THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU No. 596/2014) ("MAR"). THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN

25 February 2021

VARIOUS EATERIES PLC
(“Various Eateries” or “the Company”
and with its subsidiaries “the Group”)

Final Results
52 week period ended 27 September 2020
Ideally Positioned to Capitalise on Post-Lockdown Opportunities

Various Eateries PLC, the owner, developer and operator of restaurant and hotel sites in the United Kingdom, announces its results for the 52 weeks ended 27 September 2020.

Highlights

- **Raised £25m in successful AIM listing in the final week of the period to take advantage of the state of the hospitality market**
    - Increased availability of attractive sites, reduced competition, availability of talent and changes in consumer behaviour provide the ideal backdrop to the Company’s growth strategy
    - Proven management track record in developing and rolling out successful restaurant brands
- **Completed significant reshaping with the Group now ideally positioned for post Covid expansion**
    - Acquired the freehold and completed the re-fit of a new site in Cobham, opened post year end
    - Revised and refined the menu offering across the Coppa Club estate, further improving quality, expanding the price range and focusing on the all-day club offer
    - Italian brasserie brand, Tavolino, with its first site opened in July, poised to take advantage of availability of prime high street sites across the UK
    - Brought two hotel sister operations into the Group in order to enhance the clubhouse element of the Coppa Club brand and improve profitability through sales and cost synergies
    - Industry veteran, Andy Bassadone, joined the Board as Executive Chairman and invested in the Group
    - Management team further strengthened with senior appointments including CEO Yishay Malkov and, post-period end, Property Director Raj Manek (a non-board position)

Financials

- **Robust trading pre-Covid to the middle of February**
    - Positive like-for-like revenue generated from Coppa estate
- **Better than anticipated trading when the Group re-opened, from July to September**
    - Like-for-like revenue generated from Coppa estate was up 0.8% despite all the restrictions that were in place

- **Particularly good performance post re-opening at sites outside of London over the same period**
    - Like-for-like revenue generated from Coppa estate outside of London up 24%
    - Three sites achieved their record trading weeks in the period

Due to the timing of the reorganisation undertaken ahead of the Company's listing, these results do not include any trading from the newly acquired hotel entities. The results were also impacted by a number of unusual items including the disruptive effects of COVID-19 and the costs of the listing/restructure.

- Total Group revenue for the year down 36% to £16.5m (FY19: £25.6m)
- EBITDA loss before exceptional costs for the year of £1.7m with total loss after exceptional costs and impairments of £14.4m
- Net assets of £27.2m as at 27 September 2020

Post-period

- Coppa Club Cobham opened in December
- Trading impacted by further Covid-19 restrictions with all the Group's sites currently closed
- Business interruption insurance interim payment of £2.5m received with negotiations regarding claims ongoing
- Ideally positioned for a return to growth on re-opening, with a swift implementation of the strategy to begin once restrictions lift

Andy Bassadone, Executive Chairman of Various Eateries, said:

"With a pandemic, a substantial restructuring and our successful fund-raising and listing on AIM, 2020 was a remarkable year for Various Eateries that puts us in an excellent position in 2021. The opportunities as we move out of the Covid-19 era are enormous and with strong liquidity, contemporary formats, a compelling growth strategy and a management team with a proven track record of delivery, we are confident in our ability to capitalise on them.

While lockdowns restricted our ability to trade in the year, sales in the periods we were able to open were above our expectations and bode well for the future. Operationally we were also able to make significant progress, with the opening of our first Tavolino and the new Coppa Club in Cobham of particular note. Both through closures and new openings, our teams have responded brilliantly and I would like to thank them all for their hard work, patience and understanding in what has been a challenging time for them and their families.

It has been difficult to watch as the virus continues to devastate our industry, but it has panned out as we expected, validating our approach and making us even more determined to make a contribution to the recovery. As soon as we are given the green light by Government, we plan to expand the business, to employ more people and to give customers high-quality experiences of hospitality, perfectly suited to a post lockdown world. With large sites, extensive outdoor space and all-day offer, Coppa Club is perfectly suited to the increase in remote working and Tavolino is poised to take advantage of the availability of prime high street sites across the UK. There will inevitably be volatility as we emerge from the pandemic, but we are expecting a strong bounce back in the sector once restrictions are lifted and look forward to driving growth as soon as circumstances permit."

A video introduction to Various Eateries and overview of the results is available here: http://bit.ly/VARE_FY20_results_overview

Annual General Meeting

The Company confirms that it intends to dispatch its Annual Report and Accounts; and notice of Annual General Meeting to shareholders, and post the documents on the Company's website, next week. A further announcement will be made at that time.

Enquiries

Various Eateries plc		
Andy Bassadone	Executive Chairman	Via Alma PR
Yishay Malkov	Chief Executive Officer	
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About Various Eateries

Various Eateries owns, develops and operates restaurant and hotel sites in the United Kingdom. The Group's stated mission is "great people delivering unique experiences through continuous innovation".

The Group is led by a highly experienced senior team including Andy Bassadone (Executive Chairman), Hugh Osmond (Founder), Yishay Malkov (CEO), Oliver Williams (CFO) and Matt Fanthorpe (Chef Director, a non-board position).

The Group operates two core brands across eleven locations:

- Coppa Club, a multi-use, all day concept that combines restaurant, terrace, café, lounge, bar and work spaces
- Tavolino, a restaurant aiming to address a gap in the market for high-quality Italian food at mid-market prices

For more information visit www.variouseateries.co.uk

CHAIRMAN & CHIEF EXECUTIVE'S STATEMENT

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

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

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

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

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

OUR STRATEGY

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

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

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

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

complementary, bolt-on acquisitions of other restaurant brands to accelerate growth across the Group.

TRADING & COVID-19 IMPACT

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

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

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

DEVELOPING OUR ESTATE

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

FY2020 saw the launch of the new Tavolino brand, with the first site opening in Central London in July. Despite the significant reduction in footfall caused by Covid-19, the launch was a success and customer feedback was strong, boding well for the future. MICHELIN recently said of the site: "Pasta handmade on the premises daily and classic Italian dishes crafted using produce imported from small Italian suppliers are the draw here. These are matched by stunning views over the Thames towards Tower Bridge and the Tower of London – making a table on the terrace a must in summer".

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

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

IMPROVING OUR OFFERING

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

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

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

OUR PEOPLE

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

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

MARKET DEVELOPMENTS

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

It has been estimated that 50% of the UK workforce favour working remotely for 1-2 days per week post-lockdown, and consumers now attach much greater importance to safety when making choices. Coppa Club in particular is well-placed to take advantage of these and other changes in consumer behaviour which have been accelerated by Covid-19. The sites are typically spacious, with large outdoor areas, and can be used throughout the day for everything from working to social gatherings and of course meals from breakfast through to dinner. This is a key reason why we believe we will be successful in the long-term.

CURRENT TRADING AND OUTLOOK

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

As recently communicated, while the business has been closed, management has been exploring a number of desirable sites for expansion across the UK. Given the lack of concrete guidance as to when lockdown and other restrictions will be lifted, the Company had so far chosen to hold off signing up to

any new leases, but with the roadmap now laid out expects to be able to do so in the near future on terms that reflect the considerable and continuing fall in retail property values.

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

Andy Bassadone
Executive Chairman

Yishay Malkov
Chief Executive Officer

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

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

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

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

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

Overall Group revenue was down by 36% (2020 £16.5m, 2019 £25.6m), resulting in a Trading EBITDA loss of £0.8m (2019 £2.3m profit) and a Loss before tax of £14.4m (2019 £12.0m). The principles of merger accounting have been followed and so the results and comparatives are those of the underlying group. The summarised results are:

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

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

Pre-Covid

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

During the first national lockdown

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

Post-lockdown performance

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

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

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

Like-for-like sales growth

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

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

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

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

COVID-19 MITIGATING ACTIONS AND FINANCIAL POSITION

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

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

FINANCING COSTS

The preference share dividend was £nil in FY20 (2019 £3.9m) is a result of the debt for equity financial reorganistion during FY19.

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

	2020 **£000**	2019 £000
Dividends on preference shares	**-**	3,941

Interest on bank overdrafts, borrowings and foreign exchange losses	**1,349**	2,241
Lease liability interest	**654**	741
Financing costs	**2,003**	6,923

IMPAIRMENTS

A detailed review of each individual site, has resulted in an impairment charge of £5.4m, split £3.6m against Goodwill, £0.1m against Leasehold improvements & PPE and £1.6m against Right-of-use assets. Detail of the methodology is included in notes 9 and 10.

LOSS ON DISPOSAL OF ASSETS & LEASES

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

IPO & RESTRUCTUING COSTS

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

DIVIDEND

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

CASHFLOW & BALANCE SHEET

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

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

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

KEY PERFORMANCE INDICATORS ("KPIs")

The Board reviews numerous indicators of performance on a monthly basis. The 2 historically used are Revenue £16.5m (2019: £25.6m) and Trading EBITDA (£0.8m) (2019: £2.3m) with both severely impacted by the conditions faced by the Group in the period. With the debt restructure and successful flotation on the AiM Market during the period, the net asset position of the Group at the period end was £27.2m (2019: net liabilities (£6.4m)). Going forward, as the Group's strategy evolves, further KPIs will be used to measure the progress including New site openings and Like-for-like sales growth.

Oli Williams
CFO

Various Eateries PLC
Consolidated Statement of Comprehensive Income
for the 52 weeks ended 27 September 2020

	Note	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Revenue	4	16,469	25,605
Cost of sales		(17,516)	(24,418)
Gross (loss) / profit		**(1,047)**	**1,187**
Central staff costs		(1,901)	(1,898)
Impairment of intangible fixed assets	9	(3,640)	(1,236)
Impairment of property, plant and equipment	10	(1,751)	(1,004)
(Loss) / profit on disposal of assets and leases		(1,632)	117
Other expenses	7	(2,469)	(2,225)
Operating loss		**(12,440)**	**(5,059)**
Finance income	6	1	7
Financing costs	6	(2,003)	(6,923)
Loss before tax		**(14,442)**	**(11,975)**
Tax		-	-
Loss for the period		**(14,442)**	**(11,975)**
Earnings per share			
Basic loss per share (pence)	8	(116.4)	(145.1)
Diluted loss per share (pence)	8	(116.4)	(145.1)

The above results were derived from continuing operations.

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

Various Eateries PLC
Consolidated Statement of Financial Position

as at 27 September 2020

	Note	27 September 2020 £ 000	29 September 2019 £ 000
Non-current assets			
Intangible assets	9	12,903	7,264
Right-of-use assets	10	21,049	14,206
Other property, plant and equipment	10	12,390	10,124
		46,342	31,594
Current assets			
Inventories		401	551
Trade receivables	11	248	209
Other receivables	11	24,682	2,022
Cash and bank balances		893	1,834
		26,224	4,616
Total assets		72,566	36,210
Current liabilities			
Trade and other payables		(10,992)	(8,221)
Borrowings	12	(2,402)	-
Net current assets / (liabilities)		12,830	(3,605)
Total assets less current liabilities		59,172	27,989
Non-current liabilities			
Borrowings	13	(31,482)	(34,369)
Provisions		(461)	-
Total non-current liabilities		(31,943)	(34,369)
Total liabilities		(45,337)	(42,590)
Net assets / (liabilities)		**27,229**	**(6,380)**
Equity			
Share capital	14	890	111
Share premium	14	52,284	64,736
Merger reserve		64,736	-
Employee benefit trust shares reserve		(5,012)	-
Retained earnings		(85,669)	(71,227)
Total funds / (deficit) attributable to the equity shareholders of the Company		**27,229**	**(6,380)**

Various Eateries PLC

Consolidated statement of changes in equity
for the 52 weeks ended 27 September 2020

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

Various Eateries PLC
Consolidated Statement of Cash Flows
for the 52 weeks ended 27 September 2020

	Note	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Cash flows from operating activities			
Loss for the year		(14,442)	(11,975)
Adjustments to cash flows from non-cash items:			
Depreciation	10	2,832	3,433
Impairment	9,10	5,391	2,240
(Loss) / profit on disposal and surrender of leases		1,632	(117)
Finance income		(1)	(7)
Financing costs		2,003	2,980
Preference share dividends		-	3,941
		(2,585)	495
Working capital adjustments:			
Decrease / (increase) in inventories		149	(3)
Decrease in trade and other receivables		958	1,384
Increase in accruals, trade and other payables		1,656	1,449
Increase in provisions		461	-
Net cash flow from operating activities		**639**	**3,325**
Cash flows from investing activities			
Interest received		1	7
Purchases of property plant and equipment		(5,086)	(4,363)
Purchase of intangible assets		(2)	(10)
(Costs) / proceeds of disposal of property, plant and equipment		(109)	434
Costs on issue of shares		(432)	-
Net cash flows from investing activities		**(5,628)**	**(3,931)**
Cash flows from financing activities			
Interest paid		(841)	(988)
Proceeds on issue of shares	14	79	33
Proceeds from borrowings		5,700	4,000
Principal elements of lease payments		(890)	(2,206)
Net cash flows from financing activities		**4,048**	**839**
(Decrease) / increase in cash		(941)	233
Opening cash at bank and in hand		1,834	1,601
Closing cash at bank and in hand		**893**	**1,834**

1 General information

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

The Group is engaged in the operation of non-members clubs, restaurants, bars and lounge areas in London and the South East of England.

2 Accounting policies

Basis of preparation

This preliminary announcement does not constitute full statutory financial statements.

The results for the period ended 27 September 2020 included in this preliminary announcement are extracted from the audited financial statements for the period ended 27 September 2020 which were approved by the Directors on 24 February 2021. The independent auditor's report on those financial statements was unqualified and did not include a statement under Section 498(2) or 498(3) of the Companies Act 2006.

The 27 September 2020 annual report and financial statements are expected to be posted to shareholders and included within the investor relations section of our website shortly and will be considered at the Annual General Meeting. The financial statements for the period ended 27 September 2020 have not yet been delivered to the Registrar of Companies.

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 those accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next period are disclosed in note 3.

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

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

Basis of consolidation

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

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

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

Going concern

In adopting the going concern basis for preparing the financial statements for the year ended 27 September 2020, the Directors have considered the business model and strategies, as well as taking into account the current cash position and potential facilities.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. In making this assessment, the directors have made a specific analysis of the impact of both Covid-19 and Brexit.

For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

Revenue

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

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. The company is taking the option to not restate any balances prior to the opening balance sheet for the purpose of the financial statements. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group 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 irrespective of whether there is an indication of impairment.

Intangible fixed assets (other than goodwill)

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

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

Property, plant and equipment

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

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

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

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

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

Impairments of tangible and intangible fixed assets

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

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

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

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

Leases

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

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

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

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of 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.

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

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

Government grants

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Key judgement - determining the rate used to discount lease payments
At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The discount rate applied to the Group's leases under the portfolio approach is 4.5%. A 0.5% increase in the discount rate to 5% results in a decrease in net present value of the total lease liability of £731,000 at 27 September 2020 (2019: £500,000). A 0.5% decrease in discount rate to 4% results in an increase in the net present value of the total lease liability of £771,000 at 27 September 2020 (2019: £530,000, see note 13).

Key estimate - impairment of goodwill, other intangibles and property, plant and equipment
Determining whether goodwill, other intangibles and tangible fixed assets are impaired requires an estimation of the recoverable amount of the cash-generating units ('CGUs') to which goodwill, other intangibles and tangible fixed assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Details of cash generating units as well as further information about the assumptions made are disclosed in notes 9 and 10.

4 Revenue

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

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

5 Business Combinations

On 15 September 2020, the Group acquired 100% of the equity instruments of Rare Bird Hotels at Sonning Limited ('RBH Sonning') and Rare Bird Hotels at Streatley Limited ('RBH Streatley'), thereby obtaining control of both companies. The companies were incorporated in 2020 for the purpose of acquiring the trade and certain assets of The Great House at Sonning Limited and Rare Bird Hotels Limited respectively, which are related parties of the Group (see note 16). The acquisitions were made to bring the full operations of each of the hotel locations, where Coppa Club sites are based, into the Group prior to IPO.

	RBH Sonning £ 000	RBH Streatley £ 000
Fair value of consideration transferred		
Amount settled via equity issue from the Company	2,329	6,987
Recognised amounts of identifiable net assets		
Right-of-use assets (note 10)	5,285	6,246
Other property, plant and equipment (note 10)	169	325
Intangible assets (note 9)	125	125
Total non-current assets	5,579	6,696
Inventories	1	16
Trade and other receivables	212	420
Cash and bank balances	110	79
Trade and other payables	(626)	(615)
Lease liabilities	(5,309)	(6,274)
Identifiable net (liabilities) / assets	**(33)**	**322**
Goodwill on acquisition	**2,362**	**6,665**

The acquisitions were settled via issue of equity from the Company, 3,174,603 and 9,523,809 ordinary shares for RBH Sonning and RBH Streatley respectively (see also note 14).

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

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

6 Finance income / financing costs

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Interest income on bank deposits	1	7
Total finance income	1	7

Dividends on preference shares	-	3,941
Interest on bank overdrafts and borrowings	1,348	2,239
Lease liability interest	654	741
Foreign exchange loss	1	2
Total financing costs	2,003	6,923

7 Other expenses

	52 weeks ended 27 September 2020 £ 000	**52 weeks ended 29 September 2019 £ 000**
Other central costs	1,321	1,646
AGA provision	461	-
IPO-related costs	285	-
Depreciation of property, plant and equipment (note 10)	235	257
Restructuring costs	167	322
	2,469	2,225

8 **Earnings per share**

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

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

9 Intangible assets

Group	**Brand £ 000**	**Goodwill £ 000**	**Trademarks, patents & licences £ 000**	**Total £ 000**
Cost or valuation				
At 29 September 2019	2,662	16,992	23	19,677
Additions	-	-	2	2

Acquired through business combination	250	9,027	-	9,277
At 27 September 2020	2,912	26,019	25	28,956
Amortisation				
At 29 September 2019	2,662	9,751	-	12,413
Impairment	-	3,640	-	3,640
At 27 September 2020	2,662	13,391	-	16,053
Carrying amount 27 September 2020	250	12,628	25	12,903

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

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

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

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

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

Restaurant segment

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

is the multiple applied to site EBITDA. A multiple of 5 times site EBITDA was used (2019: 5 times) based on expected market value if the sites were to be sold as individual trading businesses.

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

Given the global pandemic and its impact on the UK hospitality sector there is particular sensitivity to the forecasts prepared in connection with the impairment review as at 27 September 2020. The estimate of recoverable amount for the restaurant segment is particularly sensitive to the discount rate and trading forecast assumptions. If the discount rate used is increased by 2%, a further impairment loss of £654,000 for the period ended 27 September 2020 would have to be recognised against goodwill (2019: £425,000). If the forecast 5 year total EBITDA is reduced by 10%, a further impairment loss of £856,000 for the period ended 27 September 2020 would have to be recognised against goodwill. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

Hotel segment

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

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

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

10 Property, plant and equipment

Group

	Right-of-use assets £ 000	Freehold property £ 000	Leasehold improvem-ents £ 000	Furniture, fittings and equipmen-t £ 000	Work in progress £ 000	IT equipme-nt £ 000	Total £ 000
Cost or valuation							
At 29 September 2019	19,038	-	8,499	4,972	105	1,311	33,925
Additions	707	1,795	72	548	2,605	66	5,793

Acquired through business combination	11,532	-	-	403	-	90	12,025
Disposals	(4,370)	-	(2,383)	(1,909)	(102)	(138)	(8,902)
Transfers	-	-	871	537	(1,437)	29	-
At 27 September 2020	26,907	1,795	7,059	4,551	1,171	1,358	42,841
Depreciation							
At 29 September 2019	4,832	-	1,609	2,550	-	604	9,595
Charge for the period	1,272	-	431	902	-	227	2,832
Eliminated on disposal	(1,862)	-	(1,510)	(1,321)	-	(83)	(4,776)
Impairment loss	1,616	-	135	-	-	-	1,751
At 27 September 2020	5,858	-	665	2,131	-	748	9,402
Carrying amount 27 September 2020	21,049	1,795	6,394	2,420	1,171	610	33,439

	Right-of-use assets £ 000	**Leasehold improvem-ents £ 000**	**Furniture, fittings and equipmen-t £ 000**	**Work in progress £ 000**	**IT equipme-nt £ 000**	**Total £ 000**
Cost or valuation						
At 30 September 2018	20,205	7,733	5,022	285	1,115	34,360
Additions	1,722	1,178	795	2,166	224	6,085
Disposals	(2,889)	(2,230)	(1,254)	(26)	(121)	(6,520)
Transfers	-	1,818	409	(2,320)	93	-

At 29 September 2019	19,038	8,499	4,972	105	1,311	33,925
Depreciation						
At 30 September 2018	5,882	2,340	2,666	15	460	11,363
Charge for the period	1,755	557	897	-	224	3,433
Eliminated on disposal	(2,889)	(2,208)	(1,013)	(15)	(80)	(6,205)
Impairment loss	84	920	-	-	-	1,004
At 29 September 2019	4,832	1,609	2,550	-	604	9,595
Carrying amount 29 September 2019	14,206	6,890	2,422	105	707	24,330

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

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

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

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

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

Restaurant segment

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

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

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

Hotel segment
As a result of the headroom identified during the goodwill impairment testing of the hotel operating segment (see note 9), no impairment charge is required in respect of the hotel segment.

11 Trade and other receivables

	Group	
	27 September 2020 £ 000	29 September 2019 £ 000
Trade receivables	248	209
Prepayments	317	1,065
Other receivables	24,365	957
	24,930	2,231

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

Receivables from subsidiaries includes a balance created by the upwards novation of £15,488,000 of the related party borrowings balance as part of the capital restructure in the period.

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

12 Loans and borrowings

	Group	
	27 September 2020 £ 000	29 September 2019 £ 000
Borrowings from related parties	2,402	-

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

13 Non-current loans and borrowings

Group

	27 September 2020 £ 000	29 September 2019 £ 000
Borrowings from related parties	10,000	21,082
Lease liabilities due after more than 1 year	21,482	13,287
	31,482	34,369

The borrowings from related parties balance as at 27 September 2020 is made up of a deep discounted bond instrument and the existing August 2019 loan agreement. The deep discounted bond was issued in September 2020 as part of a capital restructure (see note 14), with a subscription price of £8,962,000, a nominal value of £9,515,000, and a term of 19 months. The balance of £1,038,000 (2019: £21,082,000) under the August 2019 loan agreement matures in August 2022, bears cash settled interest at 3.75% above LIBOR (2019: cash settled interest at 3.75% above LIBOR on £11,000,000 of the principal and payment in kind interest at 6% above LIBOR on £10,000,000 of the principal), and contains an EBITDA multiple covenant that should have been first tested in September 2020 under the original agreement and has been waived until April 2022.

14 Share capital and share premium

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 202(	23,809,522	£0.01	238
Issue of shares on IPO	25 September 202(	34,246,576	£0.01	342
Issue of other shares	18 September 202(	19,841,268	£0.01	198
Balance	27 September 202(	89,008,477		890

Ordinary shares

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

Share-for-share exchange

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

Share conversion

On 18 September 2020, the Group carried out a pre-AiM float capital restructure in the form of a debt for equity swap whereby deep discounted bond instruments issued by Various Eateries Trading Limited in 2020 and a proportion of the balance under the August 2019 loan agreement were repaid via equity issued by the Company. The reduction of debt was achieved by way of issue of a new deep discounted bond instrument by Various Eateries Trading Limited (see note 13) and successive novation of £15,488,000 of the balance upwards through the Group.

Issues of shares

The shares issued on 18 September 2020 includes 12,698,412 shares issued as consideration for the purchase of the entire issued ordinary share capital of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited (see note 5), and 5,809,523 shares issued under a share-based payment scheme (see note 15).

The shares issued on 25 September 2020 raised gross proceeds of £25,000,000. Net proceeds were received post year end and are included in other receivables as at 27 September 2020 (see note 11).

Employee benefit trust shares reserve
The Group presents these shares as an adjustment to own equity at the period end date through the employee benefit trust shares reserve, until the point that the shares are awarded, and cease to be conditional awards of shares. The award of shares is conditional upon certain vesting criteria, as outlined in note 15.

15 Share-based payments

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

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

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

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

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

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

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

16 Related party transactions

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

The capital restructure that took place in September 2020 (see note 14) involved the exchange of debt held by equity shareholders of the Group (in the form of a loan facility and a deep discounted bond instrument) for newly issued ordinary share capital in the Company.

As at 27 September 2020, there was £397,000 of accrued cash interest payable on borrowings from related parties, of which £341,000 was due to Xercise2 Ltd (2019: £365,000 total, £345,000 due to Xercise2 Ltd).

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

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

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

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

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

	Amounts owed to related parties £ 000	Amounts owed by related parties £ 000

Mudlark Hotels Limited	2	38

The Great House at Sonning Limited, Rare Bird Hotels Limited, and Mudlark Hotels Limited are related parties of the Company because they have common shareholders with controlling influence in the Company. The trade and certain assets of The Great House at Sonning Limited and Rare Bird Hotels Limited were acquired by newly incorporated operating companies in August 2020, Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited respectively. The entire issued share capital of these companies was subsequently acquired by the Company in September 2020 (see note 5).

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.

17 Post balance sheet events

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

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

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

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

18 Contingent liabilities

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

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