our menus; climate training for chefs	1.5-2°C	LM	HM	H
		3°C+	L	LM	LM
Opportunity to attract more climate and nature-aware customers in response to changing customer preferences (e.g. towards plant-based dishes).	• See actions above re reputational/ market risk	1.5-2°C	LM	HM	HM
		3°C+	L	LM	LM
Opportunity to attract and retain employees who want to work for a company taking positive action on climate/other ESG issues.	• Increasing employee communications and engagement activity re sustainability	1.5-2°C	LM	HM	HM
		3°C+	L	LM	LM
Opportunity to reduce emissions and costs through investment in energy efficient equipment, energy saving and waste reduction measures.	• Piloting and rolling out proven technology to reduce energy usage • Targets built into waste services provider contract for increased recycling rates	1.5-2°C	L	L	LM
		3°C+	L	L	L

Qualitative scenario analysis

To improve understanding of potential climate-related risks and opportunities under different scenarios The Restaurant Group completed a qualitative scenario analysis in Q1 2024. This work informed the further development of our climate risk register, and will feed into future strategy development, and business planning.

Our scenario analysis qualitatively considered one transition scenario and one physical scenario, over three time horizons described on page 10, to 2040. Exploring the potential impacts under a 'below 2 degrees' transition scenario in which there is rapid decarbonisation, and a '3 degrees+' physical scenario in which there is rapid warming, enables us to 'stress test' our business operations and strategy.

The exercise considered all TRG operating segments, including Wagamama, and colleagues from each operating segment were engaged in sessions to review and assess the potential material impacts (risks and opportunities), and the strategic response options available for their respective business areas under each scenario. The eight Wagamama US sites (as at end 2024), which were only partially traded under Wagamama (Holdings) Ltd ownership in 2024, were excluded from the scenario analysis on the basis of materiality.

For each risk and opportunity identified, the likelihood of occurrence, and the potential level of financial impact were assessed at Group level, for each of the scenarios and time horizons. The respective scoring was guided with reference to criteria defined in the Group risk management process. Assessment of financial impact qualitatively considered the potential impact on financial performance (revenue, expenditure), and the resulting financial position for the Group. This enabled us to assess our resilience under the two pathways explored.

Scenario assumptions

Assumptions for each scenario were defined with reference to two Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenarios, an authoritative third-party source that is widely used and may facilitate comparability. The scenarios include a 2 degree or lower scenario and are sufficiently varied to cover a range of future outcomes, in line with CFD guidance.

Climate-related financial disclosures continued

Scenario assumptions overview

Scenario	**Below 2 degrees scenario** Global warming is limited to 1.5-2°C above pre-industrial levels by 2100.	**3 degrees+ (current policies) scenario** Global warming rises to 3-4°C above pre-industrial levels by 2100.
Primary source	**NGFS Net Zero 2050 Scenario** Phase IV release, November 2023 *Net Zero 2050 is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050. The UK reaches net zero for all GHGs by 2050.*	**NGFS Current Policies Scenario** Phase IV release, November 2023 *Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks. Emissions rise until 2080, leading to 3°C of warming and severe physical risks. This includes irreversible changes, such as higher sea level rise.*
Potential impacts	Higher level of transition risks • Immediate policy reaction; stringent measures introduced • Fast technology change • Severe weather events increase, but rate of change starts to slow in long term • Behaviour change, including partial shifts towards lower-emission diets; increased awareness and support for climate action	Higher level of physical risks • Current policies only; no further strengthening • Slow technology change • Increasingly severe weather events, accelerating in long term vs transition scenario • Some behaviour change, in response to physical impacts of climate change
Common assumptions	TRG business operations and business model remain broadly unchanged, except for implementation of the business's strategic priorities. TRG suppliers, customer base and workforce remain steady and broadly unchanged, except for growth associated with meeting strategic priorities.	

Summary results of scenario analysis

Our scenario exercise assessed the potential material impacts (risks and opportunities) to the business under the transition and physical scenarios. The potential impacts for each scenario and time horizon are summarised on page 11, alongside current and future mitigation actions.

Below 2 degrees: transition scenario

In this scenario, the most significant impacts would be seen in financial performance through increased capital and operating expenditure. This relates to higher sourcing costs in our supply chain (due to physical impacts and transition impacts, such as carbon pricing); increased costs in response to extreme weather impacts in the UK, electricity supply upgrades and costs associated with electrification. As a result of supportive policy measures and the actions taken by TRG to decarbonise, the reputational/market risk is less pronounced than in the physical scenario.

The impact of opportunities is greater within this scenario. In the long term, potential increases in operational expenditure may see a return on investment, with a reduction in ongoing energy costs achieved via efficiencies from electrification. This is supported by rapid technological advancements. Under this scenario there is also an opportunity for Wagamama to benefit from growth in the plant-based market, with increased revenue, market share and enhanced brand value.

3 degrees+ (current policies): physical scenario

In the physical scenario, the most significant impacts would be seen in financial performance due to a combination of increased expenditure and reduced revenue. Higher costs relate to sourcing in our supply chain (due to increased disruption to food production from physical impacts), and energy costs for increased cooling and refrigeration requirements. Reduced revenue is caused by inclement weather impacting delivery trade for Wagamama, and different extreme weather events impacting footfall.

Our analysis also identified water as an emerging risk in the long term, with drought conditions likely to impact water availability for our suppliers, impacting supply cost and availability.

Opportunities are less pronounced within this scenario. While less significant compared with the transition scenario, Wagamama may benefit from increased customer support in response to policy inaction, with moderate increase in revenue and brand value.

Assessment of resilience

The analysis highlighted that the risks and opportunities identified are more likely to impact in the short to medium term in the transition scenario, which overall presents a greater financial risk to the business. In the physical scenario, the risks presented from the physical impacts of climate change are more likely to materially impact in the long term.

Climate-related financial disclosures continued

Our review of the strategic response options available to us indicates that the business is well-positioned to respond. The exercise has provided an understanding of the following areas to monitor and impressed upon us the need to ensure that we proactively strengthen our position:

- Higher sourcing costs/supply issues for ingredients: continue to explore options to enhance supply resilience and lower costs.
- Costs associated with electrification: advance planning and gradual phasing of site electrification.

The outputs facilitated an update to our climate risk and opportunities register, which is updated on an ongoing basis with reference to the scenarios considered. As we continue our work to enhance our resilience to climate change, this will enable us to explore new risk mitigation and opportunity-realisation strategies under the governance of our risk management process.

Progressing our ESG agenda is of strategic and financial importance to the business and improves our resilience. Whilst taking action to reduce our emissions and achieve efficiencies requires investment, it presents opportunities to enhance our long-term value: reducing operational costs by optimising energy usage, managing exposure to climate-related policy and regulation, and enhancing supply-chain resilience to ensure product availability and security of supply.

The table below sets out the key targets and KPIs used to manage climate-related risks and realise climate-related opportunities.

Risk/opportunity	Target/goal	KPI	2024 result
Higher sourcing costs/ supply issues due to climate-related extreme weather (chronic or acute)	All key ingredients to be dual sourced	% of key ingredients (as defined by the business) dual sourced	100% of key ingredients (as defined by the business) dual sourced
Increased climate change-related extreme weather events in the UK	Business continuity plans in place for all sites and reviewed/refreshed annually	BCPs refreshed within last 12 months (to cover all sites within the division)	BCP review/refresh completed in reporting period for head office and restaurant sites
Costs of transitioning from gas to electric	New Wagamama sites to incorporate energy efficiency technology from 2024	% of Wagamama new site openings incorporating energy efficiency technologies	100% of new site openings in 2024 incorporated energy efficiency technology
Reputational/market risks of failing to meet sustainability commitments **Policy risks re introduction of measures targeting carbon emissions (e.g. carbon taxes)** **Opportunity to attract climate conscious customers and employees**	Net zero by 2040[1] (science-aligned definition)	tCO_2e Scope 1, 2 and 3	N/A – 2040 target; baseline pending finalised FLAG guidance
	Maintain renewable electricity across directly contracted supplies	% of electricity from renewable sources (REGO backed) for sites where we hold the supply contract	100% of electricity from renewable sources for sites where we hold the electricity supply contract
	Reduction in energy usage vs prior year	% reduction in energy consumption vs prior year (like-for-like sites with AMRs)	Reduction vs prior year achieved
	Electric kitchens in Wagamama new site openings where grid capacity allows	% of Wagamama new site openings with electric kitchens	100% of Wagamama new sites opened in 2024 now fully electric
	Maintain 50% vegan/ vegetarian menu in Wagamama	% of Wagamama menu items that are vegan or vegetarian	50% target maintained during 2024

1 UK business target aligned with the Zero Carbon Forum and UKH target for the UK hospitality sector.

Streamlined energy and carbon reporting

Greenhouse gas emissions and energy usage

As a large unquoted UK company, Wagamama (Holdings) Ltd is required under the Streamlined Energy and Carbon Reporting (SECR) regulations to report annually for UK operations on Scope 1 and 2 greenhouse gas emissions, and business travel emissions under Scope 3, where the company is responsible for purchasing the fuel.

We report both location and market-based footprints to illustrate the benefits of renewable purchasing. A location-based method involves using an average emission factor that relates to the grid on which energy consumption occurs, so does not take into account any renewable purchasing that exceeds the grid average. A market-based method reflects emissions from energy that companies have purposefully chosen, for example by purchasing renewable energy.

Under both the location-based and market-based approaches our emissions intensity reduced from 2023 to 2024. The increase in absolute market-based scope 2 was driven by landlord-recharged sites, which are classed as non-renewable where we do not have confirmation of green supply.

			Location based		Market based[1]	
Scope	Emission sources	Unit	2023	**2024**	2023	**2024**
Scope 1 (Combustion/facility operation)	Natural gas, FGAS	tCO_2e	9,035	8,830	N/A	N/A
Scope 2 (Purchased electricity)	Electricity	tCO_2e	8,901	9,230	426	561
Scope 1 and 2 total[1]		**tCO_2e**	17,935	**18,060**	9,460	**9,392**
Scope 1 and 2 intensity metric		**tCO_2e/£1m turnover**	39	**37**	21	**19**
Scope 3 mandatory emissions reporting Emissions from business travel in rental car or employee-owned vehicles where company is responsible for purchasing the fuel		tCO_2e	226	**221**		

1 Market-based total Scope 1 and 2 uses location-based Scope 1 figures.

Energy Consumption used to calculate emissions above:

		2023	**2024**
Combustion (Scope 1)	kWh	47,870,407	45,556,889
Electricity/heat/steam/cooling (Scope 2)	kWh	42,982,918	44,576,951
Scope 3 transport (as above)	kWh	933,666	925,168
Total energy consumption	kWh	91,786,991	**91,059,008**

Greenhouse gas reporting methodology

- Our methodology has been based on the Greenhouse Gas Protocol.
- We have reported on all the measured emissions sources required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.
- This includes emissions under Scope 1 and 2, and Scope 3 business travel emissions, where the Company is responsible for purchasing the fuel.
- Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by HM Government.
- The location-based method reflects the average emissions intensity of the grid on which the energy consumption occurs (using grid-average emission factor data).
- The market-based method reflects emissions from the energy that has been purchased from the supplier, for example renewable energy.
- Energy recharged by landlords for sites where we do not hold the energy supply contract has been classed as non-renewable where we do not have confirmation of green supply.
- Our energy efficiency actions during 2024 included:
  - Coaching of team members on energy management
  - Focus on fire up protocols and Save While You Sleep initiatives to reduce energy usage out of trading hours
  - Installation of energy efficiency equipment (including remote monitoring and control) in a number of high usage sites and all new sites
  - Installation of energy efficient, all-electric kitchens in new sites

By order of the Board

Type text here

Mark Chambers
Director

19 May 2025

Directors' report

The Directors' report comprises these pages and the other sections and pages of the Annual Report and Accounts cross-referred to below, which are incorporated by reference. As permitted by legislation, certain disclosures normally included in the Directors' report have instead been integrated into the Strategic report, as noted under each relevant heading.

The Company

Wagamama (Holdings) Ltd is a private limited company, registered in England and Wales under company number 07556525 and with its registered office at 5-7 Marshalsea Road, London SE1 1EP.

Directors

The Directors who served the Company during the period and up to the date of approval of these financial statements were as follows:

- Mark Chambers (appointed 1 July 2023)
- Thomas Heier (appointed 15 May 2021)

The following individuals also acted as Directors of the Company during the year:

- Matt Crumpler (until 1 June 2024)

Indemnity provisions

The Company maintains Directors' and Officers' liability insurance through the TRG Group insurance programme. Deeds have been executed indemnifying each Director of the Company as a supplement to the D&O insurance cover. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2024 financial year and remain in force for the current and past Directors of the Company.

Dividend

The Directors have not recommended a dividend payment for the 2024 financial year (FY2023: nil).

Political donations

The Company did not make any political donations during the year (FY2023: nil).

Financial instruments and risk

The Group's policy on the use of financial instruments is set out in Note 25 to the financial statements. The Group's approach to financial risk management is set out in Note 26, while the key financing terms and debt covenants are set out in Note 1(b). Please see also the business and operational risks as set out in the Risk section on pages 5 and 6.

Post-balance sheet events

Since year end, TRG has undertaken a refinancing and reorganisation, which completed on 30 January 2025. As part of the refinancing, Wagamama issued £330m in senior secured notes through its subsidiary Waga Bondco Ltd and also has access to a £55m super senior revolving credit facility (RCF). The Wagamama bond was issued on The International Stock Exchange with a coupon of 8.5%. Under the new structure, The Restaurant Group Ltd no longer acts as the main holding company for the TRG Group, which is now organised into discrete silos representing each separate business division under the ownership of Rock Bidco Ltd, a Jersey entity. Wagamama (Holdings) Ltd is now the lead UK parent entity for the Wagamama business.

Going concern

The directors have prepared cash flow forecasts for the period to 31 May 2026, which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. The forecasts are based on the Board-approved budget. For more details, please see Note 1 to the Consolidated financial statements on page 23.

Likely future developments

The development of the business is set out in the Business review in the Strategic report on pages 1 and 2.

R&D activities

The Group does not expend material sums on research and development activities.

Overseas branches

The Company does not operate any registered branches outside the UK. The Company's US and Ireland operations are managed by locally incorporated entities, while its other overseas sites are currently managed through franchise partnerships.

Directors' report continued

Employment of disabled persons

Wagamama gives full and equal consideration to applications from employment from disabled people. If a colleague makes us aware of any disability, or becomes disabled during their employment with us, then our policy is to offer assistance and explore ways of overcoming any difficulties they may have at work and make the necessary adjustments to help them wherever possible.

Employee participation and engagement

Relevant information is made available to colleagues through a variety of channels, including intranet services, a dedicated staff app, and regular email communication and updates. A colleague survey is undertaken every year with the results circulated and reviewed internally.

Employee metrics were provided on a regular basis to the TRG Board as part of divisional briefings and strategy reviews, including those relating to Wagamama, in 2024. See also the Section 172 Statement on page 4.

Engagement with suppliers and customers

Details of Wagamama's approach to customers and business partners are included in the Business review from page 1. The Company's Section 172 Statement on page 4 sets out how the Directors have taken into account the needs of suppliers, customers and other stakeholders in decision-making.

Energy use and emissions

Disclosures concerning energy use and greenhouse gas emissions are included in the Strategic report from page 12

Disclosure to Auditor

In the case of each of the persons who are Directors at the time the report is approved, the following applies:

- as far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- the Director has taken all of the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

For and on behalf of the Board

Mark Chambers
Director

19 May 2025

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards ('IFRSs'), and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

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 the Company and of the profit or loss of the Group and the Company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the parent company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and performance
- in respect of the Group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- in respect of the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report and financial statements that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole
- that the Annual Report, including the Strategic report, includes a true and fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- that they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's position, performance, business model and strategy

For and on behalf of the Board

Mark Chambers
Director

19 May 2025

Independent Auditor's report

to the members of Wagamama (Holdings) Limited

Opinion

We have audited the financial statements of Wagamama (Holdings) Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 29 December 2024 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the Company Statement of Changes in Equity and the related notes 1 to 29 for the Group and the related notes 1 to 9 for the parent company, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 29 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of the Company's going concern assessment process;
- assessing and challenging the appropriateness of the duration of the going concern review period to end of May 2026 and considered whether there are any known events or conditions that will occur in the short-term following the going concern period which would impact our considerations;
- validating the covenants and terms of the new debt facilities which the Group has entered into and reperformed the calculation of these covenants against the terms of these agreements;
- challenging whether the cashflow forecasts and assumptions included within the base, stress case and reverse stress are appropriate by comparing them to the Board approved budget, post year end trading performance and external sources such as industry benchmarks. The most significant assumptions in the cashflow forecasts are the growth rates applied to revenue and the inflation rates applied to the cost of sales and overheads costs of the business;
- challenging the severity of the sensitivities applied by Management in their stress case with reference to historical trends and external sources such as industry benchmarks. We applied further sensitivities where we identified evidence to suggest the sensitivities could be more severe in a stress case scenario;
- assessing the level of available liquidity and forecast covenant compliance in Management's base case and stress case, and the headroom against prior year actuals after applying the further sensitivities we identified as being plausible;
- assessing the reverse stress test scenario and challenging the likelihood of this scenario occurring as remote;
- assessing the consistency of the base case cash flows with the cash flow forecasts used by Management in their impairment assessment;
- challenging the integrity of the model used by re-performing calculations and testing the formulas being applied throughout;

Independent Auditor's report continued

to the members of Wagamama (Holdings) Limited

- challenging management on their mitigating actions which include the ability to reduce capital expenditure plans and manage working capital around the covenant test dates. We also challenged whether these are wholly within Management's control;
- reviewing the latest available trading results to understand the post year end performance of the business;
- considering any events after the going concern period which may impact our conclusion, noting no material events;
- enquiring for any climate change commitments in the going concern period and challenging whether any associated cash outflows should be included within the forecasts; and
- assessing the appropriateness of the going concern disclosures in describing the risks associated with the Group's ability to continue as a going concern for the review period to the end of May 2026.

Based on the work we have performed, we have not identified any material uncertainties relating to events orconditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 May 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report continued

to the members of Wagamama (Holdings) Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, Health & Safety and food hygiene laws, Minimum Wage regulations and the UK Tax legislation.
- We understood how the Group and parent is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including those Charged with Governance and the Company Secretary. We corroborated our enquires through our review of board minutes, papers provided to the Board of Directors and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various part of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perception of analysts. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing top-side journal entries which did not follow the standard process flows and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify noncompliance with laws and regulations, enquires of the Company Secretary and management, and journal entry review.

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

Other matter – unaudited comparatives

The comparatives for the year ended 31 December 2023 are unaudited.

Use of our report

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

Julie Carlyle

Julie Carlyle
Senior statutory auditor

for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Consolidated income statement

	Note	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Revenue	2	**501,460**	463,525
Cost of sales		(420,337)	(386,582)
Gross profit		**81,123**	76,943
Administrative expenses before exceptional items		(22,647)	(16,880)
Exceptional administrative expenses	6	(43,266)	(7,534)
Operating profit	3	**15,210**	52,529
Finance income	7	17,641	15,236
Finance costs	8	(45,275)	(38,429)
Exceptional gain on fair value investment	6	–	2,119
(Loss) / profit before taxation		**(12,424)**	31,455
Income tax (expense) / credit	9	(10,446)	(11,758)
(Loss) / profit for the period		**(22,870)**	19,697
Other comprehensive income			
Foreign exchange differences on consolidation		705	918
Total comprehensive (loss) / profit		**(22,165)**	20,615

All amounts relate to continuing activities.

The accompanying notes are an integral part of these financial statements.

Consolidated balance sheet

	Note	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Non-current assets			
Intangible assets and goodwill	10	115,759	112,830
Property, plant and equipment	11	105,756	102,740
Right of use assets	12	135,984	145,317
Net investment in subleases	19(b)	5,220	4,988
Investments	25	–	2,767
Deferred tax assets	14	6,489	9,134
Trade and other receivables	16	–	163,826
		369,208	541,602
Current assets			
Inventories	15	3,900	3,654
Trade and other receivables	16	225,114	13,994
Cash and cash equivalents		10,031	9,369
		239,045	27,017
Total assets		**608,253**	568,619
Current liabilities			
Trade and other payables	17	(332,556)	(288,475)
Provisions	18	(1,713)	(305)
Lease liabilities	19(a)	(27,326)	(30,343)
		(361,595)	(319,123)
Non-current liabilities			
Provisions	18	(226)	(126)
Lease liabilities	19(a)	(193,441)	(179,334)
		(193,667)	(179,460)
Total liabilities		**(555,262)**	(498,583)
Net assets		**52,991**	70,036
Equity			
Called up share capital	20	5,118	–
Other reserves	21	25,260	24,553
Retained earnings	21	22,613	45,483
Total equity		**52,991**	70,036

The accompanying notes are an integral part of these financial statements.

The financial statements of Wagamama (Holdings) Ltd were approved by the Board of Directors and authorised for issue on 19 May 2025 and were signed on its behalf by:

Mark Chambers
Director

Consolidated statement of changes in equity

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2023 – unaudited	–	23,299	25,786	49,085
Profit for the period	–	–	19,697	19,697
Other comprehensive income	–	918	–	918
Total comprehensive income	–	918	19,697	20,615
Share based payments	–	288	–	288
Deferred tax taken to other reserve (Note 14)	–	48	–	48
Balance as at 31 December 2023 – unaudited	**–**	24,553	45,483	70,036
Loss for the period	–	–	(22,870)	(22,870)
Other comprehensive income	–	705	–	705
Total comprehensive income	**–**	**705**	**(22,870)**	**(22,165)**
Deferred tax taken to other reserve (Note 14)	**–**	**2**	**–**	**2**
Share Issue (Note 20)	5,118	–	–	5,118
Balance as at 29 December 2024	**5,118**	**25,260**	**22,613**	**52,991**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

	Note	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Operating activities			
Cash generated from operations	23	74,476	60,764
Interest paid		(11,335)	(10,206)
Interest received		121	363
Net cash flows from operating activities		**63,262**	50,921
Investing activities			
Purchase of property, plant and equipment		(35,871)	(24,559)
Purchase of intangible assets	10	(4,295)	(2,238)
Acquisition of investments		(641)	–
Loans to associate		(1,685)	(1,277)
Net cash flows used in investing activities		**(42,492)**	(28,074)
Financing activities			
Repayment of obligations under leases		(20,115)	(19,877)
Net cash flows used in financing activities		**(20,115)**	(19,877)
Foreign exchange movement		7	–
Net increase in cash and cash equivalents		662	2,970
Cash and cash equivalents at the beginning of the year		9,369	6,399
Cash and cash equivalents at the end of the year		**10,031**	9,369

The accompanying notes are an integral part of these financial statements.

Notes to the consolidated financial statements

1 Material accounting policy information

Wagamama (Holdings) Ltd (Company Registration number 07556525) (the 'Company') is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 5-7 Marshalsea Road, London, SE1 1EP. The consolidated financial statements of the Group for the 52-weeks ended 29 December 2024 ('FY24') comprise the Company and its subsidiaries (together referred to as 'the Group'). The principal activity of the Group during the period continued to be the operation of restaurants.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ('IFRS') and as applied in accordance with the provisions of the Companies Act 2006. The parent company financial statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice) and as applied in accordance with the provisions of the Companies Act 2006.

(b) Going concern basis

The Directors have prepared the Group's and parent entity going concern assessment for the period to 31 May 2026 ('the period'). The going concern assessment comprises a base case cash flow forecast which is based on the board approved budget, downside sensitivities which reflect the directors view of a severe but plausible downside, and the reverse stress test on the Group's liquidity and financial covenants. The going concern assessment demonstrates that the Group and parent will have sufficient available liquidity to meet its liabilities as they fall due and will remain in compliance with its financial covenants for the period.

Financing arrangements

As disclosed in note 28, in January 2025 the Group issued a £330m senior secured note at a rate of 8.5%, due in 2030 and repaid the amounts owed to parent undertakings recorded on balance sheet at 29 December 2024. The Group also secured a £55m revolving credit facility (RCF) supported by a four-bank syndicate, also due in 2030. The RCF has a net debt leverage covenant of 8.3x which is required to be complied with where the Group has drawn over 40% of the RCF at the quarterly test dates (known as the Spring Test). Where the RCF is less than 40% drawn at the quarterly test date the net debt leverage covenant is not required to be complied with. The interest rate on the RCF is SONIA plus an agreed margin, currently 4%, which adjusts in line with changes in debt leverage. The Group forecast the RCF covenant will not be breached during the going concern period in the base case or when downside sensitivities are applied.

Market factors

The UK economy is forecasted to grow by 1.0% in 2025 according to the OBR with expectations improving to 1.9% in 2026. Inflation is expected to average 3.2% in 2025 and reduce to 2.0% for 2026.

The US economy is forecast to grow by 1.7% in 2025 according to the US Federal Reserve, with a marginal increase to 1.8% in 2026. Inflation is expected to average 2.8% in 2025 and reduce to 2.2% for 2026.

The Group considers the growth and inflation rates to be relatively stable and manageable within the Group's financial planning, however the Group continues to monitor the inflation forecasts given current global economic uncertainty, including how the US Tariffs could impact global markets. In assessing this, the Group considered their exposure to the impacts from the US Tariff announcements, with the Group concluding they do not expect a material adverse impact on the business.

Base case assumptions

The base case scenario includes the following assumptions:

- Revenue growth through loyalty initiatives and the opening of six new sites in 2025 and a further six in 2026 across the UK.
- Cost increases in line with current inflation and known legislation increases (including national minimum wage and employer NICs) offset by cost-saving initiatives across the business.
- The Group expects to manage wage inflation and other cost pressures effectively, maintaining a stable EBITDA margin.
- The base case scenario demonstrates the group and parent is able to maintain sufficient liquidity and operate within its financial covenants throughout the period.

Downside scenario

While the Directors believe the base case forecast is the likely scenario to materialise, there are wider macro-economic challenges facing the industry and therefore the Directors consider it appropriate to model downside sensitivities, which considers the following assumptions:

- Revenue decreases by 10% from the base case, with the reduction coming from a decrease in sales volume.
- Cost assumptions remain consistent with the base case.
- The downside case scenario demonstrates the group and parent is able to maintain sufficient liquidity and operate within its financial covenants throughout the period.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

Reverse Stress Test

The Directors have also performed a reverse stress test to assess the impact of more severe adverse trading conditions. To breach available liquidity, the Group and parent would need to experience more than a 16% decline in sales from the FY2024 actuals. To activate the Spring Test and consequently breach the covenant, the Group would need to experience more than an 8% decline in sales from the FY2024 actuals. The Directors concluded that the level of decline required to eliminate the Group and parent liquidity or breach the RCF covenant are implausible given the current economic forecasts in the industry, the historical performance of the business in challenging economic environments and the performance of the business so far in FY25.

Mitigating Actions

The Directors identified the following mitigating actions which could be performed to increase available liquidity if the downside scenario were to materialise. These mitigations are not expected to be required by the Group and parent.

- Removal of uncommitted development capital expenditure, including new store openings
- Working Capital Management around the timing of the Spring Test dates to ensure the RCF covenant is not required to be tested.

Based on these forecasts, the current economic outlook, and the available mitigating actions, the directors have a reasonable expectation that the Group and parent has adequate resources to continue in operational existence for the going concern period to 31 May 2026. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(c) Basis of preparation

The consolidation includes all entities over which the Company has control, directly or indirectly, over financial and operating decisions.

The financial year runs to a Sunday within seven days of 31 December each year which will be a 52 or 53 week period. The period ended 29 December 2024 was a 52 week period, with the comparative period to 31 December 2023 being a 52 week period.

The consolidated financial statements are presented in pounds sterling and all values are rounded to the nearest thousand except when otherwise indicated. They have been prepared on the historical cost basis.

The consolidated financial statements are prepared in accordance with IFRS and in accordance with the provisions of the Companies Act 2006, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant judgements and estimates are disclosed in note 1(u), below.

Risk management

The Group's risk assessment process identified a number of material risks to the business together with mitigating plans established to manage the risk in accordance with our risk appetite. Climate-related risks are included as an integral element of individual risks identified, where appropriate.

In preparing the financial statements, the Directors considered the impact of climate change. The Directors do not consider that there is a material impact on the financial statements from climate change in the current period. In particular, climate change was considered in respect to the following areas:

- The carrying value and useful economic lives of property, plant and equipment;
- Estimations of cash flows used in impairment assessments of non-current assets; and
- Going concern assessment, including capital expenditure forecasts.

As the Group's risk assessment process is iterative and the impact of any risk can change over time, the Group will continue to assess whether climate change has had or will have a material impact on the business, its operations, and the preparation of financial statements.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the UK Endorsement Board:

- Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (effective date 1 January 2027)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9) (effective date 1 January 2026)
- Lack of Exchangeability (Amendments to IAS 21) (effective date 1 January 2025)
- Presentation and Disclosure in Financial Statements (IFRS 18) (effective date 1 January 2027 – not yet endorsed in the UK)

At the date of authorisation of these financial statements, there is expected to be no material impact to the Group's financial statements from IFRSs, IFRICs or other standards or interpretations that have been issued but which are not yet effective, except for the impacts of IFRS 9 and IFRS 18 which are currently being assessed by the Directors. The Group will adopt the new and revised IFRSs as and when they become effective.

Changes in accounting policies

The Group has adopted the following new standards and interpretations. These have not had a material impact on the financial statements.

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (effective date 1 January 2024)
- Non-current Liabilities with Covenant (Amendments to IAS 1) (effective date 1 January 2024)
- Lease Liability in Sale and Leaseback (Amendments to IFRS 16) (effective date 1 January 2024)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective date 1 January 2024)

(d) Basis of consolidation

(i) Subsidiaries

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

(ii) Transactions eliminated on consolidation

Intragroup balances and any gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

(e) Foreign currency – transactions and balances

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the date of the balance sheet. Transactions in foreign currencies are translated into sterling using a monthly average exchange rate. The resulting exchange differences are recognised in the consolidated income statement. Exchange differences arising from the retranslation of the net equity in associates is recognised in Other Comprehensive Income.

(f) Property, plant and equipment ('PPE') and intangible assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and net impairment losses (see 1(l) below). Freehold property relates to sites where the Group owns the freehold. Leasehold property improvements relate to capital expenditure on the premises which are outside of the lease agreements underpinning the right of use assets and are separately recognised on the balance sheet as PPE.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.

Capital expenditure costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that enhanced future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

Depreciation

Depreciation is charged to the income statement on a straight-line basis to the residual value over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Freehold property	50 years
Leasehold property improvements	Term of lease or 50 years, whichever is lower
Fixtures and equipment	3-10 years
Computer equipment	3-5 years

The estimated useful lives and residual values applied are reviewed at each reporting date with any changes in estimates being applied prospectively.

Intangible assets – Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries. In respect of business acquisitions that have occurred to date, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is formally tested for impairment at least annually or when an impairment trigger has arisen (see accounting policy 1(l)).

Intangible assets – Trademarks

Trademarks are recognised at fair value less any accumulated impairment losses. Trademarks are allocated to groups of CGUs defined by the original acquisition group. Trademarks assessed to have an indefinite useful economic life are formally tested for impairment at least annually or when an impairment trigger has arisen (see 1(l) below).

Software and IT development

Software and IT development are stated at cost less any accumulated amortisation and accumulated impairment losses. Software and IT development are amortised to the income statement using the straight-line method over three to five years.

For implementation costs in a cloud service contract which are distinct from the related software, the costs are recognised as an expense as incurred (as the service is received) unless it gives rise to a separate intangible asset. The costs of services provided by the cloud vendor, which are not distinct from access to the software are recognised as an expense over the period of access to the software.

(g) Leases

i) Right of use assets

Right of use assets are initially measured at the value of the corresponding lease liability and subsequently adjusted for depreciation and for any remeasurement of the lease liability. Right of use assets are assessed for impairment where required by IAS 36.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful economic life of the right of use asset or the end of the lease term.

ii) Lease liabilities

Lease liabilities under IFRS 16 are initially recorded at the present value of future lease payments (discounted using the Company's incremental borrowing rate, which we estimate with reference to our debt facilities and observed bond yields).

Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable and variable payments.

Lease liabilities may be recalculated in some situations as stipulated by IFRS 16, including where the terms of a lease are modified, which can also result in a separate lease being recognised. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. Such changes to the amount of the lease liability will be also reflected in the corresponding right of use asset, except where a reduction in the asset would result in a negative outcome, in which case the asset's value is reduced to nil and the residual credit recorded in profit or loss.

In determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract and determine the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (being those less than £3,500), including IT equipment. The Group recognises the lease payments associated with these leases as an expense in the period the expense is incurred.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

Group as lessor

The Group has a number of contractual headlease agreements in place with its landlords, giving the Group the option to sub-lease these properties to licensees. Where the sublease transfers substantially all the risks and rewards of ownership of the underlying asset, the head lease right of use asset has been derecognised and a net investment in the sublease will be recognised. Where the sublease does not transfer substantially all the risks and rewards of ownership of the underlying asset, the headlease has been recognised as a right of use asset and liability on the consolidated balance sheet, while any subleases are recognised as operating leases. This operating lease recognition is based on the substance of the transaction, as the sublease has a shorter tenure than the headlease and once the sublease ends, the use and benefit of the property returns to the Group.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Termination Options

Some leases contain termination options exercisable by the Group before the end of the non-cancellable period. These extension and termination options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Discount Rate

Lease liabilities under IFRS 16 are initially recorded at the present value of future lease payments discounted using the Group's incremental borrowing rate, which was estimated with reference to our debt facilities and observed bond yields, calculated on a lease by lease basis. Lease liabilities are subsequently unwound using the same discount rate and included in finance expense in the Group income statement. Refer to note 19a for the sensitivity analysis on the discount rate.

(h) Financial assets

Classification

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are classified as current when they are expected to be realised within 12 months after the reporting date. All other financial assets are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets and non-current assets. The Group's loans and receivables comprise trade receivables, amounts receivable from parent undertakings and other receivables.

Other receivables are amounts due from suppliers or sub tenants in the ordinary course of business. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment less expected credit loss.

Recognition and measurement

Loans and receivables are recognised when the Group becomes party to the contractual provisions of the instrument and are subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment less expected credit loss. Impairment of financial assets is based on management's estimate of future cash inflows and is performed at each reporting date.

The Group assesses for impairment using the expected credit losses model as required by IFRS 9. For receivables from parent undertakings and trade receivables, a simplified approach to expected credit losses is applied. Therefore, the Group does not track changes in credit risk but instead has established a provision based on its historical credit loss experience. The expected credit loss is not material in the current or prior period. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed.

(i) Financial liabilities – Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. The effective interest rate is calculated upon initial recognition of a financial liability and discounts contractual cash flows through the life of the related financial instrument.

In calculating the contractual cash flows management has used external estimates of the future SONIA rate and management forecasts of Group performance used within the going concern assessment.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. This is also applicable to fees for amendments to the loan facilities. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

An exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. In a non-substantial modification, the liability is restated based on the net present value of the revised cash flows discounted at the original effective interest rate.

Financial liabilities are classified as current unless the Group has the unconditional right to defer settlement beyond 12-months of the balance sheet date.

(j) Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined in accordance with the weighted average inventory costing model, including applicable commercial discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k) Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash balances on hand and in restaurants, and cash-in-transit for credit card transactions made within 72 working hours, providing there is no risk of cash return.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months and earn interest at the respective short term deposit rates.

(l) Impairment of non-current assets

Whether the carrying amount of non-current assets are impaired is formally determined by considering indicators of impairment annually. Impairment for tangible assets is tested on the basis of each individual cash generating unit (CGU) – an individual restaurant or multiple sites that are in close proximity, where trading is interdependent. For intangible assets, the testing is performed at the level of the relevant group of CGUs that benefit from the goodwill or other intangible asset. An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. This requires the determination of the lowest level of assets which generate largely independent cash flows and to determine their recoverable amount, based on estimating the value-in-use or the fair value less cost of disposal of these assets or CGUs; and compare these to their carrying value. Impairment losses for property, plant and equipment and right of use assets are recognised in the income statement.

Impairment losses recognised in prior periods for property, plant and equipment and right of use assets shall be reversed where there is an indication that the impairment no longer exists. Where an impairment reversal is recognised, the carrying amount of the asset will be increased to its recoverable amount with the increase being recognised in the income statement. This increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

For goodwill and assets that have an indefinite useful economic life, the recoverable amount is estimated annually. Goodwill impairment losses are recognised in the income statement and are not subsequently reversed.

(m) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Provisions for dilapidations are recognised on a lease by lease basis and are based on the Group's discounted best estimate of the likely cash outflows required to settle the Group's contractual commitments.

(n) Onerous property costs

The Group has a number of site-related contractual commitments that are onerous and not included in the scope of IFRS 16. Where these exist, typically for closed sites or loss-making trading sites, the Group provides for its estimate of the minimum cost of exiting the contracted commitments, such as service charges and dilapidation obligations where these are included in the contracts with landlords.

Estimates have been made with respect to the amounts of future expenditures for site closure costs, which are reviewed annually and are based on readily available information at the reporting date as well as management's historical experience of similar transactions. Remeasurement of the onerous property costs is reviewed and calculated annually at the balance sheet date.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

(o) Deferred and current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Where deferred tax assets and liabilities arise in the same entity, or group of entities, and there would be a legal right to offset the assets and liabilities were they to reverse, the assets and liabilities are also offset in the Group Balance Sheet.

(p) Pensions

The Group makes contributions for eligible workers into defined contribution pension plans and these contributions are charged to the income statement as they are accrued. The Group does not operate any defined benefit plans.

(q) Revenue

Revenue represents sales from restaurants including food and beverages and both dine-in and delivery sales (excluding value added tax and voluntary gratuities left by customers for the benefit of employees) and is recognised at the point of completion of a transaction with a customer. Commission payable on delivery is recognised in cost of sales.

For dine in sales, the performance obligation is satisfied upon delivery of food to the consumer and payment is received same day. The performance obligation for delivery sales is satisfied upon delivery of the food to the driver and payment is received weekly from the delivery provider.

Where the Group acts as a franchisor in a trading relationship, royalty revenue is accrued in line with reported sales performance once revenue can be reliably measured.

The Group operates a customer loyalty programme where customers accumulate points for purchases made, which can be redeemed for discounts on future purchases. The loyalty points provide a material right to the customer and are therefore considered a separate performance obligation under IFRS 15.

At the time of the initial sale, the transaction price is allocated between the goods sold and the loyalty points based on their relative stand-alone selling prices. The portion of the transaction price allocated to the loyalty points is deferred and recognised as a contract liability until the points are redeemed or expire.

The Group estimates the stand-alone selling price of the loyalty points based on the discount that will be provided and the expected redemption rate. Revenue related to the loyalty points is recognised when the points are redeemed or when it is no longer probable that the points will be redeemed.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

(r) Expenses

Commercial discounts

Commercial discounts represent a reduction in cost of goods and services in accordance with negotiated supplier contracts, the majority of which are based on purchase volumes. Commercial discounts are recognised in the period in which they are earned and to the extent that any variable targets have been achieved in that financial period.

Exceptional items

In order to illustrate the trading performance of the Group, presentation has been made of performance measures excluding those exceptional items which it is considered would distort the comparability of the Group's results. Exceptional items are defined as those items that, by virtue of their unusual nature or size, warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Group.

Exceptional items are then further detailed in Note 6.

(s) Investments

Associates

An Associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. During prior years, the Group held an investment of 17.5% in Wagamama USA LLC, which operates a chain of Wagamama restaurants in America. On 28 May 2024, the Group acquired the remaining 82.5% equity interest in the US Wagamama associate (Wagamama USA LLC) from its majority owner (CVC Ramen LLC). As a result of this transaction, the Group now owns 100% of Wagamama USA LLC.

Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the entity's net assets. The investor's share of the associate's profit or loss is recognised in the investor's profit or loss up until such point as the net investment is nil. The accumulated excess losses are not recognised.

Investments in associates are classified as non-current assets unless they are expected to be realised within 12 months after the reporting period.

Other investments

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group has not irrevocably elected to classify at fair value through OCI.

(t) Dividends

In accordance with IAS 10 'Events after the Balance Sheet Date', dividends declared after the balance sheet date are not recognised as a liability at that balance sheet date and are recognised in the financial statements when they have received approval by shareholders.

(u) Critical accounting judgements and estimates

In applying the Group's accounting policies, as described above, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making these critical judgements and estimates, actual outcomes could be different. The most significant of these are below:

Estimates

Estimates and underlying assumptions are reviewed by management on an ongoing basis, with revisions recognised in the period in which the estimates are revised, and in any future period affected. The areas that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of non-current assets

As disclosed in Note 13, the impairment reviews of non-current assets require several estimates to determine the value-in-use of each CGU. The key estimates are in relation to the discount rate, the calculation of the future cash flows and the longer term growth rate. These have been disclosed with sensitivities in Note 13.

The range of possible cashflow outcomes is sensitised, as disclosed in Note 13. The future cash flows have been forecast taking into account the 'base case' scenario as outlined in the Going Concern section of this note. This has then been grown at applicable rates for a two-year period. The growth rates are based upon industry inflation expectations, as well as country specific inflation forecasts.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the CGU's recoverable amount is estimated.

Notes to the consolidated financial statements continued

1 Material accounting policy information continued

A previously recognised impairment loss is reversed only if there has been a change in the estimated future cash flows used to determine the asset's recoverable amount since the last impairment loss was recognised. In addition, judgemental risk factors are applied to the cashflows so as to take account of the higher risk volatility associated with improved trading expectations. If that is the case, the carrying amount of the previously impaired non-current asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the consolidated income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's carrying amount, less any residual value, on a straight-line basis over its remaining useful economic life.

ii) Lease discount rate

The Group cannot readily determine the interest rate implicit in leases, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using observable inputs, such as UK government bond yields, and makes specific adjustments, for example a top-up risk premium (3%) to reflect the Group's credit risk and the specific risks associated with the leased assets. A change in the IBR used to measure the lease liabilities at inception could materially change the value of the lease liabilities recognised. The lease discount rate is sensitised in Note 19.

iii) Acquisition of Wagamama US – purchase price allocation ('PPA')

As per Note 27, the Group acquired the remaining equity interest in Wagamama USA LLC, accounting for this using the acquisition method in accordance with IFRS 3 Business Combinations. Under this method, the identifiable assets acquired and liabilities assumed are recognised at their acquisition-date fair values, a key estimate.

Intangible assets (other than goodwill) have been estimated to have £nil value at the date of acquisition, 28 May 2024, on the basis that the acquired business is expected to be loss making for the 3 years post-acquisition. The cash flows used as the basis for this estimate are consistent with those disclosed in the Going Concern section of this note. The remaining intangible assets acquired, ie. goodwill, have been fully impaired at the balance sheet date – refer to Note 13.

Fair values of property, plant and equipment ('PPE') and right of use assets ('ROUA') have been estimated on a site-by-site basis at the acquisition date. It was determined that the majority of the PPE relates to leasehold improvements and therefore cannot be extracted and sold separately, and hence is deemed to have no standalone fair value. The ROUA value has been estimated assuming the market rent per the lease, in line with the lease calculations disclosed elsewhere in this note. While the ROUA was estimated to hold a value at acquisition, following a full impairment review as per Note 13, this has been fully impaired at the balance sheet date.

The net book value of the other assets and liabilities at the acquisition date has been deemed to be a reasonable proxy for fair value.

The other key estimate is related to the estimated contingent consideration at the date of acquisition, which was based on trading performance for the period from August 2024 to August 2025 (the first twelve months following the Arlington site's opening) based on sales for three sites (Arlington, Tampa and Dallas) over that period. This estimate has also been based on sales forecasts and has been revised throughout the year – refer to Note 6 for further details.

Critical accounting judgements

The following critical judgement, that the Directors made in the process of applying the Group's accounting policies, has the most significant effect on the amounts recorded in the financial statements.

i) Lease term

IFRS 16 defines lease term as the non-cancellable period of a lease together with options to renew or break a lease, if the lessee is reasonably certain to exercise that option. The assessment of lease term is a significant judgement. Where leases include an option to extend or reduce the lease term, the Group makes a lease-by-lease assessment as to whether it is reasonably certain that the option will be exercised. This assessment considers the length of the time before any renewal or break option is exercisable, plus current and forecast site trading.

2 Revenue

The analysis of revenue for the period is as follows:

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Sales to customers	497,456	459,322
Franchising fees	4,004	4,203
Total revenue	**501,460**	463,525

Notes to the consolidated financial statements continued

3 Operating profit

Operating profit has been arrived at after charging:

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Depreciation on right of use asset (Note 12)	17,581	17,803
Depreciation on property, plant and equipment (Note 11)	16,722	18,844
Amortisation of intangible assets (Note 10)	1,169	421
Exceptional administrative expenses (Note 6)	43,266	7,534
Lease remeasurement of ROU asset and lease liability (Notes 12 & 19)	4,329	(3,069)
Variable lease payments (Note 19)	9,870	7,040
Staff costs (Note 4)	184,835	173,704

Auditor's remuneration:

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Fees payable to the Company's auditor for the audit of the Group's annual accounts	250	272
Fees payable to the Company's auditor for the audit of the Subsidiaries' annual accounts	25	–
Total audit fees	275	272
Non-audit fees		
Audit related assurance services	**129**	–
Other assurance services	**220**	–
Total non-audit fees	**349**	–
Total audit remuneration	**624**	272

During the period, all auditor's remuneration was expensed as administration costs.

4 Staff costs

a) Average staff numbers during the year (including Directors)

	Dec 2024	Unaudited Dec 2023
Restaurant staff	8,742	8,384
Administration staff	278	268
	9,020	8,652

b) Staff costs (including Directors) comprise:

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Wages and salaries	168,595	158,444
Social security costs	13,572	12,468
Other pension costs	2,668	2,504
Share based payments	–	288
Total staff costs	**184,835**	173,704

Notes to the consolidated financial statements continued

5 Directors' remuneration

The directors' emoluments were as follows:

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Salaries	1,441	851
Pension contributions	24	12
Benefits in kind	4	1
Compensation for loss of office	–	144
Total Director Emoluments	**1,469**	1,008

The number of Directors to whom pension benefits are accruing at the period end is 2 (2023: 2).

All Directors within the Group are either remunerated by Wagamama Ltd or TRG (Holdings) Ltd, an intermediate holding company of the Group during the year.

The highest paid Director's emoluments were as follows:

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Salaries	669	570
Pension contributions	11	12
Benefits in kind	1	1
Total	**681**	583

The emoluments disclosed above reflects the total emoluments paid to the highest-earning director across the Wagamama (Holdings) Ltd Group and also the wider TRG Group, as it is not practical to allocate these costs to a Wagamama specific split.

6 Exceptional (gains) / expenses

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Included within administrative expenses:		
– Impairment charges – property, plant and equipment	8,832	4,490
– Impairment reversals – property, plant and equipment	(44)	(487)
– Impairment charges – right of use assets	21,849	4,163
– Impairment reversals – right of use assets	(3,704)	(1,801)
– Impairment of goodwill	12,221	–
– Settlement of pre-existing relationship (Note 27)	3,636	–
– Impairment charges – intangibles	92	13
– Impairment charges – net investment in sub lease	–	(24)
– Impairment charges – loans to Associate	178	1,277
– Acquisition-related costs	559	–
– Retention bonuses relating to acquisition	963	–
– Remeasurement of contingent consideration	(1,591)	–
– Refinancing costs	275	–
– Estate restructuring	–	(97)
Exceptional expenses for the year	**43,266**	7,534
Gain on fair value investment	**–**	(2,119)
Exceptional items for the year	**43,266**	5,415

Notes to the consolidated financial statements continued

6 Exceptional (gains) / expenses continued

Impairment

Impairment charges and reversals explained below have been classified as exceptional items, by virtue of their size, nature or incidence, with consideration given to consistency of treatment with prior years and between gains and losses, which warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Group.

Impairment charges / (reversals) – property, plant and equipment ('PPE') & right of use assets ('ROUA')

Impairment charges have arisen for particular sites where performance has not been as strong as expected, and forecast future cash flows indicate performance will either continue to deteriorate or not recover to expected levels. As a result, an impairment charge has been booked to the PPE and ROUA for these sites.

The impairment reversal is a direct result of the continued trading improvement of the specific sites to which it relates. The future outlook of these sites supports the increased value in use.

See Note 13 for further details on the impairment review.

Impairment – goodwill

On 28 May 2024, the Group acquired the remaining 82.5% equity interest in the US Wagamama associate (Wagamama USA LLC) from its majority owner (CVC Ramen LLC). The goodwill arising has been fully impaired at 29 December 2024. See Note 13 for further details.

Impairment – loans to associate

Loans were provided to Wagamama USA LLC of £178,000 (2023: £1,277,000), which classified as an associate up until May 2024 when the full equity interest was acquired (Note 27). Given the loss-making position of the entity, these loan amounts were fully impaired in the year they were given. Wagamama USA LLC is a fully consolidated subsidiary at the balance sheet date.

Acquisition-related costs

During the current period, the Group acquired the remaining 82.5% equity interest in its US Wagamama associate (Wagamama USA LLC) from its majority owner (CVC Ramen LLC) (see note 27). The transaction resulted in total costs of £559,000 incurred for legal and professional fees linked to the acquisition.

Retention bonuses relating to acquisition

As part of the acquisition of Wagamama US, there were retention bonuses paid to existing employees that have been recognised within exceptional costs for the year, based on their non-recurring nature.

Remeasurement of contingent consideration

At the year end, management undertook a reassessment of the fair value of contingent consideration arising from the Wagamama US acquisition (see Note 27). As part of this exercise, updated forecasts and revised expectations regarding the achievement of performance targets linked to the contingent payments were reviewed. This remeasurement resulted in a £1,591,000 decrease in the liability recognised at the balance sheet date and an exceptional credit to the income statement in the current year.

Estate restructuring

The Group has assessed the sites it regards as having onerous obligations for closed and closing sites based on the current forecast projections and has increased the provision accordingly. This provision for onerous sites relates to service charges and dilapidations, whilst the business rates and the costs to exit for onerous sites are treated as an exceptional item in FY23 and expensed as incurred. Such costs incurred in FY24 have been recognised in underlying administrative expenses.

Gain on fair value investments

In FY24, a gain of £nil (FY23: £2,119,000) was recognised upon remeasurement to fair value of the Group's investment in Punch Bowl Social as at the balance sheet date. This investment was disposed as part of the acquisition of Wagamama US during FY24. Further details are included in Note 27.

Notes to the consolidated financial statements continued

7 Finance income

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Interest receivable from parent undertakings	17,251	14,873
Interest receivable from net investment in subleases	269	–
Other interest income	121	363
Total finance income	**17,641**	15,236

Interest is charged on amounts due from parent undertakings at a rate of SONIA plus 8% (2023: SONIA plus 8%) per annum and these amounts are repayable on demand.

Finance income on net investments in subleases of £269,000 (2023: £82,000) is reflected above. This was offset within finance costs during FY23 and has been represented in FY24 to better reflect the nature of the income.

8 Finance costs

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Unwinding of discount on lease liabilities	11,335	10,206
Interest payable to parent undertakings	33,759	28,198
Other interest payable	181	25
Total interest payable	**45,275**	38,429

Interest is incurred on amounts owed to parent undertakings at a rate of SONIA plus 8% (2023: 8%) per annum and these amounts are repayable on demand.

9 Income tax expense

a) Analysis of charge in the period

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
Current tax:		
Current tax on profit for year	6,792	11,694
Adjustment in respect of prior periods	1,009	–
Total current tax	**7,801**	11,694
Deferred tax:		
Origination and reversal of temporary differences	3,931	63
Adjustments in respect of prior periods	(1,286)	–
Charge in respect of rate change on deferred tax	–	1
Total deferred tax	**2,645**	64
Total tax	**10,446**	11,758

Notes to the consolidated financial statements continued

9 Income tax expense continued

b) Factors affecting total tax charge

The tax assessed on the profit on ordinary activities for the period varies from the standard rate of corporation tax in the UK of 25% (2023: 23.52%).

The differences are explained below.

	52 weeks ended 29 Dec 2024 £'000	Unaudited 52 weeks ended 31 Dec 2023 £'000
(Loss) / profit on ordinary activities before taxation	(12,424)	31,455
(Loss) / profit on ordinary activities multiplied by rate of tax 25% (2023: 23.52%)	(3,106)	7,398
Effects of:		
Expenses not deductible for taxation purposes	106	328
Amounts not recognised[1]	11,815	2,647
Non-qualifying assets[2]	1,929	1,378
Differences in tax rates	–	1
Group relief	(19)	–
Adjustment in respect of previous periods	(277)	–
Share options	(2)	6
Total tax (note 9(a))	10,446	11,758

1 Amounts not recognised are in relation to the losses and temporary differences on the US activity which cannot be used against UK profits. The deferred tax asset is not recognised for such losses.

2 Non-qualifying assets are the depreciation, impairment and loss on disposal of the assets which do not qualify for capital allowances or any other revenue deduction under tax legislation. Therefore, such amounts result in a permanent difference.

For the year ended 29 December 2024, the Group remains under the ownership of The Restaurant Group Ltd ('TRG'), which will be the highest level of consolidation at this date. Group relief provided to/from other entities within the TRG group of companies is paid for by the receiving entity equal to the tax saving achieved, unless the surrendering entity is entering liquidation, in which case the relief is provided for nil consideration.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15% (referred to as the Pillar Two rules), which is assessed on the TRG ownership group.

As the Group is primarily UK-based with minor overseas operations, the incremental tax arising under the Pillar Two rules is not material. The legislation implements a domestic top-up tax and a multinational top-up tax and applies to the group from the financial year ending 31 December 2024 onwards. The group has applied the exception under IAS 12.4A to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

Notes to the consolidated financial statements continued

10 Intangible assets

	Goodwill £'000	Trademarks £'000	Software & IT development £'000	Total £'000
Cost				
At 2 January 2023 – unaudited	109,095	29	3,859	112,983
Additions	–	–	2,238	2,238
At 31 December 2023 – unaudited	**109,095**	**29**	**6,097**	**115,221**
Accumulated amortisation and impairment				
At 2 January 2023 – unaudited	–	8	1,949	1,957
Charge for the period	–	1	420	421
Impairment	–	–	13	13
At 31 December 2023 – unaudited	**–**	**9**	**2,382**	**2,391**
Net book value				
At 31 December 2023 – unaudited	**109,095**	**20**	**3,715**	**112,830**
Cost				
At 1 January 2024	109,095	29	6,097	115,221
Additions	–	64	4,231	4,295
Arising on business combination (Note 27)	12,221	–	–	12,221
Disposal	–	–	(121)	(121)
At 29 December 2024	121,316	93	10,207	**131,616**
Accumulated amortisation and impairment				
At 1 January 2024	–	9	2,382	2,391
Charge for the period	–	–	1,169	1,169
Disposal	–	–	(16)	(16)
Impairment (Note 27)	12,221	–	92	12,313
At 29 December 2024	12,221	**9**	**3,627**	**15,857**
Net book value				
At 29 December 2024	**109,095**	**84**	**6,580**	**115,759**

Wagamama UK

The recoverable amount of the goodwill at 29 December 2024 has been based on value in use estimates using forecasts approved by the Board. The projected cash flows have been discounted using a rate based on the Group's post-tax weighted average cost of capital of 9.4%, and the pre-tax equivalent of 11.6% (2023: 11.2%) that reflects the risk of these assets. Cash flows are extrapolated in perpetuity with an annual growth rate of 3% (2023: 3%).

The Directors do not believe that there is a reasonably possible change in assumptions which would result in goodwill being impaired. See Note 13 for further details.

Wagamama USA

On 28 May 2024, the Group acquired the remaining 82.5% equity interest in the US Wagamama associate (Wagamama USA LLC) from its majority owner (CVC Ramen LLC) with goodwill assessed to be £12,221,000. The goodwill arising has been fully impaired at 29 December 2024. The projected cash flows have been discounted using a rate based on the Group's post-tax weighted average cost of capital of 9.4%, and the pre-tax equivalent of 11.6% (2023: 11.2%) that reflects the risk of these assets. See Note 13 for further details.

Notes to the consolidated financial statements continued

11 Property, plant and equipment

	Freehold property £'000	Leasehold property improvements £'000	Fixtures, fittings & equipment £'000	Total £'000
Cost				
At 2 January 2023 – unaudited	–	146,721	111,116	257,837
Additions	3,205	3,833	22,049	29,087
At 31 December 2023 – unaudited	**3,205**	**150,554**	**133,165**	**286,924**
Accumulated depreciation				
At 2 January 2023 – unaudited	–	92,339	68,998	161,337
Charge for the period	–[1]	8,207	10,637	18,844
Impairment	–	1,024	2,979	4,003
At 31 December 2023 – unaudited	**–**	**101,570**	**82,614**	**184,184**
Net book value				
At 31 December 2023 – unaudited	**3,205**	**48,984**	**50,551**	**102,740**
Cost				
At 1 January 2024	**3,205**	**150,554**	**133,165**	**286,924**
Removal of depreciated assets	–	(7,464)	(18,572)	(26,036)
Additions	–	9,291	20,508	29,799
Disposal	–	(1,674)	(2,038)	(3,712)
At 29 December 2024	**3,205**	**150,707**	**133,063**	**286,975**
Accumulated depreciation				
At 1 January 2024	**–**	**101,570**	**82,614**	**184,184**
Removal of depreciated assets	–	(7,464)	(18,572)	(26,036)
Transfers between asset categories	–	(5,831)	5,831	–
Charge for the period	64	7,690	8,968	16,722
Impairment	–	4,974	3,814	8,788
Disposal	–	(1,219)	(1,220)	(2,439)
At 29 December 2024	**64**	**99,720**	**81,435**	**181,219**
Net book value				
At 29 December 2024	**3,141**	**50,987**	**51,628**	**105,756**

1 No depreciation has been charged on this asset as at 31 December 2023 due to the addition taking place at the end of the period.

The Group has carried out impairment testing of property, plant and equipment as described in Note 13. During the year the Group performed an exercise to true up the property, plant and equipment asset register and has removed historically fully depreciated assets shown in the table above as 'removal of depreciated assets'. There is no impact on the net book value of the property, plant and equipment.

Notes to the consolidated financial statements continued

12 Right of use assets

Set out below are the right of use assets recognised in the Group's balance sheet and movements therein during the year. All assets relate to access to and use of property and there is, therefore, no analysis of assets into different classes of use.

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Right of use assets at the beginning of year	**145,317**	154,089
Additions	4,919	7,141
Business acquisition	15,564	–
Disposals	(596)	–
Reclassification to net investment in sublease	(484)	–
Depreciation	(17,581)	(17,803)
Remeasurements	6,990	4,252
Net impairment reversal / (charge) of assets (Note 6)	(18,145)	(2,362)
Right of use assets at reporting date	**135,984**	145,317

13 Impairment reviews

Each year the Directors assess goodwill and assets with an indefinite useful life for impairment. For finite useful life assets (PPE, RoUA and intangibles) the Directors assess whether there is any indication that an asset may be impaired, and if there are indicators, the directors will perform an impairment assessment. In the current year impairment indicators for finite useful life assets were present and the directors performed the following impairment assessment.

Approach and assumptions

The same underlying forecast assumptions are used for assets with indefinite and finite useful lives, noting that the cash flow forecasts used for finite useful lives only cover the finite period.

The approach to impairment reviews for PPE and RoUA relies upon 'value in use' tests per cash generating unit ('CGU'). In the Wagamama Group, each site is considered a separate CGU, as each site generates its own cash flows and operates independently from one another, with revenue and costs driven per site. The approach to the impairment review for goodwill is based on the collated value of the CGUs as a group.

Assumption	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Discount rates (pre-tax)	11.1%	11.2%
Terminal growth rate	3.0%	3.0%

Discount rates used in the value in use calculations are estimated with reference to our weighted average cost of capital. For 2024, we have applied a post-tax discount rate on post tax cash flows of 8.9% (the equivalent pre-tax discount rate is 11.1%). Assumptions and underlying cash flows used have been updated post Board approval and adjusted to reflect changes in the market post year-end.

Despite reducing inflationary pressures in the UK during 2024, risks to consumer demand are expected to continue into 2025 leading to potential impairment of assets.

For the current period, value in use estimates have been prepared on the basis of the forecast described in Note 2, above, under the heading 'Going concern basis', which are extended for a further two years, followed by the application of the terminal growth rate for goodwill and the lease term for PPE / RoUA.

The most significant assumptions and estimates relate to revenue forecast on site-by-site cash flows. These use a terminal growth rate of 3%. The events and circumstances giving rise to the impairment charge for the year relate to the ongoing cost-of-living crisis, which has resulted in a reduced budgeted performance from 2025 to 2027. The indicators for the impairment reversals relate to sites where there has been sustained improvement in trading and there is evidence to support that the impairment indicators no longer exist. There is no accounting standard or consistent definition of 'like-for-like sales' across the industry. Company like-for-like sales are calculated by comparing the performance of all mature sites (traded for at least 65 weeks) in the current period vs. the comparable period in the prior period. Sites that were closed, disposed, or disrupted during a financial year are excluded from the 'like-for-like' calculation.

Notes to the consolidated financial statements continued

13 Impairment reviews continued

Results of impairment review – goodwill

The goodwill relating to Wagamama UK has a carrying value of £109,095,000 as at 29 December 2024. An impairment assessment has resulted in significant headroom above the carrying value and therefore no impairment has been recognised (see Note 10).

The goodwill arising on the US business acquisition was assessed to be £12,221,000, which has been fully impaired in the period (see Note 27). The Group impaired the goodwill as based on the current forecasts the value in use does not support the recovery of the balance. The Group acquired the US business with the view to longer term expansion in the US market. As the existing US business is loss making, the current forecast of value in use does not support recovery of the goodwill balance and the Group has therefore impaired this in full. Refer to Note 10.

Results of impairment review – assets other than goodwill

The CGUs for non-current assets represent specific sites which are assessed on a site-by-site basis for impairment purposes in terms of PPE, ROUA and intangible assets. Impairment charges and reversals have been recorded at a number of specific CGUs where performance expectations have deteriorated or improved, respectively, since the previous impairment assessment. The impairment reversal is a direct result of the continued trading improvement of the specific sites to which it relates. The future outlook of these sites supports the increased value in use. Refer to Note 6 for a breakdown of the charge/reversal per level of assessment.

The impairment charge relates to sites where performance has not been as strong as expected and the forecast future cash flows indicate that an impairment charge exists.

A net impairment of £26,933,000 (2023: £6,354,000) was recognised, comprising a net impairment charge of £8,788,000 (2023: £4,016,000) against Property, Plant & Equipment ('PPE') and a net impairment charge of £18,145,000 (2023: charge – £2,362,000) against Right of Use Assets ('RoUA').

Sensitivity to further impairment charges

The key assumptions used in the recoverable amount estimates are the discount rates applied and the forecast cash flows. The Company has conducted a sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible trading and economic scenarios as well as discount rates used.

Sensitivity to property, plant and equipment and right of use asset impairment:

2024

Sensitivity	**Change applied**	**Decrease in Net impairment Expense £'000**	**Increase in Net Impairment Expense £'000**
Sales forecast	+ / – 1%	1,600	(1,600)
Inflation (labour and other costs) forecast	– / + 1%	2,900	(3,200)
Discount rate	– / + 1%	1,700	(1,500)
Terminal growth rate	**+ / – 1%**	**900**	**(800)**

2023

Sensitivity	Change applied	Decrease in Net impairment Expense £'000	Increase in Net Impairment Expense £'000
Sales forecast	+ / – 1%	937	(980)
Inflation (labour and other costs) forecast	– / + 1%	610	(857)
Discount rate	– / + 1%	170	(156)
Terminal growth rate	+ / – 1%	61	(58)

Notes to the consolidated financial statements continued

14 Deferred tax assets

	£'000
At 2 January 2023 – unaudited	**9,198**
Deferred tax charge for the period	(64)
At 31 December 2023 – unaudited	**9,134**
Adjustment in respect of prior years	1,286
Deferred tax charge for the period	(3,931)
At 29 December 2024	**6,489**

Movement in Deferred tax (assets) and liabilities

	Fixed assets £'000	Temporary differences Trading £'000	Tax losses £'000	Share options £'000	Gains £'000	Leases receivable	Leases payable	Total £'000
At 1 January 2023 – unaudited	**(1,131)**	**(573)**	**(8,068)**	**(84)**	**658**	**906**	**(906)**	**(9,198)**
Charged / (credited) to income statement	(536)	515	–	84	–	(109)	110	64
At 31 December 2023 – unaudited	**(1,667)**	**(58)**	**(8,068)**	**–**	**658**	**797**	**(796)**	**(9,134)**
1 January 2024	**(1,667)**	**(58)**	**(8,068)**	**–**	**658**	**797**	**(796)**	**(9,134)**
Prior year adjustments	108	(857)	(537)	–	–	30	(30)	(1,286)
Charged / (credited) to income statement	3,983	(51)	–	–	–	(93)	92	3,931
At 29 December 2024	**2,424**	**(966)**	**(8,605)**	**–**	**658**	**734**	**(734)**	**(6,489)**

The Group have recognised a deferred tax asset where management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable profits to utilise these deferred tax assets.

This judgement is performed annually and based on budgets and business plans for the coming years, including planned commercial initiatives.

In FY24 the Group recorded an accounting loss of £12.4m which was driven by non-recurring expenses including the impairment of goodwill and RoUA relating to the Wagamama USA LLC acquisition, presented through exceptional items. When excluding these non-recurring expenses the Group would have recognised a profit in the year, and the Group continues to be generate taxable profits. The Group is forecasting future taxable profits, based on the cash flow forecasts as reviewed and sensitised as per Note 13 which support the recognition of the deferred tax asset.

There is an unrecognised deferred tax asset in relation to Wagamama US, arising on leases (£22,740,265), losses (£14,031,037) and temporary timing differences in respect of goodwill (£12,221,000) and property, plant and equipment (£16,390,000). Unrecognised losses relate to US losses which cannot be used against UK profits. These losses do not have an expiration date, however the amount carried forward is limited to 80% of taxable income. As there is no taxable profits in the US being forecast to support recoverability, these deferred tax assets are not recognised.

Notes to the consolidated financial statements continued

15 Inventories

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Food and other consumables	3,425	3,289
Merchandising	475	365
Total inventories	**3,900**	3,654

The amount of inventories recognised as an expense during the period was £90,059,000 (2023: £90,964,000). There is no significant difference between the replacement cost of the inventory and its carrying amount. Amounts of inventories written down during the period was £nil (2023: £nil).

16 Trade and other receivables

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Non-current:		
Amounts due from parent undertakings	–	163,826
Current:		
Amounts due from parent undertakings	**211,286**	–
Trade receivables	5,542	5,740
Prepayments	4,088	5,441
Net investment in subleases	916	798
Other receivables	3,282	2,015
Total trade and other receivable due in less than one year	**225,114**	13,994

Amounts receivable from parent undertakings are contractually due for repayment on demand. In 2023, these were classified as non-current as the expected timing of settlement was more than 12-months from the balance sheet date. Following the Group restructuring in January 2025 (see note 28) these amounts due from parent undertakings have been settled, hence these are classified as current in the current year. Interest is charged at a rate of SONIA plus 8% (2023: 8%) per annum. The movement in the amounts receivable from parent undertakings is mainly due to accrued interest of £17,251,000 (2023: £14,873,000) and cash sweeps received of £41,007,000 (2023: £35,604,000). These amounts have been settled post year-end and therefore the Group assesses the expected credit loss to be immaterial. Please refer to Note 28 for further details.

Trade receivables and other receivables are primarily amounts due from investments and franchisees, as well as rebates and discounts. The Group considers the probability of default to be remote and therefore no expected credit loss has been recognised. As at the date of signing of these financial statements, 98% of these receivables have been collected.

17 Trade and other payables

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Trade payables	17,134	21,480
Amounts owed to parent undertakings	272,151	230,354
Other taxation and social security	4,198	3,908
Other payables	10,802	6,517
Corporation tax	341	–
Accruals	27,930	26,216
Total current liabilities	**332,556**	288,475

Amounts owed to parent undertakings have been settled post year end as part of the group restructure, please refer to Note 28 for further details. Interest is incurred at a rate of SONIA plus 8% (2023: SONIA plus 8%) per annum and these amounts are repayable on demand. The movement in the amounts payable to parent undertakings is mainly due to accrued interest of £33,759,000 (2023: £28,198,000) and net payments made on behalf of the Group.

Notes to the consolidated financial statements continued

18 Provisions for liabilities

	Contingent consideration £'000	Closed Site & other provisions £'000	Total £'000
As at 2 January 2023 – unaudited	**–**	**1,318**	**1,318**
Remeasurement	–	(463)	(463)
Amounts utilised	–	(426)	(426)
Unwinding of discount	–	2	2
As at 31 December 2023 – unaudited	**–**	**431**	**431**
Contingent consideration arising on business combination (Note 27)	2,205	–	2,205
Remeasurement	(1,591)	724	(867)
Transfer from accruals	–	735	735
Amounts utilised	–	(565)	(565)
As at 29 December 2024	614	**1,325**	**1,939**

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Current provision	1,713	305
Non-current provision	226	126
Total provision	**1,939**	431

Contingent consideration arose from the Wagamama US acquisition (see Note 27) during the year. Updated forecasts and revised expectations regarding the achievement of performance targets linked to the contingent payments were reviewed and resulted in a remeasurement of £1,591,000 credited in the P&L through exceptional items (Note 6).

Closed site and other provisions represent the Group's obligations for site-related contractual commitments, such as service charges and dilapidations obligations.

Other provisions comprise provisions for dilapidation costs which are not significant as to require separate disclosure. The transfer from accruals relates to dilapidations costs previously classified as accruals.

19 Lease liabilities

(a) Group as lessee

Set out below are the movements in the carrying amount of lease liabilities during the period. All leases relate to access to and use of property.

	£'000
At 2 January 2023 – unaudited	**222,478**
Additions	8,759
Unwinding of discount on lease liabilities	10,206
Cash payments made	(30,083)
Liabilities extinguished in disposals	(2,866)
Remeasurements	1,183
At 31 December 2023 – unaudited	**209,677**
Additions	4,919
Business acquisition	15,328
Unwinding of discount on lease liabilities	11,335
Cash payments made	(31,449)
Liabilities extinguished in disposals	(183)
Remeasurements	11,319
Foreign exchange valuation	(179)
At 29 December 2024	**220,767**

Notes to the consolidated financial statements continued

19 Lease liabilities continued

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Current lease liabilities	27,326	30,343
Non-current liabilities	193,441	179,334
Total lease liabilities	**220,767**	209,677

The Group leases various buildings which are used for the purpose of operating restaurants. The leases are noncancellable with varying terms and renewal rights.

In addition to the unwinding of discount on lease liabilities noted in the above table and depreciation on right of use assets, the Group is exposed to leases where future cash outflows are not reflected in the lease liabilities because the agreements are based on variable lease payments in the form of turnover rent. In 2024, variable lease payments amounted to £9,870,000 (2023: £7,040,000).

As at 29 December 2024, the Group was committed to two leases with future cash outflows which had not yet commenced (2023: none).

Discount Rate sensitivity

Lease liabilities under IFRS 16 are initially recorded at the present value of future lease payments discounted using the Group's incremental borrowing rate, which we estimate with reference to our debt facilities and observed bond yields, calculated on a lease by lease basis. Lease liabilities are subsequently unwound using the same discount rate and included in finance expense in the Group income statement. Increasing the discount rate by 1% would lead to an increased interest expense of £1.6m (2023: £2.1m), while decreasing by 1% would lead to a decrease of £6.0m (2023: £2.1m).

(b) Group as lessor

Net Investment in subleases

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Amounts due within one year[1]	916	798
Amounts due after one year	5,220	4,988
Total net investment in subleases	**6,136**	5,786

1 Included within other receivables.

There is no variable lease income from subleases in the current or prior year. The increase in the Group's net investment in subleases is due to a new sublease agreement entered into during the current year with a remaining lease period of 18 years as at the reporting date.

Finance leases

Undiscounted lease receipts relating to finance leases for future years are set out in the table below.

There is no undiscounted unguaranteed residual value within the amounts recognised.

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Amounts receivable in the next year	930	798
Amounts receivable in 1-2 years	916	781
Amounts receivable in 2-3 years	916	780
Amounts receivable in 3-4 years	916	794
Amounts receivable in 4-5 years	824	808
Amounts receivable after 5 years from the balance sheet date	4,284	4,303
Unearned finance income	(2,650)	(2,478)
	6,136	5,786

Operating leases

There are two sites classified as operating leases due to their term coverage. Their values are immaterial.

Notes to the consolidated financial statements continued

20 Called up share capital

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Allotted, called up and fully paid:		
Ordinary shares of £1 each		
Balance at beginning of year	–	–
Shares issued	5,118	–
Total	**5,118**	–

On 18 December 2024 the Company issued 5,118,110 new ordinary shares of £1 each. These shares were not issued in return for cash, but in exchange for a liability in the form of a promissory note. As part of the purchase agreement for Wagamama US (Note 27), a promissory note was issued to the previous owner by a parent undertaking of the Group. The Group's liability related to this note was capitalised as part of the parent's issued share capital following the completion of the acquisition.

21 Reserves

	Other Reserves £'000	Retained earnings £'000
At 2 January 2023 – unaudited	**23,299**	**25,786**
Profit for the period	–	19,697
Foreign exchange differences on consolidation	918	–
Share based payments	288	–
Current tax	48	–
At 31 December 2023 – unaudited	**24,553**	**45,483**
(Loss) for the period	–	(22,870)
Foreign exchange differences on consolidation	705	–
Current tax	2	–
At 29 December 2024	**25,260**	**22,613**

Other reserves as at arose during 2021 from the novation of the Group's loan payable to Mabel Mezzco Ltd, the parent entity of Wagamama (Holdings) Ltd at the time of the novation. The novation of this loan resulted in a capital contribution of £42m being recognised in 2021 relating to the forgiveness of the loan amount. This reserve was then reduced by a bonus share issue of £19m made during 2022.

22 Share based payments

During FY2022, the Company's then ultimate parent company, The Restaurant Group Ltd (formerly The Restaurant Group plc), operated a number of share-based payment schemes. The other reserves account in the balance sheet reflects the credit to equity made in respect of the charge for share-based payments made through the income statement.

On 21 December 2023, the ultimate parent company was acquired by Rock Bidco Ltd (a special purpose vehicle indirectly owned by the Apollo Funds, managed by affiliates of Apollo Global Management, Inc.), and as part of the acquisition all share options were subject to accelerated vesting and therefore no share options are outstanding at the point these financial statements were issued.

Save As You Earn

Under the Save As You Earn (SAYE) scheme, the TRG Board granted options over shares in The Restaurant Group plc to UK-based employees of the Group. Options were granted with a fixed exercise price equal to 80% of the average market price of the shares for the five days prior to invitation. Employees paid a fixed amount from their salary into a savings account each month for the three-year savings period. At the end of the period, employees had six months in which to exercise their options to the extent of savings in place at acquisition date. If employees decided not to exercise their options, they could withdraw the funds saved, and the options expired. Exercise of options was subject to continued employment within the Group, subject to standard good leaver provisions. In exceptional circumstances, employees were permitted to exercise options before the end of the three-year savings period. Options were valued using the Black Scholes pricing model.

The acquisition by Apollo resulted in the SAYE share option maturity dates all being revised to December 2023, with participants having a further six months to exercise if they chose not to exercise on completion, or within 20 days of completion of the acquisition transaction. If the employees elected to exercise on completion, they were entitled to a one off compensation cash payment funded by Rock Bidco.

Notes to the consolidated financial statements continued

22 Share based payments continued

Year ended 29 December 2024

Period during which options are exercisable	Exercise Price	Outstanding at the beginning of the year	Granted	Forfeited	Exercised	Lapsed	Outstanding at the end of the year	Exercisable at the end of the year
2022-2023	112.7p	644	–	–	–	(644)	–	–
2023-2024	52.0p	165,706	–	(21,064)	(11,935)	(132,707)	–	–
2024-2025	88.0p	70,562	–	(44,995)	–	(25,567)	–	–
2025-2026	30.0p	137,907	–	(57,829)	(24,914)	(55,164)	–	–
2025-2027	38.6p	218,900	–	(211,762)	(7,138)	–	–	–
Total number		**593,719**	**–**	**(335,650)**	**(43,987)**	**(214,082)**	**–**	**–**
Weighted average exercise price (pence)		**46.29**	**–**	**44.6**	**37.4**	**–**	**–**	**–**

The weighted average remaining contractual life for the shares outstanding at the end of the period is nil as any outstanding options that were not exercised by 20 June 2024, lapsed (2023: 6 months).

Year ended 31 December 2023 – unaudited

Period during which options are exercisable	Exercise Price	Outstanding at the beginning of the year	Granted	Forfeited	Exercised	Lapsed	Outstanding at the end of the year	Exercisable at the end of the year
2022-2023	112.7p	54,645	–	–	–	(54,001)	644	644
2023-2024	52.0p	587,468	–	(27,237)	(280,784)	(113,741)	165,706	165,706
2024-2025	88.0p	113,305	–	(4,090)	–	(38,653)	70,562	70,562
2025-2026	30.0p	1,711,728	–	(805,994)	(449,440)	(318,387)	137,907	137,907
2025-2026	38.6p	–	1,086,551	(741,790)	(20,248)	(105,613)	218,900	218,900
Total number		**2,467,146**	**1,086,551**	**(1,579,111)**	**(750,472)**	**(630,395)**	**593,719**	**593,719**
Weighted average exercise price (pence)		**39.73**	**38.6**	**34.57**	**38.46**	**46.05**	**46.29**	**0.0**

The weighted average remaining contractual life for the shares outstanding at the end of the period is 6 months as any outstanding options that are not exercised by 20 June 2024, will lapse (2022: 2.0 years).

Restricted Share Plan

Prior to its acquisition, The Restaurant Group Ltd, the then ultimate parent company, ran a Restricted Share Plan under which share options were granted to Directors and other senior employees, including Wagamama employees. No exercise price was payable on these instruments.

Year ended 29 December 2024

Period during which options are exercisable	Type of award	Fair value	Outstanding at the beginning of the year	Forfeited	Exercised	Lapsed	Outstanding at the end of the year	Exercisable at the end of the year
2023	Restricted share plan	54.0	914,329	(914,329)	–	–	–	–
2024	Restricted share plan	127.0	–	–	–	–	–	–
2025	Restricted share plan	66.0	94,802	–	(94,802)	–	–	–
2026	Restricted share plan	65.0	–	–	–	–	–	–
Total number			**1,009,131**	(914,329)	(94,802)	**–**	**–**	**–**

Notes to the consolidated financial statements continued

22 Share based payments continued

Year ended 31 December 2023 – unaudited

Period during which options are exercisable	Type of award	Fair value	Outstanding at the beginning of the year	Granted	Exercised	Lapsed	Outstanding at the end of the year	Exercisable at the end of the year
2023	Restricted share plan	54.0	926,800	–	–	(12,471)	914,329	–
2024	Restricted share plan	127.0	421,652	–	(416,534)	(5,118)	–	–
2025	Restricted share plan	66.0	609,870	–	(338,146)	(176,922)	94,802	94,802
2026	Restricted share plan	65.0	–	1,273,272	(424,424)	(848,848)	–	–
Total number			**1,958,322**	**1,273,272**	**(1,179,104)**	**(1,043,359)**	**1,009,131**	**94,802**

The volume of award lapsed in FY23 related to options which vested upon the TRG plc Group's acquisition by Apollo and were pro-rated for time-served through the vesting period, with options for the remaining term of the vesting period lapsing.

Owing to the terms of the instruments, their fair value is estimated to match the market value at the date of grant.

Vesting of share options under the Restricted Share Plan was dependent on continuing employment as set out in the scheme rules, although in exceptional circumstances, employees were permitted to exercise options before the normal vesting date.

Assumptions used in valuation of share-based payments granted:

	2023 Grants		2022 Grants	
Scheme	2023 RSP	2023 SAYE	2023 RSP	2023 SAYE
Grant date	11/05/2023	23/10/2023	21/04/2022	24/10/2022
Share price at grant date	33.0p	48.3p	33.0p	48.3p
Exercise price	N/A	38.6p	N/A	36.6p
No of options originally granted	1,273,272	4,030,936	1,273,272	1,086,551
Minimum vesting period	3 years	3 years	3 years	3 years
Expected volatility[1]	N/A	0.0%	N/A	0.0%
Contractual life	3 years	3 years	3 years	3 years
Risk free rate	N/A	5.19%	N/A	5.19%
Expected dividend yield	N/A	0.00%	N/A	0.00%
Expected forfeitures	15.0%	39.0%	15.0%	39.0%
Fair value per option	64.8p	0.80p	64.8p	0.80p

1 Expected volatility is the measure of the amount by which the share price is expected to fluctuate during a period. Due to the entity delisting in the 2023 financial period, the share price in the 2023 year and going forward is fixed and is not expected to fluctuate. As such, expected volatility is calculated up to date of delisting.

Notes to the consolidated financial statements continued

23 Cash generated from operations

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
(Loss) / profit before tax	(12,424)	31,455
Net interest payable	16,299	12,987
Impairment – PPE	8,788	4,003
(Reversal of impairment) / impairment – ROUA	18,145	2,362
Impairment – investment in associate	178	–
Impairment – US goodwill	12,221	–
Reduction in contingent consideration	(1,591)	–
Settlement of pre-existing relationship	3,636	–
Impairment – intangibles	92	13
Impairment – loan to associates	–	1,277
Impairment – net investment in sublease	–	(24)
Exceptional – gain on fair value of investment	–	(2,119)
Share based payments	–	288
Depreciation	34,303	36,647
Amortisation	1,169	421
Increase in inventories	(19)	(1,096)
Increase in trade and other receivables	(40,762)	(30,555)
Increase in trade and other payables	17,878	1,721
Decrease in provisions	(894)	(887)
Gain / (loss) on termination of lease liabilities	414	(2,866)
Loss on disposal of PPE	1,274	–
Loss on disposal of intangible	105	–
Unwinding of discount on lease liabilities	11,335	10,206
Lease remeasurement of ROU asset and lease liability	4,329	(3,069)
Cash generated from operations	**74,476**	60,764

The amounts due to and due from group undertakings relate to cash pooling arrangements between Wagamama entities and the immediate parent entity TRG (Holdings) Ltd. The purpose of the cash pooling arrangement is to manage cash flows at the TRG (Holdings) Ltd level, and these arrangements result in daily cash sweeps between Wagamama entities and TRG (Holdings) Ltd. The cash sweeps occur both ways, with cash transferred up to the parent and received from the parent. These cash flows relate to the operational activities of the Wagamama Group and have therefore been included within cash flows from operating activities. Refer to Note 24 for further details on the related party transactions.

Notes to the consolidated financial statements continued

24 Related parties

The transaction between members of the Wagamama (Holdings) Ltd Group have been eliminated on consolidation and are not disclosed in this note where the transactions are between wholly owned subsidiaries, in accordance with paragraphs 25–27 of IAS 24 Related Party Disclosures. The Group has traded with related parties in the normal course of operations.

The following table provides the total amount of transactions that have been entered into with parent undertaking parties:

Income statement

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Interest receivable from parent undertakings	**17,251**	14,873
Interest payable to parent undertakings	**(33,759)**	(28,198)

Balance sheet

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Amounts owed to parent undertakings	**(272,151)**	(230,354)
Amounts owed by parent undertakings	**211,286**	163,826

See Note 16 and 17 for detail explanation regarding transactions with parent undertaking relating to trade and other receivable and trade and other payable. Additionally, payables to parent undertakings also include the Group's liability in relation to the promissory note issued as part of the business combination (Note 27).

There was a loan to associate (Wagamama USA LLC) during the period of £178,000 (2023: £321,000), which was fully impaired by the balance sheet date. Prior to its acquisition in May 2024, the associate had a carrying value of £nil.

Prior to acquisition, the Group entered into a separate loan with Wagamama USA LLC for £1,507,000. The loan to Wagamama USA LLC was used to settle liabilities within the acquired associate. This loan was assessed as recoverable by management following the Group's acquisition of a controlling interest in Wagamama USA LLC. Following the completion of the acquisition, this loan receivable and loan payable eliminate fully upon consolidation.

Additionally, in the period to 29 December 2024, payments of £1,494,000 were made to employees following the exercise of share options in December 2023. This included £318,000 to key management personnel (2023: £216,000). These payments were made by The Restaurant Group Ltd.

Net cash sweeps with amounts due to parent undertaking and amounts due from parent undertakings during the period totalled £43,944,000 (2023: £28,032,000).

During FY23, a leased property with a right-of-use asset of £171,000 and lease liability of £1,790,000, together with a freehold property valued at £3,205,000 were transferred to the Group from its parent company at their fair value. No cash was transferred for these amounts, and they were recorded as amounts due to and amounts due from group undertakings. The amounts capitalised and recognised as lease liabilities are included within additions in Notes 11, 12 and 19.

There were no other related party transactions in the current or prior year other than those relating to key management personnel. Remuneration in respect of key management personnel, defined as the Directors for this purpose, is disclosed in Note 5.

25 Financial instruments

Financial assets

The financial assets of the Group, which are measured at amortised cost, comprise:

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Cash and cash equivalents	10,031	9,369
Net investment in subleases	6,136	5,786
Amounts receivable from parent undertakings	211,286	163,826
Trade and other receivables[1]	12,912	7,755
Total financial assets	**240,365**	186,736

1 Trade and other receivables excludes the current net investment in sublease (see Note 19b).

Notes to the consolidated financial statements continued

25 Financial instruments continued

Financial liabilities

(a) The financial liabilities of the Group, all of which are measured at amortised cost, comprise:

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Trade and other payables	**60,405**	58,121
Amounts payable to parent undertakings	**272,151**	230,354
Lease liabilities (current)	**27,326**	30,343
Lease liabilities (non-current)	**193,441**	179,334
Total financial liabilities	**553,323**	498,152

The financial assets of the Group, which are measured at fair value through income statement comprise:

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Investments	**–**	2,767

1 Investment in Punch Bowl Social ('PBS') in prior year was measured using Level 3 inputs of fair value hierarchy and was disposed in the current financial year as part of business combination (see Note 27).

(b) The financial liabilities of the Group, which are measured at fair value through income statement, comprise:

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Contingent consideration arising on business combination (Note 27)	**614**	–

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while looking to maximise returns to shareholders. The capital structure of the Wagamama (Holdings) Ltd Group consists of equity (comprising issued share capital, other reserves and retained earnings), amounts owed to parent undertakings and cash and cash equivalents. The Group monitors its capital structure on a regular basis through cash flow projections and consideration of the cost of financing its capital.

Secured liabilities and assets pledged as security

At 29 December 2024, no assets are pledged by the Group as security on borrowings.

The maturity profile of anticipated gross future cash flows, including interest, relating to the Group's non-derivative financial liabilities, on an undiscounted basis, are set out below:

	Lease liabilities £'000	Trade & other payables £'000	**Total £'000**
Within one year	30,478	332,556	**363,034**
Within one to two years	28,168	–	**28,168**
Within two to three years	26,744	–	**26,744**
Within three to four years	25,230	–	**25,230**
Within four to five years	24,028	–	**24,028**
After five years	164,787	–	**164,787**
Future finance costs	(78,668)	–	**(78,668)**
At 29 December 2024	**220,767**	332,556	**553,323**
Within one year	30,729	288,475	**319,204**
Within one to two years	28,249	–	**28,249**
Within two to three years	25,932	–	**25,932**
Within three to four years	24,372	–	**24,372**
Within four to five years	22,724	–	**22,724**
After five years	278,814	–	**278,814**
Future finance costs	(201,143)		**(201,143)**
At 31 December 2023 – unaudited	**209,677**	**288,475**	**498,152**

Notes to the consolidated financial statements continued

25 Financial instruments continued

Fair value of financial assets and liabilities

Investment

At 31 December 2023, the Group held an investment in Punch Bowl Social ('PBS'), a US chain of themed restaurants, which was measured using Level 3 techniques and valued at £2,767,000. There was no gain or loss on resulting from remeasurement of this investment during the current period. This investment was disposed in the current period as part of the business combination (see Note 27) and there was no change in the fair value of the investment in the period until the point of disposal.

Contingent consideration

Additionally, as part of the business combination transaction, contingent consideration of £2,205,000 was recognised. This was valued by management using Level 3 techniques based on management's best estimate of expected performance of the acquired operations. Refer to Note 27 for further information.

The Group has no other financial assets or liabilities that require measurement using Level 1, 2 or Level 3 measurement techniques as defined by IFRS 13.

Net debt

	Due to parent undertakings £'000	Lease liabilities £'000	Cash & cash equivalent £'000	Total £'000
At 31 December 2023 – unaudited	**(230,354)**	**(209,677)**	**9,369**	**(430,662)**
Repayment of obligations under leases	–	31,449	(31,449)	–
Non- cash movement in the year	(38,860)	(42,539)	–	(81,399)
Cash flow sweeps (Note 23)	(2,937)	–	2,937	–
Net cash inflows	–	–	29,174	29,174
At 29 December 2024	**(272,151)**	**(220,767)**	**10,031**	**(482,887)**

The non-cash movements in lease liabilities mainly relate to additions including business acquisition, finance charges and remeasurement of lease liabilities.

	Due to parent undertakings £'000	Lease liabilities £'000	Cash & cash equivalent £'000	Total £'000
At 1 January 2023 – unaudited	**(209,726)**	**(222,478)**	**6,399**	**(425,805)**
Repayment of obligations under leases	–	30,083	(30,083)	–
Non-cash movement in the year	(28,198)	(17,282)	–	(45,480)
Cash flow sweeps (Note 23)	7,570	–	(7,570)	–
Net cash inflows	–	–	40,623	40,623
At 31 December 2023 – unaudited	**(230,354)**	**(209,677)**	**9,369**	**(430,662)**

26 Financial risk management

(a) Credit risk

The Group's exposure to credit risk arising from trade and other receivables primarily relates to rebates and given the strong trade relationship maintained with suppliers, the related credit risk is low. The Group also has exposure to credit risk arising from net investment in subleases, for which an impairment assessment is performed at each reporting date.

The Group's exposure to credit risk arising from its operations is minimal given that the customer base is large and unrelated, and that the overwhelming majority of customer transactions are settled at the point of the transaction through secure electronic means or cash.

The Group holds receivables from parent undertakings and assesses the credit risk on these balances as low risk on the basis that both the Wagamama group and the TRG group have the same ultimate parent and ownership structure, and therefore amounts and working capital arrangements of the Group and parent entity are managed on a holistic basis. In addition to this, the Group also has payables due to the parent undertaking which it could utilise to offset the receivable balances if there was an increase in the risk of default. These balances have been settled post year-end.

Notes to the consolidated financial statements continued

26 Financial risk management continued

Subleases

The credit risk in relation to net investment in subleases is subject to the Group's policy and procedures relating to credit risk. £nil sublease receivables were written off during the reporting period (2023: £nil).

The impairment analysis is performed at each reporting date. The credit quality of each tenant is assessed individually to estimate the probability of default for the expected credit loss calculation. The assessment is based on forward looking information of each tenant such as individual financial performance as well as wider economic conditions and monitoring the days past due with respect to outstanding rent. The exposure at default is considered to be the carrying value of the outstanding rent for the remainder of the sublease agreement.

Franchisees

The credit risk in relation to franchisee debtors is subject to the Group's policy and procedures relating to credit risk. As at 29 December 2024, the Group has 17 franchisee debtors (2023: 15) in relation to Wagamama, with a gross receivable balance of £1.1m (2023: £0.9m). The impairment analysis is performed at each reporting date for franchisees also. The Expected Credit Loss ('ECL') relating to franchisees as at 29 December 2024 was £0.7m (2023: £0.3m).

(b) Liquidity risk

The Group adopts a prudent approach to liquidity risk management, maintaining sufficient cash and utilising funding available through its parent's committed credit facilities. On the basis of the cash held and ongoing cash generation through the Group's restaurant operations, the Group is able to fully meet all of its obligations as they fall due.

(c) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is applicable for the amounts due to and from parent undertakings as the interest is calculated at SONIA + 8% margin. A change of 1.00% in SONIA, with all other variables held constant, would increase or decrease the Group's annual interest expense by approximately £1.26m.

(d) Foreign currency risk

During the year, there was foreign currency gain of £705k (2023: £98k). In order to mitigate this risk, the US business funds itself to the extent that it can and therefore transacts in USD to USD. Funding will be given to the US entity only as and when required.

(e) Price risks

The Group is exposed to price risk due to fluctuations in the costs of ingredients, utilities, and labour. To mitigate this risk, management monitors changes in consumer pricing for its products and services to manage the potential impact on revenue and profitability, and continually reviews pricing strategies to respond appropriately to market and cost changes.

(f) Cash flow risks

The exposure to cash flow risk for the Group is primarily through fluctuations in interest rates on amounts due to parent undertakings (see (c) above) as well as movements in operating cash flows driven by macroeconomic conditions. Management monitor cash flow forecasts on a daily basis to ensure that the Group has sufficient cash reserves at all times.

27 Business combination

On 28 May 2024, the Group acquired the remaining 82.5% equity interest in the US Wagamama associate (Wagamama USA LLC) from its majority owner (CVC Ramen LLC). As a result of this transaction, the Group now owns 100% of Wagamama USA LLC.

The acquired entity operates Wagamama-branded restaurants across America with eight sites at the point of acquisition. The acquired entity complements the existing UK operations of the Group and provides access to the US market. The step acquisition resulted in no remeasurement gain or loss associated with the existing equity interest of 17.5%. The acquisition-date fair value of the equity interest in Wagamama USA LLC held immediately before the acquisition date was £nil.

Notes to the consolidated financial statements continued

27 Business combination continued

Assets acquired and liabilities assumed

The purchase price allocation accounting for the business combination has been completed and the fair value of identifiable assets and liabilities of Wagamama USA LLC as at the date of acquisition were:

	Fair value recognised on acquisition £'000
Assets	
Right of use assets	15,564
Inventory	226
Trade and other receivables	308
Cash and cash equivalents	219
	16,317
Liabilities	
Trade and other payables	(3,913)
Lease liabilities	(15,328)
	(19,241)
Total identifiable assets and liabilities at fair value	**(2,924)**
Goodwill arising upon acquisition	12,221
Settlement of pre-existing relationship [4]	3,636
Purchase consideration transferred	**12,933**

Purchase consideration

	£'000
Cash	886
Contingent consideration[1]	2,205
Promissory note issued[2]	5,118
PBS valuation[3]	4,724
Total consideration	**12,933**

1 As part of the purchase agreement with the previous owner, contingent consideration has been agreed. Contingent consideration payable on 30 September 2025 ranges from £nil to £4,350,000 based on trading performance for the period from August 2024 to August 2025 (the first twelve months following Arlington site's opening) based on sales for three sites, (Arlington, Tampa and Dallas) over that period. Contingent consideration has been estimated at the point of acquisition. See Note 6 for the revision to estimated contingent consideration as at the balance sheet date.

2 As part of the purchase agreement, a promissory note was issued to the previous owner by a parent undertaking of the Group. The Group's liability related to this note was capitalised as part of the parent's issued share capital following the completion of the acquisition (Note 20).

3 PBS Valuation relates to the fair value of investment in Punch Bowl Social ('PBS'), a chain of US themed restaurants held by the Group (£2,767,000) and debt owed by PBS (£1,978,000) which were waived as part of the purchase consideration.

4 As part of the acquisition accounting, the pre-existing relationship between Wagamama USA LLC and the Wagamama Group was settled. This resulted in a loss being recognised on acquisition with the credit being recognised in goodwill.

Notes to the consolidated financial statements continued

27 Business combination continued

The fair value of the trade receivables amounts to £177,000 which is also the gross amount of trade receivables, and it is expected that the full contractual amounts can be collected. The fair value of other receivables of £131,000 is also expected to be recovered in full.

From the date of acquisition, Wagamama US contributed £10,257,000 of revenue and loss of £2,836,000 before tax from continuing operations of the group. Included within the loss are the impact of the initial set up and associated pre-opening costs for two of the recent openings, one of which only opened in the second half of the year. If the combination had taken place at the beginning of the year, revenue from continuing operations for the Group would have been £508,521,000 and statutory loss before tax from continuing operations for the group would have been £14,376,000. Additionally, prior to acquisition, an impairment charge of £178,000 (2023: £321,000) was recognised by the Group on its loan with the US associate.

Goodwill arising upon acquisition has been fully impaired. Refer to Note 13. This goodwill impairment is deductible for tax purposes.

Transaction costs of £1,522,000 were incurred during the current period and expensed as exceptional acquisition costs.

28 Post balance sheet events

On 30 January 2025, TRG completed a reorganisation and refinancing, under which Wagamama issued £330m in senior secured notes through its newly incorporated subsidiary Waga Bondco Ltd. The bond was issued on The International Stock Exchange with a coupon of 8.5%. Under the new structure, The Restaurant Group Ltd no longer acts as the main parent holding company for the Group. Wagamama (Holdings) Ltd is now the lead UK parent entity for the Wagamama business, under the ownership of Rock Bidco Ltd, incorporated in Jersey.

There are no further subsequent events to note which impact these financial statements.

29 Ultimate parent undertaking

Following the acquisition of The Restaurant Group plc on 21 December 2023, the ultimate controlling parent is Apollo Global Management, Inc., which is registered in the US and listed on the New York Stock Exchange.

The immediate parent company at year end was TRG (Holdings) Ltd, a company incorporated in England and Wales.
As at the date of this report, the immediate parent company is Waga Midco Ltd, a company incorporated in Jersey.

Company balance sheet

	Note	29 Dec 2024 £'000	Unaudited restated 31 Dec 2023 £'000
Non-current assets			
Investments	3	262,323	251,110
Deferred tax assets	4	8,662	8,145
		270,985	259,255
Current assets			
Trade and other receivables	5	91	80
Current liabilities			
Trade and other payables	6	(276,297)	(249,873)
Net (liabilities) / assets		**(5,221)**	9,462
Capital and reserves			
Called up share capital	7	5,118	–
Other reserves	8	23,193	23,141
Retained earnings	8	(33,532)	(13,679)
Total (deficit) / equity		**(5,221)**	9,462

The Company's loss for the year was £19,853,000 (2023: £14,890,000 (restated – Note 4)) and other comprehensive income amounted to £52,000 (2023: £nil).

The accompanying notes are an integral part of these financial statements.

The financial statements of Wagamama (Holdings) Ltd were approved by the board of directors and authorised for issue on 19 May 2025 and were signed on its behalf by:

M Chambers
Director

Company registration number: 07556525

Company statement of changes in equity

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
Balance as at 2 January 2023	–	23,141	1,211	24,352
Loss for the period (restated)	–	–	(14,890)	(14,890)
Total comprehensive expense for the period (restated)	**–**	**–**	**(14,890)**	**(14,890)**
Balance as at 31 December 2023 – unaudited (restated)	**–**	**23,141**	**(13,679)**	**9,462**
Loss for the period	–	–	(19,853)	(19,853)
Other comprehensive income	–	52	–	52
Total comprehensive expense for the period	**–**	**52**	**(19,853)**	**(19,801)**
Shares issued	5,118	–	–	5,118
Balance as at 29 December 2024	**5,118**	**23,193**	**(33,532)**	**(5,221)**

The accompanying notes are an integral part of these financial statements.

Notes to the company financial statements

1 Accounting policies and basis of preparation

Basis of preparation

The Company accounts have been prepared under the historical cost convention and in accordance with UK Accounting Standards. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). As permitted under FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, business combinations, financial instruments, fair values, presentation of a cash flow statement and certain related party transactions.

The financial statements are presented in sterling, rounded to the nearest hundred thousand.

The company applies the same accounting policies as the group, refer to pages 21 to 33. In addition, the company applies the following accounting policies.

Going concern basis

The financial statements have been prepared on a going concern basis. For further details of the basis of this going concern assessment, please refer to Note 1 of the consolidated financial statements.

Investments

Investments are valued at cost less any provision for impairment. The investments have been assessed for impairment at the balance sheet date considering the underlying financial positions and projected profit forecasts of the Company's subsidiaries. No impairment has been recognised.

Amounts due from subsidiary undertakings

Intra-Group receivables are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less an allowance for any uncollectable amounts. The Company assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For intra-Group receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

2 Restated profit attributable to members of the Company

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account has not been presented for the Company.

Remuneration of the auditor is borne by a subsidiary undertaking (refer to Note 3 in the consolidated financial statements).

During the year, the Company made a loss of £19,853,000 (2023: £14,890,000 (restated – Note 4)) relating to Interest payable on amounts due to Group companies.

There are no employees in the Company (2023: nil).

Deferred tax assets are available for recognition as the company receives benefit by way of payment for the losses surrendered. The Company has recognised a deferred tax asset of £8.6m in the current year. As part of a review undertaken by management, it was identified that projections in the previous year also supported the recognition of the deferred tax asset of £8.1m. As a result, the comparative balance sheet for FY23 has been restated. Refer to Note 4 for the adjustments.

3 Investments

	Subsidiary Undertakings £'000
Cost and net book value	
At 31 December 2023 – unaudited	251,110
Additions	11,213
At 29 December 2024	**262,323**

On 28 May 2024, the Company indirectly acquired the remaining 82.5% equity interest in the US Wagamama associate (Wagamama USA LLC) from its partner (CVC Ramen LLC). As a result of this transaction, the Company now indirectly owns 100% of Wagamama USA LLC, of which the Company is an indirect holding company, see note 27 of consolidated financial statements for more details. The addition during the year reflects the additional investment in the Company's subsidiary, Ramen USA Ltd, which then subsequently invested in Wagamama USA LLC.

Impairment indicators of the investment value have been identified due to the loss making nature of the group. Management have assessed the investment values for impairment, noting that £251m (2023: £251m) of the investment is in Wagamama Ltd, the main trading entity within the Group. Wagamama Ltd as a standalone entity has significant underlying net assets above the investment carrying value, as well as significant profit before tax and EBITDA. The remaining investment in Ramen USA Ltd, and subsequently Wagamama USA LLC, has been transferred at a value above the investment carrying value post year-end as part of the restructure (see Note 8). As a result, the directors believe that the carrying value of the investments is supported by their underlying net assets.

Notes to the company financial statements continued

3 Investments continued

The Company owns, directly or indirectly, 100% of the issued share capital of the companies listed below:

	Location	Nature of business
Waga Bondco Ltd [2]	Jersey	Bond issuer
Wagamama Restaurants Ireland Ltd	Ireland	Restaurant operator
Ramen USA Ltd[1]	England and Wales	Holding company
Wagamama USA Holdings, Inc[1]	Delaware, USA	Holding company
Wagamama, Inc[1]	Delaware, USA	Holding company
Wagamama Group Ltd[1]	England and Wales	Holding company
Wagamama Ltd[1]	England and Wales	Restaurant operator
Wagamama International (Franchising) Ltd[1]	England and Wales	Franchise company
Wagamama CPU Ltd[1]	England and Wales	Food production company
Wagamama NY 53 3rd LLC[1]	Delaware, USA	Former operating company
Wagamama USA LLC[1]	Delaware, USA	Central operating company
Wagamama Boston One LLC[1]	Delaware, USA	Operating company
Wagamama USA 2015 LLC[1]	Delaware, USA	Central operating company
Wagamama NY 210 5th LLC[1]	Delaware, USA	Former operating company
WUSA Star Metals Atlanta LLC[1]	Delaware, USA	Former operating company
WUSA 1050 Water Tampa LLC[1]	Delaware, USA	Restaurant operator
WUSA Clarendon Arlington LLC[1]	Delaware, USA	Restaurant operator
WUSA Uptown Dallas LLC[1]	Delaware, USA	Restaurant operator

1 Indirectly owned.
2 Incorporated on 10 December 2024.

The registered address for all companies based in England and Wales is 5-7 Marshalsea Road, London, England, SE1 1EP.

The registered address for all US companies is c/o Corporation Trust Company, 1209 Orange St, Wilmington, DE 19801.

The registered address for the Irish company is 5th Floor, 76 Sir John Rogerson's Quay, Dublin Docklands, Dublin 2, D02 C9D0, Ireland.

Wagamama (Holdings) Ltd has guaranteed the liabilities of the subsidiaries listed above under section 479A and C of the companies Act 2006. As such, only subsidiaries listed above incorporated in England and Wales will take advantage of the audit exemption set out within section 479A for the year ended 29 December 2024.

4 Deferred tax assets

The Company have recognised a deferred tax asset where management's projections support the assumption that it is probable that the results of future operations will generate sufficient taxable profits to utilise these deferred tax assets within other group companies within the same UK tax group by FY28. Deferred tax assets are available for recognition as the company receives benefit by way of payment at the tax rate for the losses surrendered to the other group companies within the same tax group. The Company has recognised a deferred tax asset of £8.6m in the current year. Refer to note 14 in the Group financial statements for further detail.

There are no unrecognised losses in the Company. As part of management year end review, it had identified that projections in the previous year also supported the recognition of the deferred tax asset of £8.1m. As a result the comparative balance sheet for 2023 has been restated to correct this material error in accordance with the requirements of IAS 8 through the following adjustments:

	FY23 (As previously stated) £'000	Adjustment £'000	FY23 (Restated) £'000
Deferred Tax Asset	–	8,145	8,145
Retained Earnings	21,824	(8,145)	13,679
Income Statement Loss	23,035	(8,145)	14,890

Notes to the company financial statements continued

5 Trade and other receivables

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Amounts owed by Group undertakings	88	78
Other receivables	3	2
	91	80

Interest is charged on amounts owed by Group undertakings at a rate of SONIA plus 8% (2023: SONIA plus 8%) per annum. These are due for repayment on demand.

6 Trade and other payables

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Amounts owed to Group undertakings	276,297	249,873
	276,297	249,873

Amounts owed to Group undertakings are payable to TRG (Holdings) Ltd. Interest is charged on amounts owed to Group undertakings at a rate of SONIA plus 8% (2023: SONIA plus 8%) per annum. These are due for repayment on demand.

7 Called up share capital

	29 Dec 2024 £'000	Unaudited 31 Dec 2023 £'000
Allotted, called up and fully paid:		
Ordinary shares of £1 each		
Balance at beginning of year	–	–
Shares issued	5,118	–
Total	**5,118**	–

On 18 December 2024 the Company issued 5,118,110 new ordinary shares of £1 each.

8 Reserves

	Other Reserves £'000	Retained earnings £'000
At 2 January 2022	42,000	(16,328)
Loss for the period	–	(21,899)
Bonus share issue	(19,438)	–
Capital reduction	–	39,438
Capital contributions	579	–
At 1 January 2023	23,141	1,211
Loss for the period (restated – Note 4)	–	(14,890)
At 31 December 2023 – unaudited (restated)	23,141	(13,679)
Loss for the period	–	(19,853)
Other comprehensive income	52	–
At 29 December 2024	**23,193**	**(33,532)**

Other reserves as at 2 January 2022 arose during 2021 from the novation of the Group's loan payable to Mabel Mezzco Ltd, the parent entity of Wagamama (Holdings) Ltd at the time of the novation. The novation of this loan resulted in a capital contribution of £42,000,000 being recognised in 2021 relating to the forgiveness of the loan amount. In addition, a capital contribution of £579,000 was received during the year ended 1 January 2023 arose upon the release of a downstream loan from the Group's former parent company, Mabel Topco Ltd. A bonus share issue was made during the year ended 1 January 2023 of £19,438,000.

Notes to the company financial statements continued

9 Subsequent events

On 30 January 2025, TRG completed a reorganisation and refinancing, under which Wagamama issued £330m in senior secured notes through its newly incorporated subsidiary Waga Bondco Ltd and also has access to a £55m super senior revolving credit facility (RCF). The bond was issued on The International Stock Exchange with a coupon of 8.5%. Under the new structure, The Restaurant Group Ltd no longer acts as the main parent holding company for the Group. Wagamama (Holdings) Ltd is now the lead UK parent entity for the Wagamama business, under the ownership of Rock Bidco Ltd, incorporated in Jersey. In addition to this, outstanding amounts due to and from parent undertakings were settled as part of the reorganisation.

There are no further subsequent events to note which impact these financial statements.

Corporate Information

52 weeks ended 29 December 2024

Directors

Thomas Heier

Mark Chambers

Auditors

Ernst & Young LLP

1 More London Place
London SE1 2AF

Registered Office

5-7 Marshalsea Road
London SE1 1EP

Registered Number

07556525

Designed and produced by Instinctif Partners **creative.instinctif.com**