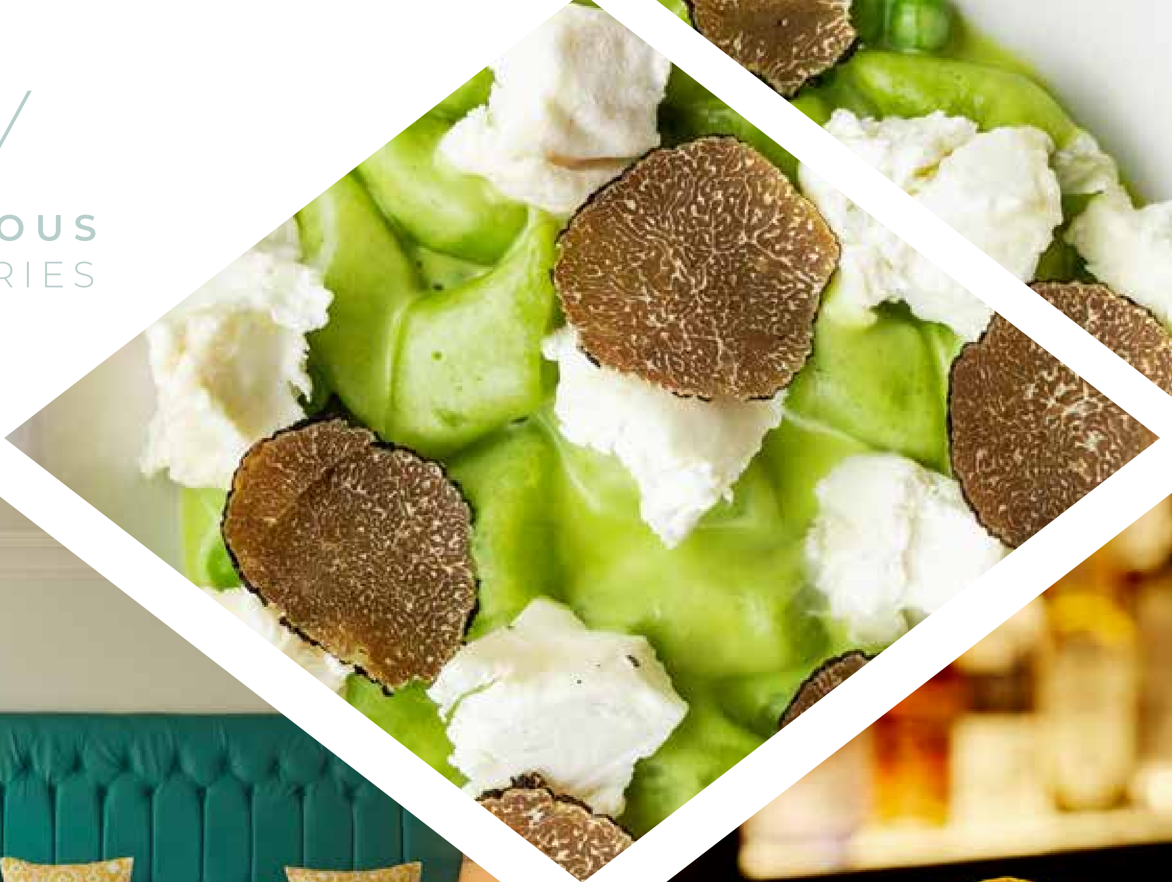
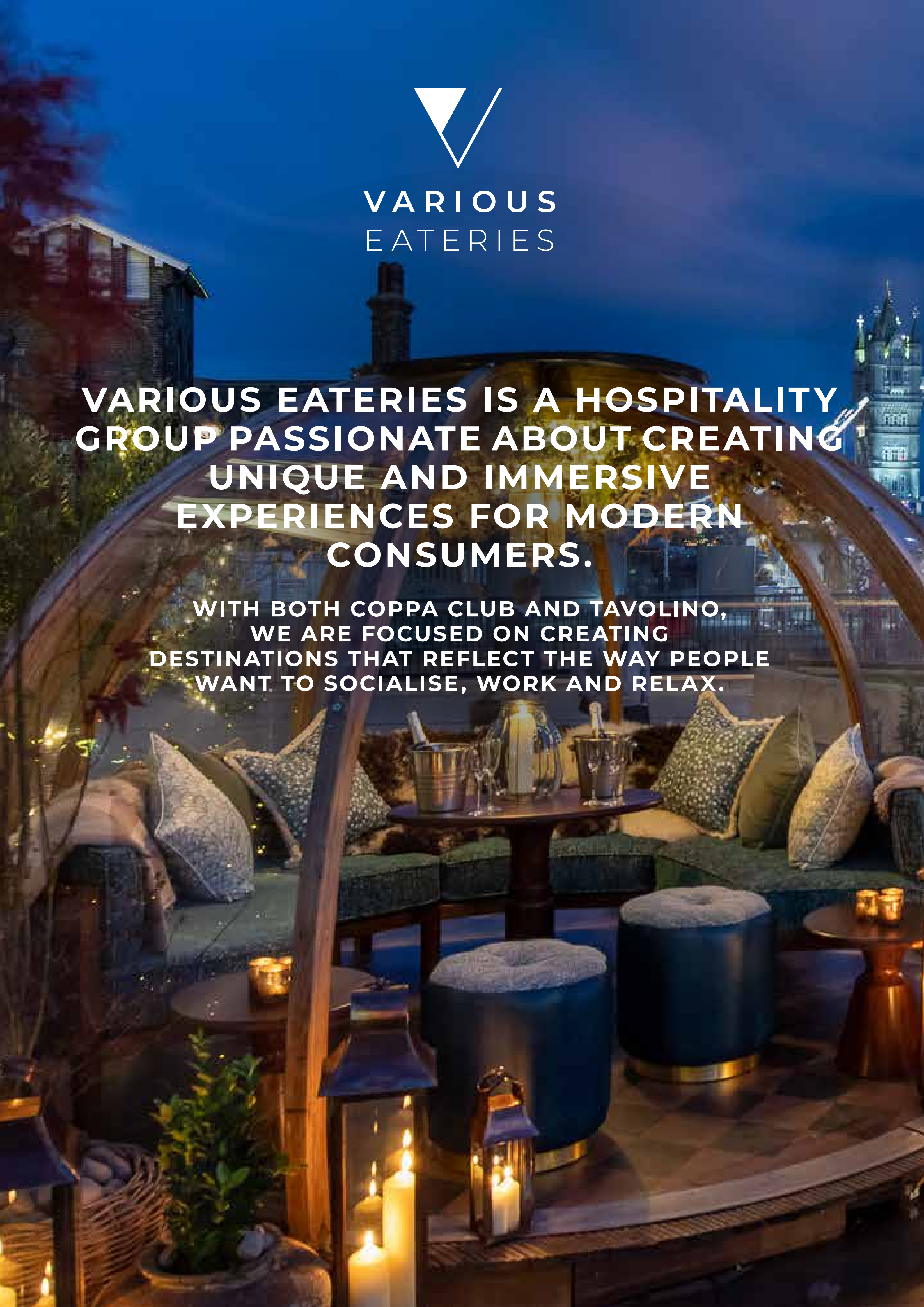
VARIOUS EATERIES



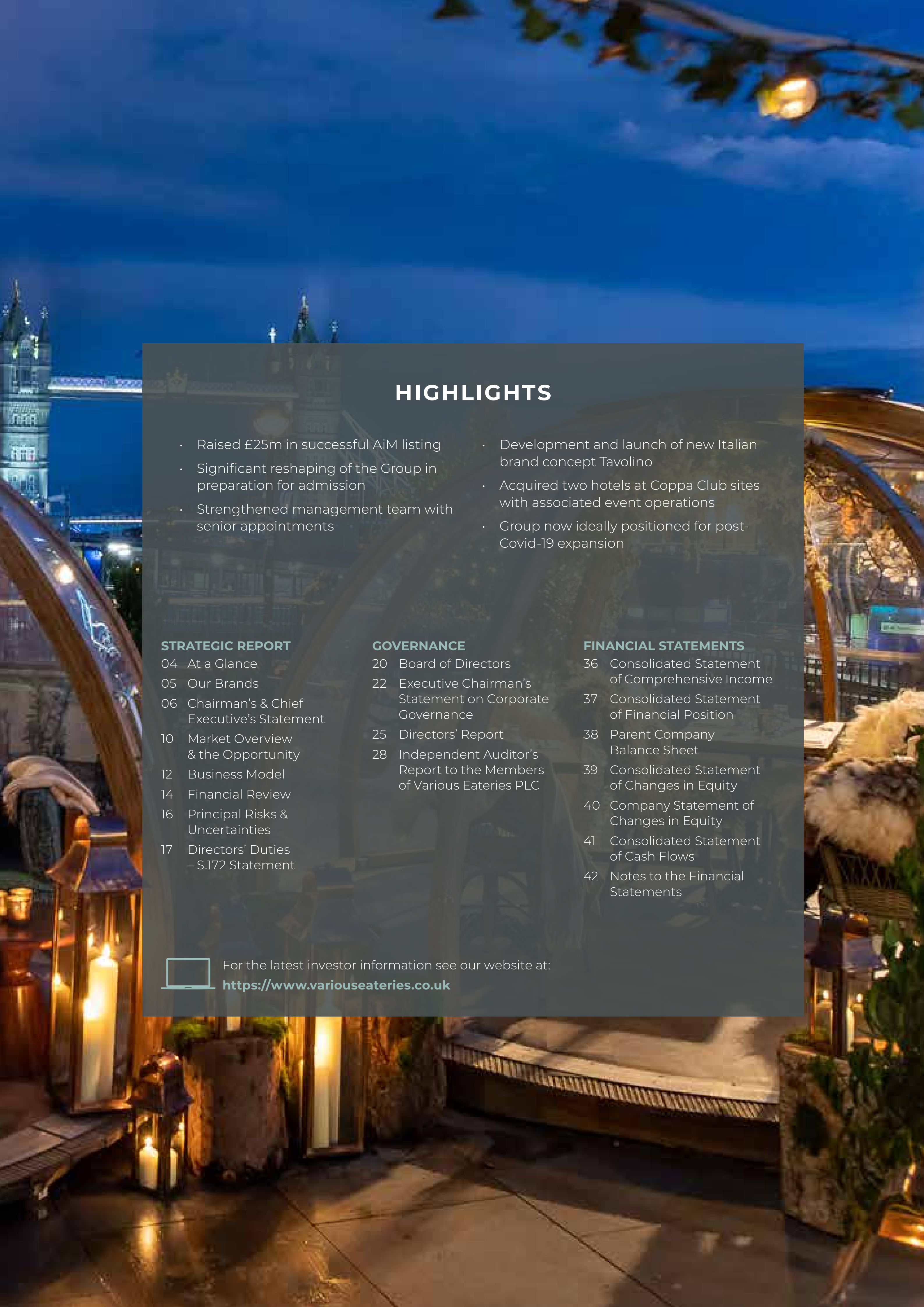
ANNUAL REPORT
& ACCOUNTS 2020



VARIOUS
EATERIES

VARIOUS EATERIES IS A HOSPITALITY GROUP PASSIONATE ABOUT CREATING UNIQUE AND IMMERSIVE EXPERIENCES FOR MODERN CONSUMERS.

WITH BOTH COPPA CLUB AND TAVOLINO, WE ARE FOCUSED ON CREATING DESTINATIONS THAT REFLECT THE WAY PEOPLE WANT TO SOCIALISE, WORK AND RELAX.



HIGHLIGHTS

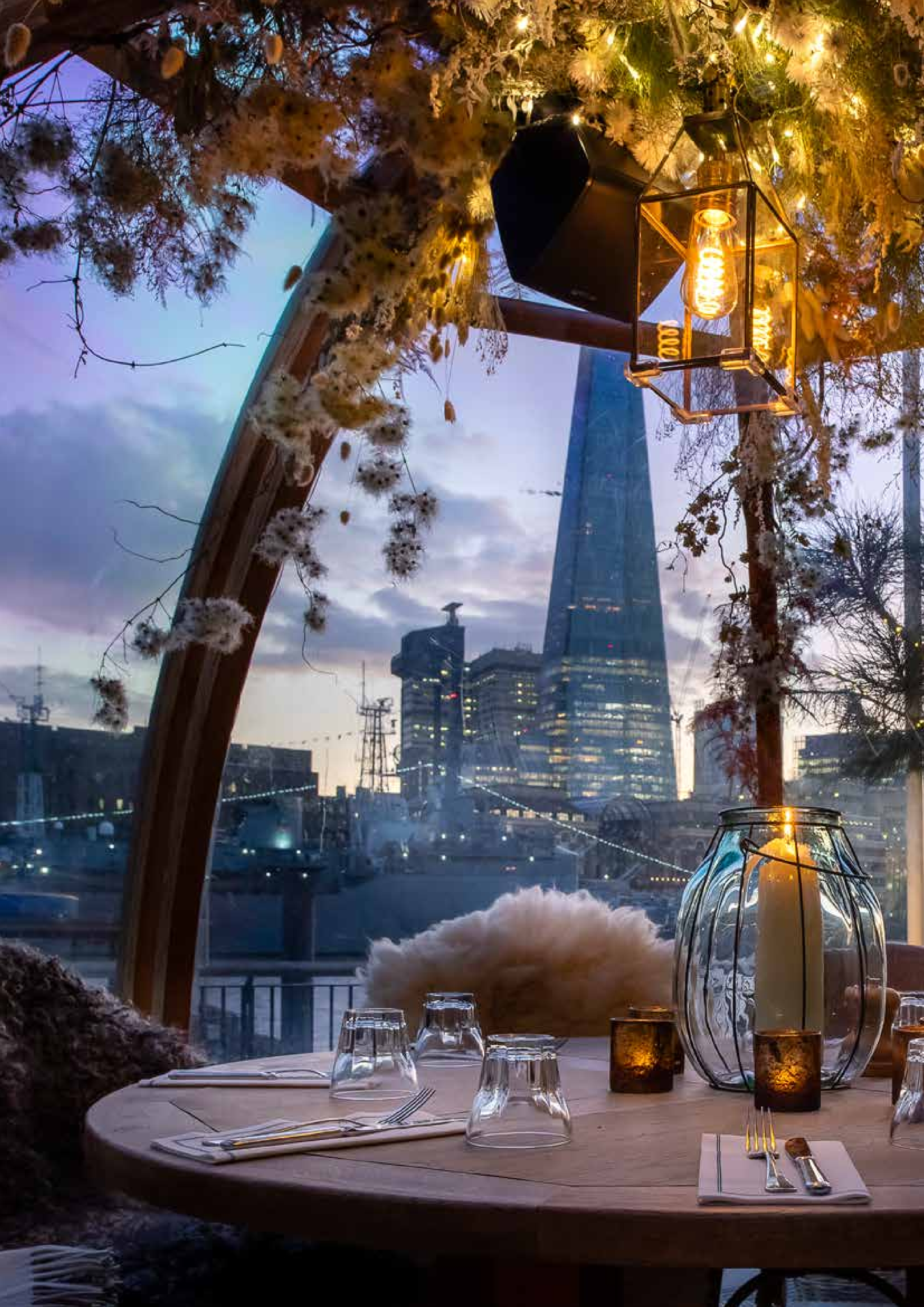
- Raised £25m in successful AiM listing
- Significant reshaping of the Group in preparation for admission
- Strengthened management team with senior appointments
- Development and launch of new Italian brand concept Tavolino
- Acquired two hotels at Coppa Club sites with associated event operations
- Group now ideally positioned for post-Covid-19 expansion

STRATEGIC REPORT

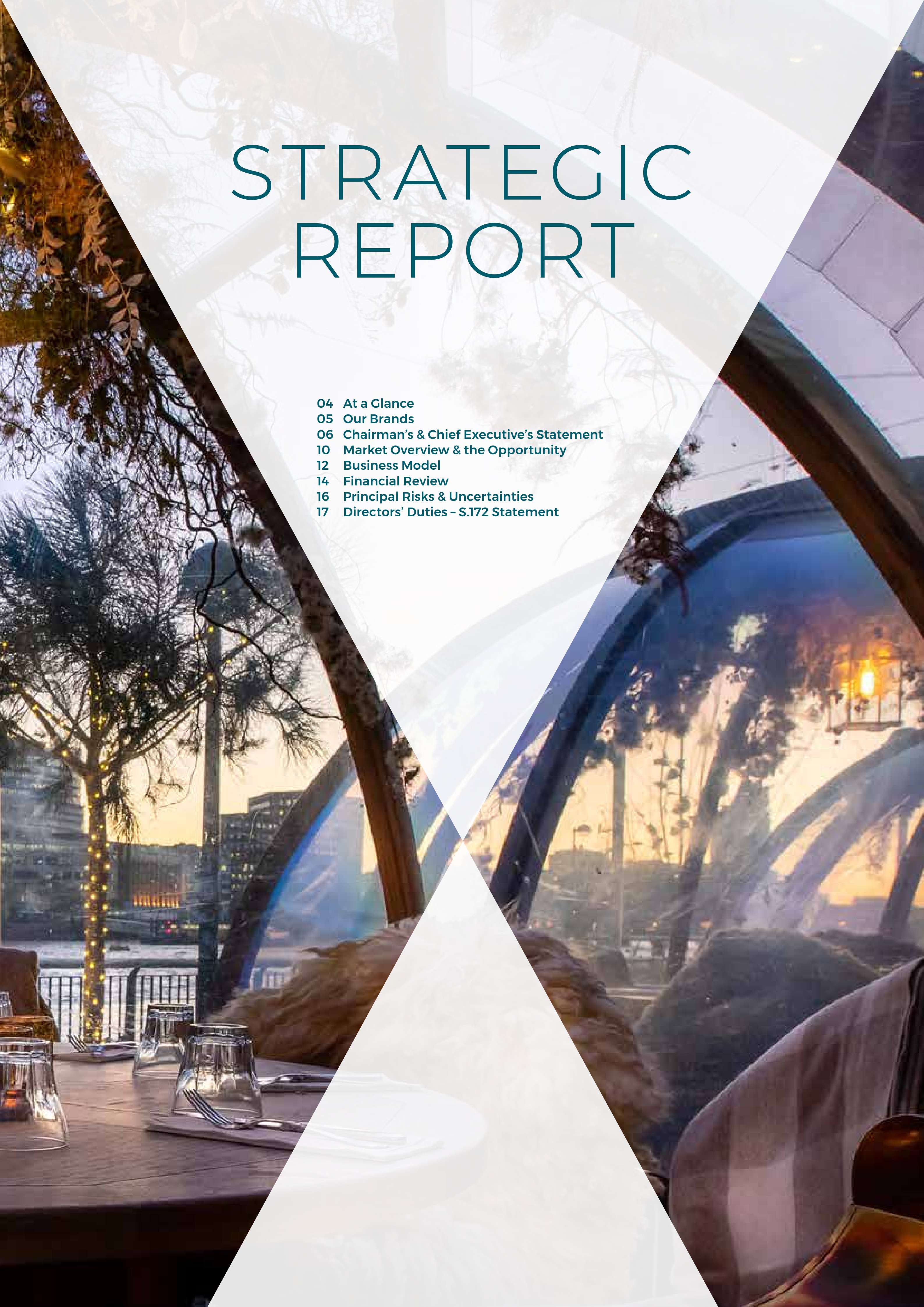
GOVERNANCE

FINANCIAL STATEMENTS

For the latest investor information see our website at:
https://www.variouseateries.co.uk



STRATEGIC REPORT



AT A GLANCE

THE VARIOUS EATERIES GROUP COMPRISES THE COPPA CLUB AND TAVOLINO BRANDS, WHICH CURRENTLY OPERATE ACROSS 11 UK LOCATIONS.

Our Directors are responsible for developing some of the UK's most successful hospitality groups, and we believe that the current market conditions present the perfect opportunity to expand both Coppa Club and Tavolino across the UK.

OUR PURPOSE

Great people delivering unique experiences through continuous innovation.

OUR CULTURE

The success of our business is dependent on the culture we foster and the way we think, behave and act towards our key stakeholders. We want to work with people who share the same passion that we have for our customers and our brands, and with people looking to work hard, develop with us and become part of the Various Eateries team.

OUR VALUES AND BEHAVIOURS

We are welcoming – Inclusive and positive; Open minded; Nothing is too much trouble
We take pride – Don't compromise; Challenge yourself
We are a community – Be part of something; We look out for each other; We care about our community

OUR HISTORY

Various Eateries was founded by Hugh Osmond – owner of the Strada business – in 2014. The first Coppa Club opened in Sonning-on-Thames in 2015, and five more Coppa Clubs had been launched by 2019. Andy Bassadone invested in the Group in 2019 with a vision to redefine the Italian dining sector with our second key brand Tavolino, which opened its first location in Tower Bridge in 2020.

OUR BRANDS

COPPA CLUB

Coppa Club is a multi-use, all-day concept that combines restaurant, terrace, café, lounge, bar and work spaces. Coppa Club seeks to provide a clubhouse that consumers can identify as their own, providing all the associated facilities with no annual membership fees.

Coppa Club's all-day menu is designed to address consumers' needs at any time of the day or week, encouraging them to return regularly.

The Group currently has seven Coppa Club locations, the majority of which are located outside of London. However, its three flexible format options allow it to be applied to central London, town-centre locations and existing hotel sites with ease. The three formats are as follows:

- **Full-Service Clubhouse**
  (The Great House at Sonning and The Swan at Streatley)
- **Club & Brasserie**
  (Tower Bridge Coppa Club and Coppa Club Cobham)
- **High Street Hubs**
  (Coppa Club Henley, Maidenhead and Brighton)

TAVOLINO

Tavolino (meaning "small table" in Italian) is a neighbourhood Italian bar and restaurant offering simple, high-quality Italian food. It differentiates itself by using premium ingredients, with dishes accessibly priced but not in a way that compromises the quality.

Our chefs are focused on creating and cooking authentic Italian dishes, made in traditional ways. They have developed bespoke, quality products that are scalable and can be efficiently, consistently and profitably rolled out.

The Group currently has one Tavolino location, in London. Tavolino is designed to operate in two formats. Its primary format will be restaurant sites that provide an extensive Italian brasserie menu, however, there is also an intention to create smaller pasta-only sites.

THE SUCCESS OF OUR BUSINESS IS DEPENDENT ON THE CULTURE WE FOSTER AND THE WAY WE THINK, BEHAVE AND ACT.

OUR OTHER ASSETS

STRADA

Strada is an established business and remains a well-known brand. The Group owns and controls the last two remaining sites, which are located in central London. We intend to convert both sites to the Tavolino concept in the future.

31 BELOW

31 Below is a neighbourhood café/bar with an all-day menu, full service bar, lounge area and workspace. The Group currently has one 31 Below location, located on Marylebone High Street.

CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT

VARIOUS EATERIES IS A WELL-FUNDED OPERATOR, WITH STRONG AND FRESH BRANDS AND AN EXPERIENCED MANAGEMENT TEAM. BOTH COPPA CLUB AND TAVOLINO ARE IMMEDIATELY READY TO SCALE UP GIVEN THE ECONOMIC CHALLENGES FACING THE SECTOR.

Andy Bassadone
Executive Chairman

Yishay Malkov
Chief Executive Officer

In the run up to our Initial Public Offering ('IPO') on the AiM Market of the London Stock Exchange, which took place on 25 September 2020, we spoke to investors of the far-reaching consequences we expected Covid-19 to have on the hospitality sector, and the vast opportunities it would create for a well-funded group with the right management team, modern formats built for the post-Covid-19 environment, and a growth strategy fit for purpose.

While the exact timing and extent of restrictions has been difficult to predict, overall the pandemic and its effects on the hospitality industry continue to pan out much as we expected. Just 70% of Britain's licensed premises were trading by the end of October 2020[1]. Over 650,000 hospitality jobs were lost in 2020[2], and with more than a million people in the food services and accommodation industry furloughed as of 31 December 2020[3], this figure is likely to grow dramatically in 2021. UK Hospitality has highlighted that four in ten businesses in the sector have stated that they would fail by mid-2021, with only one in five having adequate capital to survive beyond February 2021 under present levels of support[4].

As long-standing members of this industry, these statistics make difficult reading, however they do validate our approach and only make us more committed to our plans to rebuild; to acquire new sites, create jobs for as many people as possible, and to establish a new breed of venue that customers can enjoy in comfort and in safety.

In the period to 27 September 2020 ('FY20'), we went through a comprehensive process of overhauling the business in preparation for this moment. We built an incredible team – one of the most experienced in our industry – rationalised and improved our estate leaving us with only high-quality sites ready for growth, and developed new brands appropriate for the evolving needs of modern consumers.

With all of the transformative work undertaken in the year, together with our new listed status and the associated raise of £25m completed in September, we are confident we have the experience and resources to achieve our ambitions.

OUR STRATEGY

Our strategy is based on the Board's belief that the current environment presents an unprecedented opportunity for us, as a well-funded operator with strong and fresh brands and an experienced management team, to create a major leisure group post the Covid-19 lockdown. Initially this will be based on our two core brands of Coppa Club and Tavolino.

Coppa Club is a multi-use, all-day concept that combines restaurant, terrace, café, lounge, bar and remote working spaces under one roof. Tavolino aims to address a gap in the market for high-quality Italian food at mid-market prices.

Both Coppa Club and Tavolino are immediately ready to scale up given the economic challenges facing the sector. This is particularly as a consequence of Covid-19, which has led to a significant reduction in competition, premium site availability the likes of which the industry has never seen, and an increased availability of great, hard-working people.

The impact of Covid-19, combined with the experience of our management team, represents an unprecedented opportunity to build a major hospitality group, post Covid-19. Accordingly, using the funds raised in the recent placing, we intend to invest in the expansion of the Coppa Club and Tavolino brands by targeting distressed sites in prime locations, and we also intend to identify potential, complementary, bolt-on acquisitions of other restaurant brands to accelerate growth across the Group.

TRADING & COVID-19 IMPACT

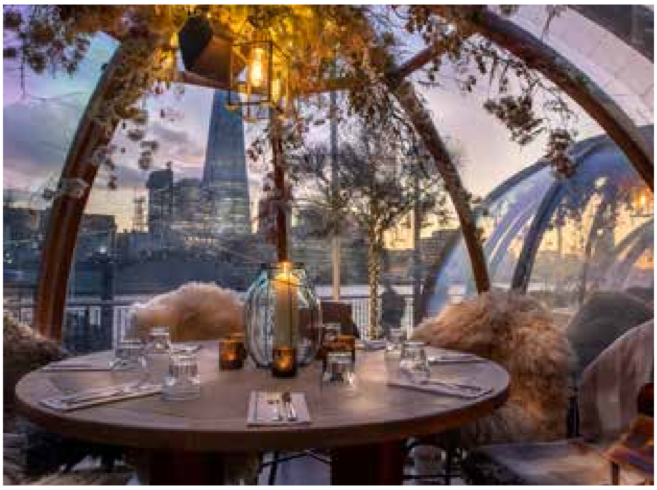
While the two new Coppa Club sites which were opened in the 52 weeks to 29 September 2019 ('FY19') delivered additional revenues in FY20, due to the reshaping of the business (including the planned closure and disposal of six sites in FY19), the severe restrictions placed on trading in response to Covid-19, and a period where our restaurant in Tower Bridge was closed for refurbishment to become the first Tavolino, overall revenue for FY20 was down 36% to £16.4m from £25.6m.

However, in periods outside of lockdown, trading was strong, especially in our new openings. The summer trade in particular, post July reopening from lockdown, saw some encouraging results for the future whilst the overall liquidity of the business remains strong.

A timeline of the various restrictions and the associated impact on trading is set out in the Financial Review.

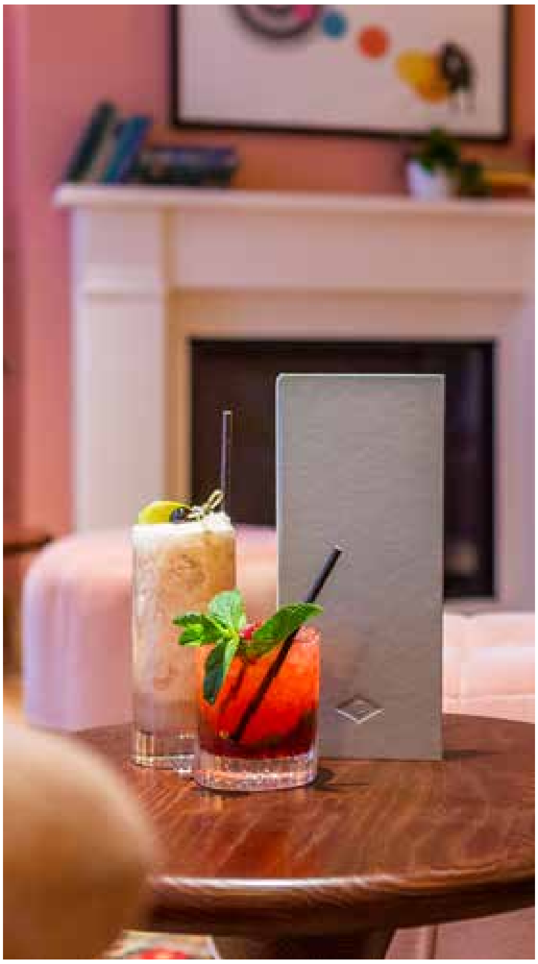
1 November edition of CGA and AlixPartners' Market Recovery Monitor.
2 According to analysis by software provider Fourth.
3 According to HMRC coronavirus statistics.
4 Stated as part of its evidence to the Treasury Select Committee Inquiry into the Economic Impact of Coronavirus.

IN PERIODS OUTSIDE OF LOCKDOWN, TRADING WAS STRONG, ESPECIALLY OUTSIDE OF LONDON WHERE THREE SITES ACHIEVED RECORD WEEKS IN THE PERIOD.



CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT
CONTINUED

DURING THE PERIOD, WE FOCUSED ON MAKING ALL OUR RESTAURANTS THE VERY BEST THEY CAN BE, ENHANCING OUR MARKET-LEADING PRODUCT, SERVICE AND ENVIRONMENT WHEREVER POSSIBLE.



DEVELOPING OUR ESTATE

During the reporting period we completed the reshaping of our estate with the disposal of the remaining four discontinued sites following the 11 made in FY19, as well as the acquisition of the next Coppa Club in Cobham. Prior to IPO, we also acquired the Rare Bird hotel and events businesses at Coppa Club Sonning and Streatley. We brought these two sister operations into the Group in order to enhance the clubhouse element of the Coppa Club brand and improve profitability through sales and cost synergies.

FY20 saw the launch of the new Tavolino brand, with the first site opening in Central London in July. Despite the significant reduction in footfall caused by Covid-19, the launch was a success and customer feedback was strong, boding well for the future. MICHELIN recently said of the site: "Pasta handmade on the premises daily and classic Italian dishes crafted using produce imported from small Italian suppliers are the draw here. These are matched by stunning views over the Thames towards Tower Bridge and the Tower of London – making a table on the terrace a must in summer".

Post period end, we opened our seventh Coppa Club site in Cobham, Surrey. The new site spans two floors and adopts the larger Club & Brasserie format. It includes a restaurant, bar, lounge and rooftop terrace complete with the brand's signature igloos. In line with the existing estate, it provides a "clubhouse" that consumers can identify as their own, without annual membership fees but providing all the associated facilities. The flexible format means consumers can use sites for a range of activities from eating and drinking to socialising, working or relaxing, making it fit for changing consumer tastes in the 21st century.

As at 27 September 2020, the Group had 11 sites, all in prime locations and without restrictive lease agreements. The sites themselves are spacious and most have significant outdoor spaces. Coppa's "igloo" concept has proven exceptionally popular, with all igloos booked out solidly throughout the July to September 2020 reopening period.

IMPROVING OUR OFFERING

During the period, we focused on making all our restaurants the very best they can be, enhancing our market-leading product, service and environment wherever possible. The philosophy of the Group is built around an obsession over quality, consistency and high standards. To that end, we continue to review our own performance in a systematic and disciplined way using tools such as the newly introduced customer feedback platform and will continue to do so.

One product of this ongoing process was the introduction of a revised and refined menu across the Coppa Club estate on reopening in July, which had been trialled briefly in March. The new menu brought a further improvement in quality, expanded the price range and focused on the all-day club offer. Not only was this well received, it drove an improvement to margin.

In line with what modern consumers expect and demand, Various Eateries is focused on building strong, authentic menus using premium ingredients. One of our core differentiators is that the Chef Director and his team have a senior role within the Group. They have developed bespoke, quality products that are scalable and can be efficiently, consistently and profitably rolled out across all new sites.

OUR PEOPLE

During the period industry veteran, Andy Bassadone joined the Board as Executive Chairman and invested in the Group. The management team was then further strengthened with senior appointments including CEO Yishay Malkov and, post-period end, Property Director Raj Manek (a non-Board position).

Supporting our people throughout the impacts of Covid-19 has been incredibly important. Regular communication with our furloughed staff through our intranet has been a key priority, as has the introduction of several initiatives aimed at encouraging engagement and protecting mental wellbeing such as fitness clubs and interactive tutorials where team members volunteered to host video calls to teach colleagues a new skill. Our people are the lifeblood of the businesses and on behalf of the Board we would like to thank them for their efforts and patience through what has been a very difficult time for them and their families.

MARKET DEVELOPMENTS

Covid-19 has had a devastating impact on our industry and will leave scars for many years to come. However, it is clear that the demand for enjoyable leisure and hospitality experiences has not waned. We believe there will be a strong bounce back once restrictions are lifted and have already seen signs of it ourselves when we were able to trade in the summer of 2020. Similarly, with pent-up demand for holidaying likely to lead to an increase in "staycations", and a lengthy backlog of weddings and other events, we expect to see trade in our hotel businesses accelerate post Covid-19.

It has been estimated that 50% of the UK workforce favours working remotely for one to two days per week post lockdown, and consumers now attach much greater importance to safety when making choices. Coppa Club in particular is well placed to take advantage of these and other changes in consumer behaviour which have been accelerated by Covid-19. The sites are typically spacious, with large outdoor areas, and can be used throughout the day for everything from working to social gatherings and of course meals from breakfast through to dinner. This is a key reason why we believe we will be successful in the long term.

CURRENT TRADING AND OUTLOOK

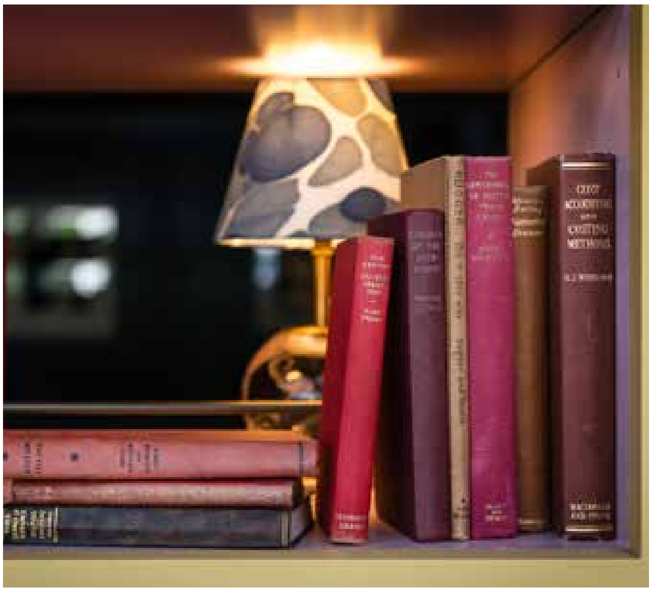
The trading patterns we saw between July and September continued through the weeks we were open in October, with positive like-for-like performance at our sites outside of London particularly encouraging. In the period since, we have been focused on continuing to support our people while working hard behind the scenes to prepare the Group to capitalise on the wealth of opportunities that will be available once restrictions are eased.

As recently communicated, while the business has been closed, management has been exploring a number of desirable sites for expansion across the UK. Given the lack of concrete guidance as to when lockdown and other restrictions will be lifted, the Group had so far chosen to hold off signing up to any new leases, but, with the roadmap now laid out, expects to be able to do so in the near future on terms that reflect the considerable and continuing fall in retail property values.

The operating environment is likely to remain volatile for some time, but with a diverse mix of restaurants and hotels designed specifically to cater to the changes in the consumer landscape, a clear strategy and a proven management team, we are excited by what the future holds.

Andy Bassadone
Executive Chairman

Yishay Malkov
Chief Executive Officer

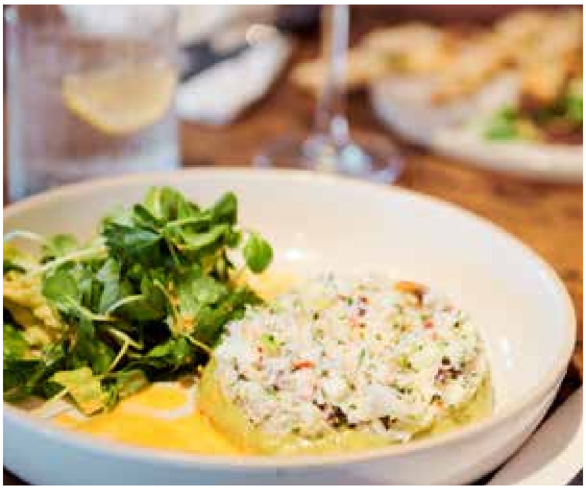


SUPPORTING OUR PEOPLE THROUGHOUT THE IMPACTS OF COVID-19 HAS BEEN INCREDIBLY IMPORTANT.

MARKET OVERVIEW & THE OPPORTUNITY

VARIOUS EATERIES GROUP'S BUSINESS MODEL AND GROWTH STRATEGY HAVE BEEN DEVELOPED IN RESPONSE TO A CLEAR MARKET OPPORTUNITY.

COPPA CLUB WAS DESIGNED SPECIFICALLY TO TAKE ADVANTAGE OF CHANGES IN CONSUMER BEHAVIOUR.



MARKET OVERVIEW

The UK restaurant sector has faced structural difficulties for a significant period of time due to narrowing margins, increasing fixed costs and an oversupply of restaurants offering similar, and often outdated, experiences.

The negative economic impact following the UK's 2016 EU membership referendum resulted in a further downturn of consumer confidence and led to reduced footfall across the country's high streets. These conditions caused falling revenues across the sector, which coincided with increasing levels of debt for a number of restaurant brands, particularly those that had been acquired by private equity groups. This put several high-profile groups under substantial financial pressure, and these conditions resulted in a significant number of closures throughout 2018 and 2019.

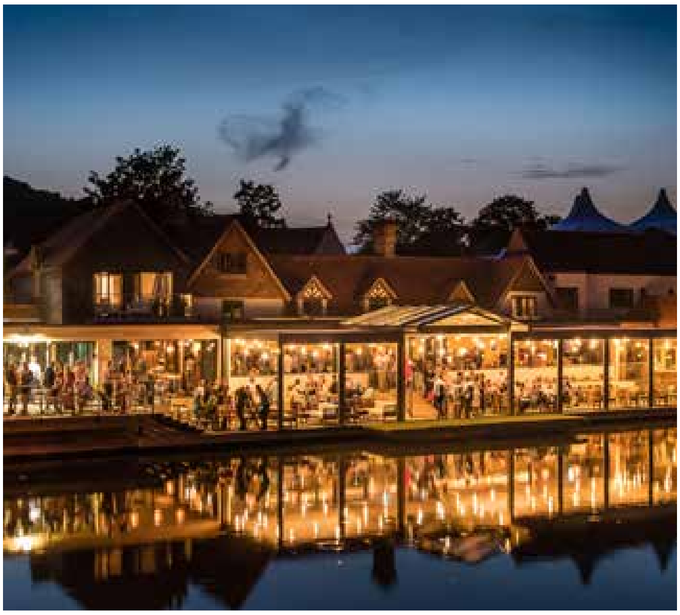
These challenging conditions were compounded by the Covid-19 pandemic. A considerable number of restaurant groups have closed sites and reduced their footprint throughout the UK this year, and at least 16 high-profile restaurant groups also commenced insolvency processes.

Many restaurant groups are struggling with weakened balance sheets and outdated or underinvested brands. We expect that there will be significant further closures in the near future, with early estimates suggesting that as many as 4,000 restaurant sites could close as a consequence of the pandemic.

THE OPPORTUNITY FOR VARIOUS EATERIES

Though the market conditions within the UK restaurant sector are undoubtedly challenging, we believe they provide an unprecedented opportunity for a well-funded operator, with strong and fresh brands and an experienced management team, to create a major leisure group in the wake of the pandemic. In particular:

- **Site availability**
  With so many restaurants closing, leases in attractive locations are becoming available on attractive terms.
- **Acquisition opportunities**
  Strong liquidity and a wealth of experience mean we are well placed to make selective and targeted acquisitions of either high-quality individual sites or, if appropriate, restaurant brands.
- **Reduced competition**
  A significant number of branded chains have entered into an administration process and/or are significantly reducing their estate. Reduced competition, especially of Italian mid-market chains for example, provides a major opportunity for our new and fresh concepts to grow market share rapidly.
- **Availability of talent**
  Following the increased number of closures across the sector, a much higher number of well-qualified people are available for positions. The increased availability of talented General Managers and Head Chefs in particular will assist the expansion of both of our brands.
- **Changes in consumer behaviour**
  Coppa Club was designed specifically to take advantage of changes in consumer behaviour, many of which have been accelerated by Covid-19. In response to short-term safety concerns, our portfolio is well placed to provide guests with social distancing, outdoor areas and sanitation. In the long term, it has been estimated that 50% of the UK workforce favours working remotely for one to two days per week after the pandemic, which will benefit our local sites.



BUSINESS MODEL

WE LEVERAGE OUR KEY STRENGTHS AND SOURCES OF COMPETITIVE ADVANTAGE TO DELIVER OUR DISTINCT CUSTOMER PROPOSITION.

WHAT WE DO

Various Eateries specialises in operating modern hospitality venues for customers looking for high quality at reasonable prices. The core restaurant proposition that sits at the heart of Coppa Club and Tavolino is supplemented by activity in providing café, lounge, bar and work spaces under one roof (as well as bedrooms, event spaces, gym and spa facilities in certain flagship locations) for Coppa Club customers specifically.

The distinct features of the customer proposition of each brand include:

- **Coppa Club**
  - Unique multi-use, all-day concept
  - Flexible format options can be applied to a range of convenient locations
  - Menu designed to suit all occasions
  - Pricing strategy focused on providing high quality at reasonable prices
  - Private dining, rooms and events available at certain locations
- **Tavolino**
  - High-quality Italian food at mid-market prices
  - Wide-ranging menu focused on authentic Italian products, made in traditional ways – providing a fresh alternative to struggling mid-market Italian chains
  - Suitable for all major towns and cities including Central London and London suburbs
  - Simple and smaller format option appropriate for younger demographic

ACQUISITIONS

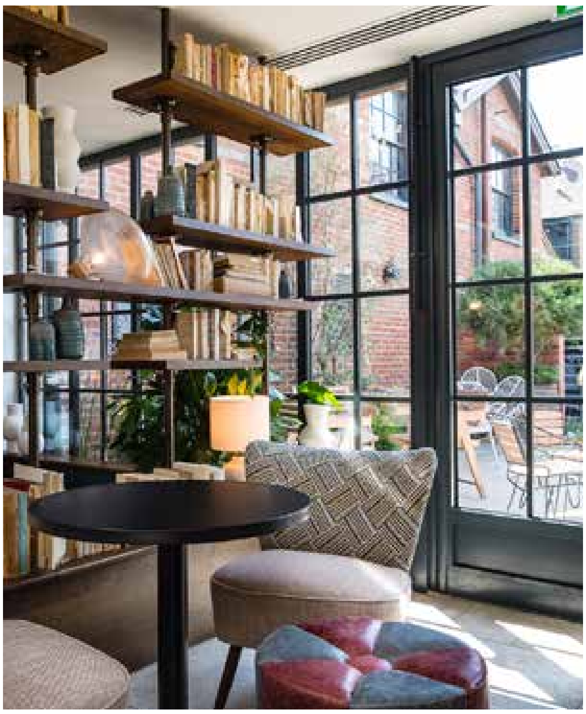
Roll-out of key brands

We have a site acquisition programme for scaling up our brands and expanding our footprint across new locations. Our extensive experience in identifying these opportunities is supported by our proven ability to successfully execute site acquisitions and refurbishments on time and to budget. Our brand roll-out activity has been further enhanced with the appointment of our new Property Director.

Acquiring new brands

We carefully consider opportunities to acquire other brands and businesses, focusing on the potential for selective and targeted acquisitions to increase overall shareholder value.

THE LEADERSHIP TEAM HAVE OPENED MORE THAN 400 NEW SITES BETWEEN THEM.



OUR KEY STRENGTHS

Entrepreneurial leadership with expert experience
We are led by entrepreneurs Andy Bassadone and Hugh Osmond who bring extensive experience in creating and growing some of the UK's most successful hospitality groups.

The leadership team have opened more than 400 new sites between them and made significant returns for investors since the mid-1990s.

An exceptional executive team
Led by CEO Yishay Malkov, the team has considerable sector expertise and a proven track record of delivering growth strategies for hospitality groups over many years. Their understanding of the market and strategic guidance will ensure the successful roll-out of our key brands.

Established platform businesses
The Group has two established brands across 11 locations. These sites, popular with local communities and with some strong historical sales, are well suited to take advantage of the changes in consumer behaviour post Covid. The success of our existing sites demonstrate that both brands are immediately ready to scale up.

Financial strength
The successful raise of £25m on the AiM Market of the London Stock Exchange provides a strong financial base to fund growth organically, and the potential for further investment.

Well-invested central infrastructure to support growth
Head office structure capable of supporting our growth plans as well as established in-house support functions such as finance, HR, marketing and procurement. As well as the ability to operate the current business, we also have vast experience of executing builds, new openings and acquisitions.

£25m
Successfully raised on the AiM Market

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

The financial results for FY20 have been materially impacted by the following unusual factors:

- The comprehensive restructuring and refinancing of the Group ahead of the Initial Public Offering ('IPO') in September 2020
- The costs of the IPO
- Impairment charges driven by market conditions
- The impact of Covid-19 resulting in zero revenue in lockdown periods and disruptions at other times

The Group's hotel and event operations at Sonning and Streatley were acquired during the final weeks of the financial period and had no impact on the FY20 results.

Overall Group Revenue was down by 36% (FY20: £16.5m, FY19: £25.6m), resulting in a Trading EBITDA loss of £0.8m (FY19: £2.3m profit) and a Loss before tax of £14.4m (FY19: £12.0m loss). The principles of merger accounting have been followed and so the results and comparatives are those of the underlying group. The summarised results are:

Summary of financial performance for the 52 weeks ended 27 September 2020

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Revenue	**16,469**	25,605
Loss before tax	**(14,442)**	(11,975)
Net financing costs	**2,002**	6,914
Depreciation and impairment	**8,225**	5,673
Loss / (profit) on disposal of assets and leases	**1,632**	(117)
Authorised Guarantee Agreements provision	**461**	–
Initial Public Offering costs	**285**	–
Restructuring costs	**167**	322
EBITDA before exceptional costs	**(1,670)**	817
Pre-opening costs*	**564**	752
Non-trading site costs*	**302**	702
Trading EBITDA	**(804)**	2,271

Pre-Covid

Despite the existing industry-wide challenges, trade was relatively strong up to the beginning of February 2020, with the Coppa Club estate trading at positive LFLs. However, with the arrival of Covid-19 in the UK, sales began to decline and on 20 March, the country went into a full lockdown and all sites were forced to close.

During the first national lockdown

From the end of May (until the site fully reopened in July), Coppa Club Streatley was reopened to run a takeaway service. This proved a popular initiative, generating significant sales and having a positive impact on the community, with the grounds of the adjacent hotel providing local people with an expansive, safe and picturesque environment in which to enjoy the good weather.

Post-lockdown performance

The trade of the estate post lockdown, whilst varying from site to site, was far stronger than we had anticipated and ahead of the market.

From 4 July, when lockdown was officially lifted, the Group began a phased reopening of the estate, with 80% of its sites open and trading by the end of July.

All the Group's London sites were negatively impacted by the significantly reduced footfall as most of the UK transitioned to home working and staying local. Our sites outside London, however, were major beneficiaries of this trend.

* not audited

Like-for-like sales growth

	Jul '20	Aug '20	Sep '20	**Jul-Sep '20**
Coppa Club – London (1 site)	-35%	-27%	-26%	**-28%**
Coppa Club – Regional (5 sites)	+6%	+32%	+22%	**+24%**

Whilst these results include VAT benefit, there were also limits on social distancing and mixing households, the introduction of the 10pm curfew, the "Rule of 6" in September and reduced opening hours in the mornings. Like-for-like sales generated from the Coppa Club estate were up 0.8% despite all the restrictions that were in place.

Encouragingly, three Coppa Clubs achieved record sales weeks over the course of the summer, whilst the change in menu, as well as increasing the product quality, lead to an improvement to margin.

Late July also saw the launch of our new Tavolino brand at Tower Bridge. Early indications were positive despite the lack of tourism and local office traffic, giving encouragement for future trading.

COVID-19 MITIGATING ACTIONS AND FINANCIAL POSITION

During the pandemic, the Group has undertaken significant actions to mitigate the impact to its financial position, which were continued post period-end into the current lockdown. Actions included:

- Immediately ceasing all non-essential spend
- Transferring all site employees and a majority of head office employees on to the Coronavirus Job Retention Schemes
- All those not furloughed including at management and executive team level agreed to temporary salary reductions
- Ongoing discussions with all suppliers and partners to extend credit terms, amend contracts and arrange payment plans
- Initiated discussions with all landlords to agree a combination of rent waivers, deferrals and future variations/Covid cesser clauses to amended leases

FINANCING COSTS

The preference share dividend was £nil in FY20 (FY19: £3.9m) as a result of the debt for equity financial reorganisation during FY19.

The FY20 reorganisation resulted in a reduction in the period-end debt position (from £21.1m in FY19 to £12.4m in FY20) resulting in a reduction in interest payable of 40% to £1.3m.

	FY20 £ 000	FY19 £ 000
Dividends on preference shares	–	3,941
Interest on bank overdrafts, borrowings and foreign exchange loss	**1,349**	2,241
Lease liability interest	**654**	741
Financing costs	**2,003**	6,923

IMPAIRMENTS

A detailed review of each individual site has resulted in an impairment charge of £5.4m, split £3.6m against goodwill, £0.1m against leasehold improvements and PPE and £1.6m against right-of-use assets. Detail of the methodology is included in notes 14 and 15 on pages 51 to 54.

LOSS ON DISPOSAL OF ASSETS & LEASES

In FY20, the Group disposed of the remaining non-trading Strada leases and associated assets.

IPO & RESTRUCTURING COSTS

These costs were incurred in the prior restructuring and execution of the Group's IPO. Further costs of £1.9m have been charged directly to reserves as they relate to the raising of equity.

DIVIDEND

The Directors do not recommend the payment of a dividend believing it more beneficial to use cash resources to invest in the Group in line with our strategy.

CASHFLOW & BALANCE SHEET

As communicated above, the Group undertook significant actions to mitigate the impact of the pandemic on its financial position.

During the period, the Group invested £5.1m in capital expenditure in support of future growth.

In September, the Group undertook a financial restructuring and following a successful IPO on the AiM market, raised net proceeds of £23.2m. With an interim insurance payment of £2.5m also received post period end, the liquidity of the Group remains strong to continue to follow the expansion strategy.

KEY PERFORMANCE INDICATORS ('KPIs')

The Board reviews numerous indicators of performance on a monthly basis. The two historically used are Revenue £16.5m (FY19: £25.6m) and Trading EBITDA (£0.8m) (FY19: £2.3m) with both severely impacted by the conditions faced by the Group in the period. With the debt restructure and successful flotation on the AiM Market during the period, the net asset position of the Group at the period end was £27.2m (FY19: Net liabilities (£6.4m)). Going forward, as the Group's strategy evolves, further KPIs will be used to measure the progress including New site openings and Like-for-like sales growth.

PRINCIPAL RISKS & UNCERTAINTIES

The Directors formally assess the risks of the Group and look to take appropriate action to ensure these are mitigated wherever possible where they could impact its objectives. The Directors consider the following to be the principal risks faced by the Group:

KEY RISKS	DESCRIPTION	MITIGATIONS
COVID-19	The macroeconomic impact of Covid-19 remains uncertain, particularly on hospitality. The pandemic has led to the complete closure of all the Group sites at various stages over the last 12 months, having a significant impact on the profitability of the Group. All sites are currently closed, and whilst there is now a proposed roadmap to reopening, it remains uncertain whether further lockdowns will be required in the future.	As detailed in the Financial Review, the Group has taken significant steps to combat the impact of the pandemic, particularly on the liquidity of the business. There has been regular dialogue between the Board of Directors, and the Executive team.
BREXIT	There continues to be uncertainty on the wider economic impact of Brexit, particularly in areas such as cost inflation from the depreciation of sterling, supply issues and tariffs and disposable income and tourism.	The Group continually monitors its supply chain, maintaining constant dialogue with suppliers, including ensuring we have suitable alternatives. The HR department works with an external ER company to ensure the Group is up to date with any changes to UK law due to the separation from EU employment law.
COST INFLATION	The Group is subject to impacts from annual increases across its main expenditures. Recent increases in National Living Wage, utilities (especially through tariffs), F&B supplies, as well as various other smaller costs, put pressure on margins.	As the Group grows, there will be the ability to mitigate some F&B costs through the economies of scale, whilst the Group continually evaluates its labour model to ensure it is efficient.
REDUCTION IN QUALITY	With an accelerated expansion plan across various brands, there is a risk of lack of focus on food and service standards, whilst ensuring continuous innovation to ensure our product remains ahead of the competition.	The Group understands that quality of product and service is at the heart of the business and continues to invest in numerous systems to constantly monitor these in detail. These include the consolidating of all social feedback, an extensive Mystery Diner programme, continuous staff training and regular in-house auditing of recipes and presentation standards.
LACK OF EXPANSION OPPORTUNITIES	As outlined elsewhere in the Strategic Report, the growth of the business relies on identifying and securing suitable sites on suitable financial terms. The Board has payback criteria it utilises to approve all new sites so availability of these sites is crucial to the success of the business.	The Group has hired a new Property Director, with extensive experience of finding, acquiring and opening new sites in our sector. The Board is also confident that, with the impact of Covid-19 and the closures already seen in the sector, as well as the changing of planning with regards A3 units, there will be sufficient availability in the short to medium term.
CHANGES IN CONSUMER BEHAVIOUR & CONFIDENCE	The Group operates in a competitive industry in the UK, and is therefore subject to impacts from the wider health of the UK economy. Levels of disposable income and employment rates can have an impact on revenue, as can changes in consumer behaviour.	The Group maintains focus on both quality and value, to ensure they are ahead of competitors. The estate also benefits from being a diversified portfolio, both in terms of geography and offer.
RECRUITMENT & RETENTION	The Group's performance is largely dependent on the management team and employees across its sites. It is therefore important that the Group can continue to employ the right people, with the right skills and experience.	Whilst the leaving of the EU has had a negative impact on availability, the closure of a huge number of hospitality and retail sites across the UK, combined with a surge in unemployment in the lower age brackets, means there is currently no shortage of supply. Our non-UK workforce population is being regularly communicated to and supported in applying for the Settlement Scheme. The Group has also invested in its Human Resources department to ensure training, as well as rewards and incentives, are continually improved to aid staff turnover.
HEALTH & SAFETY	The Health & Safety of our staff, guests and suppliers is of paramount importance to the Group. Equally important is the need to ensure compliance with numerous regulations for the sector including food hygiene, allergens and fire safety.	The Group has a third-party specialist to ensure that it adheres to the most up-to-date legislation. The Group also undertakes extensive training with its staff, which is then also monitored by various site visits and audits, both from internal and external parties, to ensure documented procedures and policies are being met.
CYBER SECURITY	As the Group grows, and its reliance on IT increases, there is a greater risk of impact on trading, reputational damage or GDPR errors.	The Group employs a Head of IT to ensure all upgrades / changes to any systems are completed accurately and that data protection measures are followed and recorded. We are also continually monitoring and investing in appropriate firewalls and security, utilising a third-party provider.

DIRECTORS’ DUTIES – S.172 STATEMENT

It is the Board’s responsibility to ensure that Various Eateries is managed in the long-term interests of all shareholders and stakeholders in the business.

The Board considers the needs and concerns of all stakeholders in its running of the Company. By seeking to understand the differing stakeholder interests and impacts through a proactive programme of engagement, the Directors ensure its decision-making is informed and that the development and delivery of our strategy leads to long-term sustainable success for Various Eateries.

As required by section 172 of the UK Companies Act 2006, the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility during the period, the Directors have had regard, amongst other matters, to:

a. the likely consequences of any decisions in the long term;
b. the interests of the Company’s employees;
c. the need to foster the Company’s business relationships with suppliers, customers and others;
d. the impact of the Company’s operations on the community and environment;
e. the Company’s reputation for high standards of business conduct; and
f. the need to act fairly as between members of the Company.

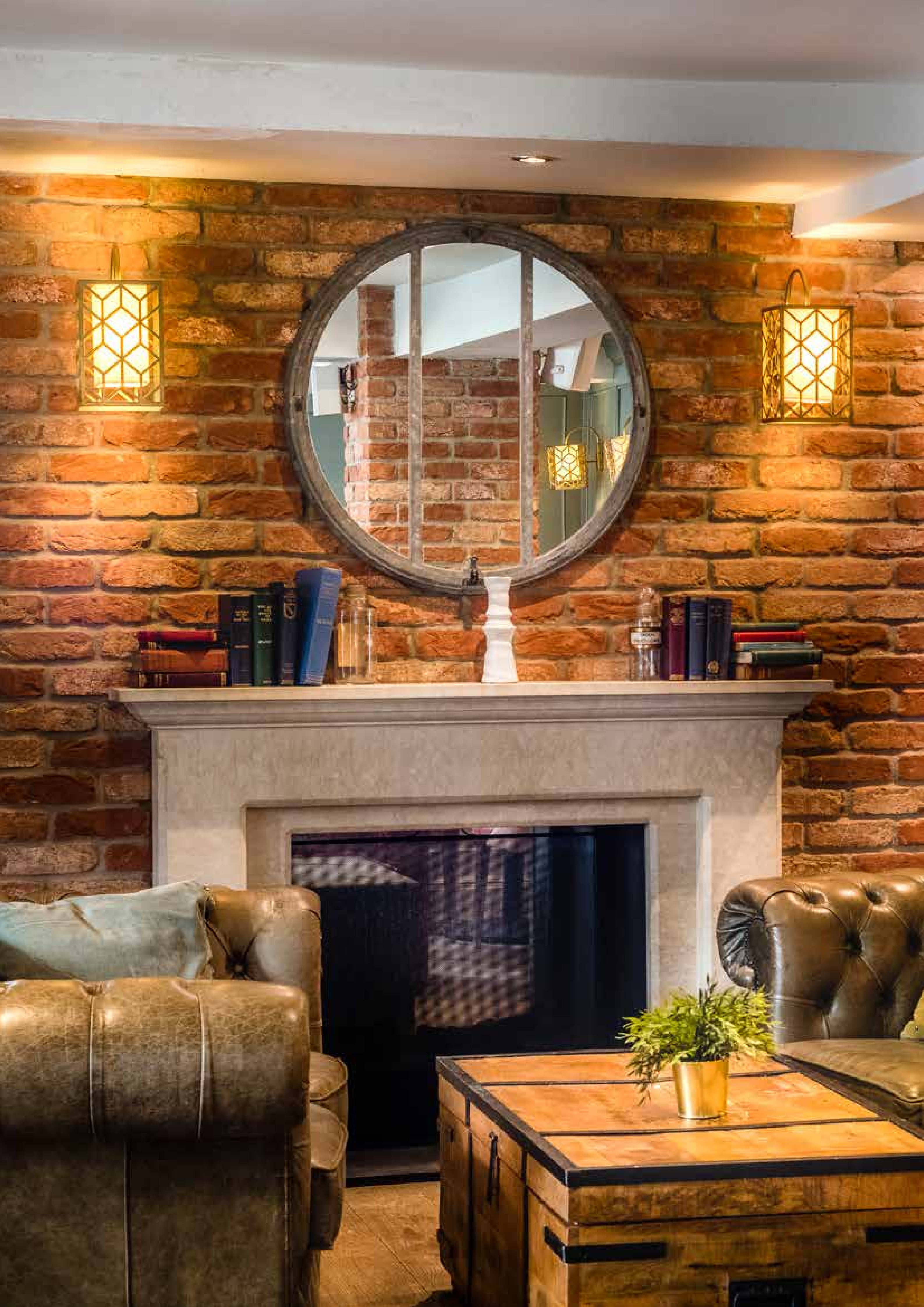
STAKEHOLDER ENGAGEMENT

Further to the section 172 statement, the table below describes how the Group engages with its key stakeholders.

WHY WE ENGAGE	HOW WE ENGAGE	STAKEHOLDER INTERESTS
SHAREHOLDERS		
The Board regards effective communication with shareholders as crucial to understanding and meeting their needs and expectations.	· Investor meetings and roadshows · One-to-one meetings · Interim and annual announcements · Annual report and AGM · Corporate website	· Financial and operational performance · Business model and strategy · Governance · Trust in leadership team
COMMUNITY AND ENVIRONMENT		
We care about the communities we operate in. We engage with local people and groups in order to learn how best we can support the local economy, support local charities and provide a distinct and differentiated experience.	· Creating all-day multi-use venues, designed to meet the needs of local communities in a post-Covid-19 world · Refurbishing and restoring historic buildings · Hosting wellness and lifestyle events allowing local communities to engage with each other · Providing support to local charities · Carbon and Emissions reporting	· Investment and reinvigoration of local economies including jobs for local people · Locations for hosting community events · Charity
CUSTOMERS		
Our success is dependent on maintaining a distinct proposition and relationship with our guests. We must understand evolving consumer requirements in order to best meet their needs and ensure continued loyalty.	· Providing a comfortable and relaxed home-from-home experience and great hospitality · Formal feedback and guest surveys · Digital marketing and social media · Publicity activity through key lifestyle publications · Pop-up activity	· A distinct and unique proposition · An all-day offering allowing guests to eat, meet, work or relax · A broad, high-quality menu that incorporates vegetarian, vegan and gluten-free options · Exciting and convenient locations · Accessible pricing · Consistency in service · Responsiveness to feedback
EMPLOYEES		
We are a people business. The skills, experience and passion of our employees enables us to deliver the highest levels of quality, standards and service. In order to attract and retain the best people, we offer competitive pay rates and believe in fostering a culture of collaboration, support, two-way listening and inclusivity.	· Town hall meetings · Central and brand-specific Intranets, providing learning resources, community hubs and a communication channel · Annual appraisals · Staff newsletters · Targeted electronic campaign “Check ins” · Annual engagement surveys	· Training and development opportunities · Career progression and recognition · Compensation and incentives · Company culture and reputation · Health, safety and wellbeing
SUPPLIERS/PARTNERS		
Our proposition is dependent on access to the best ingredients from Italian and UK suppliers.	· Honest and open dialogue and negotiation · Clear lines of communication/decision-making · Annual/six-monthly pricing review · Ongoing product/service review · Direct feedback from operational level · Disciplined ordering/approval process · Menu development involvement	· Long-term and trusted partnerships · Fair pricing with mutually beneficial growth · Ethical and sustainable trading and procurement · Clear communication and processes · Aligned Company culture and values

Approved by the Board on 24 February 2021 and signed on its behalf by:

Oli Williams
Director



GOVERNANCE

BOARD OF DIRECTORS

ANDY BASSADONE

Executive Chairman

Appointed: 28 August 2020

Andrew Bassadone has significant experience in the restaurant and hospitality sector. He was Managing Director (Europe) of My Kinda Town, which floated on the London Stock Exchange in 1994 and which was ultimately sold to Capital Radio in 1996. He worked as Senior Vice President for Europe for Planet Hollywood before moving to a role as Chief Executive at Signature Restaurants. Between 1998 and 2005, Andy led the acquisitions of restaurants including Belgo, The Ivy, J. Sheekey, Le Caprice and Daphnes and co-founded a new restaurant business – Strada. Signature Restaurants was sold in 2005 but Andy continued as Chief Executive in the new acquisition entity, ultimately leading to the sale of Strada in 2007 for £140m and co-founding Côté at the same time. Côte was sold in 2013 for £100m, whilst Andy focused on developing Bill's restaurant and the initial expansion of the Ivy Café brand. He joined and invested in Various Eateries in 2019.

Committees:

YISHAY MALKOV

Chief Executive Officer

Appointed: 28 August 2020

Yishay was an officer in the Israeli navy until 1999 when he progressed to work as a chef in a significant number of restaurants within New York, Tel Aviv and the UK. Between 2003 and 2010 Yishay worked as Restaurant Director at Gordon Ramsay Holdings, UK, running the Claridge's site. He went on to found and operate the award-winning Bertie restaurant in Israel, before returning to the UK to take a position as General Manager at Roka restaurant followed by Executive Operations Director at the Ivy Collection overseeing the roll-out of the group to 30 sites in four years. Between 2019 and 2020, Yishay was Managing Director of the international, high-end, restaurant group, Park Chinois, leading a successful turnaround programme and opening a new London site. He was appointed CEO of Various Eateries in 2020.

Committees:

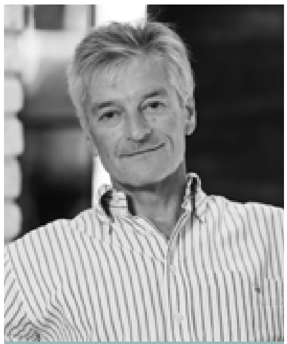
OLIVER WILLIAMS

Chief Financial Officer

Appointed: 26 June 2020

Oli, who is an ex-professional cricketer, qualified as a Chartered Accountant in 2011. He worked as an auditor across various hospitality and retail businesses and was appointed Senior Franchise Accountant with McDonald's Restaurants Limited in 2015. In 2016, Oli was appointed Head of Commercial Finance at Itsu, ultimately becoming Group Financial Controller in 2017. He was appointed Finance Director in 2018 and is now Chief Financial Officer of Various Eateries.

Committees:



HUGH OSMOND

Non-Executive Director

Appointed: 28 August 2020

Hugh founded Sun Capital Partners Limited in 2001 and Osmond Capital Ltd in 2017. He continues to operate both companies. In 1993, Hugh co-led the £18m acquisition and market listing of PizzaExpress. During the eight years he remained on the board, PizzaExpress became one of the UK's largest sit down casual dining groups and the value of the company increased more than 20-fold. Over this period, annual losses were turned into profits of £38m. In 1997, Hugh co-founded Punch Group and, as Executive Chairman, he orchestrated the acquisition and integration of the Allied Domecq Retail estate, the Bass leased estate and Inn Business, to create the UK's largest pub group. Punch Group reached an enterprise value of £3.5bn in 2005. Hugh co-founded Pearl Group in 2005. Pearl was acquired for £1.1bn from Henderson Plc and embedded value was subsequently grown to £2.3bn. Pearl Group acquired Resolution Plc in 2008 and the enlarged group (renamed Phoenix Group) floated in 2009. Phoenix is now the largest UK insurance consolidator and is listed in the FTSE 100 index. Most recently, Hugh led the investment into Capital Physio in 2019. He founded Various Eateries in 2014.

Committees: A Re

TIFFANY SWORD

Non-Executive Director

28 August 2020

Tiffany studied architecture at the University of Cambridge and, after time at DE & J Levy and L'Oreal UK she moved to work alongside Hugh Osmond at Sun Capital Partners Limited. Tiffany worked with Hugh on the creation of Coppa Club from its inception in 2015, and led the launch of the first site in Sonning-on-Thames as Managing Director. More recently Tiffany led the investment into Capital Physio Limited and the development of its high street physiotherapy brand, Bodyset, which is currently being rolled out. Tiffany is also a director of Osmond Capital.

A N Re

GLYN BARKER

Non-Executive Director

28 August 2020

Glyn is a Chartered Accountant and worked at PwC until he stepped down in 2011. During his time at PwC Glyn held positions including UK Head of Assurance, Managing Partner (UK), Vice Chairman (UK) and Chief Executive, Markets (Europe). Glyn is the Chairman of Irwin Mitchell. He has significant public markets experience and is currently the Chairman of The Berkeley Group Holdings plc, a director of Transocean Limited and a senior advisory partner of Novalpina Capital. He previously acted as senior independent director of Aviva plc until 2019.

A N Re

GARETH EDWARDS

Non-Executive Director

28 August 2020

Gareth is a qualified solicitor and was previously a partner at Pinsent Masons LLP, where he held both the positions of Global Head of Corporate and International Development Partner. He is currently a strategic consultant and an executive director of London Bridge Capital Limited, an FCA authorised corporate finance boutique. He is also a director of FXPress Payment Services Limited. an FCA and HMRC authorised international payment services company. He has significant public markets experience and is Chairman of Honye Financial Services Limited and Senior Independent Director of Local Shopping REIT plc which are all quoted on the London Stock Exchange; and he also brings significant AiM experience to the Board, having acted on the AiM Disciplinary and Appeals Committee until 2017.

A N Re

Committee membership

- A Audit and AiM Compliance
- N Nomination
- Re Remuneration
- Committee Chair

EXECUTIVE CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

As Chairman of the Board of Directors of Various Eateries, my responsibilities include leading the Board effectively, overseeing the Company's corporate governance model, communicating with shareholders, and ensuring that good information flows freely between the Executive Directors and the Non-Executive Directors in a timely and efficient manner.

It is the Board's responsibility to ensure that Various Eateries PLC is managed in the long-term interests of all shareholders and stakeholders in the business. The Board believes a strong and effective corporate governance culture is critical in this respect as we endeavour to grow a resilient and sustainable business for the benefit of our shareholders, customers, people and suppliers. The building blocks are firmly in place, through the recruitment of strong executives and NEDs, as well as the creation of committees and structures as detailed.

THE QCA CORPORATE GOVERNANCE CODE

Various Eateries has adopted the 2018 QCA Corporate Governance Code (the 'Code') on a comply or explain basis. The Code is constructed around ten broad principles and the report below sets out how we comply with the Code at this time. Compliance with the Code will be reviewed and updated annually, and further information can be found within the compliance statement published on our website.

1) Establish a strategy and business model which promotes long-term value for shareholders

The Group's strategy is to drive the long-term growth of the business. The Group's business model and strategy are described on pages 12 to 13 of the Strategic Report.

2) Seek to understand and meet shareholder needs and expectations

Various Eateries has a policy of maintaining open two-way lines of communication with all investors to ensure a clear understanding of the strategy, business plan and current trading. This is achieved through a combination of regular investor meetings (both formal and informal) and quick replies to all queries received.

The Directors see the Annual General Meeting ('AGM') as an important opportunity to meet its shareholders either in person or online, and encourages all investors to participate and discuss their views. Where feedback is provided, including voting decisions against Company expectations, the Board will engage with those shareholders to hear and address any issues.

All corporate information (including any Company announcements) is available to shareholders, investors and the public at any time on the corporate website. The key point of contact for all shareholders is Group CFO, Oli Williams. See more in our section 172 statement on page 17 of the Strategic Report.

3) Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that strong, trusted relationships with all stakeholders (both internal and external) is vital for the long-term success of the Group. See more in our section 172 statement on page 17.

4) Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company operates a robust risk assessment process, which is embedded in the normal management and governance of the business. As part of the annual planning and budgeting process, management document the significant risks identified, the probability of those risks occurring, their potential impact, and the plans for managing and mitigating each of those risks.

The Board discusses potential risks at each Board meeting. It will also undertake a formal annual effectiveness review of the Company's internal control system, comprising financial, operational and compliance controls, to ensure that the Company's risk management framework identifies and addresses all relevant risks in order that the Company's strategy can be successfully executed and delivered. This review considers any significant issues included in reports received during the year and how the risks may have changed during the year and reviews any reports on internal controls prepared by management as well as any issues identified by external auditors.

The Company operates a series of controls to ensure the Executive team implements the policies for risk management and control. These include: the annual strategic planning and budgeting process; a clearly defined organisational structure; authorisation limits; monthly reviews by the Executive team of financial and other operational KPIs.

The Audit and AiM Compliance Committee ('AC') meets periodically to review the effectiveness of internal controls. The AC receives reports from management and observations from the external auditors concerning internal control systems and any material control weaknesses. Any significant issues flagged would be included in the risk section of the next Board meeting.

Principal risks faced by the Group are included on page 16 in the Strategic Report.

Both the Board and the Executive team are responsible for reviewing and evaluating risk. The Executive team meets at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading, whilst these figures are also made available to the wider Board and discussed in Board meetings.

5) Maintain the board as a well-functioning, balanced team led by the chair

The Company is controlled by the Board of Directors, the responsibility of running which falls to Andy Bassadone as the Chairman. Yishay Malkov, the CEO, has executive responsibility for running the business and implementing Group strategy.

The Board comprises three Executive Directors and four Non-Executive Directors. Two of these Directors, whilst holding a small immaterial shareholding, are considered as independent by the Board.

The Board meets at least every month and all Directors receive all trading and operational results every month (as per the agreed timetable and in advance of any meetings). There is a documented schedule of matters reserved for the Board.

The Board is supported by the Audit and AiM Compliance Committee, the Nomination Committee and the Remuneration Committee as detailed below against principle 9.

Other than in respect of the IPO, no formal Board or Committee meetings took place between incorporation and year end.

The Company maintains liability insurance for its Directors and Officers. The Company has also entered into indemnity agreements with the Directors, in terms of which the Company has indemnified its Directors, subject to the Companies Act 2006 limitations, against any liability arising out of the exercise of the Directors' powers, duties and responsibilities as a Director or Officer.

6) Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Company has seven Directors being Hugh Osmond, Andy Bassadone, Gareth Edwards, Glyn Barker, Yishay Malkov, Oli Williams and Tiffany Sword.

Details of the Board's extensive industry experience, skills and personal qualities are highlighted in the biographies on pages 20 and 21.

The Board keeps a close eye on all industry changes and receives regulatory and corporate updates from a number of external advisors who advise where necessary on the legal aspects of any ongoing regulatory enquiries. This ensures that the necessary mix of experience, skills, personal qualities and capabilities delivers the strategy of the Company for the benefit of the shareholders over the medium to long term.

7) Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

No evaluation of the Board has been required to date. Executive Directors will be assessed annually on performance by the Chairman before re-election, based on:

- their performance (measured against KPIs);
- their independence (where applicable);
- continued commitment to the role.

In addition, the overall effectiveness of the Board is measured on the achievements of the Company's annual budget and strategic plan.

Whilst the Company has no formal succession plan, the Board continues to think long-term and will appoint senior roles where required.

The Board is confident that the Company's middle management have the strength to ensure the Company's business is not adversely impacted in the period between an Executive Director leaving and a replacement being recruited.

The Nomination Committee is required to recommend and review nominees as new directors to the Board where there are vacancies or where it is felt that additional directors should be appointed. For new appointments, the search for candidates is conducted and appointments made on merit against objective criteria and with due regard for the benefits of diversity on the Board. Any senior management appointments are also required to be approved by the Nomination Committee.

8) Promote a corporate culture that is based on ethical values and behaviours

The Board aims to lead by example, and to do what is in the best interests of the Company.

The Company takes a serious approach towards corporate social responsibility, its values relating to company culture and its people; the decisions of the management team and the Company strategy are also guided by the values wherever appropriate.

With a growing business that encompasses numerous levels of team diversity and multi-site operations, the Company recognises the vital importance of maintaining a strong company culture and clear values to its success. The management team also understands the extent to which the skills, experience and passion of our employees enables us to deliver the highest levels of quality, standards and service – so that ultimately, our guests enjoy the best experience possible with us.

Our teams are chosen carefully; we want people who share the same passion that we have for our guests, and we want people looking to work hard, stay with us and become part of the Various Eateries family. We have clear purpose statements for each brand, underpinned by the same three consistent values and supporting behaviours across the Group.

The Board continuously seeks to ensure that all of its employees are aware of the Company's core ethical values, and the management structure at restaurant and regional level ensures that the ethical values are recognised and respected throughout the Group.

The values are covered repeatedly throughout the employee journey through the business: from job descriptions through interview, the mandatory induction process for new employees, regular Group-wide "town hall" meetings and training sessions and staff newsletters. They are used as points of assessment in annual appraisals which influence promotion and reward, ensuring that all team members are working to the highest operational and ethical standards.

Board members undertake regular informal enquiries of employees to ensure these values are being upheld and promoted to ensure a healthy corporate culture. Feedback from all stakeholders allows the Board to maintain an awareness of the state of its corporate culture, as well as performance against internal targets.

EXECUTIVE CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE CONTINUED

9) Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
The Board has established Audit and AiM Compliance, Nomination and Remuneration committees, which meet regularly with formally delegated duties and responsibilities.

Audit and AiM Compliance Committee
The AC comprises the four Non-Executive Directors, with Glyn Barker as Chair. The AC meets at least twice a year and at such other times as the Chair of the AC shall deem necessary. The AC reviews the scope and results of the external audit, its cost effectiveness and the objectivity of the auditors. It also reviews, prior to publication, the interim financial statements, preliminary results announcement, the annual financial statements and the other information included in the Annual Report. In addition, the AC considers the regulatory, technical and operational risks of the Company and ensures these risks are properly assessed, monitored and reported on and the appropriate policies and procedures are in place.

Remuneration Committee
The Remuneration Committee comprises the four Non-Executive Directors, with Gareth Edwards as Chair of the Committee. As Chair, Gareth Edwards has the casting vote. The Remuneration Committee meets at least twice per financial year. The Remuneration Committee reviews and recommends nominees as new directors to the Board, reviews the performance of the Executive Directors and sets the remuneration of the Executive Directors. In addition, the Committee determines the payment of bonuses to Executive Directors and approves the Company's bonus and incentive arrangements for employees. The remuneration of the Non-Executive Directors is decided upon by the Board of Directors. The Committee is also responsible for ensuring the Company's share option schemes are operated properly and approves the share option grants to Executive Directors and employees.

Nomination Committee
The Nomination Committee comprises Tiffany Sword, Glyn Barker and Gareth Edwards, with Tiffany Sword as Chair of the Committee. It meets at least twice a year. The Committee is appointed by the Board to assist the Company and the Board in fulfilling their respective corporate governance responsibilities under applicable laws, to promote a culture of integrity throughout the Company and to assist the Company in identifying and recommending new nominees for election to the Board.

The Company has a schedule of matters reserved for the Board. The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions.

The Board also ensures that the principal goal of the Company is to create shareholder value, while having regard to other stakeholder interests, and takes responsibility for setting the Company's values and standards.

At this stage the Board believes that the governance framework is appropriate for a company of its size, but it continues to keep this under review.

10) Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders
The Company communicates with shareholders through the Annual Report, interim and annual announcements, the AGM, investor roadshows and meetings with individual existing or potential new investors. See more in our section 172 statement on page 17.

DIRECTORS' REPORT

The Directors present the Directors' Report on the affairs of Various Eateries PLC ('the Company') and its subsidiaries ('the Group'), together with their audited consolidated financial statements for the 52-week period ended 27 September 2020 (prior period comparatives are for the 52-week period ended 29 September 2019).

The Corporate Governance Statement on pages 22 to 24 also forms part of the Directors' Report.

Principal activity

The principal activity of the Group is the operation and management of restaurants, bars and hotels.

Review of the business and future developments

Information about the progress of the business and the Group's corporate activities is given in the Chairman's & Chief Executive's Statement on pages 6 to 9 and the Financial Review on pages 14 and 15 of the Strategic Report.

Matters of strategic importance

The business review and future outlook, key performance indicators, and the principal risks and uncertainties and engagement with suppliers, customers and others, required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the Strategic Report in accordance with section 414C (11) of the Companies Act 2006.

Results and dividends

The consolidated statement of comprehensive income is set out on page 36 of the financial statements and shows the comprehensive loss for the period.

Dividends on preference shares payable by the Company for the period are £nil (2019: payable by the Group, £3,941,000). The Directors do not recommend the payment of any other dividend.

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year are shown in note 24 on page 58 of the financial statements. Each ordinary share carries the right to one vote at general meetings of the Company.

Directors of the Company

The Directors who served throughout the period and up until the date of signing, except as noted, were as follows:
GA Barker (appointed 27 August 2020)
AK Bassadone (appointed 27 August 2020)
GM Edwards (appointed 27 August 2020)
Y Malkov (appointed 27 August 2020)
HEM Osmond (appointed 27 August 2020)
TC Sword (appointed 27 August 2020)
O Williams (appointed 26 June 2020)

Biographical details of each of the Directors in office at the year end are included in the Board of Directors section (pages 20 and 21).

Charitable and political donations

The Group makes occasional contributions to community-related initiatives. The Group made no political donations in the period.

Statement as to disclosure of information to auditors

The Directors who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditors are unaware. The Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Streamlined Energy and Carbon Reporting (SECR) / Energy Consumption

The Group presents its greenhouse gas ('GHG') emissions and energy use data for the first time under Streamlined Energy and Carbon Reporting ('SECR') for the period ended 27 September 2020:

	Energy Consumption (kWh)
Natural Gas	1,992,895
Direct Transport	78,187
Electricity	2,236,293
Total	4,307,375

	GHG Emissions (tCO_2e)
Scope 1 – Natural Gas and Direct Transport	386
Scope 2 – Electricity (Location Based)	521
Scope 2 – Electricity (Market Based)	637
Total Scope 1 and 2 Emissions (Location Based)	907
Total Scope 1 and 2 Emissions (Market Based)	1,023
Intensity Ratio	
Revenue (£ 000)	16,469
Total tCO_2e per £m revenue	**55.08**

DIRECTORS' REPORT
CONTINUED

Directors' remuneration
The remuneration of the Directors of the parent company who held office during the period was:

	Salary and fees £ 000	Employer pension contribution £ 000	Total £ 000
O Williams	30	–	30
TC Sword	2	–	2
HEM Osmond	2	–	2
Y Malkov	17	1	18
GM Edwards	55	–	55
AK Bassadone	–	–	–
GA Barker	55	–	55
Total	**161**	**1**	**162**

Directors' interests in shares
Directors' interests in the shares of the Company, including family interests, were as follows:

	At 27 September 2020	
	Shares owned No.	Outstanding Directors' share awards No.
HEM Osmond	42,781,240	–
AK Bassadone	3,473,817	1,428,571
TC Sword	4,187	–
O Williams	1,095,238	1,095,238
Y Malkov	2,190,476	2,190,476
GM Edwards	119,047	–
GA Barker	158,730	–

Further detail on the outstanding Directors' share awards can be found in note 27 to the financial statements.

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

Substantial shareholdings
The Company is aware that the following had an interest of 3% or more of the issued ordinary share capital of the Company at 24 February 2021.

	Number of shares	% Holding
HEM Osmond	42,781,240	48.06%
Canaccord Genuity Wealth Management	21,319,948	23.95%
AK Bassadone*	3,473,817	3.90%
Octopus Capital	3,000,000	3.37%
Lombard Odier Asset Management	2,739,726	3.08%

* 1,428,571 of these shares are held jointly with Compound Management (UK) Limited.

Employment policy
Our people truly are our greatest asset and we believe in treating them as such: with respect, looking after their welfare and allowing them the opportunity to develop their job and life skills and progress through the organisation. We encourage a work environment that is fair, open and communicative. Our employees have a performance review at least once a year, which includes consideration of skills development and career prospects. We aim to retain, develop and promote our best staff, offering a variety of training courses and development opportunities. Informal, frank and open dialogue is encouraged at all levels of the Group.
We aim to keep our employees informed of any changes and progress with the business on a regular basis in an engaging way. Communication flows both ways, as we take the views of our employees seriously. Our aim has been to make it as easy as possible for our employees to air their opinions, express their ideas and voice any problems they may have. Examples include a cascade process of meetings to communicate key messages throughout the organisation, a weekly feedback process for operational issues and daily meetings of restaurant team members.

We have a diverse workforce and an equal opportunities policy in place. We aim to employ people who reflect the diverse nature of society and value people and their contribution irrespective of age, sex, disability, sexual orientation, race, colour, religion, marital status or ethnic origin. We do not tolerate harassment or bullying in any shape or form. Procedures are in place to respond to accusations of workplace discrimination, harassment and victimisation.
An effective employee grievance procedure is in operation, and the policy is properly communicated to our people. Applications from disabled persons are given full consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training and equal opportunities. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

S.172 Statement
The Directors behave and carry out their activities to promote the long-term success of the Group. More detail is shown in the Strategic Report on page 17 as the Directors believe it to be of strategic importance to the Group.

Directors' Responsibilities Statement
The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors have elected under company law and the AiM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) in conformity with the requirements of the Companies Act 2006 and applicable law.

The Group and Company financial statements are required by law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:
a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Various Eateries PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events
Included in note 30 to the Financial Statements on page 63.

Going concern
In adopting the going concern basis for preparing the financial statements for the period ended 27 September 2020, the Directors have considered the business model and strategies, as set out on pages 12 to 13, the Group's principal risks and uncertainties as set out on page 16 as well as taking into account the current cash position and potential facilities.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of both Covid-19 and Brexit. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Auditor
RSM UK Audit LLP has indicated its willingness to continue in office.

Approved by the Board on 24 February 2021 and signed on its behalf by:

Oli Williams
Director
20 St Thomas Street
London
SE1 9RS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARIOUS EATERIES PLC

Opinion
We have audited the financial statements of Various Eateries PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 27 September 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, Parent Company balance sheet, consolidated statement of changes in equity, Company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 Financial Reporting Standard 101 *Reduced disclosure framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion:
- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 September 2020 and of the Group's loss for the 52-week period then ended;
- the Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- 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 and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities 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's and Parent Company's ability to continue to adopt the going concern basis of accounting included consideration of the Group's and Parent Company's current cash resources and consideration of management's going concern accounting policy. Our key observation arising from that evaluation is that, notwithstanding current difficulties in the economy at large, taking into account in particular the funds raised at the Initial Public Offering in September 2020, the preparation of the financial statements on the going concern basis is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Summary of our audit approach	
Key audit matters	**Group** • Impairment of goodwill and property, plant and equipment • Adoption of IFRS 16 *Leases* in respect of new sites
Materiality	**Group** • Overall materiality: £354,000 (2019: £1,110,000) • Performance materiality: £265,000 (2019: £836,000) **Parent Company** • Overall materiality: £176,500 (2019: n/a) • Performance materiality: £132,000 (2019: n/a)
Scope	Our audit procedures (on a sample basis) covered 100% of revenue, 100% of total assets and 100% of loss before tax.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group and Parent Company financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Group and Parent Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill and property, plant and equipment	
Key audit matter description	The total net carrying value at 27 September 2020 of goodwill was £12.6m and that of property, plant and equipment ('PPE') £33.4m. Economic and trading conditions (including as a result of Covid-19) faced by the restaurant and hospitality sector in the UK have been severe during a proportion of the period ended 27 September 2020 and since that date. As required by IAS 36 *Impairment of assets*, management undertook detailed impairment testing to determine whether such assets were impaired and recognised a total impairment charge of £5.4m in respect of sites which were forecast to underperform in the short to medium term either partly or wholly as a result of the Covid-19 pandemic. Because of the significant management judgement involved in forecasting cash flows, in considering the timing and quantum of generation of cash flows, a change in assumptions used could have a material impact on the financial statements and this was therefore determined to be a key audit matter. *Refer to note 3 – Critical accounting judgements and key sources of estimation uncertainty, note 14 – Intangible assets and note 15 – Property, plant and equipment.*
How the matter was addressed in the audit	**Our audit approach included:** · obtaining management's site-by-site impairment review; · challenging the reasonableness of inputs including considering the accuracy of calculations in the impairment review; · challenging management's assumptions in respect of recoverable amounts including value-in-use and fair value; · considering the impact of Covid-19 on forecast periods used in management's cash flow analyses; · reviewing the disclosures in the financial statements for adequacy in the light in particular of uncertainties resulting from the pandemic.
Key observations	As a result in particular of Covid-19 and combined multiple uncertain future scenarios including, but not limited to, government policy and lockdowns, the timing and availability of effective vaccines and treatments, the impact of Covid-19 on general consumer sentiment and the timing and extent of recovery of the restaurant and hospitality sector, management have included disclosures in note 14 to explain the sensitivity inherent in determining appropriate carrying values of goodwill and property, plant and equipment at 27 September 2020.

Adoption of IFRS 16 Leases in respect of new sites	
Key audit matter description	During the period ended 27 September 2020 the Group acquired sites in respect of which leases were required under IFRS 16 *Leases* to be recognised on the balance sheet to a value of £11.5m (right-of-use assets) and £5.3m (lease liabilities). The application of IFRS 16 involves a significant degree of judgement in respect of key assumptions involving, amongst other matters, lease terms and incremental borrowing rates. Because of the materiality of the amounts and the degree of management estimation and judgement required we have determined the application of IFRS 16 to be a key audit matter. *Refer to note 6 – Business combinations and note 15 – Property, plant and equipment.*
How the matter was addressed in the audit	**Our audit approach included:** · obtaining management's calculations of lease value-in-use and liability at 27 September 2020 in relation to the new sites included in the Group financial statements at that date; · confirming inputs to lease agreements and challenging any key assumptions made by management; · challenging the incremental borrowing rate used, and comparing to third-party data, where available; · checking the calculations of the lease liabilities and right-of-use assets; · reviewing disclosures in respect of IFRS 16 and comparing with the requirements of the standard.
Key observations	We have no key observations to report in respect of this key audit matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARIOUS EATERIES PLC CONTINUED

Our application of materiality
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent Company
Overall materiality	£354,000 (2019: £1,110,000)	£176,000 (2019: £n/a)
Basis for determining overall materiality	2% of revenue (2019: 9% of loss before tax)	4% of net assets, reduced in order to not exceed maximum aggregated component materiality
Rationale for benchmark applied	At its current stage of development, revenue growth is a major driver of business performance for the Group and a key benchmark for stakeholders	As this is a non-trading holding company, net assets was selected as the most appropriate benchmark to shareholders
Performance materiality	£265,000 (2019: £836,000)	£132,000 (2019: £n/a)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £17,700 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £8,800 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
The Group consists of seven non-dormant components, all of which are based in the UK.

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	5	100%	80.2%	100%
Specific audit procedures	2	–%	19.8%	–%
Total	**7**	**100%**	**100%**	**100%**

All audit work was undertaken by the Group audit engagement team.

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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARIOUS EATERIES PLC CONTINUED

Responsibilities of Directors
As explained more fully in the Directors' Responsibilities Statement, 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.

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

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

In identifying and assessing risks of material misstatement the Group audit engagement team:
- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Group and Parent Company operate in;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities;
- obtained an understanding of how the Group and Parent Company is complying with the legal and regulatory framework by making inquiries of management;
- assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including:
  - obtaining an understanding of the control environment and business performance;
  - evaluating the design of the internal controls established to mitigate risks of fraud and determining whether they have been implemented;
  - inquiring of management and those charged with governance about any known actual, suspected or alleged fraud;
  - inspecting minutes of meetings of those charged with governance;
  - discussing matters among the audit engagement team regarding how and where the financial statements may be susceptible to material misstatement due to fraud, including how fraud might occur.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Input from employment tax specialists was obtained regarding the impact of the Group's utilisation of the Coronavirus Job Retention Scheme during the period; Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.
Food safety and licensing	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance (as noted above) and inspection of legal and regulatory correspondence, if any.

The areas that we identified as being susceptible to material misstatement due to fraud were:

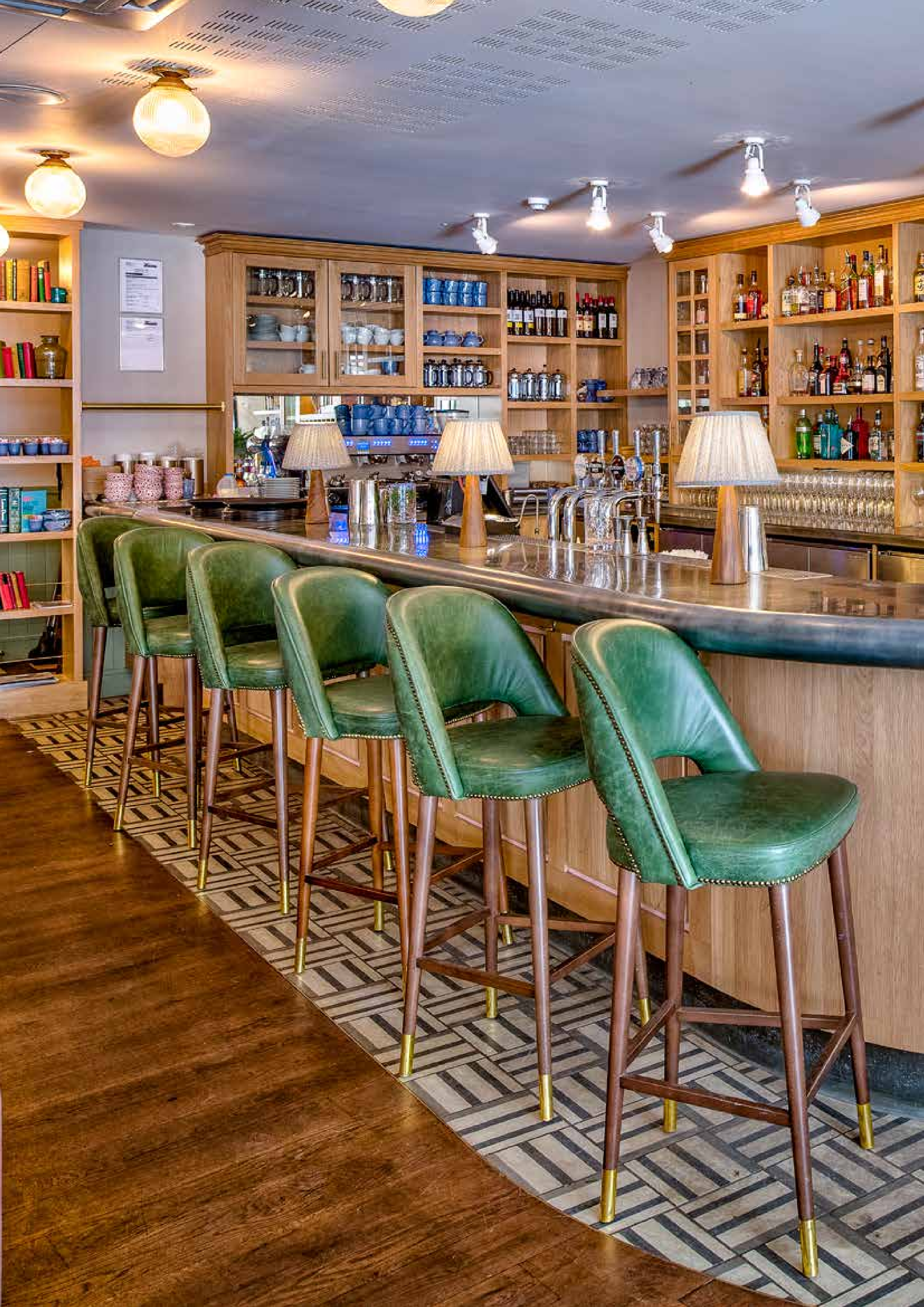
Risk	Audit procedures performed by the audit engagement team:
Impairment of goodwill and property, plant and equipment	As set out in key audit matters above.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

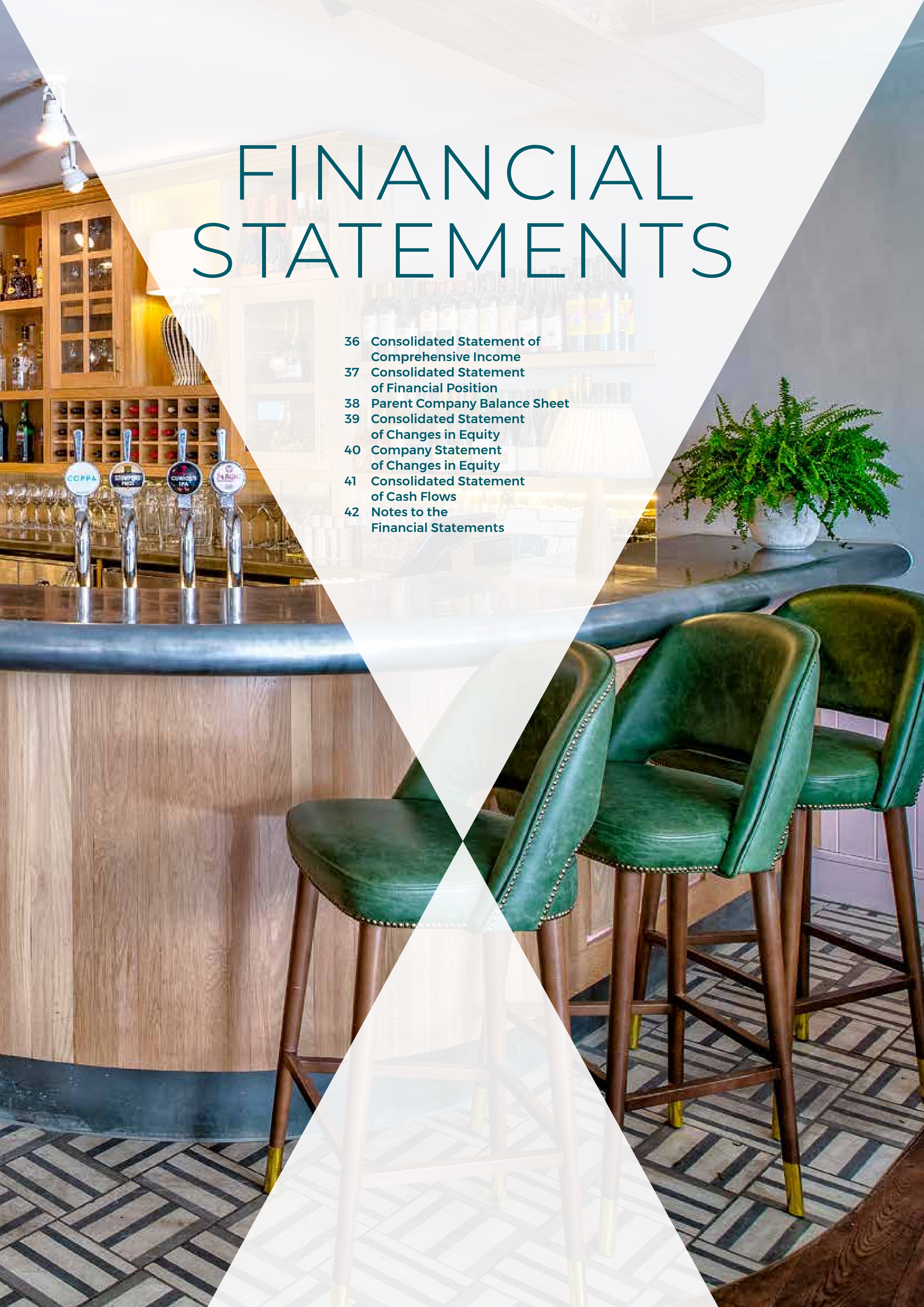
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

William Farren FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
24 February 2021





FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020

	Note	**52 weeks ended 27 September 2020 £ 000**	52 weeks ended 29 September 2019 £ 000
Revenue	4	**16,469**	25,605
Cost of sales		**(17,516)**	(24,418)
Gross (loss) / profit		**(1,047)**	1,187
Central staff costs		**(1,901)**	(1,898)
Impairment of intangible fixed assets	14	**(3,640)**	(1,236)
Impairment of property, plant and equipment	15	**(1,751)**	(1,004)
(Loss) / profit on disposal of assets and leases		**(1,632)**	117
Other expenses	12	**(2,469)**	(2,225)
Operating loss		**(12,440)**	(5,059)
Finance income	7	**1**	7
Financing costs	7	**(2,003)**	(6,923)
Loss before tax		**(14,442)**	(11,975)
Tax	11	**–**	–
Loss for the period		**(14,442)**	(11,975)
Earnings per share			
Basic loss per share (pence)	13	**(116.4)**	(145.1)
Diluted loss per share (pence)	13	**(116.4)**	(145.1)

The above results were derived from continuing operations.

There are no items of comprehensive income other than the loss for the period and therefore, no separate statement of comprehensive income is presented.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 27 SEPTEMBER 2020

	Note	**27 September 2020 £ 000**	29 September 2019 £ 000
Non-current assets			
Intangible assets	14	**12,903**	7,264
Right-of-use assets	15	**21,049**	14,206
Other property, plant and equipment	15	**12,390**	10,124
		46,342	31,594
Current assets			
Inventories	17	**401**	551
Trade receivables	18	**248**	209
Other receivables	18	**24,682**	2,022
Cash and bank balances	19	**893**	1,834
		26,224	4,616
Total assets		**72,566**	36,210
Current liabilities			
Trade and other payables	20	**(10,992)**	(8,221)
Borrowings	21	**(2,402)**	–
Net current assets / (liabilities)		**12,830**	(3,605)
Total assets less current liabilities		**59,172**	27,989
Non-current liabilities			
Borrowings	22	**(31,482)**	(34,369)
Provisions	23	**(461)**	–
Total non-current liabilities		**(31,943)**	(34,369)
Total liabilities		**(45,337)**	(42,590)
Net assets / (liabilities)		**27,229**	(6,380)
Equity			
Share capital	24	**890**	111
Share premium	24	**52,284**	64,736
Merger reserve		**64,736**	–
Employee benefit trust shares reserve		**(5,012)**	–
Retained earnings		**(85,669)**	(71,227)
Total funds / (deficit) attributable to the equity shareholders of the Company		**27,229**	(6,380)

The financial statements of Various Eateries PLC (registration number: 12698869) were approved by the Board and authorised for issue on 24 February 2021. They were signed on its behalf by:

Oli Williams
Director

PARENT COMPANY BALANCE SHEET
AS AT 27 SEPTEMBER 2020

	Note	27 September 2020 £ 000
Fixed assets		
Investments	16	**9,325**
Current assets		
Trade and other receivables	18	**39,213**
		39,213
Total assets		**48,538**
Current liabilities		
Trade and other payables	20	**(478)**
Net current assets		**38,735**
Net assets		**48,060**
Capital and reserves		
Share capital	24	**890**
Share premium	24	**52,284**
Employee benefit trust shares reserve		**(5,012)**
Retained earnings		**(102)**
Total funds attributable to the equity shareholders of the Company		**48,060**

As permitted by section 408 of the Companies Act 2006, the holding Company's statement of comprehensive income has not been included in these financial statements. The loss for the period was £nil.

The financial statements of Various Eateries PLC (registration number: 12698869) were approved by the Board and authorised for issue on 24 February 2021. They were signed on its behalf by:

Oli Williams
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020

Attributable to equity shareholders of the Company	Called-up share capital £ 000	Share premium £ 000	Merger reserve £ 000	Employee benefit trust shares reserve £ 000	Retained earnings £ 000	Total £ 000
At 30 September 2018	78	–	–	–	(59,252)	(59,174)
Capital restructure	33	64,736	–	–	–	64,769
Total transactions with owners	33	64,736	–	–	–	64,769
Loss for the period	–	–	–	–	(11,975)	(11,975)
Total comprehensive loss	–	–	–	–	(11,975)	(11,975)
At 29 September 2019	111	64,736	–	–	(71,227)	(6,380)
At 29 September 2019	111	64,736	–	–	(71,227)	(6,380)
Share-for-share exchange	–	(64,736)	64,736	–	–	–
Debt for equity swap	238	15,250	–	–	–	15,488
Shares issued on IPO	342	24,658	–	–	–	25,000
Other shares issued	199	14,285	–	(5,012)	–	9,472
Share issue costs	–	(1,909)	–	–	–	(1,909)
Total transactions with owners	779	(12,452)	64,736	(5,012)	–	48,051
Loss for the period	–	–	–	–	(14,442)	(14,442)
Total comprehensive loss	–	–	–	–	(14,442)	(14,442)
At 27 September 2020	**890**	**52,284**	**64,736**	**(5,012)**	**(85,669)**	**27,229**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020

Attributable to equity shareholders of the Company	Called-up share capital £000	Share premium £000	Employee benefit trust shares reserve £000	Retained earnings £000	Total £000
At 26 June 2020	–	–	–	–	–
Share-for-share exchange	111	–	–	–	111
Debt for equity swap	238	15,250	–	–	15,488
Shares issued on IPO	342	24,658	–	–	25,000
Other shares issued	199	14,285	(5,012)	–	9,472
Share issue costs	–	(1,909)	–	–	(1,909)
Adjustment upon share-for-share exchange	–	–	–	(102)	(102)
Total transactions with owners	890	52,284	(5,012)	(102)	48,060
Loss for the period	–	–	–	–	–
Total comprehensive loss	–	–	–	–	–
At 27 September 2020	**890**	**52,284**	**(5,012)**	**(102)**	**48,060**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020

	Note	**52 weeks ended 27 September 2020 £ 000**	52 weeks ended 29 September 2019 £ 000
Cash flows from operating activities			
Loss for the year		**(14,442)**	(11,975)
Adjustments to cash flows from non-cash items:			
Depreciation	15	**2,832**	3,433
Impairment	14, 15	**5,391**	2,240
Loss / (profit) on disposal and surrender of leases		**1,632**	(117)
Finance income		**(1)**	(7)
Financing costs		**2,003**	2,980
Preference share dividends		**–**	3,941
		(2,585)	495
Working capital adjustments:			
Decrease / (increase) in inventories		**149**	(3)
Decrease in trade and other receivables		**958**	1,384
Increase in accruals, trade and other payables		**1,656**	1,449
Increase in provisions		**461**	–
Net cash flow from operating activities		**639**	3,325
Cash flows from investing activities			
Interest received		**1**	7
Purchases of property, plant and equipment		**(5,086)**	(4,363)
Purchase of intangible assets		**(2)**	(10)
(Costs) / proceeds of disposal of property, plant and equipment		**(109)**	434
Costs on issue of shares		**(432)**	–
Net cash flows from investing activities		**(5,628)**	(3,931)
Cash flows from financing activities			
Interest paid		**(841)**	(988)
Proceeds on issue of shares	24	**79**	33
Proceeds from borrowings	21, 22	**5,700**	4,000
Principal elements of lease payments		**(890)**	(2,206)
Net cash flows from financing activities		**4,048**	839
(Decrease) / increase in cash		**(941)**	233
Opening cash at bank and in hand		**1,834**	1,601
Closing cash at bank and in hand		**893**	1,834

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020

1 GENERAL INFORMATION

Various Eateries PLC, 'the Company', and its subsidiaries (together 'the Group') are private companies limited by shares incorporated in the United Kingdom under the Companies Act 2006 and are registered in England and Wales. The address of the registered office is 20 St Thomas Street, London, SE1 9RS.

The Group is engaged in the operation of non-members' clubs, restaurants, bars and lounge areas in London and the South East of England. The parent company does not trade.

2 ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements of the Group which have been applied consistently to all periods presented, are set out below.

The directors (the 'Directors') of Various Eateries PLC are responsible for the financial statements. Judgements made by the Directors, in the application of those accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next period, are disclosed in note 3 on page 48.

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on an historical cost basis. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a company statement of profit or loss and cash flow statement, standards not yet effective, impairment of assets, related party transactions and remuneration of key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Various Eateries PLC and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 27 September 2020.

All of the consolidated comparative figures relate to Various Eateries Holdings Limited and its subsidiaries only, because Various Eateries PLC was not incorporated until 26 June 2020. This is because the financial statements have been prepared under the principles of merger accounting. The share capital shown in the comparative consolidated statement of financial position represents the share capital of the Company, even though the Company was not yet formed at 29 September 2019, because merger accounting assumes that the Group entities have been combined throughout the current and comparative periods.

All intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

In adopting the going concern basis for preparing the financial statements for the year ended 27 September 2020, the Directors have considered the business model and strategies, as set out on pages 12 to 13, the Group's principal risks and uncertainties as set out on page 16 as well as taking into account the current cash position and potential facilities.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of both Covid-19 and Brexit. For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Revenue

Revenue represents net invoiced sales of food and beverages excluding value added tax. Revenue is recognised when the goods have been provided.

Rental income

Rental income from subletting right-of-use assets is recognised on a straight-line basis over the term of the relevant lease. It is netted off against rental costs and is recognised within cost of sales.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). The Company is taking the option to not restate any balances prior to the opening balance sheet for the purpose of the financial statements. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

Intangible fixed assets (other than goodwill)

Intangible assets acquired separately from a business combination are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives of four years on a straight-line basis.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses. Cost comprises purchase cost together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Asset class	Depreciation method and rate
Right-of-use assets	Life of lease
Freehold property	Not depreciated
Leasehold improvements	Life of lease
Furniture, fittings and equipment	14.29% – 33.33% per annum
Work in progress	Not depreciated
IT equipment	20% – 33.33% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Property, plant and equipment are tested for impairment if indications of impairment are present.

Work in progress relates to capital expenditure on sites that have not started trading.

Inventories

Raw materials and consumables are valued at the lower of cost and net realisable value. Cost is based on latest contracted purchase cost.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. All financial instruments held are classified at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020
CONTINUED

2 ACCOUNTING POLICIES CONTINUED

Non-derivative financial instruments continued

Trade and other receivables and trade and other payables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit losses in the case of trade receivables. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances held at bank, call deposits, cash on hand and cash in transit.

Impairments of tangible and intangible fixed assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax payable is based on taxable profit. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Any liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the consolidated profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Employee benefits
Post-retirement benefits
The Group operates defined contribution plans for its employees. A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the periods during which services are rendered by employees.

Termination benefits
Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases
The Group leases a number of properties in various locations around the UK from which it operates.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. This is 4.5% (2019: 4.5%). Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments, such as those linked to turnover, are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Right-of-use assets are tested for impairment if indications of impairment are present.

When the Group revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020
CONTINUED

2 ACCOUNTING POLICIES CONTINUED

Leases continued
Lease modifications change the scope of the lease or change the consideration for the lease by comparison with that detailed in the original terms and conditions of the contract. If the modifications, in substance, mean that the original lease has been terminated and a new lease created, then the revised terms are accounted for as a new lease. Where modifications do not need to be accounted for as a separate lease, the amount recognised for the lease liability and the right-of-use asset is revisited to reflect the updated terms and conditions of the contract.

The transition model applied in the 2019 financial statements was the full retrospective approach, recalculated as at the opening position of the 2017 financial period as opposed to the inception dates of the individual leases.

Financing income and expenses
Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, and net foreign exchange losses that are recognised in the statement of comprehensive income.

Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

Investments
In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

Employment benefit trust shares
Under the terms of the Joint Share Ownership Plan ('JSOP'), the Company issued certain shares to an employee benefit trust, paid for through the issuance of a loan to the trust from the Group. The award of shares under the JSOP is conditional upon certain vesting criteria, as outlined in note 27. The Group presents the conditional shares as an adjustment to its own equity at the reporting date through the employee benefit trust shares reserve, until the point that the shares are awarded, and cease to be conditional awards of shares.

Government grants
During the period ended 27 September 2020, the Group has received grants from the UK Government in relation to the Coronavirus Job Retention Scheme and business rates relief. The income from these grants has been offset against the expense to which they relate.

Standards issued but not yet effective:
The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the financial statements. In some cases these standards and guidance have not been endorsed for use in the United Kingdom.

Standard	Effective date, annual period beginning on or after
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 Business Combinations	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Interest Rate Benchmark Reform: amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020

The Group has not yet assessed the impact of these new or amended accounting standards and interpretations.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue. Actual results could differ from these estimates. Information about such judgements and estimates is contained in individual accounting policies. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Key judgement – fair value of separable intangible assets in business combinations

The Group's policies require that a fair value be attributed to the assets and liabilities of an acquired business, including internally developed assets that may not be recognised by the acquired business at the date of acquisition. The Directors use their judgement to identify the separate intangible assets and then determine a fair value for each based upon the nature of the asset, future potential and other relevant factors.

Key judgement – determining the rate used to discount lease payments

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate applied to the Group's leases under the portfolio approach is 4.5%. A 0.5% increase in the discount rate to 5% results in a decrease in net present value of the total lease liability of £731,000 at 27 September 2020 (2019: £500,000). A 0.5% decrease in discount rate to 4% results in an increase in the net present value of the total lease liability of £771,000 at 27 September 2020 (2019: £530,000, see notes 20 and 22).

Key estimate – impairment of goodwill, other intangibles and property, plant and equipment

Determining whether goodwill, other intangibles and tangible fixed assets are impaired requires an estimation of the recoverable amount of the cash-generating units ('CGUs') to which goodwill, other intangibles and tangible fixed assets have been allocated. The value-in-use calculation requires estimation of future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of cash-generating units as well as further information about the assumptions made are disclosed in notes 14 and 15.

4 REVENUE

An analysis of the Group's total revenue (including sublease rental income shown within cost of sales) which all originates in the UK is as follows:

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Sale of goods and services	**16,469**	25,605
Sub-let rental income	**55**	81
	16,524	25,686

5 SEGMENTAL REPORTING

IFRS 8 'Operating Segments' requires operating segments to be based on the Group's internal reporting to its Chief Operating Decision Maker ('CODM'). The CODM is regarded as the Chief Executive Officer together with other Board Members who receive financial information at a site-by-site level. During the period ended 27 September 2020, the Group traded in one operating segment (operating non-members' clubs and restaurants, 'Restaurant Segment'). Economic indicators assessed in determining that all sites in the operating segment share similar economic characteristics include expected future financial performance, operating and competitive risks and return on investment.

Two hotel operating companies were acquired on 15 September 2020 (see note 6) and, although the results for the acquired businesses have not been consolidated into the Group results for the period ended 27 September 2020, the acquired businesses do represent a separate operating segment ('Hotel Segment') for asset and liability disclosure purposes as at the reporting date (see note 6).

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FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020
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6 BUSINESS COMBINATIONS

On 15 September 2020, the Group acquired 100% of the equity instruments of Rare Bird Hotels at Sonning Limited ('RBH Sonning') and Rare Bird Hotels at Streatley Limited ('RBH Streatley'), thereby obtaining control of both companies. The companies were incorporated in 2020 for the purpose of acquiring the trade and certain assets of The Great House at Sonning Limited and Rare Bird Hotels Limited respectively, which are related parties of the Group (see note 28). The acquisitions were made to bring the full operations of each of the hotel locations, where Coppa Club sites are based, into the Group prior to IPO.

	RBH Sonning £ 000	RBH Streatley £ 000
Fair value of consideration transferred		
Amount settled via equity issue from the Company	2,329	6,987
Recognised amounts of identifiable net assets		
Right-of-use assets (note 15)	5,285	6,246
Other property, plant and equipment (note 15)	169	325
Intangible assets (note 14)	125	125
Total non-current assets	5,579	6,696
Inventories	1	16
Trade and other receivables	212	420
Cash and bank balances	110	79
Trade and other payables	(626)	(615)
Lease liabilities	(5,309)	(6,274)
Identifiable net (liabilities) / assets	**(33)**	**322**
Goodwill on acquisition	**2,362**	**6,665**

The acquisitions were settled via issue of equity from the Company, 3,174,603 and 9,523,809 ordinary shares for RBH Sonning and RBH Streatley respectively (see also note 24).

The Group assessed the fair value of identifiable intangible assets as £250,000 relating to the Rare Bird Hotels brand name, split evenly between the acquired businesses. The goodwill of £9,027,000 arising from the acquisitions consists primarily of growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the hotel segment.

Results for the acquired businesses have not been consolidated into the Group results for the period ended 27 September 2020 as the results are not material to the Group's results for the period due to the proximity of acquisition date to the reporting date. Assets and liabilities have been consolidated into the consolidated statement of financial position as at 27 September 2020.

7 FINANCE INCOME / FINANCING COSTS

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Interest income on bank deposits	**1**	7
Total finance income	**1**	7
Dividends on preference shares	**–**	3,941
Interest on bank overdrafts and borrowings	**1,348**	2,239
Lease liability interest	**654**	741
Foreign exchange loss	**1**	2
Total financing costs	**2,003**	6,923

8 AUDITOR'S REMUNERATION

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Audit of the financial statements	**100**	45
Other fees payable to auditor		
Taxation compliance services	**–**	11
Services in relation to Initial Public Offering	**115**	–

Audit fees for the 52 weeks ended 27 September 2020 includes £23,000 in respect of the 2019 audit.

9 STAFF NUMBERS AND COSTS

	52 weeks ended 27 September 2020 No.	52 weeks ended 29 September 2019 No.
The average monthly number of employees (including Directors) was:		
Operational staff	**506**	542

The average monthly number of employees (being Directors) of the Company since incorporation was three.

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Their aggregate remuneration comprised:		
Wages and salaries	**10,080**	9,543
Social security costs	**777**	691
Other pension costs (see note 25)	**178**	160
Other employee expense	**83**	61
Grant income – Coronavirus Job Retention Scheme ('CJRS')	**(2,846)**	–
	8,272	10,455

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FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020
CONTINUED

10 DIRECTORS' REMUNERATION

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
The Directors' remuneration for the period in respect of service to the Group was as follows:		
Remuneration	**324**	149
Employer pension contribution	**7**	6
	331	155

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
In respect of the highest paid Director:		
Remuneration	**150**	137
Employer pension contribution	**4**	6
	154	143

11 TAX

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Corporation tax	**–**	–
Total current income tax	**–**	–
Tax expense in the statement of comprehensive income	**–**	–

Corporation tax is calculated at 19% (2019: 19%) of the estimated taxable loss for the period.

The charge for the period can be reconciled to the loss in the statement of comprehensive income as follows:

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Loss before tax	**(14,442)**	(11,975)
Corporation tax at standard rate 19% (2019: 19%)	**(2,744)**	(2,275)
Difference between depreciation and capital allowances	**992**	(222)
Expenses not deductible	**405**	1,227
Remeasurement of deferred tax for changes in tax rate	**(676)**	–
Deferred tax not recognised	**2,023**	1,131
Timing differences not recognised	**–**	139
Total tax charge	**–**	–

No account has been taken of the potential deferred tax asset of £9,885,000 (2019: £5,791,000) calculated at 19% (2019: 17%) and representing losses carried forward and short-term timing differences, owing to the uncertainty over the timing and utilisation of the losses available.

12 OTHER EXPENSES

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Other central costs	**1,321**	1,646
AGA provision (note 23)	**461**	–
IPO-related costs	**285**	–
Depreciation of property, plant and equipment (note 15)	**235**	257
Restructuring costs	**167**	322
	2,469	2,225

13 EARNINGS PER SHARE

Basic loss per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares outstanding during the year. There were no potentially dilutive ordinary shares outstanding as at the period ended 27 September 2020 and 29 September 2019.

	27 September 2020	29 September 2019
Loss for the year after tax (£000)	**(14,442)**	(11,975)
Basic and diluted weighted average number of shares	**12,403,859**	8,251,030
Basic loss per share (pence)	**(116.4)**	(145.1)
Diluted loss per share (pence)	**(116.4)**	(145.1)

14 INTANGIBLE ASSETS

Group

	Brand £ 000	**Goodwill £ 000**	**Trademarks, patents & licences £ 000**	**Total £ 000**
Cost or valuation				
At 29 September 2019	**2,662**	**16,992**	**23**	**19,677**
Additions	**–**	**–**	**2**	**2**
Acquired through business combination	**250**	**9,027**	**–**	**9,277**
At 27 September 2020	**2,912**	**26,019**	**25**	**28,956**
Amortisation				
At 29 September 2019	**2,662**	**9,751**	**–**	**12,413**
Impairment	**–**	**3,640**	**–**	**3,640**
At 27 September 2020	**2,662**	**13,391**	**–**	**16,053**
Carrying amount 27 September 2020	**250**	**12,628**	**25**	**12,903**

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licenses £ 000	Total £ 000
Cost or valuation				
At 30 September 2018	2,662	16,992	13	19,667
Additions	–	–	10	10
At 29 September 2019	2,662	16,992	23	19,677
Amortisation				
At 30 September 2018	2,662	8,515	–	11,177
Impairment	–	1,236	–	1,236
At 29 September 2019	2,662	9,751	–	12,413
Carrying amount 29 September 2019	–	7,241	23	7,264

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FOR THE 52 WEEKS ENDED 27 SEPTEMBER 2020
CONTINUED

14 INTANGIBLE ASSETS CONTINUED

Brand relates to registered brand names and is amortised over an estimated useful economic life of four years. The brand names acquired through business combination have not been amortised during the period ended 27 September 2020 due to the proximity of acquisition date to the reporting date as the impact is immaterial.

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

The brought-forward goodwill balance relates to Tavolino Riverside (£4,032,000), Strada Southbank (£3,147,000), and Strada Dockside (£62,000). These three CGUs are included in the restaurant operating segment.

The goodwill acquired through business combination relates to the acquisition of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited in September 2020. These two CGUs make up the hotel operating segment.

Restaurant segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A pre-tax discount rate of 12.8% was used (2019: 10%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with five-year forecasts were used, which incorporate a reasonably foreseen, as at 27 September 2020, future impact of the Covid-19 pandemic and assumptions concerning the rate at which site-level cash flows will recover. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate. The key assumption for the fair value calculations is the multiple applied to site EBITDA. A multiple of 5 times site EBITDA was used (2019: 5 times) based on expected market value if the sites were to be sold as individual trading businesses.

Impairment testing resulted in the reduction of goodwill to its recoverable amount, being value-in-use, at 27 September 2020, with the full charge recognised against the restaurant segment. The split of the charge between the CGUs and resulting carrying values, respectively, are: Tavolino Riverside (£1,424,000) and £2,609,000; Strada Southbank (£2,154,000) and £992,000; and Strada Dockside (£62,000) and £nil.

Given the global pandemic and its impact on the UK hospitality sector there is particular sensitivity to the forecasts prepared in connection with the impairment review as at 27 September 2020. The estimate of recoverable amount for the restaurant segment is particularly sensitive to the discount rate and trading forecast assumptions. If the discount rate used is increased by 2%, a further impairment loss of £654,000 for the period ended 27 September 2020 would have to be recognised against goodwill (2019: £425,000). If the forecast five-year total EBITDA is reduced by 10%, a further impairment loss of £856,000 for the period ended 27 September 2020 would have to be recognised against goodwill. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

Hotel segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A pre-tax discount rate of 12.8% was used (2019: 10%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with five-year forecasts were used, which incorporate a reasonably foreseen, as at 27 September 2020, future impact of the Covid-19 pandemic and assumptions concerning the rate at which site-level cash flows will recover. Cash flows beyond the forecast period are extended at a terminal growth rate of 2%. The key assumption for the fair value calculations is the multiple applied to site EBITDA. A multiple of 9 times site EBITDA was used based on expected market value if the entities were to be sold as individual trading businesses.

Impairment testing resulted in no requirement to reduce the carrying value of goodwill in 2020 as the recoverable amounts of the CGUs, based on value-in-use estimates, were £14,469,000 for Rare Bird Hotels at Sonning Limited and £24,184,000 for Rare Bird Hotels at Streatley Limited. The headroom of recoverable amount over goodwill is £12,328,000 and £18,345,000 respectively.

Given the global pandemic and its impact on the UK hospitality sector there is particular sensitivity to the forecasts prepared in connection with the impairment review as at 27 September 2020. The estimate of recoverable amount for the hotel segment is sensitive to the discount rate, trading forecast assumptions and terminal growth rate. If the discount rate used is increased by 2%, the forecast five-year total EBITDA is reduced by 10%, and the terminal growth rate reduced by 1%, the headroom reduces to £8,505,000 for Rare Bird Hotels at Sonning Limited and £11,940,000 for Rare Bird Hotels at Streatley Limited. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

Company

The Company has no intangible fixed assets.

15 PROPERTY, PLANT AND EQUIPMENT

Group

	Right-of-use assets £ 000	Freehold property £ 000	Leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Work in progress £ 000	IT equipment £ 000	Total £ 000
Cost or valuation							
At 29 September 2019	**19,038**	**–**	**8,499**	**4,972**	**105**	**1,311**	**33,925**
Additions	**707**	**1,795**	**72**	**548**	**2,605**	**66**	**5,793**
Acquired through business combination	**11,532**	**–**	**–**	**403**	**–**	**90**	**12,025**
Disposals	**(4,370)**	**–**	**(2,383)**	**(1,909)**	**(102)**	**(138)**	**(8,902)**
Transfers	**–**	**–**	**871**	**537**	**(1,437)**	**29**	**–**
At 27 September 2020	**26,907**	**1,795**	**7,059**	**4,551**	**1,171**	**1,358**	**42,841**
Depreciation							
At 29 September 2019	**4,832**	**–**	**1,609**	**2,550**	**–**	**604**	**9,595**
Charge for the period	**1,272**	**–**	**431**	**902**	**–**	**227**	**2,832**
Eliminated on disposal	**(1,862)**	**–**	**(1,510)**	**(1,321)**	**–**	**(83)**	**(4,776)**
Impairment loss	**1,616**	**–**	**135**	**–**	**–**	**–**	**1,751**
At 27 September 2020	**5,858**	**–**	**665**	**2,131**	**–**	**748**	**9,402**
Carrying amount 27 September 2020	**21,049**	**1,795**	**6,394**	**2,420**	**1,171**	**610**	**33,439**

	Right-of-use assets £ 000	Leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Work in progress £ 000	IT equipment £ 000	Total £ 000
Cost or valuation						
At 30 September 2018	20,205	7,733	5,022	285	1,115	34,360
Additions	1,722	1,178	795	2,166	224	6,085
Disposals	(2,889)	(2,230)	(1,254)	(26)	(121)	(6,520)
Transfers	–	1,818	409	(2,320)	93	–
At 29 September 2019	19,038	8,499	4,972	105	1,311	33,925
Depreciation						
At 30 September 2018	5,882	2,340	2,666	15	460	11,363
Charge for the period	1,755	557	897	–	224	3,433
Eliminated on disposal	(2,889)	(2,208)	(1,013)	(15)	(80)	(6,205)
Impairment loss	84	920	–	–	–	1,004
At 29 September 2019	4,832	1,609	2,550	–	604	9,595
Carrying amount 29 September 2019	14,206	6,890	2,422	105	707	24,330

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15 PROPERTY, PLANT AND EQUIPMENT CONTINUED

The Group's leasehold premises and improvements are stated at cost, being the fair value at the date of acquisition, plus any additions at cost less any subsequent accumulated depreciation. Work in progress relates to capital expenditure on sites that have not started trading.

Depreciation is charged to cost of sales in the statement of comprehensive income for property, plant and equipment in use at the trading leasehold premises. Depreciation on property, plant and equipment used by central functions is charged to other expenses in the statement of comprehensive income.

The assets acquired through business combination comprise the fair value of the property, plant and equipment of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited, acquired by the Group in September 2020.

Rental income from subletting right-of-use assets is recognised on a straight-line basis over the term of the relevant lease. It is netted off against rental costs and is recognised within cost of sales (2019: £81,000, 2020: £55,000).

The Group has determined that each site in the restaurant operating segment, and each of the companies in the hotel operating segment are separate CGUs for impairment testing purposes. Each CGU is tested for impairment at the balance sheet date if there exists at that date any indicators of impairment. Losses incurred by the Group pre Covid-19 as well as the ongoing Covid-19 pandemic are considered indicators of potential impairment; accordingly all CGUs have been tested for impairment by comparing the carrying amount of the assets to the recoverable amount. The recoverable amount is represented by the greater of the individual CGU's fair value less costs of disposal and its value-in-use.

Restaurant segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A pre-tax discount rate of 12.8% was used (2019: 10%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with five-year forecasts were used, which incorporate an impact of the Covid-19 pandemic and assumptions concerning the rate at which site-level cash flows will recover. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate. The key assumption for the fair value calculations is the multiple applied to site EBITDA. A multiple of 5 times site EBITDA was used (2019: 5 times) based on expected market value if the sites were to be sold as individual trading businesses.

Impairment testing resulted in the reduction of carrying amount to recoverable amount, being value-in-use, for three CGUs in 2020, with the full charge recognised against the restaurant segment. The split of the charge between the CGUs and the asset classes are: 31 Below Marylebone £378,000 against right-of-use assets and leasehold improvements; Coppa Club Brighton £439,000 against right-of-use assets; and Coppa Club Maidenhead £935,000 against right-of-use assets.

The estimate of recoverable amount for the restaurant segment is particularly sensitive to the discount rate and trading forecast assumptions. If the discount rate used is increased by 2%, a further impairment loss of £450,000 for the period ended 27 September 2020 would have to be recognised against right-of-use assets. If the forecast five-year total EBITDA is reduced by 10%, a further impairment loss of £376,000 for the period ended 27 September 2020 would have to be recognised against right-of-use assets. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

Hotel segment

As a result of the headroom identified during the goodwill impairment testing of the hotel operating segment (see note 14), no impairment charge is required in respect of the hotel segment.

Company

The Company has no property, plant and equipment.

16 INVESTMENTS

Group subsidiaries

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held by the Group 2020	2019
Various Eateries Holdings Limited*	Holding company	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	100%
Rare Bird Hotels at Sonning Limited*	Hotels and similar accommodation	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	–
Rare Bird Hotels at Streatley Limited*	Hotels and similar accommodation	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	–
VEL Property Holdings Limited	Buying and selling of own real estate	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	–
SCP Sugar Limited	Holding company	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	100%
Various Eateries Trading Limited	Licensed restaurants	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	100%
Coppa Club Limited	Dormant	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	100%
Coppa Limited	Dormant	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	–

* Indicates direct investment of the Company; other companies are held by direct subsidiaries.

	27 September 2020 £ 000
Summary of investments in subsidiaries	
At start of financial period	–
Additions	**9,325**
At end of financial period	**9,325**

The additions in the period reflect the share-for-share exchange by which Various Eateries PLC acquired the entire issued share capital of Various Eateries Holdings Limited on 27 August 2020 (£9,000), plus the acquisition of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited on 15 September 2020 (£9,316,000, see note 6).

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17 INVENTORIES

	Group		Company
	27 September 2020 £ 000	29 September 2019 £ 000	**27 September 2020 £ 000**
Food and drinks	**178**	330	**–**
Consumables	**223**	221	**–**
	401	551	**–**

Inventories recognised as an expense in the period totalled £4,509,000 (2019: £7,099,000).

18 TRADE AND OTHER RECEIVABLES

	Group		Company
	27 September 2020 £ 000	29 September 2019 £ 000	**27 September 2020 £ 000**
Trade receivables	**248**	209	**–**
Receivables from subsidiaries	**–**	–	**15,567**
Prepayments	**317**	1,065	**–**
Other receivables	**24,365**	957	**23,646**
	24,930	2,231	**39,213**

All of the trade receivables were non-interest-bearing, receivable under normal commercial terms, and the Directors do not consider there to be any material expected credit loss. The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

Receivables from subsidiaries includes a balance created by the upwards novation of £15,488,000 of the related party borrowings balance as part of the capital restructure in the period (see note 22 and note 24).

Other receivables includes £23,523,000 in respect of net IPO share issue proceeds.

19 CASH AND BANK BALANCES

	Group		Company
	27 September 2020 £ 000	29 September 2019 £ 000	**27 September 2020 £ 000**
Cash and bank balances	**893**	1,834	**–**

20 TRADE AND OTHER PAYABLES

	Group		Company
	27 September 2020 £ 000	29 September 2019 £ 000	**27 September 2020 £ 000**
Trade payables	**2,621**	1,783	**–**
Payables to subsidiaries	**–**	–	**432**
Accrued expenses	**3,813**	2,704	**46**
Social security and other taxes	**988**	1,184	**–**
Other payables	**1,186**	767	**–**
Lease liabilities due in less than one year	**2,384**	1,783	**–**
	10,992	8,221	**478**

21 LOANS AND BORROWINGS

	Group		Company
	27 September 2020 £ 000	29 September 2019 £ 000	**27 September 2020 £ 000**
Borrowings from related parties	**2,402**	–	**–**

Borrowings from related parties classed as payable within 12 months represents a deep discounted bond instrument issued by VEL Property Holdings Limited on 15 January 2020. The subscription amount was £2,300,000, the nominal value £2,438,000, and the final redemption date is 14 January 2021. The discount is recognised on a straight-line basis between subscription and redemption date, resulting in £102,000 of accrued financing costs as at the reporting date.

22 NON-CURRENT LOANS AND BORROWINGS

	Group		Company
	27 September 2020 £ 000	29 September 2019 £ 000	**27 September 2020 £ 000**
Borrowings from related parties	**10,000**	21,082	**–**
Lease liabilities due after more than one year	**21,482**	13,287	**–**
	31,482	34,369	**–**

The borrowings from related parties balance as at 27 September 2020 is made up of a deep discounted bond instrument and the existing August 2019 loan agreement. The deep discounted bond was issued in September 2020 as part of a capital restructure (see note 24), with a subscription price of £8,962,000, a nominal value of £9,515,000, and a term of 19 months. The balance of £1,038,000 (2019: £21,082,000) under the August 2019 loan agreement matures in August 2022, bears cash-settled interest at 3.75% above LIBOR (2019: cash-settled interest at 3.75% above LIBOR on £11,000,000 of the principal and payment-in-kind interest at 6% above LIBOR on £10,000,000 of the principal), and contains an EBITDA multiple covenant that should have been first tested in September 2020 under the original agreement and has been waived until April 2022.

The loans and borrowings classified as financial instruments are disclosed in note 26.

The Group's exposure to market and liquidity risk in respect of loans and borrowings is disclosed in the financial instruments note.

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23 PROVISIONS FOR LIABILITIES

Group

Authorised Guarantee Agreements ('AGAs')	**£ 000**
At 30 September 2018 and 29 September 2019	–
Provision	**461**
At 27 September 2020	**461**

The provision relates to the annual rental cost of four previously operated sites that have been disposed of via assignment of lease and include Authorised Guarantee Agreements ('AGAs') as part of the assignment arrangement (see also note 31).

24 SHARE CAPITAL AND SHARE PREMIUM

Authorised, allotted, called-up and fully paid shares

	27 September 2020		29 September 2019	
	No. 000	**£ 000**	No. 000	£ 000
Ordinary shares of £0.01 each	**89,008**	**890**	11,111	111

Movements in ordinary share capital

	Date	Shares	Nominal value	£ 000
At incorporation	26 June 2020	1	£1.00	–
Share subdivision	27 August 2020	99	£0.01	–
Share-for-share exchange	27 August 2020	11,111,011	£0.01	111
Share conversion	18 September 2020	23,809,522	£0.01	238
Issue of shares on IPO	25 September 2020	34,246,576	£0.01	342
Issue of other shares	18 September 2020	19,841,268	£0.01	198
Balance	**27 September 2020**	**89,008,477**		**890**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have a par value of £0.01 and the Company does not have a limited amount of authorised capital.

Share-for-share exchange
The Company was incorporated on 26 June 2020 with one ordinary share of £1.00. On 27 August 2020 the shareholders of Various Eateries Holdings Limited ('VEHL') exchanged their ordinary shares in VEHL for ordinary shares in the Company.

Share conversion
On 18 September 2020, the Group carried out a pre-AiM float capital restructure in the form of a debt-for-equity swap whereby deep discounted bond instruments issued by Various Eateries Trading Limited in 2020 and a proportion of the balance under the August 2019 loan agreement were repaid via equity issued by the Company. The reduction of debt was achieved by way of issue of a new deep discounted bond instrument by Various Eateries Trading Limited (see note 22) and successive novation of £15,488,000 of the balance upwards through the Group. The intercompany balance created by this novation makes up a proportion of the receivables from subsidiaries disclosed in note 18.

Issues of shares
The shares issued on 18 September 2020 includes 12,698,412 shares issued as consideration for the purchase of the entire issued ordinary share capital of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited (see note 6), and 5,809,523 shares issued under a share-based payment scheme (see note 27).

The shares issued on 25 September 2020 raised gross proceeds of £25,000,000. Net proceeds were received post year end and are included in other receivables as at 27 September 2020 (see note 18).

Employee benefit trust shares reserve
The Group presents these shares as an adjustment to own equity at the period end date through the employee benefit trust shares reserve, until the point that the shares are awarded, and cease to be conditional awards of shares. The award of shares is conditional upon certain vesting criteria, as outlined in note 27.

25 RETIREMENT BENEFIT SCHEMES

Group personal pension scheme
The Group operates group personal pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the Group.

The total cost charged to income of £178,000 (2019: £160,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. As at 27 September 2020, contributions of £23,000 (2019: £27,000) due in respect of the current reporting period had not been paid over to the schemes.

26 FINANCIAL INSTRUMENTS

Group
Financial assets – loans and receivables

	27 September 2020 £ 000	29 September 2019 £ 000
Cash at bank and in hand	**893**	1,834
Trade and other receivables	**24,613**	1,166
	25,506	3,000

Valuation methods and assumptions
Trade receivables are all due for settlement in less than one year. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value due to their short-term nature.

Financial liabilities at amortised cost

	27 September 2020 £ 000	29 September 2019 £ 000
Trade and other payables	**31,486**	20,324
Borrowings from related parties	**12,402**	21,082
	43,888	41,406

Valuation methods and assumptions
The Directors consider that the carrying amount of trade and other payables is approximately equal to their fair value due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Fair value hierarchy
The tables above detail the Company's assets and liabilities disclosed at fair value. Using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, all assets and liabilities shown above are considered to be level 3: 'Unobservable inputs for the asset or liability'. There were no transfers between levels during the financial period.

Financial risk management and impairment of financial assets
The Group's activities expose it to a variety of financial instrument risks. The risk management policies employed by the Group to manage these risks are discussed below. The primary objectives of the financial instrument risk management function are to establish risk limits, and then ensure that exposure to risks stay within these limits.

Capital risk management
The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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26 FINANCIAL INSTRUMENTS CONTINUED

Capital risk management continued

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial period.

Credit risk management

The Group's credit risk is attributable to trade and other receivables and cash with the carrying amount best representing the maximum exposure to credit risk. The Group places its cash with banks with high-quality credit standings. Trade and other receivables relate to day-to-day activities which are entered into with creditworthy counterparties.

Market risk management

The Group's activities expose it to economic factors; the Directors closely monitor market conditions and consider any impact on the Group's existing strategy.

Interest rate risk management

The Group is exposed to interest rate risk as the Group's borrowings have an interest rate of 3.75% above LIBOR.

Liquidity risk management

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Management review cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturities for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2019	Weighted average interest rate %	1 year or less £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000	Remaining contractual maturities £ 000
Non-derivatives						
Non-interest-bearing						
Trade payables	–	1,783				1,783
Other payables	–	3,470				3,470
Interest-bearing						
Borrowings	3.75%/6%			21,082		21,082
	+ LIBOR					
Lease liability	4.5%	1,885	1,676	4,590	12,093	20,244
		7,139	**1,676**	**25,672**	**12,093**	**46,579**

2020	Weighted average interest rate %	1 year or less £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000	Remaining contractual maturities £ 000
Non-derivatives						
Non-interest-bearing						
Trade payables	–	2,621				2,621
Other payables	–	4,999				4,999
Borrowings – DDB	–	2,438	9,515			11,953
Interest-bearing						
Borrowings – loan	3.75%		1,038			1,038
	+ LIBOR					
Lease liability	4.5%	2,526	2,666	8,015	19,487	32,694
		12,584	13,219	8,015	19,487	53,305

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

27 SHARE-BASED PAYMENTS

As at 27 September 2020, the Group and Company maintained one share-based payment scheme for employee remuneration, the Joint Share Ownership Plan ('JSOP'), which will be equity settled. The grants under the JSOP were made on 18 September 2020.

In accordance with IFRS 2 "Share-based Payment", the value of the awards is measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. No charge has been recognised in profit and loss by the Group in the period ended 27 September 2020 as the proximity of the grant date to the balance sheet date results in a charge that is not material.

The JSOP is part of the remuneration package of the Group's senior management. Participants in this scheme have to be employed until the end of the agreed vesting period. Upon vesting, the holder is entitled to purchase ordinary shares at the market price determined at grant date.

	JSOP	
	Number of shares	Exercise price per share (£)
Outstanding at 29 September 2019	–	–
Granted	5,809,523	0.73
Outstanding at 27 September 2020	**5,809,523**	**0.73**
Exercisable at 27 September 2020	**–**	**–**

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27 SHARE-BASED PAYMENTS CONTINUED

The fair values of options granted were determined using a Black-Scholes model. The following principal assumptions were used in the valuation:

	JSOP
Grant date	18 September 2020
Vesting period ends	31 August 2022
Share price at date of grant	£0.73
Volatility	66.98%
Option life	1.95 years
Dividend yield	0.00%
Risk-free investment rate	(0.13)%
Fair value per option at grant date	£0.26
Exercise price at date of grant	£0.73
Exercisable from / to	31 August 2022 / 31 August 2030
Remaining contractual life	1.92 years

The historical volatility has been calculated based on the share returns of four comparators for a period preceding the valuation date equal to the expected term of the options, i.e. a period of 1.95 years. The total estimated fair value of the options granted on 18 September 2020 to be recognised as an expense over the vesting period is £1,531,000.

28 RELATED PARTY TRANSACTIONS

Transactions with related parties include management charges for services provided by Osmond Capital Limited, which has common shareholders with controlling influence with the Company, of £390,000 (2019: £236,000). In addition, HEM Osmond is the principal lender of the £10,000,000 borrowings (2019: £21,082,000 via Xercise2 Limited) and a shareholder with controlling influence of Xercise2 Ltd which is a significant shareholder of the Company.

The capital restructure that took place in September 2020 (see note 24) involved the exchange of debt held by equity shareholders of the Group (in the form of a loan facility and a deep discounted bond instrument) for newly issued ordinary share capital in the Company. As at 27 September 2020, there was £397,000 of accrued cash interest payable on borrowings from related parties, of which £341,000 was due to Xercise2 Ltd (2019: £365,000 total, £345,000 due to Xercise2 Ltd).

Remuneration of key management personnel

The remuneration of the Directors of the Company and its subsidiaries and other key management, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures".

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Salaries, employment taxes and other short-term employee benefits	**600**	537
Post-employment benefits	**12**	16
	612	553

Trading transactions
During the period, the Company entered into the following trading transactions with related parties:

	Purchase of goods / services £ 000	Sale of goods / services £ 000
The Great House at Sonning Limited	**364**	351
Rare Bird Hotels Limited	**491**	281
Mudlark Hotels Limited	**–**	29
	855	661

The following amounts were outstanding at the statement of financial position date:

	Amounts owed to related parties £ 000	Amounts owed by related parties £ 000
Mudlark Hotels Limited	**2**	38

The Great House at Sonning Limited, Rare Bird Hotels Limited, and Mudlark Hotels Limited are related parties of the Company because they have common shareholders with controlling influence in the Company. The trade and certain assets of The Great House at Sonning Limited and Rare Bird Hotels Limited were acquired by newly incorporated operating companies in August 2020, Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited respectively. The entire issued share capital of these companies was subsequently acquired by the Company in September 2020 (see note 6).

Sales and purchases of goods and services between the related parties were made at market prices discounted to reflect the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

29 CONTROLLING PARTY

The ultimate controlling party of the Company is HEM Osmond.

30 POST-BALANCE SHEET EVENTS

Coppa Club Cobham
In December 2020, the Group was able to open its newest site at Cobham. Both sales and future bookings were exceptional, far above the business case despite the restrictions in place under the tier system at the time of opening.

Coronavirus
The coronavirus (Covid-19) outbreak continued to hamper the trade of the Group post year end as a result of the tier system introduced that was swiftly followed by a second national month-long lockdown enforced in November 2020. After returning to trade in December 2020, all sites across the estate were forced to close under the tier system by Christmas and, as at the date of the financial statements being approved, have not yet been able to reopen due to a third national lockdown that started in early January 2021.

Insurance claim
Post the reporting date, the Group received an interim payment from its insurer of £2,500,000 with regards to its Covid-19-related business interruption claim. The claim is still being finalised with the final quantum not yet known as at the date of signing. In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, no amount has been recognised as at 27 September 2020.

VEL Property Holdings Limited funding
Within current liabilities at the year end, there was a deep discounted bond instrument with a nominal value of £2,438,000 and a final redemption date of 14 January 2021. In January 2021, this was replaced by a new deep discounted bond instrument with a nominal value of £2,584,000 and a final redemption date of 14 January 2022.

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31 CONTINGENT LIABILITIES

Authorised Guarantee Agreements

There are nine (2019: nine) previously operated sites that have been disposed of via assignment of lease and include Authorised Guarantee Agreements ('AGAs') as part of the assignment arrangement. There is a risk that the sites would be returned if the assigned leaseholders were to default on their contractual obligations with their respective landlords, the risk of which has been heightened as a result of the coronavirus (Covid-19) outbreak. The total annual rental cost for these sites is £733,000, of which £461,000 has been provided for (see note 23).

CJRS claim

The Group recognised claims of £2.8m under the CJRS schemes during the period in order to support the business through the pandemic. Given multiple changes to the rules governing the schemes, as well as the degree of complexity in the various rules, the Group is undertaking a review of past claims to confirm their validity. The Directors are of the opinion that claims made to date are valid and materially correct and so do not consider the likelihood of material outflow as a result of this review to be probable. Accordingly, the Directors cannot reliably estimate what the amount of any outflow might be.

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