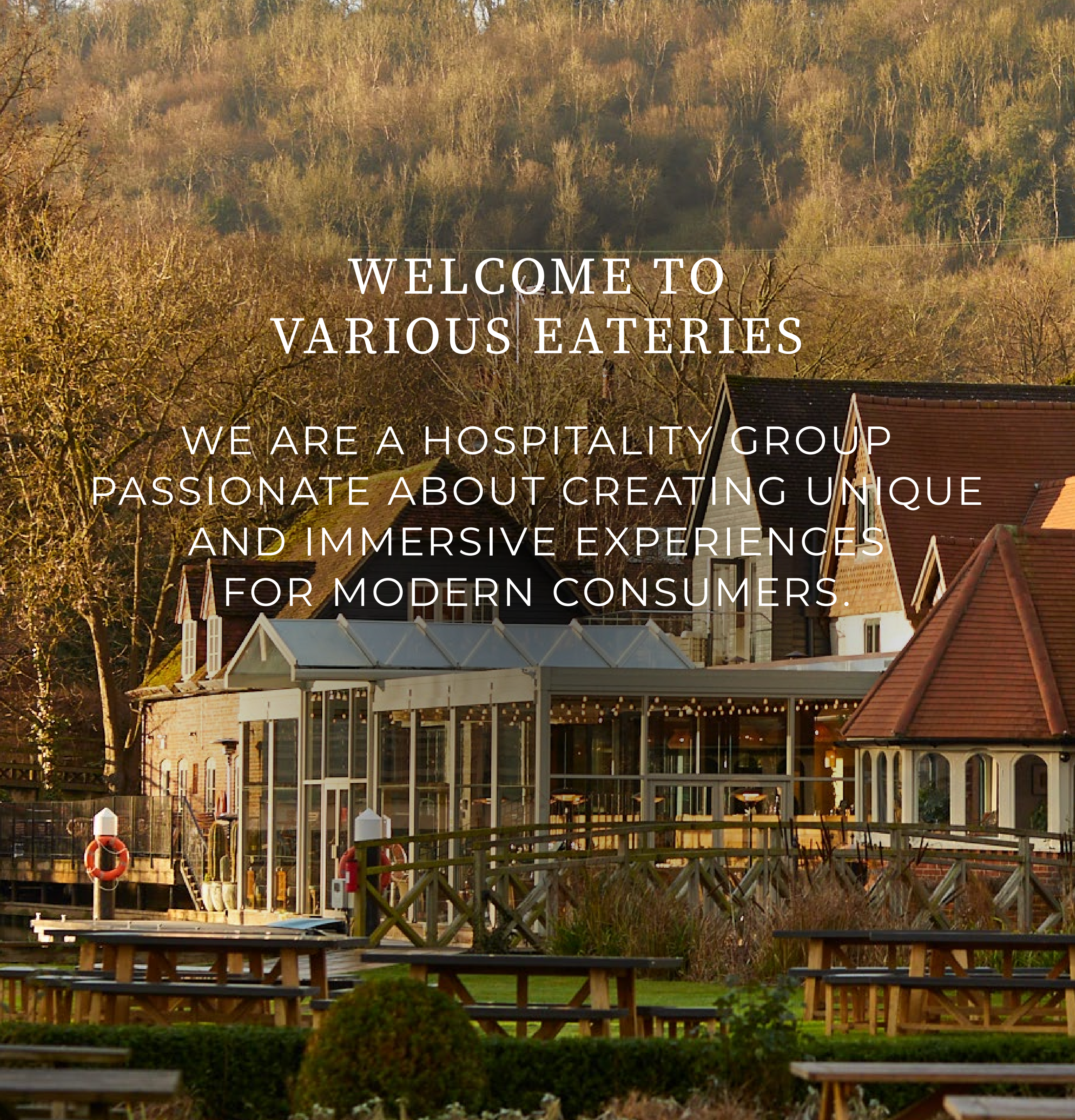
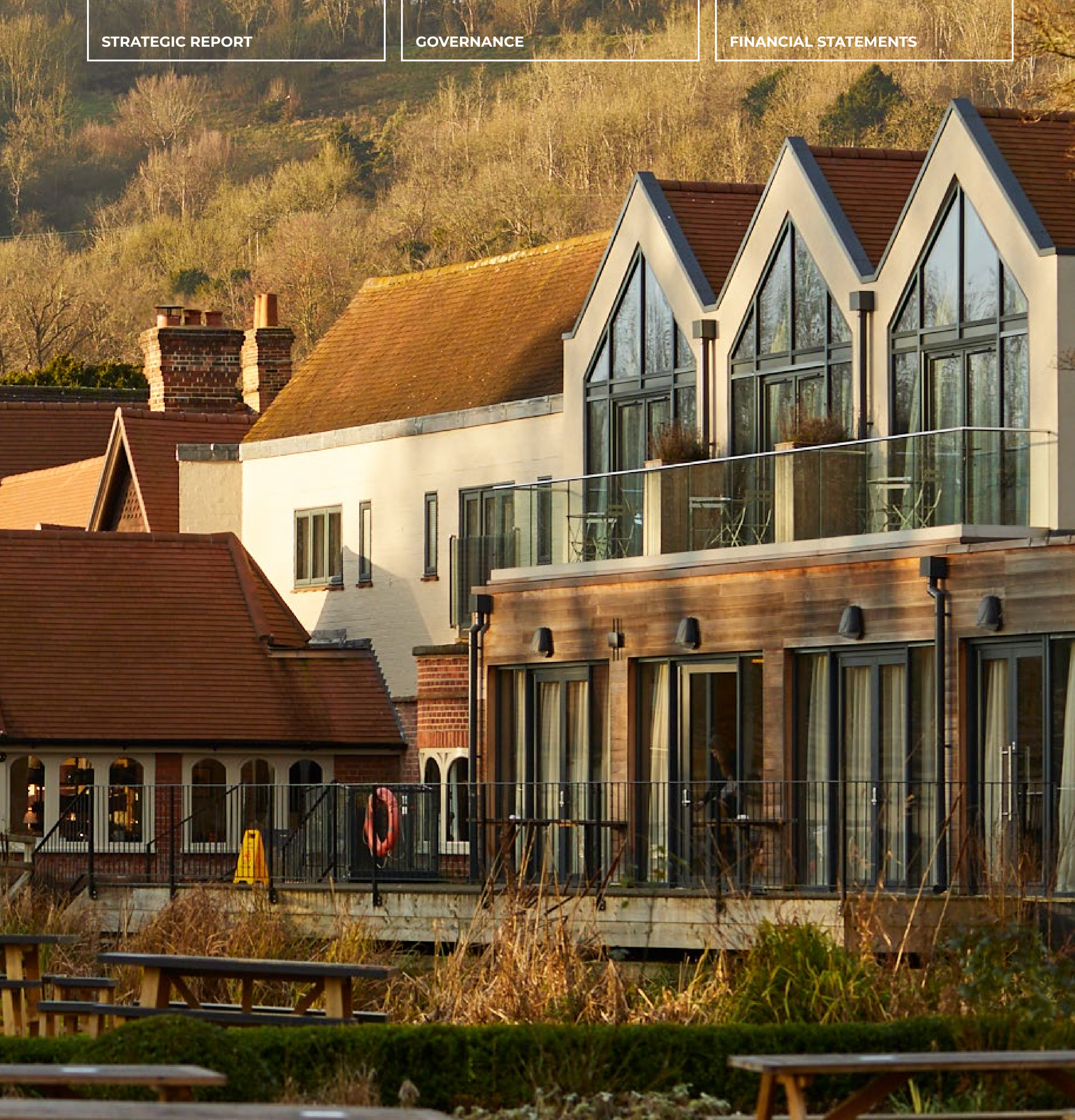
VARIOUS EATERIES PLC ANNUAL REPORT & FINANCIAL STATEMENTS 2021



WELCOME TO VARIOUS EATERIES

WE ARE 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.



We are welcoming:
Inclusive and positive;
Open minded;
Nothing is too
much trouble

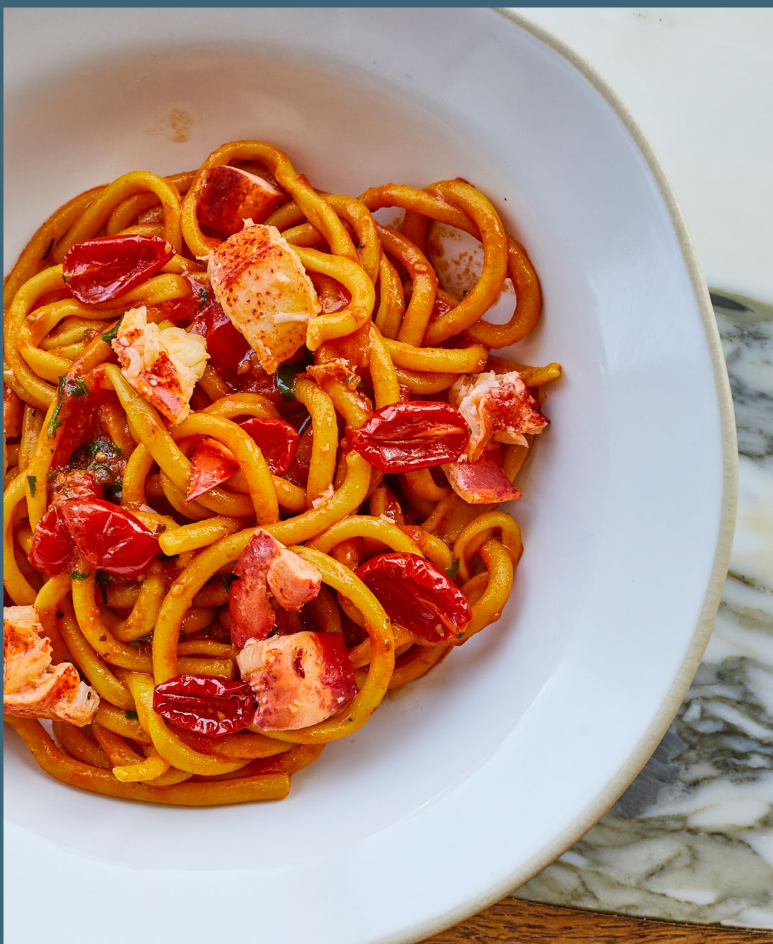
STRATEGIC REPORT

AT A GLANCE

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

The Various Eateries Group comprises the Coppa Club and Tavolino brands, which currently operate across 13 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 HISTORY

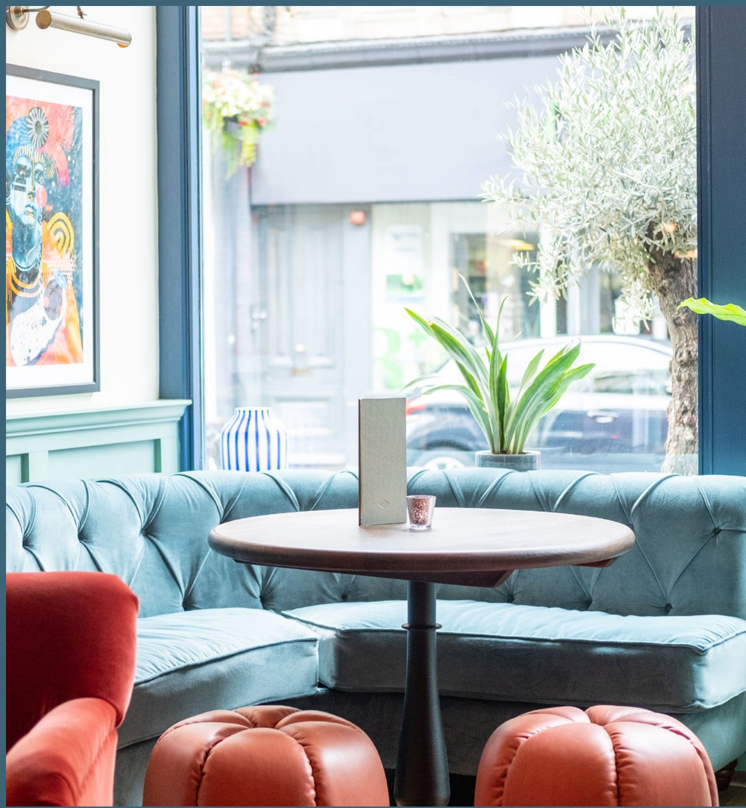
Various Eateries was founded by Hugh Osmond – owner of the Strada business – in 2014. The first Coppa Club opened in Sonning-on-Thames in 2015, and five more Coppa Clubs had been launched by 2019. Andy Bassadone invested in the Group in 2019 with a vision to redefine the Italian dining sector with our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

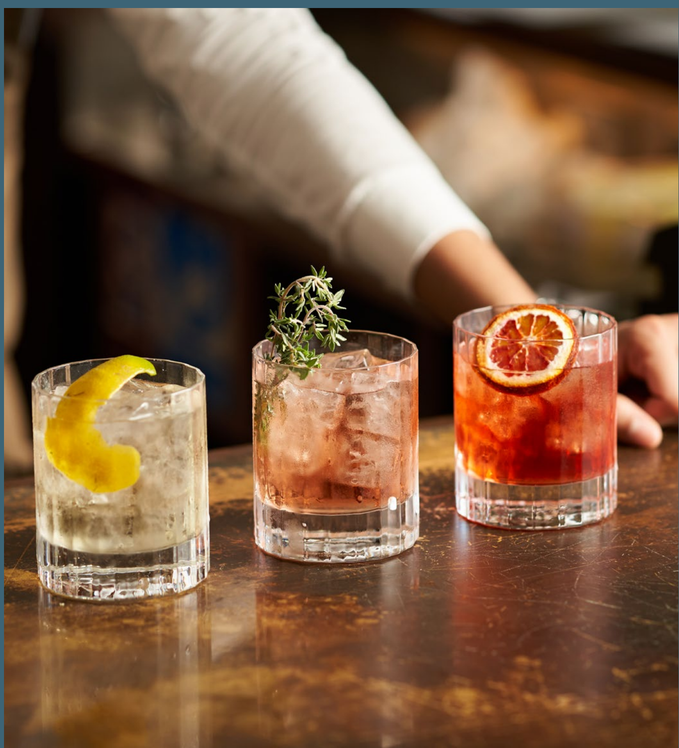
OUR PURPOSE

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 & BEHAVIOURS

We are welcoming:

Inclusive and positive;
Open minded;
Nothing is too much trouble

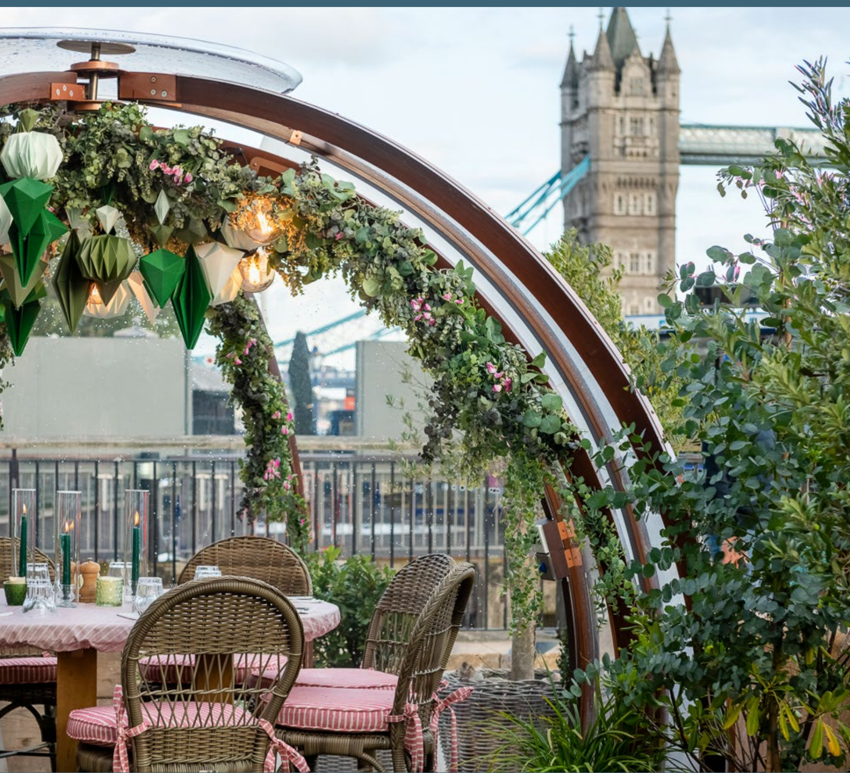
We take pride:

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 BRANDS



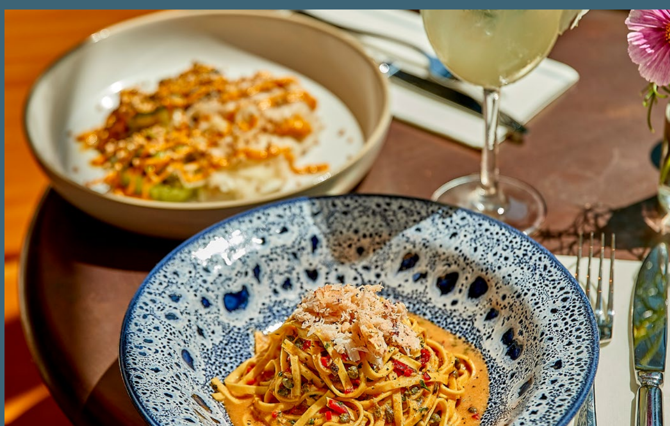
COPPA

For years, only members' clubs offered a space for people to enjoy at any time of the day – so we created Coppa. With clubhouses in beautiful locations, Coppa provides relaxed spaces to eat, drink, meet, work and stay.

Coppa is rooted in its local community where every local is made to feel like a member. It offers an escape from the stresses of everyday life, enabling guests to relax, have fun and connect with natural surroundings in an informal setting.

There are currently nine Coppa Clubhouses across the South of England, including two Clubhouses with rooms – Coppa at The Swan and Coppa at The Great House, both located in Berkshire.

A third Clubhouse with rooms will be opening in Spring 2022 in Haslemere, Surrey.



Current Coppa Clubhouses include:

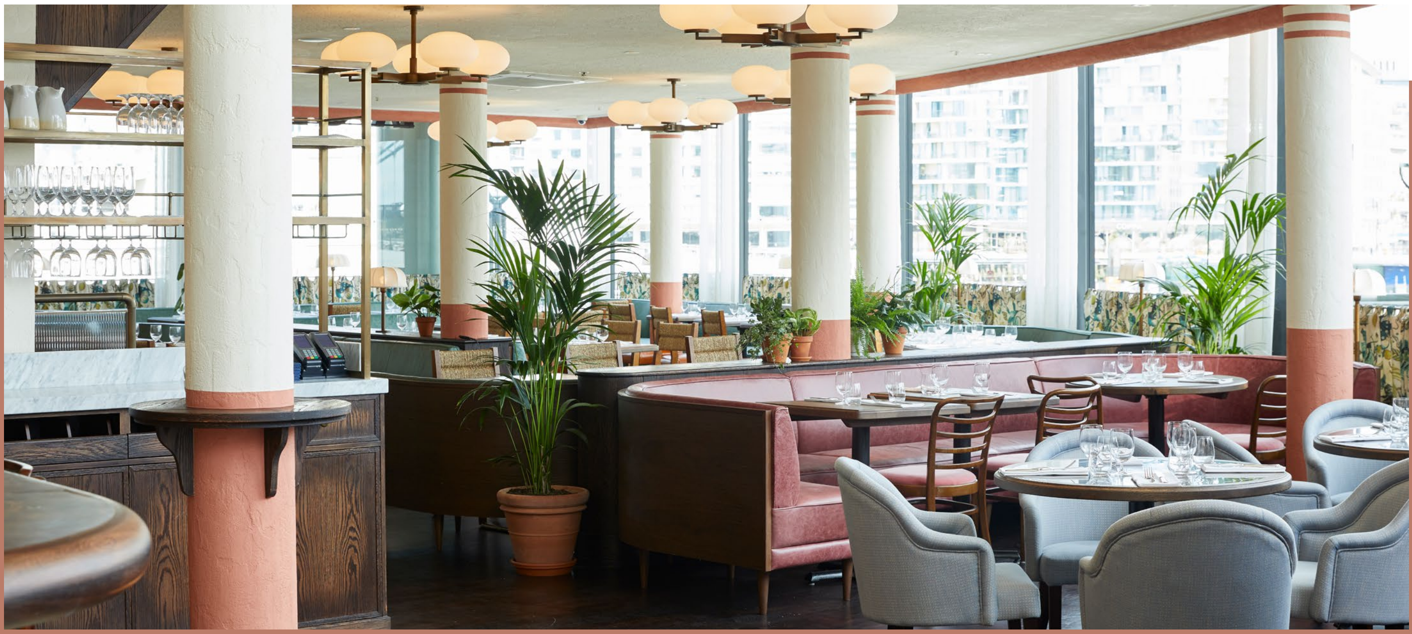
Clubhouse with Rooms
Coppa at The Swan,
Coppa at The Great House and
Coppa at The Georgian – (opening in Haslemere in Spring 2022)

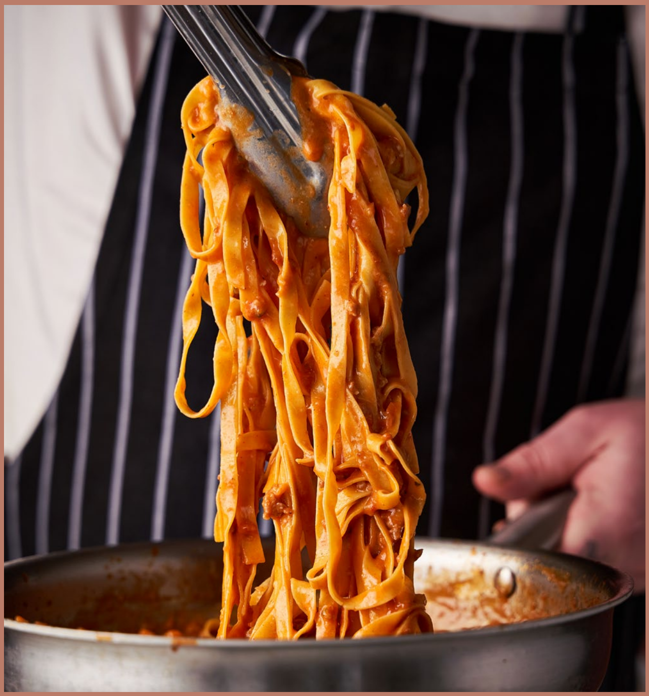
Clubhouses
Located in Tower Bridge, Putney, Clifton, Cobham, Henley, Maidenhead, Brighton and Bath (opening in Summer 2022).

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.





TAVOLINO

Tavolino (meaning "small table" in Italian) is an 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.

NOCI:

Noci, opening in March 2022 is our new neighbourhood pasta restaurant – Noci which translates to walnut in Italian – draws inspiration from travels across Italy and the regional specialties of the country with a short, seasonal menu of pastas and a modern take on Italian street food snacks accessibly priced.

CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT

In the year to 3 October 2021, our first full financial year as a listed company, we have achieved a great deal despite the volatile trading conditions and well-publicised operational issues driven by the Covid pandemic.

We saw very strong performances when able to trade throughout the period, with pent-up demand and the ongoing appeal of our two key brands, Coppa Club and Tavolino, leading to strong performance compared to the market from the time of re-opening of hospitality in April until the end of the reporting period.

In addition, we were delighted to open two new premium sites in the period, both of which have performed very well since opening. At the same time, we further developed our menus, fortified our supply chain, integrated the hotel sites into the business and successfully mitigated staff availability challenges while navigating a competitive labour market.

The experience of our management team, our strong financial position, and our ability to take advantage of opportunities as and when they arise at a pace that makes good business sense have been crucial in navigating the period under review and we are confident these strengths will stand us in similarly good stead going forward.

As we move through the new financial year, and boosted by the latest easing of restrictions, we are more confident than ever that we have the right strategy in place and the expertise and resources necessary to execute it successfully.

Yishay Malkov
Chief Executive Officer

Andy Bassadone
Executive Chairman

OUR STRATEGY

POISED TO CAPITALISE ON UNPRECEDENTED OPPORTUNITY

Our strategy remains focused and unchanged, and while the exact timings and patterns of restrictions have been difficult to predict, things are panning out very much as we anticipated. We believe that there is an opportunity for a well-funded operator with high quality brands, reinforced by an experienced management team, to create a significant leisure Group as normality resumes.

Covid and the associated restrictions continue to put the hospitality industry under immense pressure. In January 2022, the Office for National Statistics published research saying that 40% of all hospitality businesses say they have less than three months of cash reserves, including 11% with none at all. Of those, 17% said they have low or no confidence of surviving the next three months. While over the last year we have seen government support and other factors delaying the impact, we continue to believe a significant reduction in competition and premium site availability – the likes of which the industry has never seen – is inevitable. The opportunities for Various Eateries to expand will therefore be very considerable.

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 and Tavolino are prepared to scale up once normality resumes and the economic challenges facing the sector subside.

TRADING & COVID-19 IMPACT

MARKET OUTPERFORMANCE DURING TRADING PERIODS

In the period under review, we were able to welcome people into our sites for 33 weeks in total due to government restrictions designed to contain the spread of Covid. Several of these trading weeks were under various other restrictions, such as the three-tier system, the ‘Rule of Six’ and curfews. A full breakdown of trading across the duration of the period is detailed in the Financial Review.

Pleasingly, the Group’s trading performance from the recommencement of outdoor only trading on 12 April 2021 to period end was very encouraging. Like-for-like revenue across the Coppa Club estate was up 21% from full reopening on 17 May through to 3 October 2021 against the same period in 2019 (pre-Covid), with several Coppa Club sites delivering record sales months.

Our Tavolino site, despite being in the centre of London’s office district, delivered a strong reopening performance, building to positive monthly like-for-like sales versus 2019 in September 2021.

Our hotels at our Coppa Clubs in Sonning and Streatley were subject to even greater restrictions, only able to open post-lockdown in June 2021. Encouragingly for the future, though, from opening to year end, occupancy and average room rates for both hotels were above the same period in 2019.

CHAIRMAN'S & CHIEF EXECUTIVE'S STATEMENT CONTINUED

DEVELOPING OUR ESTATE

ROLL-OUT CONTINUES ACROSS MULTIPLE BRANDS AND SITE FORMATS

At present, the Group has 13 sites, all in prime locations and without restrictive lease agreements. The sites themselves are spacious and most have significant outdoor spaces.

During the reporting period, we opened Coppa Club Cobham and Coppa Club Clifton Village, both of which have performed ahead of internal budgets, with the 'all-day' clubhouse concept being embraced by the community and guests using the venue for breakfast, for coffee, as a study/workspace and of course for lunch, supper and drinks.

Post-period end in November 2021, we also opened Coppa Club Putney. Our Putney site is a prime location on the river Thames featuring extensive outdoor terraced seating. It traded extremely well before introduction of Plan B measures and is now once again building excellent sales momentum as these measures are relaxed.

Coppa Club Haslemere and Coppa Club Bath are both expected to open in the first half of calendar year 2022. Offering the full clubhouse experience, our Haslemere site is a beautiful Grade II listed building featuring Georgian and Tudor architecture. Coppa Club Bath, the Group's second foray into the Southwest of England, is a spectacular Georgian townhouse – also Grade II listed – set across four floors in the heart of the city.

Across our brands, several further premium sites have terms agreed or are in advanced negotiations, with many others under consideration. While the pipeline is extremely healthy, we will continue to be prudent in our roll-out, accelerating when appropriate.

OUR PEOPLE

Communicating with, supporting and providing a first-rate working environment for our people has – as always – been a key priority during the period. Despite the widely reported increasing competition for good people, we are proud to have recorded a high retention rate and maintained a low level of vacancies, reflecting positively on our brands as places to work and enabling us to continue delivering an uninterrupted service to visitors.

Our ethos at Various Eateries always has been to focus not just on remuneration, although of course this is important, but also on creating a positive working atmosphere where there are genuine, exciting opportunities to progress. We have promoted internally often during the last year, as well as adapting our offering to be more attractive to all ages and demographics to ensure we keep a great team of people.

The Board would like to thank our teams for their hard work and dedication in what has been another difficult year for them and their families. The way they have risen to the challenge – particularly when it comes to availability issues linked to Covid – has been exceptional and we're grateful to everyone associated with the Group for their efforts.

"I am incredibly proud of all our people, and all the resilience they've shown through another volatile and challenging year. It is thanks to them that we have been able to bounce back from periods of closure, delivering exceptional results in times of unrestricted trading. "

Andy Bassadone
Executive Chairman

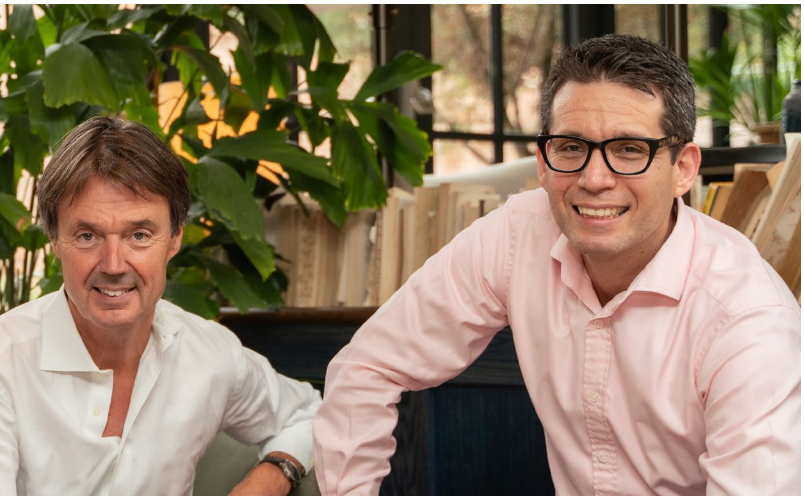
MARKET DEVELOPMENTS

While many well documented industry-wide challenges persist, there remains ample opportunity for well-managed hospitality businesses with compelling offerings to succeed and grow. We have demonstrated our ability to navigate supply chain and labour shortage challenges to date – continuing to provide a high-quality, uninterrupted service to customers – and will look to manage ongoing headwinds in the same way.

As Covid-related restrictions ease, we believe consumer confidence will continue to grow steadily. This is evident in the progressive improvement we have seen in trading since 'Plan B' measures were lifted. In addition, we should see the number of inbound tourists increase as international travel becomes easier, which will be beneficial to all our sites, but particularly those in London.

At the same time, the number of people working remotely at least a few days a week is expected to continue to rise, with a recent Gartner study showing 39% of knowledge workers could look to find new work if a 'hard return' to working on-site is forced. This bodes well for Coppa Club, which provides a relaxed workspace for this demographic throughout the day.

As we move towards the end of government support initiatives, we continue to believe a correction in the market is inevitable. Competition in the hospitality sector is likely to reduce considerably in the short-to-medium-term, paving the way for fresh, forward-facing and well-funded firms such as ours to expand.



CURRENT TRADING AND OUTLOOK

Our performance in the period under review is testament to the strength of our brands, relevance of our strategy and quality of our people. While we have been subject to the same pandemic-related disruptions as the rest of the industry, we have performed very well versus the market when able to trade, which bodes very well for the Group's prospects.

Post-period, sales across our new and existing sites were encouraging prior to the introduction of 'Plan B' measures in December 2021. Since they were lifted in January 2022, we have seen a progressive improvement in trading which underpins our optimism for the current financial year. Pleasingly, in the 4 weeks since 'Plan B' measures were lifted, sales from Coppa Club sites outside of London grew 25% (compared to 2020).

Overall, it is clear that the continuing tendency for more "working from home" is favouring our large all-day out of town Coppa Club venues but still reducing customer numbers at our city centre sites. With our focus on making all our sites attractive venues to work in and spend the day in a sociable, comfortable environment, we believe we are very well positioned regardless how this trend develops in the future.

Looking ahead, the opportunity before us continues to grow, and we're excited by the prospect of ramping up our expansion plans. That said, management will continue to use its experience and industry knowledge accumulated over decades of successful rollouts to ensure it only does so at a pace is conducive to the long-term success of the Group.

The Board continues to believe that the impact of the pandemic and a saturation of outdated offerings will see competition decrease and the availability of premium sites increase. With a fine-tuned strategy designed to be future-proof, the financial firepower to execute it, and a management team with a track record of success, we are confident of another year of strong and sustainable progress.

Andy Bassadone
Executive Chairman

Yishay Malkov
Chief Executive Officer

BUSINESS MODEL
AND THE OPPORTUNITY

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

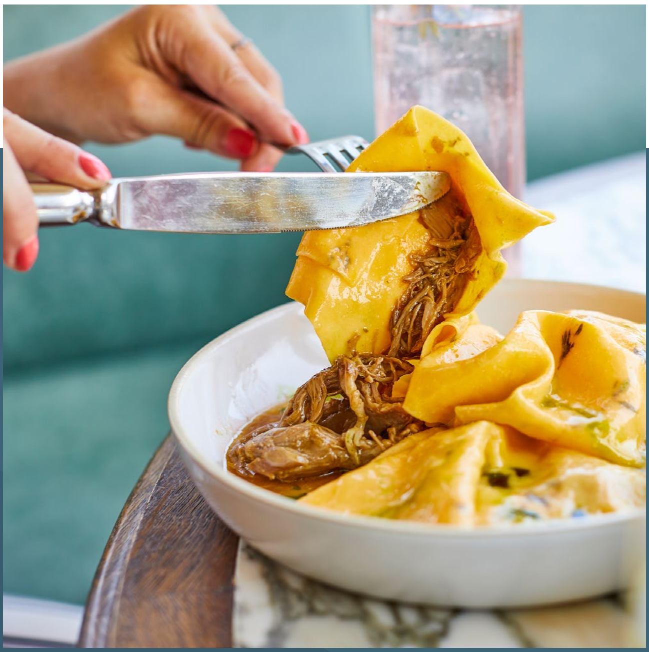
THE OPPORTUNITY

The shake up of the UK restaurant sector, kick started by Covid-19 in early 2020, continues to accelerate at pace, driven by the many well documented industry wide challenges. However, this in turn, has created some significant opportunities in the sector for a well placed operator:

- **Site availability**
  With so many existing restaurants and pubs having already closed, the change in the licensing to allow hospitatilty to take over existing retail units and the cliff edge of rising costs on the horizon, leases in quality locations are becoming available on attractive terms.
- **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. A place where you can spend all day, A level of hybrid working is clearly here to stay which will benefit our local sites in the community.
- **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, and numerous independents, have either folded or been through an administration process, 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.

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.
- **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.
- **Financial strength**
  The successful raise of £25m on the AiM Market of the London Stock Exchange in 2020 provides a strong financial base to fund growth organically, and the potential for further investment.
- **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 scalable brands**
  The Group has two established brands already trading with proven success across a variety of locations, ready to scale up.

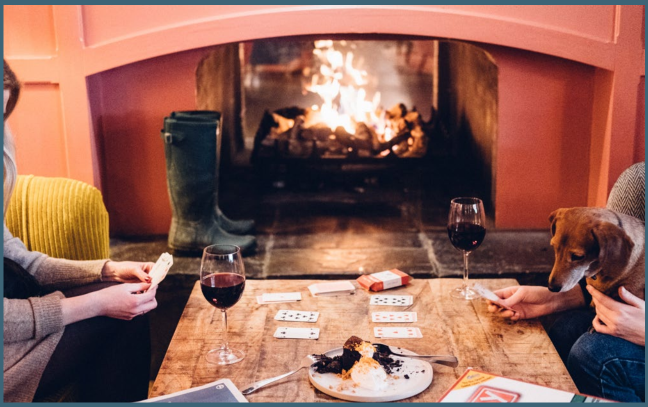


COPPA CLUB

For years, only members' clubs have offered space for guests to stay all day and transition from work to play, but we aim to change all that. We're relaxed, welcoming and informal, our bars serve great wines and cocktails, our lounge areas are comfy with sofas to relax in and plenty of Wi-Fi and plug sockets, perfect for meetings or just for settling in with your laptop.

TAVOLINO

A neighbourhood Italian restaurant and bar on the river at London Bridge. Serving simple dishes using the best produce from Italy and the UK, the concept has already proved popular in London Bridge.



NEW BRANDS AND ACQUISTIONS

Our Entreprenurial spirit means we are always looking to develop brands in house that could join Coppa and Tavolino in being rolled out in the future. But with a strong executive team, we are constantly on the lookout for new acquisition opportunities which match our values and ambition, and to which we believe our expertise could add considerable value.

FINANCIAL REVIEW

OVERVIEW

The financial results for FY21, as with FY20, have been materially impacted by Covid-19 resulting in zero revenue in lockdown periods and disruptions to trading at all other times.

The KPI's of the Group's performance are summarised in the table below:

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000	Change %
Revenue*	**22,348**	16,469	36%
Adjusted EBITDA (before impact of IFRS 16)	**(1,177)**	(2,348)	50%
Adjusted EBITDA (IFRS 16)	**1,204**	(804)	250%
Operating loss*	**(2,098)**	(12,440)	83%
Total loss for the year after tax*	**(3,740)**	(14,442)	74%
Basic and diluted loss per share (pence)*	**(4.6)**	(116.4)	96%
Cashflow from operating activities*	**3,292**	639	415%
Net debt	**17,691**	35,375	50%
Net (cash)/debt (excluding lease liability)	**(7,278)**	11,509	163%
Number of sites	**12**	10	20%

* Audited number

Oliver Williams
Chief Financial Officer

Summary of financial performance for the 53 weeks ended 3 October 2021

Reconciliation of loss before tax to Adjusted EBITDA	**53 weeks ended 3 October 2021 £ 000**	52 weeks ended 27 September 2020 £ 000
Revenue	**22,348**	16,469
Loss before tax	**(3,740)**	(14,442)
Net financing costs	**1,642**	2,002
Impairment	**610**	5,392
Depreciation and amortisation	**3,971**	2,833
Insurance claim	**(2,500)**	–
Loss on disposal of property, plant and equipment	**335**	1,632
Authorised Guarantee Agreements provision	**(104)**	461
Initial Public Offering costs/restructuring costs	**–**	452
EBITDA	**214**	(1,670)
Pre-opening costs	**295**	564
Share-based payments	**844**	–
Non-trading site costs	**(149)**	302
Adjusted EBITDA (IFRS 16) (not audited)	**1,204**	(804)
Adjustment for rent expense	**(2,382)**	(1,544)
Adjusted EBITDA before impact of IFRS 16 (not audited)	**(1,177)**	(2,348)

The Group's hotel and event operations at Sonning and Streatley were acquired during the final weeks of the previous financial period and thus are not included in the comparative figures.

FINANCIAL PERFORMANCE

Overall Group revenue increased by 36% (FY21: £22.3m, FY20: £16.5m), resulting in an adjusted EBITDA of £1.2m (FY20: £0.8m loss) and a loss before tax of £3.7m (FY20: £14.4m loss). Whilst the Group traded strongly when restrictions were lifted and sites were able to trade, there were 19 weeks in the year where sites were forced to fully close subsequently impacting the Group's profitability. The Group undertook various actions to minimise the impact of the forced closures however there were other factors which could not be wholly mitigated. The current year was split into periods of restricted trading or full lockdowns detailed below.

Like for Like sales performance (v calendar year 2019)

	Restricted Trading Oct '20	Lockdown Nov '20–Apr '21	Takeout/ outside only Apr–May '21	Restricted Trading Jun–Sep '21
Coppa Club – London (1 site)	-46%	–	7%	**11%**
Coppa Club – Regional (5 sites)	+2%	–	16%	**27%**

5 weeks to 4 November 2020

Following on from the strong performance in the summer of 2020, the Group started the new financial year strongly in 2020, despite being faced with increasingly challenging restrictions over the period. These included the 'rule of 6' when indoor dining was limited to Groups of 6 guests, affecting large bookings and Group events. The 10pm curfew and the substantial meal requirement meaning a wet lead offer was not possible when guests had finished eating also impaired evening trading. Tourism numbers were still heavily impacted, with international travel restrictions in place and in many cases, workers had yet to return to the office.

5 November 2020 to 12 April 2021

Following the second national lockdown (a four-week circuit breaker in November 2020 ending on the 2 December 2020), the Group was able to reopen sites in December in line with the rules of the tier system. Most of our sites were impacted with the higher tiers of the system which included rules such as only 2 households mixing for indoor dining. Given the short period, and the nature of sites hopping between tiers, it is difficult to gauge any meaningful insight into the 6-week period before the third national lockdown began on the 6 January 2021. All of our sites were in Tier 4 by the middle of December (21 December), which required hospitality businesses to be closed. With no delivery trade, this meant the Group generated no income during this period. This third national lockdown continued until the 12 April 2021.

FINANCIAL PERFORMANCE (CONTINUED)

12 April 2021 to 17 May 2021

Following the end of the third national lockdown on 12 April 2021, the Group was able to start trading outside which meant all sites with outdoor space and terraces could operate. All non-essential retail was also able to re-open which helped to drive footfall. All but one of the Coppa Club estate were able to open and, driven by a combination of large outdoor spaces, pent up demand and the lower VAT rates produced some record sales weeks and significant LFL growth over the 5 weeks.

17 May 2021 to 3 October 2021

Full trading resumed from the 17th May, although this was coupled with restrictions on the number of guests allowed at any one time. The 'rule of 6' still applied to those missing different households indoors, where outdoors the limit was increased to 30 guests which drove outdoor events and large outdoor bookings. Whilst these restrictions remained in place, sales at the Coppa Clubs, both inside and outside London, continued in significant double digit LFL growth, outperforming the market.

COVID-19 MITIGATING ACTIONS AND FINANCIAL POSITION

The Group continued to implement significant actions to mitigate the impact of Covid-19. Actions included:

- Including all site employees and a majority of head office employees on to the Coronavirus Job Retention Schemes when in full lockdowns.
- All those not furloughed including at management and executive team level agreed to temporary salary reductions.
- Taking advantage of various UK Government initiatives including Business Rates relief and various Support Grants.
- Agreements with suppliers and partners to extend credit terms, amend contracts and arrange payment plans where necessary.
- Continued dialogue with all landlords to agree a combination of rent waivers and deferrals, as well as benefitting from Covid cesser clauses to previously amended leases.

FINANCING COSTS

Financing costs of £1.6m (2020: £2.0m) have reduced by £0.4m in the year. Whilst the IFRS lease liability interest has risen by £0.5m, driven both by the new hotel acquisitions, as well as the new openings over the 2 years, the FY20 debt reorganisation resulted in a significant reduction in financing costs of £1.3m down to £0.5m.

	FY21 £ 000	FY20 £ 000
Financing costs on bank overdraft and borrowings	**537**	1,349
Lease liability interest	**1,108**	654
Financing costs	**1,645**	2,003

IMPAIRMENTS

A detailed review of each individual site has resulted in an impairment charge of £0.6m (2020: £5.4m), all against right-of-use assets. Detail of the methodology is included in notes 14 and 15 on pages 55 to 59.

LOSS ON DISPOSAL OF ASSETS AND LEASES

There were no disposals of any significant assets or leases in the year. In FY20, the Group disposed of the remaining non-trading Strada leases and associated assets.

IPO AND RESTRUCTURING COSTS

There were no IPO or restructuring costs in the year. In FY20, these costs were incurred in the restructuring and execution of the Group's IPO, with further costs of £1.9m were charged directly to equity 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 AND BALANCE SHEET

The Group undertook significant actions to mitigate the impact of the pandemic on its financial position in FY20 and in FY21, and the Group was able to generate £3.4m from operations. Having received the cash during the period relating to the listing in the prior year, which was previously shown in other receivables, the Group finished the year with cash of £19.7m.

During the period, the Group invested £5.1m (2020: £5.1m) in capital expenditure in support of future growth. New Coppa Club sites were opened in Cobham, Clifton and a further site in Putney, a large proportion of which was completed in the period, as well as undertaking light refurbishments to Brighton and Maidenhead.

The Group also received an interim insurance payment in the year of £2.5m relating to Its Business Interruption insurance claim. The Group is collaborating with Allianz, it's insurer, to seek judicial determination over a number of issues affecting the claim for Covid-19-related losses under a Marsh Resilience policy which were left unresolved by the court following the FCA test case.

KEY PERFORMANCE INDICATORS ('KPIS')

As summarised, the Group reviews numerous indicators of performance on a monthly and annual basis. However, with the period severely impacted by the conditions faced by the Group, as detailed throughout the Annual Report, the total loss and EPS figures are hard to assess on a comparable basis.

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, though partly eased through the summer months, has signficantly increased since the spread of Omicron. The impact remains uncertain, particularly on hospitality. The pandemic has led to the complete closure of all the Group sites at various stages over the last 20 months, and whilst currently open, there is clearly the risk of future restrictions being reimposed.	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 continues to be regular dialogue between the Board of Directors, and the Executive team. Some clauses have also been built into leases if a lockdown scenario were to occur again.
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 (as seen by the shortage of HGV drivers in 2021), staff availabilty 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. Annual increases in National Living Wage, utilities, F&B suppliers passing on their additional cost base, as well as various other smaller costs, putting continual pressure on margins.	As the Group grows, there will be the ability to mitigate some F&B costs through economies of scale, whilst the Group continually evaluates its labour model to ensure it is efficient. Our experienced Head of Supply Chain & Procurement monitors all opportunities for all potential cost savings.
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.	The Group works hard (as detailed in the statement on corporate governance) to be an employer of choice, to aid both retention and recruitment. The Group has also invested in its Human Resources department to ensure training, as well as rewards and incentives, are continually reviewed and improved
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.
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 licensing 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 will be impacted by the continuing levels of inflation and, despite the rise in National Living Wage in April 22, real wages are still expected to fall.	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.
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.

DIRECTORS' DUTIES – S172 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;
   - Throughout the period, given the continued uncertainty created by Covid-19, the Board have ensured investment decisions, including the signing of new leases, are right for the long term of the business, not just in this uncertain short-term market.

b. the interests of the Company's employees;
   - During the pandemic, the Group has utilised the Furlough schemes to protect the employment and earnings of its employees.
   - The Group has expanded its communication during the Period, introducing a weekly newsletter and engaging with staff, epitomised by the significant uptake in the Group referral scheme.
   - The Company held its first summer party.
   - The Company has 30 employees undertaking funded English lessons.

c. the need to foster the Company's business relationships with suppliers, customers and others;
   - The Company has had greater dialogue with its suppliers, looking to consolidate wherever possible. This included an open dialogue with many during lockdown periods, to help ensure they were protected and able to kick start once reopening was possible.
   - Introduced a Feed it Back system to encourage our customers to give feedback.

d. the impact of the Company's operations on the community and environment;
   - Took required precautions during Covid-19 to ensure the safety of our guests and staff.
   - All new sites include sourcing some products from the local community.
   - Post year end, have since set up an ESG taskforce, to build a longer term strategy for the business with set goals and targets.

e. the Company's reputation for high standards of business conduct;
   - Internal audit, both desktop and site visits, to ensure standards are being maintained.
   - Ongoing staff training, including the introduction of staff trainers in sites.
   - Formal mystery diner programme, aligned to guest feedback.

f. the need to act fairly between members of the Company.
   - Regular Shareholder engagement.
   - One class of share capital to ensure all shareholders are treated equally.

STAKEHOLDER ENGAGEMENT

Further to the section 172 statement, the Group has created an ESG taskforce to develop a clear strategy, through stakeholder engagement, which will be communicated once clear timeframes and targets are developed. However, as detailed in the table below, the Group already does a considerable amount to engage with it's 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, ad hoc 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 and charity events
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 4 March 2022 and signed on its behalf by:

Oliver Williams
Director

We take pride:
Don’t compromise;
Challenge yourself

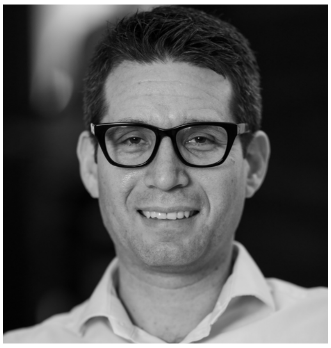
GOVERNANCE REPORT

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.



Yishay Malkov
Chief Executive Officer

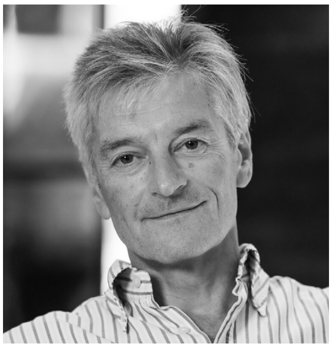
Appointed: 28 August 2020

Yishay was an officer in the Israeli navy until 1999 when he progressed to work as a chef in a significant number of restaurants in 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.

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.



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.

A Re

Committee membership

A Audit and AIM Compliance
N Nomination
Re Remuneration
◯ Committee Chair

Tiffany Sword
Non-Executive Director

Appointed: 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. Tiffany is also a director of Osmond Capital.

A N Re

Glyn Barker
Non-Executive Director

Appointed: 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

Appointed: 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 Cornerstone FS Plc, a payments focused fintech Group. He has significant public markets experience and is Chairman of Honye Financial Services Limited which is 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

EXECUTIVE CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

As Chairman of the Board of Directors of Various Eateries PLC, 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 is described on page 12 of the Strategic Report, whilst also referenced in the Chairman's and Chief Executive's statement.

The Board meet as a minimum once a month to review:

- the Group's operational business performance;
- business model;
- sales, marketing and IT development;
- property matters including potential new sites;
- strategic considerations; and
- the progress of previously agreed actions.

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 virtually, 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, Oliver Williams. See more in our section 172 statement on page 19 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 pages 18 and 19.

As part of the annual planning process, the Board identifies the following areas as key:

Quality: food and drink offer and consistent operational excellence.

Suppliers: sustainable and deep supply chain built on strong, long term relationships.

Teamwork: motivating, empowering and retaining our best people.

Community: nurturing long-term relationships with guests across all sites; offering quality, good value product in attractive surroundings to grow sales underpinned by our Purpose, Values and Behaviours.

Purpose: Great people delivering unique experiences through continuous innovation.

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

We have a well-developed and detailed intranet which allows staff to communicate their thoughts with us and where we share an abundance of learning and coaching materials for staff at all levels.

Our ears are open – we listen hard and regularly review our menus, settings and our future location strategy to align with what our customers and staff are telling us.

We are committed to a culture of respect and a positive, productive working environment, which is free from any form of discrimination. We are an equal opportunities employer and are committed to treating all current and potential new recruits equally.

Various Eateries plc encourages collaborative two-way communication with guests through engagement on social media, in person on site, via the reservations desk and through our integrated feedback platform. We run a robust regular Mystery Diner programme across all our sites and the reservations team are monitored regularly for quality assurance.

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 severity and 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 and the risk register.

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 17 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 Group is controlled and governed by the Board of Directors. As the Chairman, Andy Bassadone has the responsibility of running the Board. Yishay Malkov, the CEO, has executive responsibility for running the business day to day and implementing the strategy of the Group.

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

The Board meets at least every month, which all Directors are expected to attend. They 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.

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, Oliver Williams and Tiffany Sword.

Details of the Board's extensive industry experience, skills and personal qualities are highlighted in the biographies on pages 22 and 23.

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. For example, both Glyn Barker, as the Audit Chair, and Oliver Williams, as CFO, are members of the ICAEW and undertake regular development to ensure they remain up to date with changes in standards.

7) Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
No evaluation of the Board is considered to have been required to date, with the company only having been in operation for just over a year.

Executive Directors will in the future 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 will be conducted and appointments made on merit against objective criteria and with due regard for the benefits of diversity on the Board.

EXECUTIVE CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE CONTINUED

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.

9) Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
During the year the Board has met formally 12 times, the Audit Committee twice, the Remuneration Committee twice, whilst the Nomination Committee has not yet been required to meet. Board and Committee meetings are also convened on an ad-hoc basis from time to time in order to consider specific corporate activity, and since the outbreak of the coronavirus pandemic the Board has also held regular calls outside of scheduled Board meetings. Directors are expected to attend all meetings of the Board and the Committees on which they sit, and the Non-Executive Directors are expected to devote sufficient time to the Company to enable them to fulfil their duties as Directors. The Board is satisfied that the Chairman and each of the Non-Executive Directors are able to devote sufficient time to the business, and they each maintain open communication with the Executive Directors and senior management between the formal scheduled meetings.

Director	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
Chairman			
Andy Bassadone	12/12	N/A	N/A
Executive Directors			
Yishay Malkov	12/12	N/A	N/A
Oliver Williams	12/12	2/2	2/2
Non-Executive Directors			
Hugh Osmond	12/12	2/2	2/2
Gareth Edwards	12/12	2/2	2/2
Glyn Barker	11/12	2/2	2/2
Tiffany Sword	11/12	2/2	2/2

Audit and AiM Compliance Committee (AACC)

The AACC comprises the four Non-Executive Directors, with Glyn Barker as Chair. The AACC meets at least twice a year and at such other times as the Chair of the AACC shall deem necessary. The AACC 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 AACC 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.

During the period, the AACC met twice. In these meetings they approved the signing of the prior period Annual Report and approved the interim financial statements. Whilst conducting all other duties, as described, there were no particular issues or risks, not previously disclosed that needed to be communicated or resolved.

Remuneration Committee

The Remuneration Committee comprises the four Non-Executive Directors, with Gareth Edwards as Chair. As Chair, Gareth Edwards has the casting vote. The Remuneration Committee meets at least once 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.

During the period, the Remuneration Committee met twice. In these meetings, they approved some additional share option grants to employees of the Group (none to directors as disclosed in the Director's report).

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, however, it was not felt necessary to meet this year, given the recent incorporation. 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. The terms of references for the various committees are set out on the company website.

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.

The results of the resolutions from the previous AGM were communicated through the regulatory information service.

See more in our section 172 statement on page 19.

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 53-week period ended 3 October 2021 (prior period comparatives are for the 52-week period ended 27 September 2020).

The Corporate Governance Statement on pages 24 to 27 also forms part of the Directors' Report.

Principal activity
Various Eateries PLC is the holding company of a Group whose principal activity is the operation and management of restaurants 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 8 to 11 and the Financial Review on pages 14 to 16 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 42 of the financial statements and shows the comprehensive loss for the period.

The directors do not recommend the payment of a dividend.

Capital structure
Details of the issued share capital in note 24 on page 65 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 were as follows:

GA Barker
AK Bassadone
GM Edwards
Y Malkov
HEM Osmond
TC Sword
O Williams

Biographical details of each of the Directors in office at the year end are included in the Board of Directors section (pages 22 and 23).

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 under Streamlined Energy and Carbon Reporting ('SECR') for the period ended 3 October 2021.

The Group's total energy consumption for the period ended 3 October 2021 was 4,819,520 kWh (2020: 4,307,375kWh). The increase in total energy consumption was partly due to the increased trading periods in the year (not impacted by Covid lockdowns) whilst there were also additional sites opened in the period. Therefore, the CO_2 emissions divided by revenue, the chosen metric of the Group best felt to evaluate the performance, actually fell slightly. The board expects that, with growing sales, this will maintain as trading returns to normal in the next financial year. However, the Group has put together an ESG taskforce, post year end, to focus on how this can continue to be improved.

Energy Consumption		**2020/21**	2019/20	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (kWh)	1,933,700	1,992,895	-3%
	Direct Transport (kWh)	158,103	78,187	102%
	Total Scope 1 Energy (kWh)	**2,091,803**	**2,071,082**	**1%**
Scope 2: Electricity purchased	Total Electricity (kWh)	2,727,716	2,236,293	22%
Total Scope 1 and 2 Energy Consumption (kWh)		4,819,519	4,307,375	12%

Emissions Assessment		**2020/21**	2019/20	Variance
Scope 1: Combustion of fuel and operation of facilities.	Natural Gas (tCO_2 e)	354	366	-3%
	Direct Transport (tCO_2 e)	39	19	105%
	Total Scope 1 (tCO_2 e)	**393**	**386**	**2%**
Scope 2: Electricity purchased and heat and steam generated.	Location Based (LB) (tCO_2 e)	579	521	11%
Location Based	**Total Scope 1 and 2 Emissions (tCO_2 e)**	**972**	**907**	**7%**

Intensity Metric Assessment		**2020/21**	2019/20	Variance
Intensity Ratio	**tCO_2 e/Revenue £m**	43.5	55.1	-21%

Directors' remuneration

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

	Period ended 3 October 2021			Period ended 27 September 2020*		
	Salary and fees £ 000	Employer pension contribution £ 000	Total £ 000	Salary and fees £ 000	Employer pension contribution £ 000	Total £ 000
O Williams	113	3	116	30	–	30
TC Sword	25	–	25	2	–	2
HEM Osmond	25	–	25	2	–	2
Y Malkov	181	5	186	17	1	18
GM Edwards	50	–	50	55	–	55
AK Bassadone	–	–	–	–	–	–
GA Barker	50	–	50	55	–	55
Total	**444**	**8**	**452**	**161**	**1**	**162**

* Company was incorporated in the year on 26 June 2020 so this is not a full comparable period

Directors' interests in shares

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

	At 3 October 2021	
	Shares owned No.	Outstanding Directors' share awards No.
HEM Osmond	41,616,859	–
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	–

Per the above table, all outstanding share awards to AK Bassadone, O Williams and Y Malkov are part of JSOP Scheme 1. These were all at an exercise price of £0.73 in the prior year. No options were issued to any directors in the period and none were exercised.

The remaining share options in this scheme, as detailed in note 27 to the financial statements, relate to awards to employees who are not directors.

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 alsoindemnifies the Directors. These provisions were in force throughout the year and in force at the date of this report.

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, gender, disability, sexual orientation, race, 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.

Engagement with Stakeholders
The Board understands the importance of engagement with key stakeholders, including our customers, the communities in which we operate, our suppliers and our shareholders. Information on how we engage, and the actions we have taken, are detailed in the S.172 statement on page 18.

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 19 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).

The Group 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.

DIRECTORS' REPORT CONTINUED

Directors' Responsibilities Statement (continued)
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 72.

Going concern
In adopting the going concern basis for preparing the financial statements for the year ended 3 October 2021, the Directors have considered the business model as set out on page 12, the Group's principal risks and uncertainties as set out on page 19 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, whilst taking into account the renewal of the Deep Discounted Bond post year end (as detailed in note 30, post balance sheet events). 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 4 March 2022 and signed on its behalf by:

Oliver Williams
Director
20 St Thomas Street
London
SE1 9RS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Various Eateries plc (the 'parent company') and its subsidiaries (together the 'Group') for the period ended 3 October 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cashflows and notes to the financial statements, including significant 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 3 October 2021 and of the Group's loss for the 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 the 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 an analysis of the sufficiency of the Group's and parent company's current cash resources, taking into account current cash levels and a worse case trading scenario in the outlook period in view of the ongoing pandemic, as well as the renewal of the deep discounted bond in February 2022.

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 twelve months from when the financial statements are authorised for issue.

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

Summary of our audit approach

Key audit matters	**Group** • Impairment of goodwill and property, plant and equipment • IFRS 16 Leases: new leases and modifications **Parent company** • Impairment of investment in the two hotel companies • Impairment of intercompany receivables
Materiality	**Group** • Overall materiality: £455,000 (2020: £354,000) • Performance materiality: £318,000 (2020:£265,000) **Parent company** • Overall materiality: £275,000 (2020: £176,000) • Performance materiality: £192,000 (2020: £132,000)
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 judgment, were of most significance in our audit of the Group and parent company financial statements of the current period 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 3 October 2021 of goodwill was £12.6m (2020: £12.6m) and that of property, plant and equipment ("PPE") £35.9m (2020: £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 3 October 2021 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 £0.6m for PPE (2020: total impairment charge of £5.4m across goodwill and PPE) 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. No impairment charge was recognised in respect of goodwill for the period ended 3 October 2021. 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 and considering the reasonableness of inputs and assumptions, as well as the accuracy of the calculations in the impairment reviews • reviewing the sensitivity analysis prepared by management • Comparing post year-end performance with management's forecasts and considering the impact of Covid-19 • reviewing the adequacy of disclosures in the financial statements
Key observations	As a result in particular of Covid-19 and combined uncertain future scenarios including, but not limited to: government policy, further restrictions, the impact of Covid-19 on general consumer sentiment and the timing and extent of the ongoing recovery of the restaurant, hospitality and hotel sector, management have included disclosures in notes 3, 14 and 15 to explain the degree of estimation involved in determining appropriate carrying values of goodwill and property, plant and equipment.

Impairment in the parent company statement of financial position of:

- Investment balance in the two hotel companies
- Intercompany receivable

Key audit matter description	The total net carrying value in the parent company at 3 October 2021 of the investment in the two hotel companies was £9.3m (2020: £9.3m). The company also had intercompany receivables owed by the Group's trading and other entities at 3 October 2021 of £40.3m (2020: £15.6m). 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 3 October 2021 and since that date. As required by IAS 36 impairment of assets and IFRS 9 Financial instruments, management undertook detailed impairment testing to determine whether such assets were impaired. No impairment has been recognised in the current period on the grounds of materiality. 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 (including net assets and distributable reserves of the parent company) and this was therefore determined to be a key audit matter. Refer to note 16 – Investments and Trade and note 18 – Trade and other receivables.
How the matter was addressed in the audit	Our audit approach included: • Obtain management's impairment review and consider the reasonableness of the inputs and assumptions, as well as the accuracy of the calculations. • reviewing the disclosures in the financial statements for adequacy.
Key observations	We have no observations to report in respect of this key audit matter.

IFRS 16 Leases: new leases

Key audit matter description	During the period ended 3 October 2021, the Group acquired sites in respect of which leases were required to be recognised on the statement of financial position, in accordance with IFRS 16 - Leases. The carrying value of right-of-use assets as at 3 October 2021 was £20.7m (2020: £21.0m) and the carrying value of the lease liabilities were £25.0m (2020: £23.9m). 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 3 – Critical accounting judgements and key sources of estimation uncertainty, and note 15 - Property, plant and equipment.
How the matter was addressed in the audit	Our audit approach included: • obtaining management's calculations of the lease right-of-use and lease liability at 3 October 2021 in relation to the two new sites included in the Group financial statements at that date • confirming inputs to lease agreements and challenging any assumptions made by management • challenging the incremental borrowing rate used, and comparing to third party data, where available • checking the arithmetical accuracy of the lease liability calculations • reviewing disclosures in respect of IFRS 16 and comparing with the requirements of the standard.
Key observations	We have no observations to report in respect of this key audit matter.

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	£455,000 (2020: £354,000)	£275,000 (2020: £176,000)
Basis for determining overall materiality	2% of revenue (2020: 2% of revenue)	4% of net assets, reduced to not exceed maximum aggregated component materiality (2020: 4% of net assets, reduced 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 and a key benchmark for stakeholders	As this is a non-trading holding company, net assets was selected as the most relevant benchmark to shareholders
Performance materiality	£318,000 (2020: £265,000)	£192,000 (2020: £132,000)
Basis for determining performance materiality	70% of overall materiality	70% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £22,700 (2020: £17,700) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £13,700 (2020: £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 components, all of which are based in the United Kingdom.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	7	100%	100%	100%
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.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, 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 and how the Group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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, FRS 101 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 in prior year regarding the impact of the Group's utilisation of the Coronavirus Job Retention Scheme; 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 (Group); and intercompany receivable and investment in subsidiaries (parent company)	As set out in key audit matters above.
Existence of revenue	Agreeing revenue per the financial statements to both electronic point of sale systems and amounts banked during the year, checking any reconciling items between the two sources.
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
4 March 2022

We are a community:
Be part of something;
We look out for each other;
We care about our
community

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the 53 weeks ended 3 October 2021

	Note	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Revenue	4	**22,348**	16,469
Cost of sales		**(20,729)**	(17,516)
Gross profit / (loss)		**1,619**	(1,047)
Central staff costs		**(2,076)**	(1,901)
Share-based payments	27	**(844)**	–
Insurance claim proceeds		**2,500**	–
Impairment of intangible assets	14	**–**	(3,640)
Impairment of property, plant and equipment	15	**(610)**	(1,751)
Loss on disposal of property, plant and equipment		**(335)**	(1,632)
Other expenses	12	**(2,352)**	(2,469)
Operating loss		**(2,098)**	(12,440)
Finance income	7	**3**	1
Financing costs	7	**(1,645)**	(2,003)
Loss before tax		**(3,740)**	(14,442)
Tax	11	**–**	–
Loss for the period		**(3,740)**	(14,442)
Earnings per share			
Basic loss per share (pence)	13	**(4.6)**	(116.4)
Diluted loss per share (pence)	13	**(4.6)**	(116.4)

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 statement of comprehensive income is presented.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 3 October 2021

	Note	3 October 2021 £ 000	27 September 2020 £ 000
Non-current assets			
Intangible assets	14	**12,841**	12,903
Right-of-use assets	15	**20,724**	21,049
Other property, plant and equipment	15	**15,168**	12,390
		48,733	46,342
Current assets			
Inventories	17	**546**	401
Trade receivables	18	**137**	248
Other receivables	18	**1,367**	24,682
Cash and bank balances	19	**19,716**	893
		21,766	26,224
Total assets		**70,499**	72,566
Current liabilities			
Trade and other payables	20	**(11,243)**	(10,992)
Borrowings	21	**(12,438)**	(2,402)
Net current (liabilities) / assets		**(1,915)**	12,830
Total assets less current liabilities		**46,818**	59,172
Non-current liabilities			
Borrowings	22	**(22,128)**	(31,482)
Provisions	23	**(357)**	(461)
Total non-current liabilities		**(22,485)**	(31,943)
Total liabilities		**(46,166)**	(45,337)
Net assets		**24,333**	27,229
Equity			
Share capital	24	**890**	890
Share premium	24	**52,284**	52,284
Merger reserve		**64,736**	64,736
Employee benefit trust shares reserve		**(5,012)**	(5,012)
Retained earnings		**(88,565)**	(85,669)
Total funds attributable to the equity shareholders of the Company		**24,333**	27,229

The financial statements of Various Eateries PLC (registration number: 12698869) were approved by the Board and authorised for issue on 4 March 2022.

They were signed on its behalf by:

O Williams
Director

COMPANY STATEMENT OF FINANCIAL POSITION
as at 3 October 2021

	Note	3 October 2021 £ 000	27 September 2020 £ 000
Fixed assets			
Investments	16	**9,325**	9,325
Current assets			
Amounts due from subsidiaries	18	**40,872**	15,567
Other receivables	18	**–**	23,646
		40,872	39,213
Total assets		**50,197**	48,538
Current liabilities			
Trade and other payables	20	**(1,146)**	(478)
Net current assets		**39,726**	38,735
Net assets		**49,051**	48,060
Capital and reserves			
Share capital	24	**890**	890
Share premium	24	**52,284**	52,284
Employee benefit trust shares reserve		**(5,012)**	(5,012)
Retained earnings		**889**	(102)
Total funds attributable to equity shareholders of the Company		**49,051**	48,060

As permitted by section 408 Companies Act 2006, the parent Company's statement of comprehensive income has not been included in these financial statements. The profit for the period was £147,000 (2020: £nil).

The financial statements of Various Eateries PLC (registration number: 12698869) were approved by the Board and authorised for issue on 4 March 2022.

They were signed on its behalf by:

O Williams
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 53 weeks ended 3 October 2021

Attributable to equity shareholders of the Company	Called-up share capital £ 000	Share premium account £ 000	Merger reserve £ 000	Employee benefit trust shares reserve £ 000	Retained earnings £ 000	Total £ 000
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 Initial Public Offering	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**
Share-based payments	–	–	–	–	844	844
Total transactions with owners	–	–	–	–	844	844
Loss for the period	–	–	–	–	(3,740)	(3,740)
Total comprehensive loss	–	–	–	–	(3,740)	(3,740)
At 3 October 2021	**890**	**52,284**	**64,736**	**(5,012)**	**(88,565)**	**24,333**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the 53 weeks ended 3 October 2021

Attributable to equity shareholders of the Company	Called-up share capital £ 000	Share premium account £ 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 Initial Public Offering	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**
Share-based payments	–	–	–	844	844
Total transactions with owners	–	–	–	844	844
Profit for the period	–	–	–	147	147
Total comprehensive income	–	–	–	147	147
At 3 October 2021	**890**	**52,284**	**(5,012)**	**889**	**49,051**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the 53 weeks ended 3 October 2021

	Note	**53 weeks ended 3 October 2021 £ 000**	52 weeks ended 27 September 2020 £ 000
Cash flows from operating activities			
Loss for the year		**(3,740)**	(14,442)
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation	14, 15	**3,971**	2,832
Impairment	14, 15	**610**	5,391
Loss on disposal of assets and leases		**335**	1,632
Share-based payments		**844**	–
Finance income	7	**(3)**	(1)
Financing costs	7	**1,645**	2,003
		3,662	(2,585)
Working capital adjustments:			
(Increase) / decrease in inventories	17	**(145)**	149
Decrease in trade and other receivables	18	**54**	958
(Decrease) / increase in accruals, trade and other payables	20	**(175)**	1,656
(Decrease) / increase in provisions	23	**(104)**	461
Net cash flow from operating activities		**3,292**	639
Cash flows from investing activities			
Interest received	7	**3**	1
Purchases of property plant and equipment	15	**(5,059)**	(5,086)
Purchase of intangible assets	14	**–**	(2)
Proceeds / (Cost) from disposal of property, plant and equipment		**59**	(109)
Costs on issue of shares		**(46)**	(432)
Net cash flows from investing activities		**(5,043)**	(5,628)
Cash flows from financing activities			
Interest paid		**(1,525)**	(841)
Proceeds on issue of shares	24	**23,373**	79
Proceeds from borrowings	21, 22	**–**	5,700
Principal elements of lease payments		**(1,274)**	(890)
Net cash flows from financing activities		**20,574**	4,048
Increase / (decrease) in cash		**18,823**	(941)
Opening cash at bank and in hand		**893**	1,834
Closing cash at bank and in hand		**19,716**	893

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Various Eateries PLC, 'the Company', and its subsidiaries (together 'the Group') are engaged in the operation of restaurants and hotels in London and the South of England.

The Company is a public company limited by shares whose shares are publicly traded on the AiM Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom under the Companies Act 2006 and are registered in England and Wales.

The registered address of the Company is 20 St Thomas Street, London, SE1 9RS.

2 Accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the financials 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 these 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 53.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS and IFRIC interpretations. The Company has elected to prepare its parent company financial statements in accordance with FRS 101.

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, remuneration of key management personnel, and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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 3 October 2021.

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 3 October 2021, the Directors have considered the business model, as set out on page 12, the Group's principal risks and uncertainties as set out on page 17 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, whilst taking into account the renewal of the Deep Discounted Bond post year end (as detailed in note 30, post balance sheet events). Even allowing for a full period of closure for twelve months from when the financial statements are authorised for issue, the Board are comfortable the Group would have the required cash to continue trading. 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, hotel accommodation and room hire 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 relates to acquired sites and 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 re-assesses 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.

Intangible 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 4 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 of 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 – Land	Not depreciated
Freehold property – Buildings	Over 50 years
Leasehold improvements	Life of lease
Furniture, fittings and equipment	14.29% – 33.33% per annum
Assets under construction	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.

2 Accounting policies 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, less any impairment losses.

Cash and cash equivalents

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

Impairment of intangible assets and property, plant and equipment

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 statement of profit or loss 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. 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 twelve 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% (2020: 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; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the 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 re-assesses 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.

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.

Finance income and financing costs

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 financial statements 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 impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Government grants

During the period, 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 / interpretation	Content	Applicable for financial period beginning on / after
IAS 1 Classification of liabilities as current or non-current	In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.	2 October 2023
IAS 1 Presentation of financial statements and IFRS Practice Statement 2 making materiality judgements-disclosure of accounting policies	The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'.	2 October 2023
IAS 8 Definition of accounting estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".	2 October 2023
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction	The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability.	2 October 2023
Annual improvements to IFRS Standards 2018–2020	The annual improvements include amendments to four Standards: IFRS 1 First-time adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture.	3 October 2022

Standard / interpretation	Content	Applicable for financial period beginning on / after
IFRS 3 Reference to the conceptual framework	In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework.	3 October 2022
IAS 16 Property, plant and equipment: proceeds before intended use	In May 2020, the IASB issued property, plant and equipment: proceeds before intended use, which prohibits entities deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	3 October 2022
Interest rate benchmark reform: Phase 2	The amendments address issues that might affect IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 as a result of the reform of an interest rate benchmark	4 October 2021

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 – 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% will result in a decrease in net present value of the total lease liability of £648,000 in 2021 (2020: £731,000). A 0.5% decrease in discount rate to 4% results in increase in the net present value of the total lease liability of £683,000 in 2021 (2020: £771,000).

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

Determining whether goodwill, other intangibles and plant, property and equipment 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:

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Sale of goods	**20,212**	16,469
Accommodation and room hire	**2,111**	–
Sub-let rental income	**25**	55
	22,348	16,524

NOTES TO THE FINANCIAL STATEMENTS
continued

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 business segment (operating non-members clubs and restaurants, the "Restaurant Segment") and these sites met the aggregation criteria set out in paragraph 12 of IFRS 8. Economic indicators assessed in determining that the aggregated operating segments share similar economic characteristics include expected future financial performance, operating and competitive risks and return on investment.

Following the acquisition of two hotel entities in September 2020 (see note 6) these have been deemed to represent a separate operating segment ("Hotel Segment") and hence the table below shows these for the 53 weeks ended 3 October 2021 (2020: n/a) where the group now operates in two segments.

	Restaurant segment £ 000	Hotel segment £ 000	Other unallocated £ 000	Total £ 000
Revenue	20,212	2,111	25	22,348
Trading sites EBITDA (before impact of IFRS 16)	**2,897**	**(18)**	**(3,804)**	**(925)**
Pre-opening costs	(295)	–	–	(295)
Impact of IFRS 16	1,182	1,200	–	2,382
Total EBITDA (IFRS 16)	**3,784**	**1,182**	**(3,804)**	**1,162**
Depreciation and amortisation	–	–	(3,971)	(3,971)
Loss on disposal property, plant and equipment	-	-	(335)	(335)
Impairment of right of use assets	–	–	(610)	(610)
Financing costs	–	–	(1,642)	(1,642)
Insurance claim proceeds	2,500	–	–	2,500
Share-based payments	–	–	(844)	(844)
Profit / (loss) before tax	**6,284**	**1,182**	**(11,206)**	**(3,740)**
Tax	–	–	–	–
Profit / (loss) for the period	**6,284**	**1,182**	**(11,206)**	**(3,740)**

6 Business Combinations

In the 53 weeks ended 3 October 2021, the Group undertook no acquisitions.

In the prior period, 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 the Initial Public Offering.

	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
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**

6 Business Combinations continued

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 were not consolidated into the Group results for the period ended 27 September 2020 due to the proximity of acquisition date to the reporting date, though assets and liabilities were consolidated into the consolidated statement of financial position as at 27 September 2020.

7 Finance income / financing costs

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Interest income on bank deposits	**3**	1
Total finance income	**3**	1
Financing costs on bank overdraft and borrowings	**(537)**	(1,348)
Lease liability interest	**(1,108)**	(654)
Foreign exchange loss	**–**	(1)
Total financing costs	**(1,645)**	(2,003)
Net financing costs	**(1,642)**	(2,002)

NOTES TO THE FINANCIAL STATEMENTS
continued

8 Auditor's remuneration

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Audit of the financial statements	**138**	100
Other fees to auditor		
Services in relation to Initial Public Offering	**–**	115
	–	115

Audit fees for the 53 weeks ended 3 October 2021 includes £13,000 in respect of the 2020 audit. Audit fees for the 52 weeks ended 27 September 2020 includes £23,000 in respect of the 2019 audit.

9 Staff numbers and costs

	53 weeks ended 3 October 2021	52 weeks ended 27 September 2020
The average monthly number of employees (including directors) was:		
Operational staff	**599**	506

The average monthly number of employees (being directors) of the Company was 7 (2020: 7).

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Their aggregate remuneration comprised:		
Wages and salaries	**11,824**	10,080
Social security costs	**898**	777
Other pension costs (see note 25)	**179**	178
Share-based payments	**844**	–
Other employee costs	**94**	83
Grant income – CJRS	**(3,091)**	(2,846)
	10,748	8,272

10 Directors' remuneration

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
The Directors' remuneration for the period in respect of services to the Group, was as follows:		
Remuneration	**444**	324
Employer pension contribution	**8**	7
	452	331

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
In respect of the highest paid director:		
Remuneration	**181**	150
Employer pension contribution	**5**	4
	186	154

11 Tax

Tax expense

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Tax expense		
Corporation tax	**–**	–
Total current income tax	**–**	–
Tax expense in the income statement	**–**	–

Corporation tax is calculated at 19% (2020: 19%) of the estimated taxable loss for the period.

The charge for the period can be reconciled to the Group's loss as follows:

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Loss before tax	**(3,740)**	(14,442)
Corporation tax at standard rate 19% (2020: 19%)	**(711)**	(2,744)
Fixed asset differences	**236**	992
Expenses not deductible	**311**	405
Remeasurement of deferred tax for changes in tax rates	**(3,049)**	(676)
Movement in deferred tax not recognised	**3,213**	2,023
Total tax charge	**–**	–

No account has been taken of the potential deferred tax asset of £12,705,000 (2020: £9,885,000) calculated at 25% (2020: 19%) and representing losses carried forward and short term timing differences, owing to the uncertainty over the utilisation of the losses available.

12 Other expenses

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Depreciation and amortisation	**389**	235
AGA (release of provision) / provision (note 23)	**(104)**	461
IPO related costs	**–**	285
Restructuring costs	**–**	167
Other central costs	**2,067**	1,321
	2,352	2,469

13 Earnings per share

Basic loss per share is calculated by dividing the loss 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 periods ended 3 October 2021 and 27 September 2020.

	3 October 2021 £ 000	27 September 2020 £ 000
Loss for the year after tax	**(3,740)**	(14,442)
Basic and diluted weighted average number of shares	**82,143,398**	12,403,859
Basic loss per share (pence)	**(4.6)**	(116.4)
Diluted loss per share (pence)	**(4.6)**	(116.4)

14 Intangible assets

Group

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licenses £ 000	Total £ 000
Cost or valuation				
At 27 September 2020	**2,912**	**26,019**	**25**	**28,956**
Additions	**–**	**–**	**–**	**–**
At 3 October 2021	**2,912**	**26,019**	**25**	**28,956**
Amortisation				
At 27 September 2020	**2,662**	**13,391**	**–**	**16,053**
Charge for the period	**62**	**–**	**–**	**62**
At 3 October 2021	**2,724**	**13,391**	**–**	**16,115**
Carrying amount 3 October 2021	**188**	**12,628**	**25**	**12,841**

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licenses £ 000	Total £ 000
Cost or valuation				
At 29 September 2020	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 relates to registered brand names and is amortised over an estimated useful economic life of 4 years. The brand names that were acquired through business combinations were not amortised during the period ended 27 September 2020 due to the proximity of acquisition date to the reporting date.

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.

Group goodwill

	Tavolino Riverside £ 000	**Strada Southbank £ 000**	**Strada Dockside £ 000**	**Rare Bird Hotels at Sonning Limited £ 000**	**Rare Bird Hotels at Streatley Limited £ 000**	**Total £ 000**
Carrying amount						
At 29 September 2019	4,033	3,146	62	–	–	**7,241**
Acquired through business combinations	–	–	–	2,418	6,609	**9,027**
Impairment	(1,424)	(2,154)	(62)	–	–	**(3,640)**
At 27 September 2020 and at 3 October 2021	2,609	992	–	2,418	6,609	**12,628**

Tavolino Riverside, Strada Southbank and Strada Dockside are included within the restaurant operating segment. Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited together 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 12.0% was used (2020: 12.8%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with 3 year forecasts were used, which incorporate a reasonably foreseeable, as at 3 October 2021, 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 (2020: 5 times) based on expected market value if the sites were to be sold as individual trading businesses.

Impairment testing resulted in no impairment of goodwill due to the recoverable amount, being value-in-use, at 3 October 2021 being higher than the goodwill recognized in the restaurant segment.

Given the global pandemic and its ongoing impact on the UK hospitality sector there is particular sensitivity to the forecasts prepared in connection with the impairment review as at 3 October 2021. 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%, the forecast 3 year total EBITDA is reduced by 10%, and the terminal growth rate reduced by 1%, an impairment loss of £220,000 for the period ended 3 October 2021 would have to be recognised against goodwill (2020: £856,000). 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.

14 Intangible assets continued

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 12.0% was used (2020: 12.8%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with 3 year forecasts were used, which incorporate a reasonably foreseeable, as at 3 October 2021, 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 (2020: 9 times) 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 2021 as the recoverable amounts of the CGUs, based on value-in-use estimates, were £12,464,000 for Rare Bird Hotels at Sonning Limited (2020: £14,469,000) and £17,648,000 for Rare Bird Hotels at Streatley Limited (2020: £24,184,000). The headroom of recoverable amount over goodwill is £10,327,000 and £11,809,000 respectively (2020: £12,328,000 and £18,345,000).

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 3 year total EBITDA is reduced by 10%, and the terminal growth rate reduced by 1%, the headroom reduces to £6,653,000 for Rare Bird Hotels at Sonning Limited (2020: £8,505,000) and £6,607,000 for Rare Bird Hotels at Streatley Limited (2020: £11,940,000). 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 assets.

15 Property, plant and equipment

Group

	Right of use assets £ 000	Freehold property £ 000	Leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Assets under construction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation							
At 27 September 2020	26,907	1,795	7,860	5,942	1,171	1,432	45,107
Additions	2,308	17	2,088	1,404	1,336	215	7,368
Disposals	–	–	(701)	(1,404)	(60)	(65)	(2,230)
Transfers	–	482	567	61	(1,111)	1	–
At 3 October 2021	29,215	2,294	9,814	6,003	1,336	1,583	50,245
Depreciation							
At 27 September 2020	5,858	–	1,436	3,551	–	823	11,668
Charge for the period	2,023	–	374	1,267	–	244	3,909
Eliminated on disposal	–	–	(54)	(1,727)	–	(52)	(1,833)
Impairment loss	610	–	–	–	–	–	610
At 3 October 2021	8,491	–	1,756	3,091	–	1,015	14,353
Carrying amount							
3 October 2021	20,724	2,294	8,058	2,912	1,336	568	35,892

15 Property, plant and equipment continued

	Right of use assets £ 000	Freehold property £ 000	Leasehold improvements £ 000	Furniture, fittings and equipment £ 000	Assets under construction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation							
At 29 September 2019	19,038	–	8,499	4,972	105	1,311	33,925
Adjustment relating to prior periods	–	–	801	1,391	–	74	2,266
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	7,860	5,942	1,171	1,432	45,107
Depreciation							
At 29 September 2019	4,832	–	1,609	2,550	–	604	9,595
Adjustment relating to prior periods	–	–	771	1,420	–	75	2,272
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	–	1,436	3,551	–	823	11,668
Carrying amount 27 September 2020	21,049	1,795	6,424	2,391	1,171	609	33,439

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.

At the period end an exercise was undertaken to review and determine the assets still in use by the Group. An adjustment relating to prior periods was made to the cost and accumulated depreciation brought forward to re-instate fully depreciated items that had been removed from the note previously. There was no material impact on the income statement.

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 against rental costs and is recognised within cost of sales (2020: £55,000, 2021: £41,000).

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 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.

15 Property, plant and equipment continued

Restaurant segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A discount rate of 12.0% was used (2020: 12.0%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with 3 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 (2020: 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 one CGU – in 2021, with the full charge recognised against the restaurant segment. The charge was £610,000 against right-of-use asset at Strada Dockside.

The estimate of recoverable amount for the restaurant segment is particularly sensitive to the trading forecast assumptions. If the discount rate used is increased by 2%, the forecast 3 year total EBITDA is reduced by 10%, and the terminal growth rate reduced by 1%, a further impairment loss of £63,000 for the period ended 3 October 2021 would have to be recognized 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 2021	2020
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%	100%
Rare Bird Hotels at Streatley Limited*	Hotels and similar accommodation	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	100%
VEL Property Holdings Limited	Buying and selling of own real estate	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	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%
Noci Islington Limited	Dormant	United Kingdom 20 St Thomas Street, London, SE1 9RS	100%	–
Coppa Club (Haslemere) Limited	Dormant	United Kingdom 20 St Thomas Street, London, SE1 9RS	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%	100%

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

	3 October 2021 £ 000	27 September 2020 £ 000
Summary of investments in subsidiaries		
At start of financial period	**9,325**	–
Additions	**–**	9,325
At end of financial period	**9,325**	9,325

There were no additions in the period. The additions in the prior 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), and 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).

NOTES TO THE FINANCIAL STATEMENTS
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17 Inventories

	Group		Company	
	3 October 2021 £ 000	27 September 2020 £ 000	**3 October 2021 £ 000**	27 September 2020 £ 000
Food and drink	**234**	178	**–**	–
Consumables	**312**	223	**–**	–
	546	401	**–**	–

Inventories recognised as an expense in the period totalled £5,078,000 (2020: £4,509,000).

18 Trade and other receivables

	Group		Company	
	3 October 2021 £ 000	27 September 2020 £ 000	**3 October 2021 £ 000**	27 September 2020 £ 000
Trade receivables	**137**	248	**–**	–
Receivables from subsidiaries	**–**	–	**40,872**	15,567
Prepayments	**579**	317	**–**	–
Other receivables	**788**	24,365	**–**	23,646
	1,504	24,930	**40,872**	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.

Other receivables includes £nil (2020: £23,523,000 in respect of net IPO share issue proceeds).

19 Cash and bank balances

	Group		Company	
	3 October 2021 £ 000	27 September 2020 £ 000	**3 October 2021 £ 000**	27 September 2020 £ 000
Cash and bank balances	**19,716**	893	**–**	–

20 Trade and other payables

	Group		Company	
	3 October 2021 £ 000	27 September 2020 £ 000	**3 October 2021 £ 000**	27 September 2020 £ 000
Trade payables	**1,544**	2,621	**–**	–
Payables to subsidiaries	**–**	–	**1,146**	432
Accrued expenses	**5,028**	3,813	**–**	46
Social security and other taxes	**923**	988	**–**	–
Other payables	**906**	1,186	**–**	–
Lease liabilities due in less than one year	**2,842**	2,384	**–**	–
	11,243	10,992	**1,146**	478

21 Current borrowings

	Group		Company	
	3 October 2021 £ 000	27 September 2020 £ 000	**3 October 2021 £ 000**	27 September 2020 £ 000
Borrowings from related parties	**12,438**	2,402	**–**	–

Borrowings from related parties classed as payable within 12 months includes two deep discounted bond instruments issued by VEL Property Holdings Limited and by Various Eateries Trading Limited.

The deep discounted bond instrument issued by VEL Property Holdings Limited was issued in January 2021, the subscription amount was £2,438,000, the nominal value £2,584,000, and the final redemption date is 14 January 2022. The discount is recognised between subscription and redemption date, resulting in £105,000 of accrued financing costs as at the reporting date.

The deep discounted bond instrument issued by Various Eateries Trading Limited was 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 discount is recognised between subscription and redemption date resulting in £349,000 of accrued financing costs at the reporting date. The balance of £1,038,000 (2020: £1,038,000) under the August 2019 loan agreement matures in April 2022, bears cash settled interest at 3.75% above LIBOR (2020: cash settled interest at 3.75% above LIBOR), and contains an EBITDA multiple covenant first tested in September 2020 that has been waived until April 2022.

22 Non-current borrowings

	Group		Company	
	3 October 2021 £ 000	27 September 2020 £ 000	**3 October 2021 £ 000**	27 September 2020 £ 000
Borrowings from related parties	**–**	10,000	**–**	–
Lease liabilities due after more than one year	**22,128**	21,482	**–**	–
	22,128	31,482	**–**	–

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.

23 Provisions for liabilities

Group

Authorised Guarantee Agreements ("AGAs")	**53 weeks ended 3 October 2021 £ 000**
At start of financial period	**461**
Release of provision in the year	**(104)**
At end of financial period	**357**

The provision relates to the annual rental cost of three (2020: 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).

The provision related to one site was released in the year following a new lease resulting in the potential cost being removed.

NOTES TO THE FINANCIAL STATEMENTS
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24 Share capital and share premium

Authorised, allotted, called-up and fully paid shares

	3 October 2021		27 September 2020	
	No. 000	**£ 000**	No. 000	£ 000
Ordinary shares of £0.01 each	**89,008**	**890**	89,008	890

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	**3 October 2021**	**89,008,477**		**890**

There were no movements in ordinary share capital in the period ended 3 October 2021

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.

Issue 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).

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 £179,000 (2020: £178,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. As at 3 October 2021, contributions of £26,000 (2020: £23,000) 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

	3 October 2021 £ 000	27 September 2020 £ 000
Cash at bank and in hand	**19,716**	893
Trade and other receivables	**925**	24,613
	20,641	25,506

26 Financial instruments continued

Group

Reconciliation of liabilities arising from financing activities

	Lease liabilities £ 000	Other borrowings £ 000	Total £ 000
At start of financial period	23,866	12,402	36,268
New borrowings	2,307	36	2,343
Interest charge	1,108	–	1,108
Repayments during the period	(2,311)	–	(2,311)
At end of financial period	**24,970**	**12,438**	**37,408**

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

	3 October 2021 £ 000	27 September 2020 £ 000
Trade and other payables	**32,447**	31,486
Borrowings from related parties	**12,438**	12,402
	44,885	43,888

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.

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.

26 Financial instruments continued

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 cashflow 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 maturity 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.

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 – Deep Discounted Bond	–	2,438	9,515	–	–	11,953
Interest-bearing						
Borrowings – loan	3.75% + LIBOR	–	1,038	–	–	1,038
Lease liability	4.5%	2,526	2,666	8,015	19,487	32,694
		12,584	**13,219**	**8,015**	**19,487**	**53,305**

2021	**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	**–**	**1,544**	**–**	**–**	**–**	**1,544**
Other payables	**–**	**5,934**	**–**	**–**	**–**	**5,934**
Borrowings – Deep Discounted Bond	**–**	**12,099**	**–**	**–**	**–**	**12,099**
Interest-bearing						
Borrowings – loan	**3.75% + LIBOR**	**1,038**	**–**	**–**	**–**	**1,038**
Lease liability	**4.5%**	**2,970**	**2,999**	**8,627**	**18,387**	**32,983**
		23,585	**2,999**	**8,627**	**18,387**	**53,598**

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 3 October 2021, the Group maintained three separate share-based payment scheme for employee remuneration (2020: one):

- Various Eateries Joint Share Ownership Scheme ("JSOP Scheme 1")
- Various Eateries Joint Share Ownership Scheme ("JSOP Scheme 2")
- Various Eateries Company Share Option Plan ("CSOP")

JSOP Scheme 1 – Options granted 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. A charge of £818,000 (2020: £nil) has been recognised in the income statement by the Group in the period ended 3 October 2021.

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 (Scheme 1)	
	Number of shares	Exercise price per share (£)
Outstanding at 27 September 2020	5,809,523	0.73
Granted	–	–
Outstanding at 3 October 2021	**5,809,523**	**0.73**
Exercisable at 3 October 2021	**–**	**–**

The fair value of these options granted was 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	0.92 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 initial expected term of the options, i.e. a period of 1.92 years. The total estimated fair value of the options granted on 18 September 2020 to be recognised over the vesting period is £1,531,000.

27 Share-based payments continued

JSOP Scheme 2 – Options granted on 11 May 2021

A charge of £20,000 (2020: £nil) has been recognised in the income statement by the Group in the period ended 3 October 2021.

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 (scheme 2)	
	Number of shares	Exercise price per share (£)
Outstanding at 27 September 2020	–	–
Granted	360,000	1.09
Outstanding at 3 October 2021	**360,000**	**1.09**
Exercisable at 3 October 2021	**–**	**–**

	JSOP
Grant date	11 May 2021
Vesting period ends	Various
Share price at date of grant	£1.03
Volatility	64.17%
Option life	3.89
Dividend yield	0.00%
Risk-free investment rate	0.24%
Exercise price at date of grant	£1.09
Exercisable from / to	31 March 2025 / 31 March 2026
Remaining contractual life	3.89 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 initial expected term of the options, i.e. a period of 3.89 years. The total estimated fair value of the options granted on 11 May 2021 to be recognised in expenses over the vesting period is £192,685.

CSOP – Options granted on 11 May 2021

A charge of £6,000 (2020: £nil) has been recognised in the income statement by the Group in the period ended 3 October 2021.

	CSOP	
	Number of shares	Exercise price per share (£)
Outstanding at 27 September 2020	–	–
Granted	92,402	1.09
Outstanding at 3 October 2021	**92,402**	**1.09**

The fair value of the options is estimated at the date of grant using a Black-Scholes valuation method. The total estimated fair value of the options granted during the year on 11 May 2021 to be recognised over the vesting period is £44,999.

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 £200,000 (2020: £390,000). In addition, H E M Osmond is the principal lender of the £10,000,000 borrowings (2020: £10,000,000) and a shareholder with controlling influence of Xercise2 Limited which is a significant shareholder of the Company.

As at 3 October 2021, there was £20,275 (2020: £397,000) of accrued cash interest payable on borrowings from related parties, of which £nil was due to Xercise2 Limited (2020: £341,000).

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".

	53 weeks ended 3 October 2021 £ 000	52 weeks ended 27 September 2020 £ 000
Salaries and other short term employee benefits	716	600
Employers national insurance contributions	88	75
Post-employment benefits	15	12
	819	687

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

	53 weeks ended 3 October 2021		52 weeks ended 27 September 2020	
	Purchase of Goods / services £ 000	Sale of Goods / services £ 000	Purchase of Goods / Services £ 000	Sale of Goods / Services £ 000
SCP Newbury Manor Limited	15	–	–	–
Osmond Capital Limited	200	–	–	–
The Great House at Sonning Limited	657	–	364	351
Rare Bird Hotels Limited	–	–	491	281
CCO Cygnet Limited	748	–	–	–
Mudlark Hotels Limited	–	–	–	29
	1,620	–	855	661

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

	3 October 2021		27 September 2020	
	Amounts owed to related parties £ 000	Amounts owed by related parties £ 000	Amounts owed to related parties £ 000	Amounts owed by related parties £ 000
The Great House at Sonning Limited	1	53	–	–
Rare Bird Hotels Limited	–	119	–	–
CCO Cygnet Limited	–	–	–	–
Mudlark Hotels Limited	–	–	2	38
	1	172	2	38

28 Related party transactions continued

SCP Newbury Manor Limited, Osmond Capital Limited, The Great House at Sonning Limited, Rare Bird Hotels Limited, CCO Cygnet Limited and Mudlark Hotels Limited are related parties of the Group because they have common shareholders with controlling influence with the Group. 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.

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 H E M Osmond.

30 Post balance sheet events

Coppa Club Putney

In November 2021, the Group opened its newest site at Putney.

VEL Property Holdings Limited funding

Within current liabilities at the year end, there was a deep discounted bond instrument with a nominal value of £2,584,000 and a final redemption date of 14 January 2022. In January 2022, this was replaced by a new deep discounted bond instrument with a nominal value of £2,791,022 and a final redemption date of 14 January 2023.

Various Eateries Trading Limited funding

Within current liabilities (note 21), is a deep discounted bond due to be redeemed in April 2022. On 24 February 2022, a deep discounted bond instrument, with a nominal value of £9,515,000 and a final redemption date of April 2023, was issued to replace the existing deep discounted bond.

Grant of share options

On 17 January 2022, the company issued options over 990,440 shares to various directors.

31 Contingent liabilities

Authorised Guarantee Agreements

There are 9 (2020: 9) 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 £663,000, of which £357,000 (2020: £461,000) has been provided for (see note 23).

CJRS claim

The Group made material claims under the CJRS schemes during the period (and prior period) 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 undertook an external 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.

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