

AIM ADMISSION DOCUMENT

SEPTEMBER 2020



VARIOUS
EATERIES

WHIreland



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000, as amended if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

The Company and the Directors whose names appear on page 5 of this document accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for all of the Existing Ordinary Shares and the Placing Shares to be admitted to trading on the London Stock Exchange's AIM market. It is expected that trading in the Ordinary Shares will commence on AIM on 25 September 2020. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.**

This document constitutes an admission document drawn up in accordance with the AIM Rules for Companies and has been issued in connection with the application for admission to trading of the Enlarged Issued Share Capital of the Company. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as, nor is it, a prospectus for the purpose of the Prospectus Regulation Rules. Accordingly, this document has not been prepared in accordance with the Prospectus Regulation Rules and has not been approved by, or filed with, the FCA pursuant to section 85 of FSMA or any other authority which would be a competent authority for the purpose of the Prospectus Regulation. This document does not constitute a financial promotion and has not been approved for issue as such in the United Kingdom for the purposes for Section 21 of FSMA.

The whole of this document should be read. Your attention is particularly drawn to the Risk Factors set out in Part II of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of these Risk Factors.

Various Eateries plc

(a company Incorporated in England and Wales under the Companies Act 2006 with registered number 12698869)

**Placing of 34,246,576 new Ordinary Shares at 73 pence
Admission to trading on AIM**



Nominated Adviser and Broker

Ordinary Share capital on Admission

Issued and fully paid

	<i>Number</i>	<i>Aggregate Nominal Value</i>
Ordinary Shares of 1p	89,008,477	£890,085

WH Ireland Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company. Its responsibilities as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to subscribe for or acquire shares in the Company in reliance on any part of this document. No representation or warranty, expressed or implied, is made by WH Ireland Limited as to any of the contents of this document. WH Ireland Limited will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or for advising them on the contents of this document or any other matter. Any such persons should seek their own independent legal, investment and tax advice as they see fit.

The distribution of this document outside the UK may be restricted by law and therefore any persons outside the UK into whose possession this document comes (including, without limitation, any nominee, custodian or trustee) should inform themselves about and observe any such restrictions as to the Ordinary Shares and the distribution of this document. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside of the UK. This document does not constitute or form part of an offer to sell, allot or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer is unlawful. In particular, this document is not for distribution, directly, or indirectly, in or into Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States or to any national, resident or citizen of Australia, Canada, Japan, New Zealand, the Republic of South Africa or the United States except in compliance with applicable securities laws.

The Ordinary Shares have not been and will not be registered under the securities legislation of any state, province or territory of Australia, Canada, Japan, New Zealand, or the Republic of South Africa. Accordingly, the Ordinary Shares may not, subject to certain exceptions, be offered or sold directly or indirectly, in or into Australia, Canada, Japan, New Zealand, the Republic of South Africa or to any national, citizen or resident of Australia, Canada, Japan, New Zealand, or the Republic of South Africa.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or under the securities legislation of any State, District or other jurisdiction of the United States. The Ordinary Shares may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (within the meaning of Regulation S made under the US Securities Act), except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of the United States. Neither the United States Securities and Exchange Commission, nor any State or District securities commission or other regulatory authority of the United States has approved or disapproved of the Ordinary Shares or in any way passed on the merits of the Ordinary Shares or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 25 September 2020 (or such later date as the Company and WH Ireland may agree, being not later than 30 October 2020). The Placing Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange.

Copies of this document will be available for collection, free of charge, from WH Ireland Limited, 24 Martin Lane, London EC4R 0DR for one month from the date of this document. No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in the Company's affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or regulation.

IMPORTANT INFORMATION

The information below is for general guidance only and it is the responsibility of any person or persons in possession of this document to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representation in connection with the contents of this document and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company or WH Ireland or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Company and/or its subsidiaries. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Prospective investors should inform themselves as to: (a) the legal requirements of their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Statements made in this document are based on the law and practice currently in force in the UK and are subject to change. This document should be read in its entirety. All holders of Ordinary Shares are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of Association of the Company.

NOTICE TO PROSPECTIVE INVESTORS IN THE EEA

In relation to each Member State of the European Economic Area, no shares have been offered or will be offered to the public in that Relevant State, save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of Article 20 of the Prospectus Regulation being made available to the public before the offer is made. In member states of the European Economic Area, this document is being solely issued to and directed at persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In the United Kingdom, this document is being distributed only to and is only directed at persons who are qualified investors falling within the meaning of article (2)(e) of the Prospectus Regulation and section 86 of FSMA and are either: (a) investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (b) are certified high net worth individuals falling within Article 48 of the Order; (c) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49(2)(a) to (d); or (d) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact, contained in this document constitute "forward-looking statements". In some cases forward-looking statements can be identified by terms such as "may", "intend", "might", "will", "should", "could", "would", "believe", "forecast", "anticipate", "expect", "estimate", "predict", "project", "potential", or the negative of these terms, and similar expressions. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial position, liquidity, prospects, growth, strategies and expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Such forward-looking statements are based on assumptions and estimates and involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, even if the development of the markets and industry in which the Group operates are consistent with the forward-looking statements contained in this document, those developments may not be indicative of developments in subsequent periods.

The factors which may cause the actual results to differ from those expressed or implied in forward-looking statements include, but are not limited to, those described in Part II of this document entitled "Risk Factors" which should be read in conjunction with the other cautionary statements that are included in this document. The impact of any one factor on a particular forward-looking statement may not be determined with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon the Board's assessment of the future considering all information available to it at the relevant time.

Except as required by the AIM Rules for Companies, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. New factors may emerge from time to time that could cause the Company's business not to develop as it expects,

and it is not possible for the Company to predict all such factors. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. Prospective investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in paragraph 19 of Part V of this document.

PRESENTATION OF FINANCIAL INFORMATION

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

MARKET, ECONOMIC AND INDUSTRY DATA

The data, statistics and information and other statements in this document regarding the markets and industry in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

NO INCORPORATION OF WEBSITE

The contents of the Company's website do not form part of this document.

NOTICE TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares the subject of the Placing are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, WH Ireland will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Andrew Bassadone (<i>Executive Chairman</i>) Yishay Malkov (<i>Chief Executive Officer</i>) Oliver Williams (<i>Chief Financial Officer</i>) Hugh Osmond (<i>Non-Executive Director</i>) Glyn Barker (<i>Non-Executive Director</i>) Gareth Edwards (<i>Non-Executive Director</i>) Tiffany Sword (<i>Non-Executive Director</i>)
Company Secretary	Oliver Williams all of the Company's registered office
Registered office	12 Great Portland Street 2nd Floor London W1W 8QN
Website	www.variouseateries.co.uk
Nominated Adviser and Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Reporting Accountants	RSM Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
Auditors	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Solicitors to the Company	Irwin Mitchell LLP 40 Holborn Viaduct London EC1N 2PZ
Solicitors to the Nominated Adviser & Broker	Squire Patton Boggs (UK) LLP 2 & A Half, Devonshire Square London EC2M 4UJ
Financial PR	Alma PR Limited 71 – 73 Carter Lane London EC4V 5EQ
Registrars	Computershare Investor Services plc The Pavilions Bridgewater Road Bristol BS99 6ZZ

PLACING AND ADMISSION STATISTICS

Placing Price	73 pence
Number of Existing Ordinary Shares in issue at the date of this document*	54,761,901
Number of Placing Shares	34,246,576
Estimated gross proceeds of the Placing	£25 million
Estimated net proceeds of the Placing receivable by the Company	£23.2 million
Enlarged Issued Share Capital (number of Ordinary Shares in issue following Admission)	89,008,477
Percentage of the Enlarged Issued Share Capital represented by the Placing Shares	38 per cent.
Market capitalisation of the Company at the Placing Price	£65 million
ISIN	GB00BM9BZK23
SEDOL	BM9BZK2
LEI number	213800SWZ6W3RNE32B76
AIM symbol	VARE

* including 5,809,523 Ordinary Shares issued pursuant to the JSOP

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	18 September 2020
Expected date of admission and commencement of dealings in the Enlarged Issued Share Capital on AIM	25 September 2020
CREST accounts to be credited with Placing Shares (where applicable)	25 September 2020
Despatch of definitive share certificates in respect of Placing Shares (where applicable)	By 25 October 2020

Save for the date of publication of this document, each of the date and times above is subject to change. Any such change, including any consequential change in the information above, will be notified to Shareholders by an announcement on a Regulatory Information Service.

DEFINITIONS

In this document the expressions set out below shall bear the following meanings, unless the context otherwise requires:

“Act”	the Companies Act 2006, as amended from time to time
“Admission”	admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“Admission Document”	this document
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time
“Anella Option”	the option over 2,222,222 ordinary shares of 1p each in VEHL granted to Anella Limited, a company incorporated in England and Wales with registered number 10460085 which is jointly owned by Andrew Bassadone and his connected parties, pursuant to the Anella Option Agreement which has been waived as set out in paragraph 14.11 of Part V
“Anella Option Agreement”	the agreement between VEHL and Anella Limited, relating to the Anella Option, further details of which are set out in paragraph 14.10 of Part V
“Articles of Association”	the articles of association of the Company
“Capitalisation Agreements”	the agreements between the Company and (i) certain of the shareholders of the Company; and (ii) FPI, respectively whereby certain loans advanced to Various Eateries Trading Limited (a subsidiary of the Company) are to be capitalised into Ordinary Shares
“Company”, “Various Eateries” or “VE”	Various Eateries plc, a company incorporated under the laws of England and Wales and registered with company number 12698869
“Covid”	a new strain of coronavirus that lead to a global pandemic in 2020 (also known as “2019 novel coronavirus” “Covid-19” or “2019-nCoV”).
“CREST”	the electronic systems for the holding and transfer of securities in dematerialised form operated by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
“Cross-Guarantees”	the cross-guarantee agreements entered into between Coutts & Co, Rare Bird Hotels at Streatley Limited, CCO Cygnet Limited and Rare Bird Hotels Limited and between Santander UK plc, The Great House at Sonning Limited and Rare Bird Hotels at Sonning Limited, as further described in paragraph 14.7 of Part V of this document

“Deed of Release”	the full deed of release made by FPI in respect of a security agreement dated 31 January 2020 and made by Various Eateries Trading Limited, Coppa Club Limited and SCP Sugar Ltd in favour of FPI, as further described in paragraph 14.12.3 of Part V of this document
“Directors” or “Board”	the directors of the Company whose names appear on page 5 of this document and “Director” shall mean any one of them
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules made by the FCA under Part VI of the Financial Services and Markets Act 2000
“Enlarged Issued Share Capital”	the issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the Placing Shares
“Euroclear”	Euroclear UK & Ireland Limited
“European Union” or “EU”	has the meaning given to it in Article 299(1) of the Establishing the European Economic Community Treaty as amended by, among others, the Treaty on European Unity (the Maastricht Treaty), the Treaty of Amsterdam and the Treaty of Lisbon
“Existing Ordinary Shares”	the 54,761,901 Ordinary Shares in issue at the date of this document
“FCA”	the Financial Conduct Authority of the United Kingdom
“FPI”	Friends Provident International Limited, a company incorporated and registered in the Isle of Man (number 11494) and having its registered office at Royal Court, Castletown, Isle of Man IM9 IRA
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries from time to time
“HMRC”	Her Majesty’s Revenue & Customs
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“Joint Share Ownership Plan”	the joint share ownership plan adopted by the Company as more particularly described in paragraph 13 in Part V of this document
“JSOP Shares”	5,809,523 Ordinary Shares held pursuant to the Joint Share Ownership Plan
“Lockdown”	the date that the UK Government imposed national restrictions on movement and trade for restaurants due to Covid, being 20 March 2020
“Locked in Agreements”	the agreements between: (1) the Company; (2) each of the Locked in Parties; and (3) WH Ireland, as further described in paragraph 14.3 of Part V
“Locked in Parties”	together, Hugh Osmond, Andrew Bassadone, Anella Limited Yishay Malkov, Oliver Williams, Tiffany Sword, Gareth Edwards, Glyn Barker, Matthew Fanthorpe, Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Compound Management (UK) Limited
“London Stock Exchange”	London Stock Exchange plc
“MAR”	the Market Abuse Regulation (No. 596/2014)

“New DDB”	the deep discounted bond with a principal amount of £9,515,172 to be issued by Various Eateries Trading Limited in favour of FPI as part of the Pre-Admission Reorganisation
“Official List”	the official list of the UKLA
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement between the Company, the Directors and WH Ireland dated 18 September 2020 as described in paragraph 14.1 of Part V of this document
“Placing Price”	73 pence per Placing Share
“Placing Shares”	the 34,246,576 new Ordinary Shares to be allotted and issued pursuant to the Placing
“Pre-Admission Reorganisation”	the reorganisation of the Group implemented prior to Admission, comprising the Share for Share Exchange, the Rare Bird Share Acquisitions, the Capitalisation Agreements and the New DDB
“Prospectus Regulation”	the EU Prospectus Regulation (Regulation (EU) No. 2017/1129)
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made by the FCA pursuant to sections 73(A)(1) and (4) of FSMA
“QCA Code”	the QCA Corporate Governance Code (2018) published by The Quoted Companies Alliance
“Rare Bird Asset Acquisition Agreements”	the Sonning Asset Purchase Agreement and the Streatley Asset Purchase Agreement, together
“Rare Bird Leases”	the new 10 year leases entered into between: <ul style="list-style-type: none"> (i) The Great House at Sonning Limited (as landlord) and Rare Bird Hotels at Sonning Limited (as tenant) in respect of the leasehold property at The Great House, Thames Street, Sonning, Reading, RG4 6UT (the “Sonning Lease”); and (ii) CCO Cygnet Limited (as landlord) and Rare Bird Hotels at Streatley Limited (as tenant) in respect of the leasehold property at The Swan at Streatley, High Street, Streatley, Reading, RG8 9HR (the “Streatley Lease”)
“Rare Bird Share Acquisitions”	the acquisition by the Company of the entire issued share capital of each of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited, pursuant to the Rare Bird Share Purchase Agreements
“Rare Bird Share Purchase Agreements”	the Sonning Share Purchase Agreement and the Streatley Share Purchase Agreement, together
“Rare Bird (Sonning)”	the business and associated assets of The Great House hotel (which were acquired by Rare Bird Hotels at Sonning Limited from The Great House at Sonning Limited pursuant to the terms of the Sonning Asset Purchase Agreement, further details of which are set out in paragraph 14.6.4 of Part V) and the new lease of the leasehold property at The Great House, Thames Street, Sonning, Reading, RG4 6UT (pursuant to the terms of the Sonning Lease)

“Rare Bird (Streatley)”	the business and associated assets of The Swan at Streatley hotel (which were acquired by Rare Bird Hotels at Streatley Limited from Rare Bird Hotels Limited pursuant to the terms of the Streatley Asset Purchase Agreement, further details of which are set out in paragraph 14.6.3 of Part V), and the new lease of the leasehold property at The Swan at Streatley, High Street, Streatley, Reading, RG8 9HR (pursuant to the terms of the Streatley Lease)
“Register”	the register of members of the Company
“Regulatory Information Service” or “RIS”	a regulatory information service authorised by the London Stock Exchange to receive, process and disseminate regulatory information in respect of quoted companies
“Reorganisation Shares”	the new Ordinary Shares in respect of the Capitalisation Agreements and the Rare Bird Share Purchase Agreements
“Services Agreement”	the services agreement between Osmond Capital Ltd and VEHL, pursuant to which Osmond Capital Ltd (beneficially held by Hugh Osmond) has agreed to provide certain services to the Group, further details of which are set out in paragraph 14.13 of Part V of this document
“Shareholder”	a holder of Ordinary Shares
“Share Dealing Policy”	the policy on share dealings adopted by the Company as more particularly described in paragraph 19 of Part I of this document
“Share Exchange Agreement”	the share for share exchange agreement between shareholders of VEHL and the Company, to implement the Share for Share Exchange, further details of which are set out in paragraph 14.5 of Part V of this document
“Share for Share Exchange”	the share for share exchange pursuant to which the shareholders of VEHL became shareholders of Various Eateries in direct proportion to their original shareholdings, and VEHL became a wholly owned subsidiary of Various Eateries, further details of which are set out in paragraph 5.1 of Part V of this document
“Sonning Asset Purchase Agreement”	the business and assets purchase agreement between The Great House at Sonning Limited and Rare Bird Hotels at Sonning Limited pursuant to which Rare Bird Hotels at Sonning Limited purchased the business and associated assets in respect of Rare Bird (Sonning), more particularly described in paragraph 14.6.4 of Part V of this document
“Sonning Share Purchase Agreement”	the share purchase agreement between the Company and The Great House at Sonning Limited pursuant to which the Company purchased the entire issued share capital of Rare Bird Hotels at Sonning Limited, more particularly described in paragraph 14.6.2 of Part V of this document
“Streatley Asset Purchase Agreement”	the business and assets purchase agreement between Rare Bird Hotels Limited, Rare Bird Hotels at Streatley Limited and CCO Cygnet Limited, pursuant to which Rare Bird Hotels at Streatley Limited purchased the business and associated assets in respect of Rare Bird (Streatley), more particularly in paragraph 14.6.3 of Part V of this document
“Streatley Share Purchase Agreement”	the share purchase agreement between the Company, Rare Bird Hotels Limited and CCO Cygnet Limited pursuant to which the Company purchased the entire issued share capital of Rare Bird Hotels at Streatley Limited, more particularly described in paragraph 14.6.1 of Part V of this document

“Takeover Code”	the City Code on Takeovers and Mergers (as published by the Panel)
“Takeover Panel” or “Panel”	the UK Panel on Takeovers and Mergers
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority” or “UKLA”	the United Kingdom Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000
“VEHL”	Various Eateries Holdings Limited (formerly Various Eateries Limited) which is incorporated under the laws of England and Wales, with company number 09269648 and which is the intermediate holding company of the Group
“VEHL Group”	VEHL and its subsidiaries from time to time
“WH Ireland”	WH Ireland Limited (Company number 02002044), nominated adviser and broker to the Company
“£” and “p”	United Kingdom pounds and pence sterling, respectively

All references to times in this document are to London time unless otherwise stated. References to the singular shall include references to the plural, where applicable, and vice versa.

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

VE was incorporated in June 2020 and following a share for share exchange on 27 August 2020, is now the ultimate parent company of the Various Eateries group. The core brands of the Group are Coppa Club and Tavolino. Coppa Club is a multi-use, all-day concept that combines restaurant, terrace, café, lounge, bar and work spaces, whilst Tavolino aims to address a gap in the market for high quality Italian food at mid-market prices. The Group currently operates across ten locations.

On 15 September 2020, Various Eateries entered into the Rare Bird Share Purchase Agreements to acquire Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited. Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited in turn own Rare Bird (Sonning) and Rare Bird (Streatley), respectively, being the hotels and events businesses which complement the Coppa Clubs at these flagship, out of town locations.

The Directors of the Company combine extensive and significant experience in developing some of the UK's most successful hospitality groups. The Board includes Hugh Osmond (formerly of PizzaExpress, MyKinda Town, Punch Group), Andy Bassadone (formerly of Côte Restaurants, Bill's, The Ivy Collection, My Kinda Town), Yishay Malkov (formerly of The Ivy Collection, Gordon Ramsay Holdings, Roka Zuma) and Oli Williams (formerly of Itsu, McDonald's). Between them, the team have opened more than 400 new sites and made significant returns for investors since the mid-1990s. The intention of this team is to roll out both Coppa Club and Tavolino across the United Kingdom and the Directors believe that the current market conditions combined with the management team's expertise represent the perfect opportunity to deliver on this objective.

Both Coppa and Tavolino are immediately ready to scale up given the economic challenges facing the sector, particularly as a consequence of Covid which has led to a significant reduction in competition. The Directors believe that this timing, combined with their experience, represents an unprecedented opportunity to build a major hospitality group, post Covid. Accordingly, using the monies raised in the Placing, the Directors 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.

2. BACKGROUND

VE's stated mission is "great people delivering unique experiences through continuous innovation". It was founded by Hugh Osmond in 2014 and he remains a major shareholder and non-executive director of the Company. Research at the time indicated that consumers were seeking a more unique and immersive experience from a restaurant as well as looking for restaurants that they could use more frequently, as places to socialise. This led Hugh and his team, who had just purchased the Strada business and were looking to reinvigorate the sites, to create the Coppa Club concept. The vision for Coppa Club was to provide a clubhouse that consumers could identify as their own, without annual membership fees, but which provided all the associated facilities. Coppa Club was to be a multi-use, all day concept, combining restaurant, café, lounge, bar and work spaces under one roof (as well as bedrooms, events spaces, gym and spa facilities in certain flagship locations).

The first Coppa Club to open was the, now flagship, Coppa Club in the Berkshire countryside village of Sonning-on-Thames, as part of The Great House, at Sonning hotel. Between 2015 and 2019, Coppa Club was launched in five other locations including at Tower Bridge and at The Swan at Streatley hotel, which is the Group's second flagship location. The Group now has six Coppa Clubs, with a seventh due to open in Cobham at the end of 2020; the only freehold location owned by the Group.

Andy Bassadone invested in the Group in 2019 with a vision to re-define the Italian dining sector. Andy had previously accomplished a similar objective with the French dining sector through his roll out of Côte Restaurants and he has sought to replicate this success with Italian food. Andy's vision was for a high quality, food-focused Italian brand, at mid-market prices, utilising the profitable Strada sites within the Group as concept locations. Tavolino was the product of that vision and opened at

Tower Bridge in July 2020. Most of the Strada sites have been disposed of, streamlining the Group to focus on its core brands. Subject to matters, including market conditions, VE plans to convert the two remaining and profitable Strada sites at St. Katharine Docks and Southbank into Tavolino restaurants as part of the roll out.

The rest of the Board and management team were assembled between 2015 and 2020. Further details of this team are set out at paragraph 17 of this Part I.

3. INDUSTRY BACKGROUND AND COMPETITOR LANDSCAPE

The restaurant sector in the UK has faced structural difficulties for a significant period of time due to narrowing margins, increasing fixed costs and an oversupply of restaurants offering similar, and often out-dated, experiences. The negative economic impact following the Brexit vote resulted in a further downturn of consumer confidence and led to falling footfall across the country's high streets. These conditions led to falling revenues across the sector and also coincided with increasing levels of debt attaching to a number of restaurant brands, particularly those that had been acquired by private equity groups, which put a number of high-profile groups under substantial financial pressure. These conditions led to what the Directors describe as the "restaurant sector crunch" with a significant number of restaurants closing throughout 2018 and 2019.

The challenging conditions for restaurant groups were compounded when, following the introduction of a country-wide lockdown due to Covid, all restaurants were forced to close at the end of March 2020, other than for the sale of takeaway food and drink. Whilst these restrictions began to be eased on 4 July 2020, and the exact impact has yet to be quantified, a significant number of restaurant groups have now announced that they are closing sites and reducing their footprint throughout the UK. At least 16 high profile restaurant groups commenced insolvency processes, appointed administrators or are undertaking a Company Voluntary Agreement (CVA) linked to the economic fallout of Covid, including Carluccio's, Café Rouge, Zizzi, Ask, Byron and Yo! Sushi. In addition, the Directors take the view that a significant number of restaurant groups are struggling with weakened balance sheets as a consequence of the pandemic, particularly given that they may have delayed creditor payments over the period of closure and taken on significant additional debt in the form of Coronavirus Business Interruption Loans. The Directors therefore expect that there will be further significant closures in the coming months and early estimates suggest that as many as 4,000 restaurant sites could close as a consequence of Covid.

With so many restaurants closing, a meaningful number of restaurant leases in high profile locations are becoming available and the Directors are reporting that, given the challenging environment, landlords are keen to offer attractive rents to encourage occupancy. The level of the closures has also meant that competition is reduced, particularly for Tavolino, as a number of the high profile Italian chains (such as Bella Italia, Carluccio's, Prezzo, Ask, Zizzi and PizzaExpress) are amongst the companies appointing administrators and closing sites in recent months. The volume of closures has also led to an increased availability of high quality staff seeking new employment.

Furthermore, the number of restaurants and restaurant groups under pressure also represents an opportunity for VE, with available cash, tradeable equity and a wealth of experience to make selective and targeted acquisitions of either high quality individual sites or, if the right opportunity was presented, restaurant brands.

Whilst management did not necessarily intend to float the business until the Group was larger, these conditions represent what management believes is an unprecedented opportunity for a well-funded operator, with strong and fresh brands, and an experienced management team, to create a major leisure group post Lockdown.

4. SUBSIDIARIES

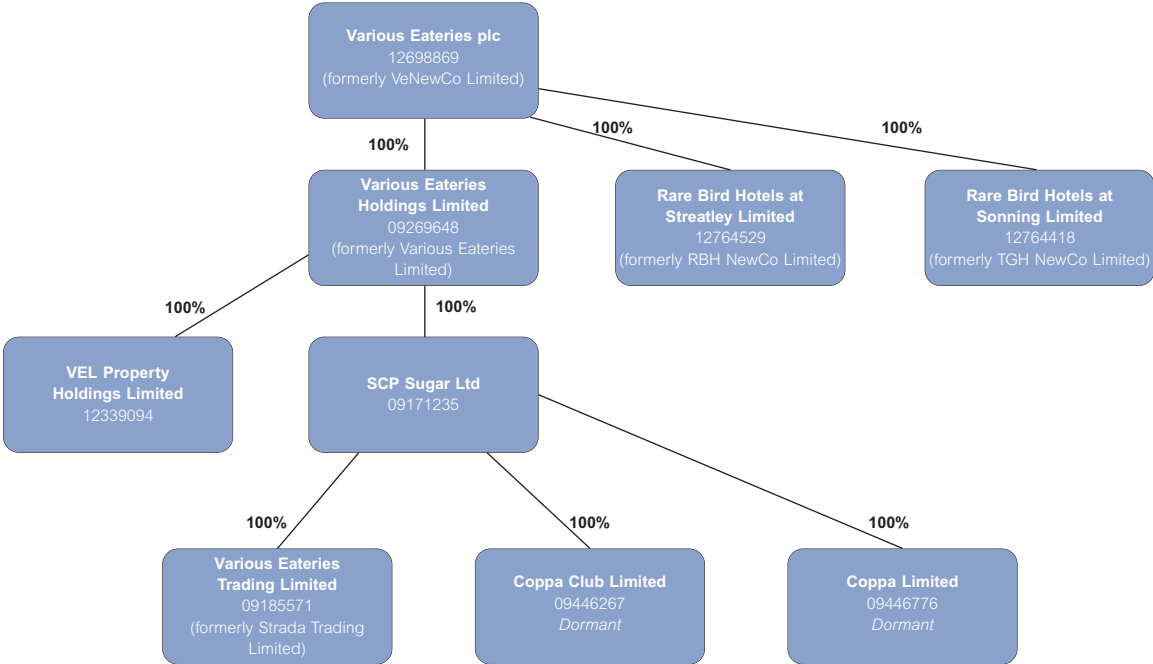


Figure 1: Structure Diagram.

Following the Share for Share Exchange, Various Eateries became the holding company of the Various Eateries group of companies, the details of which are set out in the structure diagram above (see Figure 1). Pursuant to the Rare Bird Share Purchase Agreements, the Company acquired the entire issued share capital of Rare Bird Hotels at Streatley Limited and Rare Bird Hotels at Sonning Limited on 15 September 2020. In addition, as part of the Pre-Admission Reorganisation, the Group has assumed certain cross guarantees in favour of Coutts & Co and Santander UK PLC, further details of which are set out in paragraph 14 below.

The companies are:

- Various Eateries Holdings Limited: A company incorporated under the laws of England and Wales, which is the intermediate holding company of the Group.
- Various Eateries Trading Limited: A company incorporated under the laws of England and Wales, which was previously known as Strada Trading Limited and which holds six of the Company’s leases (in More London, Southbank, St. Katharine Docks, Marylebone, Tower Bridge and Henley). It also operates the restaurants which are located at these sites.
- Rare Bird Hotels at Streatley Limited: A company newly incorporated under the laws of England and Wales in 2020, which holds Rare Bird (Streatley).
- Rare Bird Hotels at Sonning Limited: A company newly incorporated under the laws of England and Wales in 2020, which holds Rare Bird (Sonning).
- SCP Sugar Ltd: A company incorporated under the laws of England and Wales, which is an intermediate holding company of the Group and the immediate parent company of Various Eateries Trading Ltd, Coppa Club Limited and Coppa Limited.
- VEL Property Holdings Limited: A company incorporated under the laws of England and Wales, which holds the freehold of the property at 13 – 15 Between Streets, Cobham, Surrey, KT11 1AA.
- Coppa Limited: A company incorporated under the laws of England and Wales, which is currently dormant.
- Coppa Club Limited: A company incorporated under the laws of England and Wales, which is currently dormant, but holds two of the Group’s site leases and the head office lease.

5. COPPA CLUB

As set out above, Coppa Club was designed specifically to address changes in consumer behaviour which the Directors believe have been accelerated by Covid. It was designed to provide a 'clubhouse' that consumers could identify as their own club, without annual membership fees, but which provided all the associated facilities. Coppa Club is a multi-use all day concept, combining restaurant, café, lounge, bar and work spaces under one roof (as well as bedrooms, event spaces, gym and spa facilities in certain flagship locations).

Whilst the majority of Coppa Club's existing estate is located outside of London, its flexible format allows it to be applied to central London, town-centre locations and existing hotel sites with ease. The offering incorporates three formats designed to capitalise on each specific site location:

The Formats

- **Full-Service Clubhouse:** this format typically includes a restaurant, bar, café, lounge, workspace, gym, outdoor terrace with alfresco dining, hotel bedrooms, private dining, igloos, events and meeting space. More commonly suited to affluent residential areas outside of London, the Company's flagship Coppa Club locations in Berkshire at Streatley and Sonning adopt this format.
- **Club & Brasserie:** this format typically includes a restaurant with all day dining, bar, café, lounge, outdoor terrace with alfresco dining and igloos. It is more commonly suited to larger city centre locations. The Company's Tower Bridge Coppa Club is a Coppa Club & Brasserie. Coppa Club, Cobham, which is due to open at the end of 2020, will also adopt this format.
- **High Street Hubs:** this format typically includes a restaurant, bar, café and workspace with outdoor seating. It is suited to cities and high streets in affluent neighbourhoods or town centres that lack community hub spaces. Coppa Club Henley, Maidenhead and Brighton are High Street hubs.

Menu and Pricing

Coppa Club's all day menu is designed to address consumers' needs at any time of the day or week, encouraging them to return regularly. The same all-day menu is available in every site with the addition of localised produce for sites operating outside of London. Coppa Club does not offer discounts or voucher schemes. The pricing strategy is focussed on providing high quality at reasonable prices.

The menu is designed to suit all occasions, from coffee, breakfast and weekend brunches, to lunches, dinner celebrations and late-night drinks. Private dining is also available for functions, events, corporate workshops, meetings and weddings, all underpinned with the same philosophy on procurement and quality ingredients.

At the Full-Service Clubhouse locations in Sonning and Streatley, the Company can cater for a range of events from small meetings and private dining to parties and large wedding receptions and, to date, c.100 weddings have been confirmed for 2021 across both venues.

Coppa Club: Locations

Further details of the Group's current Coppa Club properties are set out below:

COPPA CLUB: SONNING-ON-THAMES

Opened: July, 2015

Average weekly revenue (12 months pre-Lockdown): £60.9k (excludes hotel and events revenue) (unaudited)

Average full weekly revenue (since re-opening post-Lockdown): £86.6k (excludes hotel and events revenue) (unaudited)

Venue offer: Full-Service Clubhouse

- c. 265 seat restaurant (all-day dining) (pre-Covid)
- Full-service bar
- Lounge areas
- Events and meeting space
- 4 private dining igloos
- Work space and fibre connectivity
- c.150 seat outdoor terrace and garden (pre-Covid)
- 49 bedroom hotel (see Acquisitions below)



COPPA CLUB: TOWER BRIDGE, LONDON

Opened: May, 2016

Average weekly revenue (12 months pre-Lockdown): £123.9k (unaudited)

Average full weekly revenue (since re-opening post-Lockdown): £92.6k (unaudited)

(The London restaurant market has performed below the rest of the UK but Coppa Club Tower Bridge is tracking ahead of many of its competitors according to the Coffey-Peach Business Tracker)

Venue offer: Club & Brasserie

- c. 250 seat restaurant (all-day dining) (pre-Covid)
- Lounge area
- 8 private dining igloos with panoramic view of Tower Bridge and The Shard
- Full-service bar
- c. 125 seat outdoor terrace (pre-Covid)
- Workspace and fibre connectivity



COPPA CLUB: HENLEY

Opened: April, 2018

Average weekly revenue (12 months pre-Lockdown): £29.2K (unaudited)

Average full weekly revenue (since re-opening post-Lockdown): £30.2k (unaudited)

Venue offer: High Street Hub

- c. 95 seat restaurant (all day dining) (pre-Covid) - Full Service Bar
- Lounge area and work space



COPPA CLUB: MAIDENHEAD

Opened: October, 2018

Average weekly revenue (12 months pre-Lockdown): £29.3k (unaudited)

Average full weekly revenue (since re-opening post-Lockdown): £30.2k (unaudited)

Venue Format: High Street Hub

- c. 112 seat restaurant (all day dining) (pre-Covid) - Full Service Bar
- Lounge area - c. 40 seat outdoor terrace (pre-Covid)



COPPA CLUB: STREATLEY

Opened: July, 2019

Average weekly revenue (since opening pre-Lockdown): £53.0k (excludes hotel and events revenue) (unaudited)

Average full weekly revenue (since re-opening post-Lockdown): £82.2k (excludes hotel and events revenue) (unaudited)

Venue Format: Full-Service Clubhouse

- c.240 seat restaurant (all day dining) (pre-Covid)
- Lounge areas
- Events and meeting space
- Gym and yoga studio
- Landscaped gardens overlooking the river for large scale events and additional seating
- Full-Service Bar
- 60 seat outdoor terrace (pre-Covid)
- 47 bedroom hotel (see Acquisitions below)



COPPA CLUB: BRIGHTON

Opened: October, 2019

Average weekly revenue (since opening pre-Lockdown): £32.6k (unaudited)

Average full weekly revenue (since re-opening post-Lockdown): £47.0k (unaudited)

Venue Format: High Street Hub

- c.205 seat restaurant (all day dining) (pre-Covid)
- Lounge and workspace
- Full service bar
- Outdoor terrace including 4 private dining igloos



COPPA CLUB: COBHAM

Opened: To be opened by end of 2020

Venue Format: Club & Brasserie

- c. 200 internal seat restaurant (pre-Covid)
- Lounge and workspace
- c.128 external seats, with a large roof terrace, additional seating (pre-Covid) and five private dining igloos
- Private dining room
- Full service bar

Acquisitions: Coppa Club Hotels

VE has operated the Coppa Clubs (and associated events) at each of the Sonning and Streatley locations since they were introduced in 2015 and 2019 respectively. The hotel offering in each of these locations is an integral part of the Coppa Club Full-Service Clubhouse format and enables delivery of the vision for the principal locations. As stated previously, the intention for the flagship locations was to create a clubhouse that consumers could identify as their own club, without annual membership fees but which provided all the associated facilities, including bedrooms, event spaces, gym and spa facilities as well as restaurant, bar lounge and work spaces.

On 15 September 2020 VE acquired the business and assets of each of The Great House and of The Swan (by way of the acquisition of both Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited) and therefore, VE's group also operates and manages these hotels directly. The specific details of the two sites are set out below.

The Directors believe that there are a number of opportunities which have not yet been exploited from combining the offerings at these locations including using the outdoor space to complement the overflow of the Coppa Club restaurants and creating a more specific destination location to fulfil the ultimate vision for the Coppa Club brand.

Further details of the Rare Bird Share Acquisitions are set out in paragraph 14 below and paragraphs 14.6 of Part V of this document.

Coppa Club Hotel: The Great House at Sonning

Opened: July, 2015

Average full weekly revenue (12 months pre-Lockdown): £42k (unaudited)

Average full weekly revenue (August 2020): £45k (unaudited)

Average room rate (12 months, pre-Lockdown): £92.16 (unaudited)

Average occupancy rate: 75%

Hotel Facilities:

- 49 bedrooms
- Event & meeting capacity for up to 200 people
- River activities and moorings
- Licenced for weddings and civil ceremonies
- Large gardens/outdoor spaces
- 6 private dining rooms
- 1 private dining Igloo
- 100+ space carpark
- c.200 seat Coppa Club restaurant (pre-Covid)

Coppa Club Hotel: The Swan at Streatley

Opened: July, 2019

Average full weekly revenue (since opening pre-Lockdown): £49k (unaudited)

Average full weekly revenue (August 2020): £67k (unaudited)

Average room rate (12 months, pre-Lockdown): £109.46 (pre-Covid) (unaudited)

Average occupancy rate: 71%

Hotel Facilities:

- 47 bedrooms
- 6 private dining rooms
- Private island
- Gym and yoga studio
- River activities and visitors' pontoon
- 20 private moorings (long-let)

- Hotel bar and café
- Events & meeting capacity for up to 200 people
- 17 acres of riverside land and landscaped gardens
- 150 plus space carpark with additional overflow

Coppa Club Competitors

The Directors believe that there is no concept which is exactly the same as Coppa Club. However, VE monitors a selection of brands and businesses at both the national and local level, including Soho House, although this operates on a membership only basis, to ensure Coppa Club's proposition continues to deliver a distinct, competitive advantage.

National competition: Loungers & Cosy Club

Two potential competitors are Loungers and Cosy Club. Loungers is described as a neighbourhood café/bar combining elements of a restaurant, British pub and coffee shop culture. The Directors understand that sites are principally located in secondary suburban high streets and small town centres, offering an all day proposition to guests. Cosy Clubs are a more formal bar and restaurant offering but they share many similarities with Loungers in terms of their broad, all day offering. The Directors understand that Cosy Clubs are typically located in city centres and large market towns and their interiors tend to be larger and more theatrical than Loungers.

Whilst Loungers and Cosy Club have a higher volume of sites nationally, the Directors believe that it is Coppa Club's wider proposition (including workspace, events and meeting spaces and understanding of hotel operations) coupled with a higher quality menu and value-for-money price point, that will enable it to maintain a competitive advantage over these major chains. In addition, the Directors also believe that Coppa Club targets a wider demographic, and typically more affluent customers, seeking premium products.

Local Competition: out of London locations

In the Directors' opinion, the competitors to Coppa Club outside of London are either good quality independent restaurants or independent gastro pubs, although in the Directors' experience these are few and far between in the areas in which Coppa Club currently operates.

In addition, with guests' needs changing and challenges to the sector having been exacerbated by Lockdown, the Directors believe that the advantage of the Coppa Club brand rests in its ability to provide guests with a flexible, multi-use venue. This flexible format allows customers to use sites for multiple occasions from eating and drinking, to socialising, working, meeting or relaxing. By providing more facilities and services than the single-discipline brands, combined with a value-for-money price point, the Directors believe that Coppa Club is able to maintain its competitive advantage locally and nationally.

Coppa Club's Growth Strategy

The Directors' growth strategy for the Coppa Club brand comprises the following:

- The Directors believe that there is potential demand to roll out over fifty Coppa Clubs by way of organic growth across the UK; it is the Company's intention, subject to matters including market conditions, that three new sites will be opened by the end of 2021 and a further four sites in 2022. The increased availability of sites in light of the extensive closures following Covid coupled with a favourable rental market gives the Directors confidence that suitable sites will be available at reduced costs, and that limited capex would be required to make these sites fit for purpose. The average capital expenditure for each site is expected to be £1.2m.
- The Directors also believe that there are a number of potential acquisition opportunities in the form of large country pubs which can be converted with relatively low capex to offer the full Coppa Club Clubhouse experience.

In addition, the integration of the Rare Bird Share Acquisitions into the Group is an important part of the Group's overall strategy to demonstrate to other hotel groups that the Directors' experience of running restaurants within hotels is extremely valuable. The Directors intend, as part of the Group's growth strategy, to demonstrate that this is a model that can be replicated with other hotel groups. The Directors believe that small groups of independent hotels with reasonable room business but no distinct food and beverage offering will need to distinguish themselves in this changing market and

that there is opportunity for an operator with a proven track record and a quality brand to elevate their offer. The Group will assess opportunities as they arise.

6. TAVOLINO

Background

Tavolino, meaning “small table” in Italian, is a concept led by Andy Bassadone from inception. Andy had a vision to re-define the Italian dining-sector and has previously accomplished a similar objective with the French dining-sector through his roll out of Côte Brasserie. He now seeks to duplicate this success with Italian food. Andy’s vision is for a high quality, food-focussed Italian brand, at mid-market prices, utilising the Strada sites within the Group as initial concept locations.

Tavolino is designed to be a neighbourhood Italian bar and restaurant with simple, high quality Italian dishes, using only the best ingredients from Italy and the UK. The Directors believe that there is a nationwide opportunity across all major towns and cities including central London and London suburbs, for a roll-out of the Tavolino concept. Whilst its primary format will be main restaurants in larger towns and cities, there is also an intention to create smaller pasta/pizza only sites, as set out below:

The Formats

- **Principal sites:** the main restaurant sites will provide an extensive Italian brasserie menu, positioned at the more premium end of the mid-market restaurant sector. The first restaurant to open was Tower Bridge, London.
- **Pasta only/Pizza only:** this format will address the gap in the market for good quality pasta or pizza only offerings. These are expected to be simple and smaller formats and the Directors expect that this format will be targeted at a relatively younger demographic.

The Menu

Tavolino differentiates itself by producing high quality Italian food with premium ingredients. The chefs are focused on creating and cooking authentic Italian products, made in traditional ways. Ingredients are sourced from selected artisanal Italian and UK suppliers and breads, pastas and gnocci are made on site every day. An important part of the strategy is to ensure that the pricing of the Tavolino food is accessible, but does not compromise the quality. This allows for the customer to trade up or down based on their needs. As an example, two of the best-selling dishes are a main course pasta dish for £9 (Bucatini Cacio e Pepe) and the top priced pasta dish at £18 (Sicilian red prawn Bucatini). Critical to the success of the brand is that the Chef Director’s team (who are extremely technically proficient) have developed bespoke, quality products that are scalable and can be efficiently, consistently and profitably rolled out across all new sites.

Tavolino Tower Bridge

Opened on 31 July 2020

Facilities:

- c. 220 seat restaurant (pre-Covid)
- c.50 seat outdoor dining (pre-Covid)
- Panoramic views of Tower Bridge, the Tower of London, the City and Canary Wharf
- Full service bar



Tavolino Competitors

Italian food is consistently cited as the most popular cuisine in the UK but Covid has put pressure on groups that were already struggling. A number of the big Italian restaurant brands have appointed administrators or entered a CVA process in recent months including Bella Italia, Carluccio’s, Prezzo, Zizzi, Ask and PizzaExpress; and other Italian brands have reduced their footprint, preceded by the failure of Jamie’s Italian. The Directors believe that these companies have struggled because they have not differentiated their product offering but have instead relied on discounting which, in some cases, has also meant that they have compromised on quality and undermined the offering.

The restaurants that have succeeded in providing authentic Italian food have done so by utilising traditional skills and premium products similar to that employed by the Tavolino team, but these are often found in small, independent Italian restaurants that don’t have the capacity, the skill set or the resources to expand across a number of sites. In the London market, Tavolino competes in price and market position with independent premium Italian brands such as Bancone and Gloria, Padella and Lina Stores. Each of these has distinct brand identities and reputations for good food. However the Directors believe that Tavolino’s competitive edge derives from its affordable quality position, the wide-ranging menu and the ability to scale up at a pace. The Directors believe that these competitor brands do not currently have the capacity, skill set or resources to scale up, nor do they have the capability and experience to expand outside London. In addition, the Directors observe that, as part of the fall-out from Covid, many of the potential competitors of Tavolino are simply in survival mode and that this represents an opportunity to establish market share.

Finally, in the short-term, at a time when businesses are keen to position themselves as safe post-Lockdown, Tavolino’s site currently benefits from a large footprint, and sufficient outdoor seating to enable easy social-distancing compared with local London competitors in smaller sites.

Growth Strategy

The Directors believe that there is potential for over 100 Tavolino sites in the United Kingdom as restaurants or pasta/pizza only concepts. During 2021, VE plans, subject to matters including market conditions, to convert the two remaining Strada sites held within the Group at St. Katharine Docks and Southbank into Tavolino sites and expects to record significant uplift in the revenue historically being generated by these sites as a consequence. It also intends to open a further fourth site in the same period. During 2022, it is the Company’s intention, subject to matters including market conditions, to open a further three new sites (taking the total number of Tavolino restaurants to 7). The average capital expenditure for each restaurant is expected to be £1m.

At the same time, the Directors believe that there is the potential for a successful roll out of the smaller format Tavolino sites. The Company’s current growth plan for this part of the Tavolino strategy is, subject to matters including market conditions, to open two smaller format sites during 2021 and three sites during 2022. The average capital expenditure for each restaurant is expected to be £0.75m.

7. ADDITIONAL PRODUCT OFFERINGS

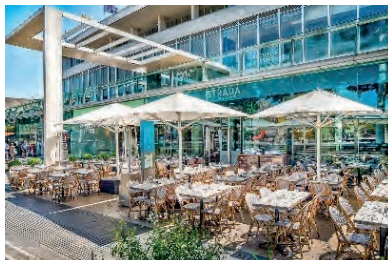
Strada

Strada is an established business and a well-known brand. The Group owns and controls the last two remaining sites which are located in central London locations. The sites have a combined average weekly revenue of about £90.5k (12 months pre-Lockdown). VE intends to convert the remaining sites to the Tavolino concept and the Directors believe that the conversion will create further significant revenue uplift.

Locations

Strada Royal Festival Hall

A 125 internal and 70 external seat venue (pre-Covid) in a high footfall location on Southbank.



Strada St. Katharine Docks

A 110 internal and 60 external seat restaurant (pre-Covid) located in a busy corporate location.



In addition to the two sites above, a third operating site at Woburn Safari Park is operated by a third party under licence. This licence will be terminated at the end of January 2021. This will not impact the VE strategy.

31 Below

Similar to a small-format Coppa Club, 31 Below is a neighbourhood café/bar located on Marylebone High Street. It is a 75 seat venue with an all-day menu, full service bar and downstairs lounge area and workspace. With an average weekly revenue (over the last 12 months pre-Lockdown) of £21k, 31 Below is a non-priority brand in terms of growth. However, with a guest base that is well-aligned to that of Coppa Club, the site provides the VE team with the ability to test new menu developments and innovations prior to launching them across the wider Coppa Club estate.



8. MARKET OPPORTUNITIES

In summary, the Directors plan to use the net proceeds of the Placing to take advantage of the following opportunities:

- **Site Availability**

As set out above, a significant number of restaurant operators have either entered into administration, entered a CVA process or are closing sites in response to the Lockdown. The Directors understand that due to this pressure on restaurant groups, and the desire to ensure occupancy on the part of the landlords, there has been an aggressive renegotiation of the terms of many existing leases with some groups negotiating up to 25% rent reductions. The Directors believe that as the economic fallout continues, the element of the rent linked to turnover (and therefore linked to performance of the tenant rather than a fixed amount) will increase and base rents will reduce accordingly. As a result, the Directors also believe that there will be a power shift in favour of tenants and operators in the longer term, with potential one-way tenant breaks, upward and downward rent reviews and turnover-linked leases.

- **Acquisition Opportunities**

The Directors have observed that groups of high-quality concepts, ranging from two to five London based sites, are struggling to stay afloat and are seeking funding, resources and expertise. A number of these have approached the team to discuss potential collaborations. These businesses have been identified as potential acquisition targets which could be incorporated into the Group utilising the experience of the wider management team and central function.

- **Reduced Competition**

As set out above, a significant number of branded chains have entered into an administration process and/or are significantly reducing their estate. The Directors believe that reduced

competition post-Lockdown, especially of Italian mid-market chains, provides a major opportunity, particularly for the growth of Tavolino.

- **Availability of Talent**

Following the increased number of closures across the sector, the Directors believe that a much higher number of well-qualified people are available for positions post-Lockdown. The increased availability of talented General Managers and Head Chefs, in particular, should assist the expansion of both of the Group's brands.

- **Changes in Consumer Behaviour**

Coppa Club in particular was designed specifically to take advantage of changes in consumer behaviour which have now been accelerated by Covid. It has been estimated that 50% of the UK workforce favour working remotely for 1-2 days per week post-Lockdown. In addition, it has also been reported that safety is paramount for diners who are looking for social distancing, outdoor areas and sanitation in the restaurants they choose. The Directors believe that the Group is well placed to provide guests with a safe environment, given its sites with large outside seating which makes the implementation of social distancing possible, without eroding the customer experience.

9. KEY STRENGTHS

The Directors believe that the following points represent VE's core strengths:

- **Entrepreneurial leadership with expert experience**

The Directors believe that the combination of Andy Bassadone and Hugh Osmond working together is a compelling proposition.

Andy Bassadone has 25 years' experience in the UK restaurant sector. He founded the Italian themed restaurant chain, Strada, in 1999, working with partner Chris Benians to grow the company to 26 restaurants over a 5-year period before selling the company for £56m in 2005. After sale, Andy remained at Strada as CEO, and grew the restaurant group to 55 sites, ultimately overseeing its disposal a second time for £140m in 2007. As set out above, Andy went on to launch two other successful restaurant concepts including market leading French Bistro chain Côte in 2007. This was sold by Andy Bassadone and his team for £100m in 2013 and in 2015 it was sold again for £240m. He later headed up the expansion of Bill's Restaurants growing it to c.65 sites and The Ivy Collection in later years.

Hugh Osmond is one of the industry's most well-known and successful entrepreneurs. He led the acquisition and transformation of PizzaExpress from annual losses in 1993, to £38m of EBITDA by 2001, growing the group to 367 restaurants, serving 16 million diners per annum. Hugh also led the acquisition and sale of My Kinda Town, the international restaurant group, with Andy Bassadone. In 1997, Hugh co-founded Punch Taverns and became the Executive Chairman of Punch Group. He led the process of consolidation in the pub industry to create a group with over 8,000 outlets, and an enterprise value of £3.5 billion in 2005.

- **An exceptional management team**

VE's senior management team has significant sector experience and brings exceptional expertise to the Group. The team includes:

- Yishay Malkov, CEO, who was Executive Operations Director of the Ivy Collection and helped develop the concept, opening c.30 sites in four years. He was also restaurant director at Gordon Ramsay Holdings and General Manager of Park Chinois;
- Oli Williams, CFO, who was previously Group Financial Controller of Itsu and McDonald's Senior Franchise Accountant; and
- Matt Fanthorpe, Chef Director (non-board position) who was Chef director at Jamie's Italian opening 34 restaurants in 6 years, and who worked under three star Michelin Chef, Guy Savoy.

- **Established platform businesses**

As set out above, the Group operates two contemporary brands across ten locations - Coppa Club, an all-day clubhouse offer in prime locations throughout London and the South-East and Tavolino, a new Italian brand with nationwide potential, offering high quality Italian food at mid-market prices. The Directors believe that the two brands are well positioned for the new market conditions post-Lockdown.

The Group also operates two Strada sites which subject to matters, including market conditions, it aims to re-fit as Tavolino sites.

- **A significant reduction in competition**

As set out above, a significant number of operators are closing all sites or are not re-opening sites post Lockdown. This provides a huge opportunity for the growth of Tavolino and the roll out of the Coppa Club concept if the right locations can be identified.

- **Well invested central infrastructure to support growth**

The Group has established a head office structure capable of supporting its 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 whilst also executing builds, new openings and acquisitions.

The Group also has the benefit of a highly experienced fit out team who have worked with Andy Bassadone for over 25 years, and have carried out over 200 individual restaurant fit outs for him during that association.

10. REASONS FOR ADMISSION AND USE OF PROCEEDS

The Directors believe that Admission is an important step in the Group's development which is expected to:

- assist the Group by allowing it to advance its plans to roll out the Coppa Club and Tavolino brands;
- allow greater access to capital to fund future activities, including acquisitions;
- allow the Company to provide publicly quoted shares as a currency to vendors for the acquisition of suitable businesses;
- facilitate the recruitment, and retention of, suitably qualified staff through the issue of options over publicly traded shares;
- raise the profile and reputation of the Group within the industry; and
- provide general working capital.

The net proceeds available to the Company from the Placing are intended to fund the roll out of Coppa Club and of Tavolino; for acquisitions (if appropriate) and for general working capital.

11. FINANCIAL INFORMATION

Various Eateries plc is a newly incorporated company and does not trade. Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited, which are the subject of the Rare Bird Share Acquisitions, are newly incorporated companies and accordingly no historical financial information is provided for these companies.

Various Eateries Holdings Limited is the holding company for all of the current trading entities of the Group. Historical financial information for the VEHL Group for the 52 week periods ended 1 October 2017, 30 September 2018 and 29 September 2019, is set out in Part III of this document and interim financial information for the 26 week period ending 29 March 2020 is set out in Part IV.

12. ANNUALISED EBITDA BRIDGE

The Directors do not believe that the historical financial information in Parts III and IV of this document is representative of the Group's ongoing businesses, particularly given the ongoing reorganisation of the Group over the past five years, including the closures and disposals of a substantial number of Strada sites and the opening of new Coppa Club and Tavolino sites. In addition, the historical financial information does not reflect the Rare Bird Share Acquisitions; the

impact on trading resulting from the re-opening of The Swan at Streatley following its refurbishment in 2019; any contribution from Tavolino or any contribution from the new Coppa Club at Cobham, due to open at the end of 2020, but where capital investment has already been made.

Accordingly, for illustrative purposes only, the Directors have prepared an adjusted, normalised, historic EBITDA on a pro forma basis for the underlying business. As a result of its nature, this pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or results or expectation of its financial position or results.

It is based on the extracted site EBITDA for the eight sites* that were fully trading in the financial year ended 29 September 2019 of £3.7m, adjusted as set out in the assumptions section below (“Assumptions”). The numbers contained in this EBITDA bridge are unaudited.

By applying the Assumptions to the extracted 2019 site EBITDA, the adjusted, normalised, historic EBITDA for the Group would be £5.3m (the “EBITDA Bridge”). It should be noted that the Assumptions and the pro forma financial information do not take into account the negative impact of Covid experienced during 2020, the revenue and costs of future openings or the costs associated with the Admission or being a public company. It also does not take into account IFRS 16. In the event that the adjusted, normalised, historic EBITDA for the Group were to take into account IFRS 16, it would increase to approximately £8.4m.

The EBITDA Bridge is not a forecast, and for the avoidance of doubt is not what the Directors expect to achieve in the financial period ended 30 September 2020 or any following financial period. It is provided for guidance purposes only and, as set out above, is intended to illustrate the adjusted, normalised, historic EBITDA and on the basis of the Assumptions specified.

Assumptions

The EBITDA Bridge can be summarised in the graphic at Figure 2, below:

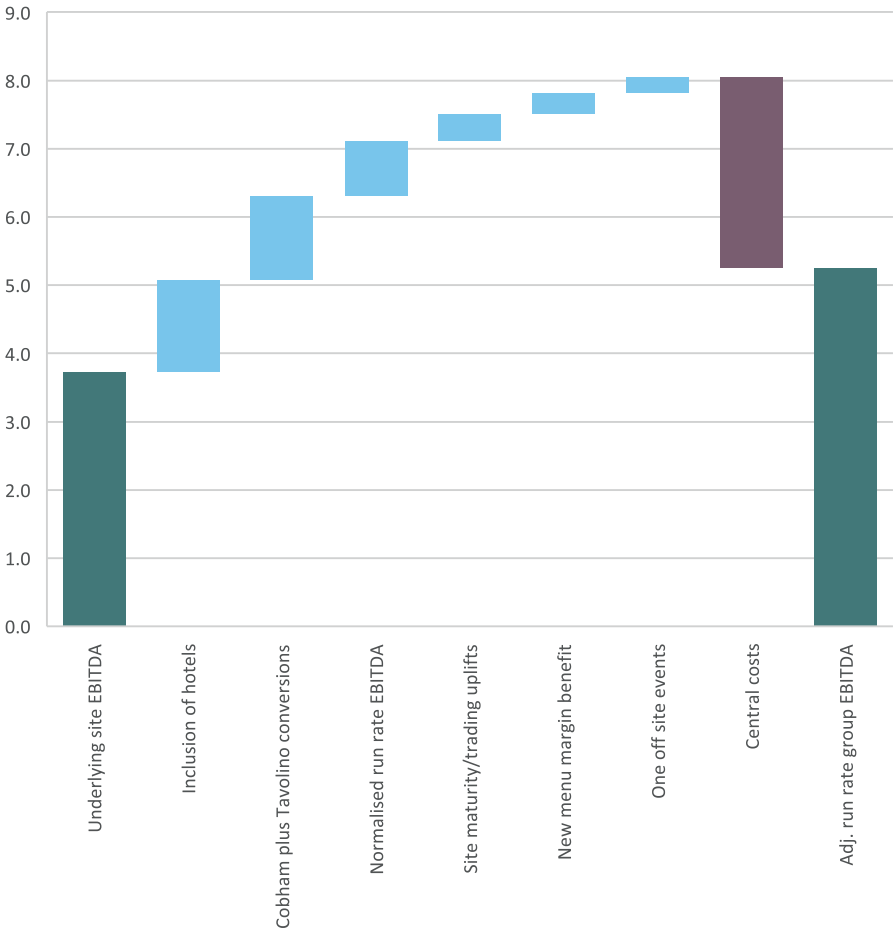


Figure 2: EBITDA Bridge

* being Royal Festival Hall, St. Katharine Docks, Tavolino Tower Bridge (as Strada), Tower Bridge, Henley, Maidenhead, Marylebone (31 Below) and Sonning.

Further details of the Directors' key assumptions underpinning the EBITDA Bridge are as follows:

- **Inclusion of hotels**

This reflects the inclusion of EBITDA expected to be generated by the hotels at Sonning and Streatley on the assumption that the Rare Bird Share Acquisitions took place on or prior to 28 September 2018 which would have increased EBITDA by £1.3m due to revenue from room bookings, events (including weddings), other ancillary revenue such as moorings and the gym, and cost synergies from the Acquisitions.

- **Cobham & Tavolino**

The Group has spent approximately £1m on the conversion of the Strada site at Tower Bridge, into a Tavolino site. This opened at the end of July 2020. In addition, the two remaining Strada sites at the Royal Festival Hall and St. Katharine Docks are intended to be converted into Tavolino sites. The Directors estimate that the revenue uplift at these sites due to the conversions, had the conversions taken place on or prior to 28 September 2018, would have created an EBITDA uplift of £0.8m. The Company intends to open Coppa Club, Cobham, by the end of the year. On the assumption that this Coppa Club had opened on or prior to 28 September 2018, the Director's expectation is that it would have achieved a normalised, historic EBITDA of £0.475m.

These assumptions would have had a combined overall positive impact on EBITDA of £1.3m.

- **Normalised Trading (at certain sites)**

This reflects 12 months of trading at Streatley and Brighton with an uplift for additional sales level for Maidenhead and normalised Streatley events. This normalisation has been applied on the assumption that, following inefficiencies in the early months at Maidenhead, but on a similar size number of covers and sales as Henley, it's expected that trading would reach a similar level as Henley. Similarly, as a result of the delayed opening of Streatley, the trading results have been normalised on the assumption that it would at least track the Sonning Coppa Club. This normalised trading would have increased EBITDA by £0.8m.

- **Site maturity uplift**

An assumption has been applied that site maturity at Coppa Tower Bridge, Coppa Maidenhead, Coppa Sonning and Coppa Streatley would have increased EBITDA by £0.4m, due to the expected like for like trading growth anticipated at each site, both as a consequence of local area regeneration (in the case of Maidenhead) and in recognition of the prime location, and under-utilised site, at each of Tower Bridge, Sonning and Streatley.

- **Coppa Club menu uplift**

Management has rolled out a new menu at Coppa Club which is expected to drive a marginal uplift in food margins, as the new menu had already driven a 3% uplift of food margins at the site where it had been tested. When an assumption is applied that it had been rolled out across the Group on or prior to 28 September 2018, the Directors estimate that it would have increased EBITDA by £0.3m.

- **One off impacts**

Removing one-off impacts of the temporary closures of 31 Below and St. Katharine Docks due to refurbishments, on each of the annual performances at 31 Below and Strada St. Katharine Docks, would have resulted in an EBITDA uplift of £0.1m.

- **Central Costs**

Actual central costs from the financial year ended 29 September 2019 of £2.9m have then been deducted (after adjustment of £0.1m for one off expenses) to give an adjusted underlying, historic group EBITDA of £5.3m (pre-IFRS 16 and without any negative adjustments for Covid).

13. CURRENT TRADING AND PROSPECTS

The business has seen significant disruption as a consequence of the Lockdown. All of the Group's restaurants were closed between March and July 2020, although limited takeaway services were provided at Streatley. Eight restaurants in the Group have now reopened with the remainder expected

to re-open at the end of the year although social distancing measures are in place. Despite the initial disruption the Directors have been heartened by trading across the Group since re-opening. Coppa Club in particular has delivered like for like sales growth of c.2.1% up to the end of August 2020.

The Directors understand that the hotel operations at Streatley and Sonning were also closed as a consequence of the Lockdown, but reopened on 4 July 2020. Since re-opening it is understood that the hotels occupancy has steadily increased resulting in occupancy levels of c. 79.2% in August 2020, and that, to date, an aggregate of over 100 wedding bookings have been made across both sites for 2021.

Upon Admission, the Directors believe that the Group will be well positioned to fund growth, accelerate the roll out of both Coppa Club and Tavolino brands and identify potential complementary bolt-on acquisitions.

14. ACQUISITIONS

On 11 September 2020, Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited each entered into a Rare Bird Asset Acquisition Agreement and on 11 September 2020, Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited entered into the Rare Bird Leases. Such acquisitions and the entry into the new leases resulted in those companies holding Rare Bird (Sonning) and Rare Bird (Streatley), respectively, being the hotels and events businesses which complement the Coppa Clubs at these principal, countryside locations. On 15 September 2020, the Company entered into the Rare Bird Share Purchase Agreements to acquire Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited.

The consideration paid by the Company for the Rare Bird Share Acquisitions was 9,523,809 Ordinary Shares for Rare Bird Hotels at Streatley Limited and 3,174,603 Ordinary Shares for Rare Bird Hotels at Sonning Limited.

Under the terms of the Streatley Asset Purchase Agreement, it was agreed that a cross-guarantee over the business at Streatley, granted in favour of Coutts & Co be entered into by CCO Cygnet Limited, Rare Bird Hotels Limited and Rare Bird Hotels at Streatley Limited. This was granted in support of the loan that CCO Cygnet Limited entered into with Coutts & Co to acquire the freehold of The Swan and the coronavirus business interruption loan entered into by Rare Bird Hotels Limited with Coutts & Co. The liability under the Cross-Guarantee is the secured debt obligation of £5.6m.

Under the terms of the Sonning Asset Purchase Agreement, it was agreed that a cross-guarantee over the business at Sonning, granted in favour of Santander UK PLC will also be entered into by The Great House at Sonning Limited and Rare Bird Hotels at Sonning Limited. This was granted in support of the loans that the Great House at Sonning Limited entered into with Santander UK PLC to acquire the freehold of and to refurbish The Great House and the coronavirus business interruption loan entered into by The Great House at Sonning Limited with Santander UK PLC. The liability under the Cross-Guarantee is the secured debt obligation of £3.3m.

Further details of the Rare Bird Asset Acquisition Agreements, the Rare Bird Share Acquisition Agreements and the Cross-Guarantees are set out in paragraphs 14.6 and 14.7 of Part V of this document.

15 LOAN CAPITALISATION

As part of the Pre-Admission Reorganisation, the Company entered into the Capitalisation Agreements, the New DDB and the Deed of Release in relation to debt in Various Eateries Trading Limited (a subsidiary of the Company) held by certain shareholders of the Company and by FPI. The Company repaid £23,914,970 of this debt pursuant to the Capitalisation Agreements (and certain associated security was released pursuant to the Deed of Release) with the payment being satisfied by (i) the issue of an aggregate of 23,809,522 Reorganisation Shares by the Company on behalf of Various Eateries Trading Limited and (ii) the entering into of the New DDB.

Further details of the Capitalisation Agreements, the New DDB and the Deed of Release are set out in paragraph 14.12 of Part V of this document.

16. AUTHORISED GUARANTEE AGREEMENTS AND LEASES

During the last four years, and as part of the break-up of the unprofitable parts of the Strada business owned by the Group, the Group disposed of thirty old Strada sites. In fifteen of these

disposals, the Group was required, in the usual way, to enter into an Authorised Guarantee Agreement (“AGA”) in support of the new tenants and to ensure the landlord had a right of recourse in the event the new tenant defaulted. A full schedule of all of the AGAs remaining in place as at the date of this document is set out in paragraphs 14.14.6 to 14.14.14 of Part V of this document.

Whilst a number of the AGAs have been released, nevertheless 9 AGAs remain in place as at the date of this document. If the tenants in each location were to default then the annual average liability of all remaining sites is £760k per annum for an average of 4 years. However, given the nature of the tenants, their financial positions, the stance of the Landlords and the sites themselves, the Directors consider that the risk to the Group as a consequence of this is very low. If any of the remaining sites were returned to the Group the Directors believe that they could be re-let or released for minimal cost.

In addition, the Company has interests in 12 leases (including the new leases at The Great House and at The Swan), further details of which are set out in paragraph 15 of Part V of this document.

The Group has not paid rent due to certain of its landlords under its leases since March 2020, due to the evolving Coronavirus pandemic. A failure to pay rent is a material breach of the Group’s obligations under the individual terms of the leases, which would ordinarily entitle a landlord to terminate the lease after the expiration of any applicable cure periods. However, while these rental payments continue to accrue, Government legislation in the form of the Coronavirus Act 2020 has introduced a moratorium through to 30 September 2020, during which landlords are prevented from issuing statutory demands or forfeiting leases on the grounds of non-payment of rent. In addition, the Group has agreed terms with each of its landlords (with the exception of Royal Festival Hall and Tavolino Tower Bridge) that the formal rental payments for the period of the Lockdown will be waived and an agreement has been reached on any outstanding debt, therefore this will not constitute a breach of the relevant lease. If a formal agreement with any of the landlords is not agreed, the Group would be required to remedy the default by paying all overdue rent, together with any interest accrued under the terms of the lease.

17. DIRECTORS AND EMPLOYEES

At Admission, the Board will comprise three executive directors and four non-executive directors. Of the non-executive directors, Glyn Barker and Gareth Edwards are considered to be independent for the purposes of the QCA Code.

Brief biographical details of the Directors are set out below:

Andrew (Andy) Bassadone, aged 63, Executive Chairman

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 the selling of Strada in 2007 for £140m and co-founding Côte 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 Limited (now Various Eateries Holding Limited) in 2019.

Yishay Malkov, aged 46, Chief Executive Officer

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

Oliver (Oli) Williams, aged 37, Chief Financial Officer

Oliver, who is an ex professional cricketer, was 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 of VEHL in 2018 and is now Chief Financial Officer of the Company.

Hugh Osmond, aged 58, Non-Executive Director

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 £18 million 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 twenty-fold. Over this period, annual losses were turned into profits of £38 million. 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 £3.5 billion in 2005. Hugh co-founded Pearl Group in 2005. Pearl was acquired for £1.1 billion from Henderson Plc and embedded value was subsequently grown to £2.3 billion. 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.

Tiffany Sword, aged 33, Non-Executive Director

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 lead the launch of the first site in Sonning on Thames as Managing Director. More recently Tiffany lead the investment into Capital Physio Limited and the development of its high street physiotherapy brand, BodySet, which is currently being rolled out. Tiffany is also a director of Osmond Capital.

Glyn Barker, aged 67, Non-Executive Director

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.

Gareth Edwards, aged 62, Non-Executive Director

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

Employees

As at the date of this document, the Group has 514 full time employees, plus Yishay Malkov and Oli Williams. An analysis by entity of those employees, including those two Executive Directors, is set out below:

Company	Number of employed Executive Directors	Number of other employees
Various Eateries plc	2	–
Various Eateries Trading Limited	–	458
Rare Bird Hotels at Sonning Limited	–	24
Rare Bird Hotels at Streatley Limited	–	32

18. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and intend that the Group will comply with QCA Code. Full details as to how the Company complies with this Code is set out on the Company's website www.variouseateries.co.uk.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions.

The Group has established the following committees of the Board with formally delegated duties and responsibilities.

Audit and AIM Compliance Committee

The Audit and AIM Compliance Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet no less than twice each year and will have unrestricted access to the Group's auditors. The Audit Committee comprises the four non-executive Directors, with Glyn Barker as Chair of the committee.

Remuneration Committee

The Remuneration Committee reviews the performance of executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The Remuneration Committee will meet at least once each year. The Remuneration Committee comprises the four non-executive Directors, with Gareth Edwards as Chair of the committee. As Chair, Gareth Edwards has the casting vote.

Nomination Committee

The Nomination 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 Nomination Committee will meet at least twice a year. The Nomination Committee comprises Tiffany Sword, Glyn Barker and Gareth Edwards, with Tiffany Sword as Chair of the committee.

19. SHARE DEALING POLICY

The Board has adopted the Share Dealing Policy in order to comply with Rule 21 of the AIM Rules relating to dealings in shares by Directors and Applicable Employees (as defined in the AIM Rules for Companies). It also complies with the requirements of MAR.

The Share Dealing Policy applies to the Directors and other relevant employees of the Group. The Share Dealing Policy provides that there are certain periods during which dealing in Ordinary Shares cannot be made. Such periods include the periods leading up to the publication of the Company's financial results, including interim results, and any periods in which the Directors and other relevant employees may be in possession of unpublished price sensitive information.

In addition, a clearance procedure must be followed before any dealings by persons subject to the Share Dealing Policy can take place (including dealings by their families and other associates).

20. JOINT SHARE OWNERSHIP PLAN, SHARE OPTIONS AND INCENTIVES

The Directors believe that it is important for the success and growth of the Company to employ highly motivated personnel and that equity incentives are available to attract, retain and reward staff.

The Company has established the Joint Share Ownership Plan, being a series of parallel joint share ownership agreements, to incentivise the three executive Directors and one employee. Under these arrangements each participant jointly acquires, with Compound Management (UK) Limited (as trustee of the VEL employee benefit trust) Ordinary Shares on Admission and benefits from the future growth in the value of those Ordinary Shares. On Admission, 5,809,523 Ordinary Shares will be owned under these arrangements. The Ordinary Shares which are subject to the Joint Share

Ownership Plan, together with any awards under any future option or incentive arrangement adopted by the Company will not exceed ten per cent. of the Company's issued share capital from time to time.

Further details of the Joint Share Ownership Plan are set out in paragraph 13 of Part V of this document.

21. FINANCIAL REPORTING

The Group's financial year will run from 1 October to 30 September each year. It is anticipated that the preliminary statement of results for each year will be announced by the end of March and that an interim statement of the results for the first half-year will be announced in June each year. It is intended to hold the Company's Annual General Meeting during July of each year.

22. DIVIDEND POLICY

The Directors do not intend to commence the payment of dividends in the immediate future. They consider that it is likely to be more prudent to retain cash generated to fund the expansion of the Group. They will reconsider the Company's dividend policy from time to time. The declaration and payment by the Company of any dividends depends on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

23. DETAILS OF THE PLACING

The Placing of 34,246,576 new Ordinary Shares will raise £25 million for the Company, before expenses. The net proceeds of approximately £23.2m, together with the Group's existing resources, will be used as set out in paragraph 10 above.

The Placing Shares comprise 34,246,576 new Ordinary Shares being issued by the Company. The Placing Shares will represent approximately 38 per cent. of the Enlarged Issued Share Capital. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £65 million.

The Placing is conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission;
- each of the documents to effect the Pre-Admission Reorganisation being in full force and effect, having become unconditional in all respects (save for any condition in respect of Admission) and not having been terminated in accordance with their terms; and
- Admission becoming effective not later than 8:00 a.m. on 25 September 2020 (or such later time and/or date as WH Ireland and the Company may agree in writing, (being no later than 8:00 a.m. on 30 October 2020).

The Placing Shares will be issued fully paid and will, on issue, rank *pari passu* with all other issued Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of Admission.

The Placing Agreement contains certain warranties given by the Company and the Directors in favour of WH Ireland as to, amongst other things, certain matters relating to the Company and its business. The Placing Agreement also contains indemnities given by the Company in favour of WH Ireland in relation to certain liabilities which WH Ireland may incur in respect of the Placing. A summary of the principal terms of the Placing Agreement is set out in paragraph 14.1 of Part V of this document.

24. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

Immediately following Admission, the Directors will be interested in an aggregate of 49,822,735 Ordinary Shares representing approximately 55.9 per cent. of the Enlarged Issued Share Capital of the Company. The Directors and certain Shareholders (as well as certain participants in the Joint Share Ownership Plan) have entered into lock-in agreements pursuant to which (subject to certain limited exceptions) they have undertaken not to dispose of any interest they hold in Ordinary Shares for 12 months following Admission (save in certain limited circumstances) and thereafter, for a further period of 12 months, only to effect disposals of their Ordinary Shares through WH Ireland (or the brokers for the time being of the Company) to assist in the maintenance of an orderly market in the

Ordinary Shares. It has also been agreed that Rare Bird Hotels Limited can dispose of some of the Ordinary Shares it acquired pursuant to the Streatley Share Purchase Agreement to redeem, purchase or acquire up to £850k of loan notes issued by CCO Cygnet Limited, at no less than the Placing Price. A summary of the principal terms of such agreements is set out in paragraph 14.3 of Part V of this document.

25. RELATIONSHIP AGREEMENT

Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond, as significant shareholders, have entered into a relationship agreement with the Company and WH Ireland, which is conditional upon Admission and will be in effect at all times when such significant shareholders and/or their connected persons together hold the legal and/or beneficial title to, or the voting rights attaching to Ordinary Shares which constitute, in aggregate, not less than 10 per cent of the number of Ordinary Shares in issue.

Pursuant to the agreement, Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond, in their capacity as significant shareholders, have given various undertakings to the Company regarding the relationship between each of them, their connected persons and the Company.

In particular, Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond have each agreed not to take any action that would result in the Company not being able to carry on its business independently of Hugh Osmond or their connected persons. The agreement will automatically terminate upon the earlier of: (i) the execution of an agreement between all the parties to terminate the agreement; and (ii) the Ordinary Shares ceasing to be traded on AIM or some other recognised stock exchange. If the aggregate interest of Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond (and their connected persons) in Ordinary Shares falls below 10 per cent, the agreement will cease, but if within one year of the agreement ceasing to apply, that interest reaches or exceeds 10 per cent, then the provisions of the agreement will automatically re-apply.

Pursuant to the agreement, for so long as Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond (or their connected persons) continue to hold at least a certain percentage of Ordinary Shares in the capital of the Company, Hugh Osmond is entitled to nominate one or two (depending on the percentage held) representatives to be appointed as non-executive directors, further details of which are set out in paragraph 14.4 of Part V of this document.

26. OBLIGATIONS TO HMRC

During February, March and April 2020 PAYE bills have not been paid to HMRC, as a result of the impact of Covid on the business. A payment plan has been agreed with HMRC, with payments of approximately £153,000 per month each due to be made by way of five monthly instalments, commencing 31 October 2020 and for the following four months thereafter.

27. ADMISSION TO TRADING ON AIM

Application has been made for Admission in respect of the Ordinary Shares. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 25 September 2020.

No application is being made for the Ordinary Shares to be admitted to listing on the Official List of the London Stock Exchange or to be dealt in on any other exchange.

28. ELECTRONIC SETTLEMENT

The Enlarged Issued Share Capital is eligible for CREST settlement. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the requirements of CREST. The Articles of Association permit the holding and transfer of Ordinary Shares to be evidenced in uncertificated form in accordance with the requirement of CREST. Accordingly, following Admission, settlement of transactions in Ordinary Shares may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

The Ordinary Shares will have the ISIN number GB00BM9BZK23. The Ordinary Shares will not be dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other such exchange.

29. TAXATION

Your attention is drawn to the further information regarding taxation set out in paragraph 18 of Part V of this document. These details are, however, intended only as a general guide to the current tax position for UK resident shareholders under UK taxation law and you should seek independent advice if you are in any doubt as to your tax position and/or if you are subject to tax in a jurisdiction other than in the UK.

30. THE TAKEOVER CODE

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of interests (or series of acquisitions of interests) in Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to interests in Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, any persons acting in concert with it, would be required (unless the Takeover Panel otherwise agrees) to make a cash offer for the outstanding Ordinary Shares at a price not less than the highest price paid for interests in Ordinary Shares by the acquirer or any persons acting in concert with it during the previous 12 months. This requirement would also be triggered when, unless the Takeover Panel otherwise agrees, any person (together with persons acting in concert with him) who is interested in Ordinary Shares which carry not less than 30 per cent. of the voting rights of the Company but does not hold Ordinary Shares carrying more than 50 per cent. of such voting rights, and such person (or a person acting in concert with such person) acquires an interest in Ordinary Shares which increases the percentage of Ordinary Shares carrying voting rights in which he is interested.

Xercise2 Limited, Rare Bird Hotels Limited, FPI and The Great House at Sonning Limited (the "**Concert Party**") are considered to be acting in concert with each other in relation to the Company for the purpose of the Takeover Code (which creates a presumption that shareholders in a private company who sell their shares in that company in consideration for the issue of new shares in a company to which the Takeover Code applies, or who, following the re-registration of that company as a public company in connection with an initial public offering or otherwise, become shareholders in a company to which the Takeover Code applies, are acting in concert). Following Admission, the Concert Party will control approximately 48.06 per cent. of the voting rights in the Company. Further information on the provisions of the Takeover Code can be found in paragraph 7 of Part V of this document.

31. FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts III, IV and V of this document, and to the "Risk Factors" set out in Part II. You are advised to read the whole of this document before making any decision to invest in the Company.

PART II

RISK FACTORS

AN INVESTMENT IN ORDINARY SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THE ATTENTION OF PROSPECTIVE INVESTORS IS DRAWN TO THE FACT THAT THE COMPANY IS SUBJECT TO A VARIETY OF RISKS WHICH, IF ANY WERE TO MATERIALISE, COULD HAVE A SIGNIFICANT ADVERSE EFFECT ON THE COMPANY'S BUSINESS AND/OR FINANCIAL CONDITION, RESULTS OR FUTURE OPERATIONS. IN SUCH CASE, THE MARKET PRICE OF THE ORDINARY SHARES COULD DECLINE AND INVESTORS MIGHT LOSE SOME OR ALL OF THEIR INVESTMENT.

In addition to the information set out in the rest of this document, the following risk factors in this Part II should be considered carefully in evaluating whether to make an investment in the Company. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Company and they are not set out in any order of priority. Additionally, there may be risks not mentioned in this document of which the Board are not aware or believes to be immaterial but which may, in the future, adversely affect the Group's business and the market price of the Ordinary Shares.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt, should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities in the UK or another appropriate financial adviser in the jurisdiction in which such investor is located who specialises in advising on the acquisition of shares and other securities.

1. RISKS RELATING TO THE GROUP BUSINESS

Revenue and profitability

The Company cannot guarantee that the Group will be able to achieve or sustain revenue growth and achieve or sustain profitability in the future. If the Company is unable to achieve or sustain profitability, the business could be severely harmed. The Group's operating results may fluctuate as a result of a number of factors, many of which are beyond its control. Factors that may affect the Group's operating results include, without limitation, the potential for further UK government imposed lockdowns on the UK population (both at a local and national level) due to the spread of Covid; changes in UK Government and scientific advice as to best practice for dealing with the Covid pandemic, including changes to social distancing rules and regulations which may impact, the number of, the confidence of and the ability for, customers to consume food and beverages away from the home; increased competition in the UK hospitality sector, or a further negative change in the macro-economic environment impacting consumer confidence and discretionary spend. There can be no assurance that a material deterioration in the Group's operating results would not lead to violations of the Group's debt facility agreements, or the ability of the Group to pay its creditors and suppliers as they fall due, all of which could have a material adverse effect on the financial position and prospects of the Group. If the Group's operating results fall below the expectations of financial analysts or investors in the future, the trading price of the Ordinary Shares may decline significantly. Furthermore, if the Company does not realise sufficient revenue levels to sustain profitability, it may require additional working capital and financing in the medium term, which may not be available on attractive terms, or at all.

Operating Results (current results are not an indication of future performance)

The Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Group's results to date as an indication of future performance.

The Group's expansion strategy

The Group's core strategy is to open further sites in England and Wales under Coppa Club and Tavolino brands. Whilst the Directors believe that there are more than sufficient sites for the roll out of both brands nevertheless the Directors cannot guarantee that the Group will be able to locate or secure a sufficient number of appropriate sites to meet its growth and financial targets. Further, new

openings may take time to reach profitable operating levels or to match historical financial returns. The success of any new openings undertaken by the Group will depend on a number of factors, many of which are beyond the Group's control, including the following:

- the ability to identify and secure available and suitable sites on an economic basis;
- obtaining the required planning consents;
- the ability to secure all necessary operating approvals and licences in a timely manner and in a satisfactory form;
- the extent of the competition for sites;
- the ability to conclude a lease on acceptable terms;
- the ability to fit out new sites at an economic cost;
- delays in the timely development of sites;
- the ability to hire staff that are of a similar standard to those at the rest of the estate; and
- general economic conditions.

Site Leases

The Group's operating performance depends in part on its ability to secure leases in desired locations at rents the Directors believe to be reasonable. Whilst every effort is being made to negotiate such leases on turnover based rental payments, nevertheless, the leases for the Group's sites generally require that their annual rent be reviewed on an "upwards-only" basis every five years. If agreement on "open market" rent cannot be reached between the two parties, the matter is referred to an independent surveyor, who determines the premises' open market rent. The annual rent for the premises then becomes the greater of such open market rental value and the previous contractually agreed rent. As a result, the Group is unable to predict or control the amount of any future increases in its rental costs arising from the review of rents it pays for its sites and is unable to benefit from any decline in the open market rental value of its sites. There can be no assurance that any increase in rent would be offset by an increase in the Group's revenues and accordingly any substantial increase in the rent paid by the Group on its sites could adversely affect the Group's business, financial and other conditions, profitability and results of operations.

Each lease agreement also provides that the landlord may terminate the lease by exercising the usual landlord right to forfeiture in the event of non-payment of rent, tenant insolvency or breach of the tenant covenants in the lease. Termination of any of the Group's leases could harm the results of the Group's operations. Although the Directors believe that they will be able to renew the Group's existing leases, they can offer no assurances that the Group will succeed in obtaining extensions, or that any such extensions will be on reasonable terms. In addition, lengthy lease terms, restrictive alienation clauses and potential liability for dilapidation costs at the end of a lease may hinder the Group's operational flexibility and have a negative effect on its business.

Most of the Group's leases benefit from security of tenure under the Landlord and Tenant Act 1954 which means that, subject to certain exceptions such as the landlord wanting to carry out a redevelopment, the relevant member of the Group will be able to apply to court for a renewal of the lease after the expiry of the contractual period. Any lease renewal will be on the same terms as the existing lease subject to updates to cater for reasonable modernisation and the current market rent. Where a lease is excluded from these security of tenure provisions, the Group does not have the benefit of this protection and would need to renegotiate with the landlord.

As set out above, the Group is also considering entering into lease arrangements that are linked to the turnover of the site. This is generally viewed by the Directors to be an effective tool in minimising rent risk, however any turnover-linked lease entered into by the Group could have a negative impact on the profit margin of any site.

Leases (specific)

The term came to an end on the Group's leasehold property in More London on 14 August 2020 and a new lease has not been entered into. The lease is held over pursuant to the Landlord and Tenant Act 1954 pending the grant of a new lease through the 1954 Act court process. A new lease will be granted due to the protections afforded by the Landlord and Tenant Act 1954 but as of yet the final rent is not determined.

The Group has not paid rent due to certain of its landlords under its leases since March 2020, due to the evolving Coronavirus pandemic. A failure to pay rent is a material breach of the Group's obligations under the individual terms of the leases, which would ordinarily entitle a landlord to terminate the lease after the expiration of any applicable cure periods. However, while these rental payments continue to accrue, Government legislation in the form of the Coronavirus Act 2020 has introduced a moratorium through to 30 September 2020, during which landlords are prevented from issuing statutory demands or forfeiting leases on the grounds of non-payment of rent. In addition, the Group has agreed terms with each of its landlords (with the exception of Royal Festival Hall and Tavolino Tower Bridge) that the formal rental payments for the period of the Lockdown will be waived and an agreement has been reached on any outstanding debt, therefore this will not constitute a breach of the relevant lease. If a formal agreement with any of the landlords is not agreed, the Group would be required to remedy the default by paying all overdue rent, together with any interest accrued under the terms of the lease. At the date of this Document the total amount currently outstanding is c.£609k.

In September 2014, Various Eateries Trading Limited (formerly Strada Trading Limited) entered into a licence agreement with Tragus Group Holdings plc, pursuant to which it was agreed that a site in Woburn Safari Park could continue to operate under the Strada brand name. This arrangement continues. Whilst it is considered unlikely, particularly in light of the Directors' plans (subject to matters including market conditions) to convert the two remaining Strada sites to Tavolino, nevertheless a risk exists that an event outside of the Group's control could occur at this additional site that could damage the Strada name and as a consequence impact trading at the Group's Strada controlled sites. This arrangement will terminate by the end of January 2021.

AGA Risk Factor

The Group has a number of Authorised Guarantee Agreements in place in respect of leases over previously assigned Strada sites. There can therefore be no guarantee, particularly if trading conditions worsen due to Brexit or further local or national lockdowns as a consequence of Covid, that the underlying tenants will not cease to trade and that landlords would not seek to enforce the AGA with VE. If that was to happen across all sites that the Group has AGAs in place in respect of, the maximum liability, per annum, that the Group is exposed to, would be £760k. However, by applying a risk value to each site based on the tenant's circumstances, discussions with the relevant assignee, landlord's stance, assignee's financial strength and value of the potential liability, the Directors have concluded that, in their opinion, it is unlikely that the AGAs will be called upon.

Cross-Guarantees

As part of the acquisitions of The Great House and The Swan, the relevant acquiring subsidiaries entered into the Cross-Guarantees, being cross-guarantees as follows: (i) with Coutts & Co in support of a loan granted to the original holding company, to acquire the freehold of The Swan, with a secured debt obligation of £5.6m and (ii) with Santander in respect of a loan granted to the original holding company, to acquire The Great House with a secured debt liability of £3.3m. The Cross Guarantees only apply to the relevant acquiring subsidiary and not to the wider group.

Licences, permits and approvals

The Group's sites are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licences, alcoholic drinks control, entertainment, licences, competition, health & safety, sanitation and data protection. These laws and regulations impose a significant administrative burden on the Group, as managers have to devote significant time to ensure compliance with these requirements and therefore have less time to dedicate to the business. If additional or more stringent requirements were to be imposed in the future, it would increase this burden, which could adversely affect the Group's operating results (as a result of increased costs or lower revenues) and, in turn, adversely affect the Group's financial condition and prospects.

The food and beverage industry in the United Kingdom is regulated at both national and local levels, and each of the Group's sites requires licences, permits and approvals to permit, among other things, the sale of alcoholic drinks. Delays and failures to obtain the required licences or permits could adversely affect the operations of the Group. Difficulties or failures in obtaining or maintaining required licences or approvals could delay or prohibit the operation of the Group's sites. If any of the Group's sites have their licences withdrawn or amended, the ability of the Group's sites to sell alcoholic drinks, and other products or services, to its customers may be reduced. Accordingly, the

profitability of any such site could be adversely impacted and this in turn, may have an adverse effect on the Group's operating results, financial condition and/or prospects.

Privacy or data protection failures and fraudulent activity

The Group is subject to regulation regarding its use of personal customer data. These regulations include but are not limited to the UK's Data Protection Act 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) ("**GDPR**"), the Privacy and Electronic Communications (EC Directive) Regulations 2003 ("**PECR**") and other applicable legislation. After Brexit the Group will also be subject to any measure that succeeds the GDPR in the UK. The Group processes customer data as part of its business, some of which may be personal data. The Group therefore must comply with the applicable data protection and privacy laws and regulations. These laws restrict the Group's ability to collect and use personal information relating to customers and potential customers including the use of that information for marketing purposes. Further there can be no assurance that the Group's systems will be effective in preventing cyber security related incidents.

The Group uses customer email addresses for marketing purposes. Under applicable regulations, this typically requires consent in a form that meets the requirements of the GDPR, and such consents may not have been obtained by the Group in the required form and/or in all cases. The Group is conducting a review to monitor ongoing compliance of its marketing processes in light of the GDPR and other data protection regulation. Therefore, there is a risk that this review may identify instances where the Group's use of customer email addresses for marketing purposes has involved a breach of the GDPR and/or PECR. Breach of these rules can lead to third party liability, regulatory action or a fine of up to the greater of four per cent. of turnover or €20 million, as well as adverse publicity, any of which could have a material adverse effect on the Group's prospects. Further, there can be no assurance that future compliance with the relevant regulations and the absence of required consents will not curtail the Group's ability to conduct marketing activities to its customer base, which could also adversely affect the Group's business and prospects.

The Group is also exposed to the risk that personal data could be wrongfully appropriated, lost or disclosed, stolen or processed and that the Group may be in breach of applicable data protection and privacy laws and regulations. If the Group or any of the third party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, the Group could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. This could result in liability to data subjects, regulatory action and/or a fine of up to four per cent. of global turnover or, if greater, €20 million. The Group could also be subject to various forms of fraudulent activity if it does not have appropriate cyber security protections. The Group is also subject to a number of requirements relating to the processing of credit card data, and there can be no assurance that these requirements have always been met. Any violations may result in the Group incurring liabilities to, for example, card scheme providers, which may have an adverse effect on the Group's financial position, business and prospects.

Any of the events referred to above could also result in the loss of the goodwill of its customers, damage to reputation and deter new customers which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Appropriate employees and retention of key personnel

The Group's success depends on its retention of key personnel and its ability to recruit, retain and develop suitable personnel for its business, including chefs, site managers and front of house staff. A key part of the Group's strategy is based on the Directors' belief, particularly as a consequence of Covid, that there are a significant number of well qualified personnel available to hire across the UK. However, the Directors also acknowledge that any future shortages of qualified personnel or the Group's inability to recruit and retain such personnel could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

The Group's future development and prospects are partially dependent on the continuing services and performance of the Executive Directors, and its ability to continue to attract and retain highly skilled and qualified site and regional managers. The Directors cannot give assurances that they or members of the management team will remain with the Group, although the Directors believe the Group's culture, the continued involvement of the Group's founder, and remuneration packages are attractive. If members of the Group's key senior management teams depart, the Group may not be

able to find effective replacements in a timely manner, or at all, and its business may be disrupted or damaged. The loss of the services of any of the Executive Directors or a number of site managers, chefs and other key employees could damage the Group's business.

Employment Contracts

The Group's existing employment contracts do not currently comply with the new requirements of section 1 of the Employment Rights Act 1996 which came into force in April 2020. This could affect the amount that an employee is able to seek as compensation from an employment tribunal in the future if they were to pursue a complaint against the Company. The Company is taking all appropriate steps to address this matter going forward.

VETL recently undertook a collective redundancy process with 95 employees across various sites placed at risk of redundancy and VETL made 36 employees redundant. Whilst the Directors believe the redundancies were fair and non-discriminatory, nevertheless a risk exists that claims might be brought against the Company. In addition, the Group may make further redundancies as a result of the restructure of the business.

The Company placed a significant proportion of its employees on the Coronavirus Job Retention Scheme ("CJRS") known as furlough. As at 23 August 2020 the total sum claimed under this scheme is £2.6m. Due to the unprecedented situation there are still uncertainties in respect of whether, if or how the HMRC may challenge companies who have claimed under the CJRS. None of the Group's furloughed members of staff undertook any work for the Group during furlough and on that basis the Directors consider the risk of HMRC seeking repayment of the CJRS to be low. However, if there was to be a change in position this could have a material impact on the Group's cash position.

The Group has engaged individuals that are classified as off payroll on a consultancy basis via a limited company. There is a risk based on HMRC rules in force at the relevant time that HMRC could seek to recover payment of income tax/NIC based on their assessment of the status of the individuals engaged by the Group.

Health and Safety Regulation

The Group is subject to regulation in areas such as health and safety and fire safety. Whilst the Group believes it has appropriate policies and procedures in place to address such regulatory requirements, these may need to adapt which may require additional expenditure. Furthermore, in order to ensure that the Group's sites remain fully compliant with legislative requirements there will always be the need to maintain the Group's premises, not only generally but also as ad hoc issues arise, which again will require capital expenditure. Failure by the Group to comply with the relevant legislative requirements may result in fines, penalties, closure of sites and/or litigation which could adversely affect the Group's reputation and business, results of operations, financial condition or prospects.

Infringement or misappropriation of the Group's brands

A key part of the Group's value is in the development of its brand(s) and its intellectual property including its Coppa Club, Tavolino and Strada trademarks and trademarks and registered designs for its Coppa Club igloos. Any damage to the brands or inability to protect the Group's intellectual property could have a material adverse effect on the business of the Group.

Computer and IT Systems

If any of the Group's operational, financial, human resources, communication or other systems were to be disabled or did not operate properly (including as a result of computer viruses, problems with the internet, sabotage or cyberattack) notwithstanding the controls put in place by the Group to prevent such disablement or failure to operate, the Group could suffer disruption to its business, loss of revenues, loss of data, regulatory intervention or reputational damage. This could have an adverse impact on the Group's operating results, financial condition and prospects.

Disruptions in card payment services

The Group is highly dependent on card payment providers as a majority of the Group's revenues are generated from customer card payments. Any temporary or sustained disruption in card payment processing services, resulting in the Group's failure to receive payments and/or the inability of customers to make card payments after dining or use of other services, would have a significant

negative impact on the Group's operations and its financial position. There is no guarantee that any such risk could be mitigated, whether through implementing a "cash-only" policy throughout the Group's estate or otherwise.

Transition to a public company

The Group has created the popular Coppa Club brand and conceived the Tavolino concept as a private business and its existing shareholders, for the most part, have been closely involved in the business. The Company's transition to a public company involves changes in its ownership and to the Board structure. The Directors expect certain existing shareholders to continue to be closely involved in the business, particularly Hugh Osmond and Andy Bassadone. There can, however, be no assurance that, in the more public environment of a quoted public company, the Group will be able to manage its operations and strategic direction as successfully as it has as a private business, which may adversely affect the Group's operations and business.

Culture

The Group's success has been historically dependent on its existing culture, which includes promoting the individuality of sites and focussing on local communities. While the Group had been able to maintain this culture in its growth there can be no assurance that continued growth resulting from the Company's transition to a public company from a private business will not have an adverse impact on such culture, which may negatively impact the Group's business.

Changes in accounting standards

Changes in accounting standards, rules and regulations may have a significant impact on the reported financial results of the Group, and it is impossible to specify or ascertain the effect of such changes or new standards, which is dependent on the financial position of the Group at the time. Moreover, in connection with financial reporting under new or amended accounting standards, the Group will make its own accounting judgements and elections in the future, which cannot be determined at this time.

Changes in taxation, statutory charges and compliance costs

As a licensed retailer and employer of a large number of employees, the Group is subject to a number of tax and duties levied by the government. The Group's operating and other expenses could increase, without a corresponding rise in revenues, as a result of increases in taxation arising from changes in taxation policies and/or other statutory charges (including, without limitation, increases in business rates across the Group's estate or reductions in capital allowance rates). The Group's financial results may also be adversely affected by other changes in laws, regulations or government policies that lead to increased costs of compliance.

Insurance

The Group's portfolio of sites could suffer physical damage resulting in losses which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not able to be insured at a reasonable cost. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose its capital invested in the affected site as well as anticipated future revenue from that property. Material uninsured losses could have a material adverse effect on the Group's results from operations, financial condition and/or business prospects.

2. RISKS RELATING TO THE HOSPITALITY INDUSTRY

Economic conditions

The Group derives all of its profits from the United Kingdom and is therefore sensitive to fluctuations in the UK economy. The Group's performance depends to a certain extent on a number of factors outside of the control of the Group which impact on consumer sentiment and the cost of supply in the UK, including political and economic conditions. Changes in economic conditions in the United Kingdom and elsewhere, including, for example, the ongoing impact of Covid, Government imposed lockdowns (at both a national and local level) that prohibit the UK population from gathering together and/or consuming food and beverages away from the home, changes in working practices such as home working, associated lower economic growth, interest rates, rates of inflation, industry conditions, political and diplomatic events and trends, tax laws, gross domestic product levels, credit

conditions, rising levels of consumer debt, a deterioration in the pound sterling's foreign exchange position, levels of employment, and other factors could have an adverse effect on the financial performance and prospects of the Group.

Food and beverages supply

The Group's operations depend on timely deliveries and the quality of fresh ingredients, including fresh produce and dairy products, as well as other items, including prepared beverages and non-perishable food and drink items. The Group depends on third party distributors and suppliers for such deliveries. The Group has enjoyed high service standards from its suppliers historically, however, delivery delays and/or a reduction in the quality or volume of produce received and/or a failure or closure of the Group's suppliers could adversely impact the Group's business and ability to service its customers to the required standard. The Group may also be subject to logistical disruptions or failures in the distribution and delivery of supplies. In the event of a major disruption to the timely supply of quality, fresh ingredients, alternative suppliers of goods and/or distribution services (as the case may be) may not be available or may be available only on unacceptable commercial terms. The Group's ability to source supplies may be negatively affected by the United Kingdom's withdrawal from the European Union (see below "European Union").

Changing consumer habits or consumer sentiment

The Group's financial results may be materially impacted by any material change in consumer habits within the United Kingdom. While the Group is responsive to changing trends in consumer tastes, unpredictable and unanticipated changes in demand for gluten free, allergen free, alcohol-free and other specialist foods and beverages, the impact of any 'sugar tax' and demographic trends may also affect the appeal of the Group's offering to consumers, especially if the Group does not anticipate, identify and respond to such changes by evolving its offering adequately and sufficiently promptly, which could hinder the Group's brands to remain relevant in the market and have a negative impact on the Group's financial performance. Further, there can be no assurance that Covid, terrorism or other threats would not have a detrimental impact on trading, both as a result of affecting consumer sentiment and possible site closures.

Social Media

There has been an increase in the use of social media platforms in the hospitality sector, such as Facebook, Twitter, Instagram and TripAdvisor. As a result, information concerning the Group can be posted at any time without the Group's consent such as an unfavourable review or inaccurate statements. Negative publicity from reviews or customer ratings may adversely impact the Group's reputation and trading.

Competitive risk

As set out above, the Directors believe that the current events surrounding Covid (and its associated fallout) points to this time being an unprecedented time to roll out the Coppa Club and Tavolino concepts, this is particularly due to the falling number of competitors (the sector has contracted by about 15% over the Covid period) and also due to the availability of prime leasehold sites. However, the Group is aware that, overall, it competes for customers with a wide variety of other operators of cafés, restaurants, pubs and bars, as well as online delivery platforms (such as JustEat, UberEats and Deliveroo) some of which may offer higher amenity levels or lower prices and be backed by greater financial and operational resources. The Group also faces competition from other leisure activity providers and home entertainment providers. Continuing and increased competition from other operators could adversely affect the Group's operating results, financial condition and prospects.

European Union

On 23 June 2016, a majority of UK voters voted in favour of the United Kingdom's exit from the European Union (commonly referred to as "Brexit") in a national referendum, and on 29 March 2017, the UK government triggered Article 50 of the Treaty on European Union, which initiated the withdrawal procedure pursuant to which the United Kingdom is currently due to exit the EU by no later than 30 December 2020. Brexit has created significant political, social and macroeconomic uncertainty for the United Kingdom and Europe and could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. Worsening of general economic conditions in the UK could significantly

affect the Group's activities in the UK, including, through a negative impact on consumer confidence and sentiment.

As negotiations with the European Union are ongoing, it is not clear what the impact on the Group will be when the United Kingdom eventually withdraws from the European Union. However, any of the aforementioned possible effects of Brexit, and others the Group cannot anticipate, could materially adversely affect the Group's business, prospects, results of operations and financial position. In addition to the general economic risk that Brexit poses to the Group's business, withdrawal from the European Union may inhibit the Group's ability, and the ability of its suppliers, to source the supplies required for the Group's operations. Disruptions to the Group's supply chain may deprive the Group of certain meat, produce and other fresh ingredients and/or non-perishable items, which could impair the Group's daily operations across its estate and result in a material adverse effect on the Group's business, prospects and financial position. This risk is enhanced by the Group's dependence on particular suppliers of fresh ingredients that are sourced from outside the United Kingdom.

Additionally, a disruption to the Group's supply chain, and the need to find alternative sources of meat, produce and other products either in the UK, the EU or internationally, may result in significantly higher prices for certain products necessary to the Group's daily operations and adversely affect the Group's business, prospects and financial position. This shortage of such fresh ingredients and non-perishable items imported from abroad, together with the inflationary effects arising from a deterioration in the foreign exchange rate of the pound sterling against foreign currencies and increased demand for ingredients and items sourced from within the United Kingdom, may lead to a long-term and sustained upwards trend in the cost of the Group's supplies, which could negatively impact the Group's business, prospects and long-term financial position.

While the Group can implement contingency plans in anticipation of potential disruptions on its supply chain, including pre-stocking non-perishable items and products that can be kept frozen, (i) there is no guarantee that such contingency plans would be effective for all products required for the Group's operations and (ii) the implementation of such contingency plans may result in additional costs for the Group. Furthermore, the Group may face increased competition for personnel given a potential shortage of suitable workers across labour markets following the United Kingdom's withdrawal from the European Union, leading to potentially higher labour costs and difficulties in contracting and retaining staff. Such shortage of personnel may have an adverse impact on the Group's operations, business and prospects.

Covid

On 23 March 2020 the United Kingdom executed a "stay at home" order (known as the lockdown) in response to the Coronavirus pandemic. This order banned all non-essential travel and contact with people outside of one's own household. The order also led to closing of most schools, businesses, offices and other facilities including gyms. Restaurants, bars and hotels had been specifically closed on 20 March 2020. These restrictions remained in place until June 2020 when the restrictions began to be eased. Restaurants were allowed to reopen on 4 July 2020. However, social distancing rules and regulations remain in place across the United Kingdom and local lockdowns have also become more frequent.

A high degree of uncertainty exists around the impact of Covid on the economy; the Group and the Group's trading. Given a significant number of Government schemes designed to support the economy through the pandemic are still in place, the full economic impact of Covid is unknown. It has been suggested that the economic fall-out from Covid could trigger a deep, long lasting recession which could significantly impact disposable income across the UK and accordingly impact the Group's trading. In addition, as a consequence of Covid there have been changes to working patterns with a significant number of office workers, particularly in cities, now choosing to work from home. Whilst this is an advantage to the Group's out of town locations, this change in behaviour is significantly impacting footfall at city centre sites (with central London footfall in July 2020, 69 per cent. lower against the same period last year). It is unknown if this change is temporary or will become more permanent, but if there is not significant increase in footfall at the city based sites of the Group, this could have a material effect on the Group's trading in these areas. Furthermore, it is unknown if further lockdowns (at a local or national level) will be implemented in the future nor is there any visibility as to when the social distancing rules and regulations imposed on the UK population will be lifted or varied (or whether stricter rules will be imposed). Finally, there may also be changes as a consequence of Covid that impact the Group and its trading in the future, but which are currently unknown to the Directors and cannot be reasonably predicted. All these factors have

the potential to significantly affect the viability of the Group's business model and its ability to be able to trade.

Food related health concerns and liability

The food and beverage industries can be adversely affected by litigation and complaints from customers or regulatory authorities resulting from quality, illness, injury or other health concerns or other issues stemming from one product or a number of products including products provided by the Group.

The Group cannot guarantee that its internal controls and training will be fully effective in preventing all food borne illnesses. Furthermore, some food borne illness incidents could be caused by third party food suppliers and transporters outside of the Group's control. One or more instances of food borne illness at one of the Group's sites could result in increased costs and/or reduced turnover, and negatively affect the Group's profitability and prospects. Furthermore, if any person becomes ill, or alleges becoming ill, as a result of food at one of the Group's sites, the Group may be liable for damages, or be subject to regulatory action or adverse publicity. Such litigation, concerns and complaints and any adverse publicity surrounding such issues may have a material adverse effect on the Group or on the leisure sector generally and therefore on the Group.

The Group is susceptible to local, national or international food or beverage contamination, allergy incident or other health and safety issues affecting the type of food and beverages sold in, and attendance levels at, the Group's sites. Such incidents could affect consumer confidence and preferences, resulting in reduced attendance or expenditure at the Group's sites, or could lead to increased costs for the Group (including in relation to sourcing alternative suppliers or products). In addition, a serious contamination, allergy related incident or related scare at one of the Group's sites could negatively affect the reputation of that site, as well as of the Group as a whole. Negative publicity relating to one of the Group's sites, food quality, food contamination, health inspection scores, accommodation quality or employee relationships may have a negative impact on the trading performance of the relevant site and potentially the Group's other sites, regardless of whether the allegations are valid or whether the Group is at fault. Furthermore, the Group's operations and financial conditions are subject to legislative risk as compliance with new regulations affecting the industry, including but not limited to displaying the nutritional value and calorie content of foods, may result in increased costs for the Group, which may have an adverse impact on its operations, prospects and financial conditions.

Complaints or litigation

The Group could be the subject of complaints or litigation from individuals or groups of customers and/or class actions, as well as local authority environmental health departments, alleging illness or injury or raising other health or operational concerns, and from other third parties in relation to nuisance and negligence. In such circumstances, it may also incur additional liabilities as a leasehold property owner to its landlord. If the Group were to be found liable in respect of any complaint or litigation, this could adversely affect the Group's results or operations and could also adversely affect the Group's reputation.

Changes in the cost of labour and employment risk

An increase in labour and employee benefit costs may adversely affect the Group's operating costs. Any shortage in the labour pool or other general inflationary pressures or changes will increase the Group's labour costs. Any increases in labour costs could have a material adverse effect on the Group's prospects, results of operations and financial condition. Furthermore, as a result of recent case law and government consultation surrounding whether certain types of overtime, tips, bonus, commission payments and other variable remuneration should be included in holiday pay, there may be potential future liabilities or increases in labour costs as the Group may have to make additional payments to its employees in the future. Increases in the National Minimum Wage and availability of minimum wage workers in certain areas may impact the business, results of operations and financial condition of the Group. The National Minimum Wage is a prescribed minimum hourly rate of pay which employers must legally pay to most of their workers dependent on the employee's age. From 1 April 2020 the minimum rates of pay (across all age groups) have increased. The minimum hourly rates applicable to workers aged 25 or over (i.e. the "National Living Wage") increased by approximately 6.2 per cent. and the size of any future increases are unknown. A significant proportion of the Group's employees are paid at the National Minimum Wage and, therefore, an

increase in the National Living Wage will increase the Group's labour costs. As labour costs are a large proportion of the Group's overall costs, it is possible that future increases could have a material adverse effect on the Group's business, profitability and results of operations. The complex nature of legislation and regulations governing the National Minimum Wage and the National Living Wage may lead to increased compliance costs and/or unintentional breaches of such legislation and/or regulations, and there is no guarantee that the Group would be able to rectify such non-compliance without incurring costs in the form of fines, or suffering from negative publicity. In addition, given the high proportion of EU workers in the UK hospitality industry, Brexit may lead to short-term staff shortages and increased labour costs (and in this regard please also refer to the risk factor above in relation to the European Union).

Tronc

As is common practice for restaurant businesses, Various Eateries operates a tronc. This is a separate organised pay arrangement used to distribute tips, gratuities and service charges to employees. Pursuant to HMRC guidelines national insurance contributions are not payable if the troncmaster (a person nominated by the company to independently operate the tronc) decides how the money in the tronc is divided. Various Eateries' excess tronc is determined by the general managers of the restaurants without any input from the companies in the Group and accordingly no national insurance contributions are paid. The Company is making every effort to ensure the historical paperwork from the tronc masters is completed to the required standard, and the Company has received advice that the historic arrangements in place are compliant nevertheless if HMRC determine that the independence of the troncmasters cannot be sufficiently ascertained there is a risk that historical national insurance contributions will need to be paid. The maximum liability the company could be exposed to, in the event a decision is made against them, is approximately £500,000.

Automatic enrolment pensions

UK pension automatic enrolment regulations require that qualifying workers are automatically enrolled into a pension plan with minimum contribution rates. The total minimum contribution is currently eight per cent. (inclusive of at least a three per cent. employer contribution) from April 2019. As the Company currently contributes the minimum contribution in respect of a vast majority of its employees, the increase in minimum contribution rates will result in an overall increase in the Group's costs, which may lead to an adverse effect on the Group's financial position, profitability and results of operations.

Potential unionisation of employees or workers

While the Directors are not aware that any of the Group's workforce is currently a member of a labour union, there is no guarantee that the Group's workforce will not unionise in the future given the growth of unions in the hospitality sector. Unionisation of the workforce in the future may decrease the Group's bargaining power in negotiating employment terms and conditions, which would lead to higher costs of labour through increased wages and other employment benefits. A unionised workforce may hinder operational flexibility by inhibiting the Group's ability to hire and terminate employees and workers. Maintaining a positive dialogue with a unionised workforce may lead to increased operational and compliance costs. The failure to maintain such positive relations may lead to labour action, which would adversely affect the Group's business, operations prospects, and lead to negative publicity for the Group.

3. RISKS RELATING TO THE COMPANY'S SECURITIES

General

An investment in the Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in the Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

No prior market for the Ordinary Shares

Before Admission, there has been no prior market for the Ordinary Shares. Although application has been made for the Ordinary Shares to be admitted to trading on AIM, an active public market may not develop or be sustained following Admission.

Share price volatility and liquidity

Following Admission, the market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment that may substantially affect the market price of the Ordinary Shares irrespective of the progress the Company may make in terms of developing and launching its services or its actual financial, trading or operational performance. These factors could include the performance of the Group, purchases or sales of the Ordinary Shares (or the perception that the same may occur, as, for example in the period leading up to the expiration of the restrictions contained in certain lock-in and orderly marketing arrangements), legislative changes and market, economic, political or regulatory conditions or price distortions resulting from limited liquidity. The share price for publicly traded companies, in particular relatively small public companies, (such as the Company), can be highly volatile. Admission to AIM should not be taken as implying that a liquid market for the Ordinary Shares will either exist, develop or be sustained following Admission. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order even for a relatively small number of such Ordinary Shares.

Substantial sales of Ordinary Shares could cause the price of Ordinary Shares to decline

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares following the expiry of the lock-in and orderly marketing arrangements, details of which are set out in paragraph 14.3 of Part V of this document, or otherwise. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Company's Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

Investment in AIM traded securities

The Ordinary Shares will be traded on AIM rather than admitted to the Official List of the UK Listing Authority. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

Issuance of additional Ordinary Shares

The Company may need to raise additional funds in the future to finance amongst other things, working capital, expansion of the business, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity linked securities of the Company other than on a pro-rata basis to existing Shareholders, the percentage

ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emptions senior to the Ordinary Shares.

Dividends

The Company's ability to pay dividends to shareholders out of distributable profits is dependent on the Company's ability to receive funds for such purposes, directly or indirectly, from subsidiaries in a manner which creates distributable reserves for the Company. Furthermore, the Company's ability to pay dividends to shareholders is a function of the performance of investments and other factors that the Directors deem significant from time to time, such as capital requirements and general economic conditions. The Company's dividend policy is described in paragraph 22 of Part I of this document.

Substantial Shareholders

On Admission, Hugh Osmond will hold (directly or indirectly), in aggregate, approximately 48.1% of the Enlarged Issued Share Capital. Notwithstanding the terms of the Relationship Agreement, the Articles and applicable laws and regulations, he will be able to exercise significant influence over the Company and the Group's operations, business strategy and those corporate actions which require the approval of Shareholders.

Market perception

Market perception of the Group may change, potentially affecting the value of investors' holdings of Ordinary Shares and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise. Negative perceptions of the Group's competitors may result in negative market perception of the hospitality and food industry as a whole, which would have an adverse effect on the price of the Ordinary Shares as well as the Company's ability to raise further funds either publicly or privately.

Forward-looking statements

This document contains forward-looking statements that involve risks and uncertainties. All statements, other than those of historical fact, contained in this document are forward-looking statements. The Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors. Investors are urged to read this entire document carefully before making an investment decision. The forward-looking statements in this document are based on the Directors' beliefs and assumptions and information only as of the date of this document, and the forward-looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward-looking statements. Except as required by law or regulation, the Directors undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future earnings or otherwise.

PART III

SECTION A: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE VEHL GROUP



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The Directors
Various Eateries plc
12 Great Portland Street
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18 September 2020

Dear Sirs,

VARIOUS EATERIES HOLDINGS LIMITED (“VEHL”) AND ITS SUBSIDIARY UNDERTAKINGS (THE “VEHL GROUP”)

We report on the historical financial information of the VEHL Group for the 52 week periods ended 1 October 2017, 30 September 2018 and 29 September 2019 (the “Historical Financial Information”) set out in Section B of Part III of the Admission Document dated 18 September (the “Admission Document”) of Various Eateries plc (the “Company”). This Historical Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out at Note 2 to the Historical Financial Information. This report is required by Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Item 18.3.1 of Annex 1 of the Prospectus Regulation Rules as applied by paragraph (a) of Schedule Two to the AIM Rules for Companies, or consenting to its inclusion in the Admission Document.

RESPONSIBILITIES

The directors of the Company (the “Directors”) are responsible for preparing the Historical Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Historical Financial Information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the VEHL Group as at the dates stated and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

DECLARATION

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Item 1.2 of Annex 1 and Item 1.2 of Annex 11 of the Prospectus Regulation Rules as applied by part (a) of Schedule Two to the AIM Rules for Companies.

Yours faithfully

RSM Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

SECTION B: HISTORICAL FINANCIAL INFORMATION OF THE VEHL GROUP

Various Eateries Holdings Limited Consolidated Statements of Comprehensive Income

		52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Revenue		35,920	28,465	25,605
Cost of sales		(38,260)	(28,637)	(24,418)
Gross (loss)/profit		(2,340)	(172)	1,187
Central staff costs		(2,072)	(1,832)	(1,898)
Other expenses		(1,580)	(1,484)	(1,903)
Impairment and amortisation of intangible fixed assets	10	(3,987)	(3,946)	(1,236)
Impairment of tangible fixed assets	11	(5,717)	(1,053)	(1,004)
Restructuring costs		(310)	(537)	(322)
(Loss) / profit on disposal of assets and leases	7	(925)	(346)	117
Operating loss		(16,931)	(9,370)	(5,059)
Finance income	8	7	29	7
Finance costs	8	(6,576)	(7,285)	(6,923)
Loss before tax		(23,500)	(16,626)	(11,975)
Tax	9	–	–	–
Loss for the period attributable to the equity shareholders of the company		(23,500)	(16,626)	(11,975)

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.

Various Eateries Holdings Limited
Consolidated Statements of Financial Position

		1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
	Note			
Non-current assets				
Intangible assets	10	12,433	8,491	7,265
Property, plant and equipment	11	22,710	22,997	24,330
		<u>35,143</u>	<u>31,488</u>	<u>31,595</u>
Current assets				
Inventories	14	937	548	551
Trade and other receivables	15	4,297	3,627	2,231
Cash and bank balances	16	2,655	1,601	1,834
		<u>7,889</u>	<u>5,776</u>	<u>4,616</u>
Assets held for sale	13	510	–	–
Total assets		<u>43,542</u>	<u>37,264</u>	<u>36,211</u>
Current liabilities				
Trade and other payables	17	(19,774)	(21,694)	(8,222)
Borrowings	18	(23,000)	(32,281)	–
Net current liabilities		<u>(34,375)</u>	<u>(48,199)</u>	<u>(3,606)</u>
Total assets less current liabilities		<u>768</u>	<u>(16,711)</u>	<u>27,989</u>
Non-current liabilities				
Loans and borrowings	19	(43,316)	(42,463)	(34,369)
Total non-current liabilities		<u>(43,316)</u>	<u>(42,463)</u>	<u>(34,369)</u>
Total liabilities		<u>(86,090)</u>	<u>(96,438)</u>	<u>(42,591)</u>
Net liabilities		<u>(42,548)</u>	<u>(59,174)</u>	<u>(6,380)</u>
Equity				
Share capital	20	78	78	111
Share premium	20	–	–	64,736
Retained losses		<u>(42,626)</u>	<u>(59,252)</u>	<u>(71,227)</u>
Total deficit attributable to the equity shareholders of the company		<u>(42,548)</u>	<u>(59,174)</u>	<u>(6,380)</u>

Various Eateries Holdings Limited
Consolidated Statements of Changes in Equity

	Attributable to the equity shareholders of the company			
	Called-up share capital £ 000	Share premium account £ 000	Retained losses £ 000	Total £ 000
At 3 October 2016	66	–	(19,126)	(19,060)
Loss for the period	–	–	(23,500)	(23,500)
Total comprehensive loss	–	–	(23,500)	(23,500)
New share capital subscribed	12	–	–	12
At 1 October 2017	78	–	(42,626)	(42,548)
At 2 October 2017	78	–	(42,626)	(42,548)
Loss for the period	–	–	(16,626)	(16,626)
Total comprehensive loss	–	–	(16,626)	(16,626)
At 30 September 2018	78	–	(59,252)	(59,174)
At 30 September 2018	78	–	(59,252)	(59,174)
Loss for the period	–	–	(11,975)	(11,975)
Total comprehensive loss	–	–	(11,975)	(11,975)
Capital restructure	33	64,736	–	64,769
At 29 September 2019	111	64,736	(71,227)	(6,380)

Share premium represents the amount subscribed for share capital in excess of nominal value.

Retained losses represents accumulated losses.

Various Eateries Holdings Limited
Consolidated Statements of Cash Flows

		52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Cash flows from operating activities				
Loss for the year		(23,500)	(16,626)	(11,975)
Adjustments to cash flows from non-cash items:				
Depreciation and amortisation	10, 11	6,177	4,145	3,433
Impairment loss	10, 11	9,077	4,745	2,240
Loss/(profit) on disposal and surrender of leases	7	925	346	(117)
Finance income	8	(7)	(29)	(7)
Finance costs	8	2,346	2,592	2,980
Preference share dividends	8	4,195	4,692	3,941
		<u>(787)</u>	<u>(135)</u>	<u>495</u>
Working capital adjustments:				
Decrease/(increase) in inventories	14	133	389	(3)
(Increase)/decrease in trade and other receivables	15	(18)	678	1,384
Increase/(decrease) in accruals, trade and other payables	17	153	(1,599)	1,449
		<u>(519)</u>	<u>(667)</u>	<u>3,325</u>
Net cash flow from operating activities				
Cash flows from investing activities				
Interest received	8	7	29	7
Purchases of property plant and equipment	11	(1,709)	(5,557)	(6,085)
Purchase of intangible assets	10	–	(4)	(10)
Proceeds on disposal of property plant and equipment		82	490	434
		<u>(1,620)</u>	<u>(5,042)</u>	<u>(5,654)</u>
Net cash flows from investing activities				
Cash flows from financing activities				
Interest paid		(2,288)	(2,033)	(988)
Proceeds on issue of preference shares	19	4,427	–	–
Proceeds on issue of ordinary shares	20	12	–	33
Proceeds from borrowings	18, 19	4,500	8,400	4,000
New lease liabilities	19	380	1,315	1,700
Principal elements of lease payments		(3,235)	(3,027)	(2,183)
		<u>3,796</u>	<u>4,655</u>	<u>2,562</u>
Net cash flows from financing activities				
Increase/(decrease) in cash		<u>1,657</u>	<u>(1,054)</u>	<u>233</u>
Opening cash at bank and in hand		<u>998</u>	<u>2,655</u>	<u>1,601</u>
Closing cash at bank and in hand		<u>2,655</u>	<u>1,601</u>	<u>1,834</u>

Various Eateries Holdings Limited

Notes to the Historical Financial Information

1. GENERAL INFORMATION

Various Eateries Holdings Limited (formerly Various Eateries Limited, "VEHL") and its subsidiaries (together the "VEHL 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 2nd Floor, 12 Great Portland Street, London, W1W 8QN.

The VEHL 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

The principal accounting policies adopted in the preparation of the historical financial information of the VEHL Group (the "Historical Financial Information"), 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 Historical Financial Information. Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the Historical Financial Information and estimates with a significant risk of material adjustments in the next period are disclosed in note 3.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee ("IFRIC") as adopted by the European Union ("IFRS"). The Historical Financial Information does not constitute statutory accounts within the meaning of the 2006 Act.

The Historical Financial Information has been prepared on a historical cost basis.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

After reviewing the VEHL Group's forecasts and projections and taking into account the proceeds of the Placing, the Directors have a reasonable expectation that the VEHL Group has adequate resources to continue in operational existence for the foreseeable future. The VEHL Group has therefore adopted the going concern basis in preparing the Historical Financial Information.

The coronavirus (Covid-19) outbreak is currently having a significant impact on the business. All sites were subject to enforced closure between Friday 20 March 2020 and Saturday 4 July 2020 and, the estate is yet to be fully reopened. Post closure trade has been impacted by capacity restraints resulting from social distancing measures plus reduced potential custom caused by reduced tourism and increased working from home. The directors are aware of the risks this creates for the business in terms of liquidity and have put in place measures such as cost cutting and accessing Government reliefs and schemes including the business rates holiday, the Coronavirus Job Retention Scheme, HMRC time to pay arrangements and Eat Out to Help Out.

Revenue

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

Rental income

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

Goodwill

Goodwill 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 Historical Financial Information. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the VEHL 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 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 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
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.

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 VEHL 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 VEHL 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 VEHL 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 as loans and receivables.

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.

Impairments of tangible and intangible fixed assets

At each reporting end date, the VEHL 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 VEHL 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that

affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

Employee benefits

Post-retirement benefits

The VEHL Group operates defined contribution plans for its employees. A defined contribution plan is a post-employment benefit plan under which the VEHL 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 VEHL Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Leases

The VEHL 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 VEHL Group's incremental borrowing rate on commencement of the lease is used. This is 4.5 per cent (2017 & 2018: 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 £500,000 in 2019 (2018: £476,000, 2017: £503,000). A 0.5% decrease in discount rate to 4% results in increase in the net present value of the total lease liability of £530,000 in 2019 (2018: £503,000, 2017: £533,000). 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 VEHL 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 VEHL 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 amortised 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 VEHL 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 amortised over the remaining (revised) lease term.

The transition model applied in the Historical Financial Information is the full retrospective approach, recalculated as at the opening position of the 2017 financial period as opposed to the inception dates of the individual leases.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, 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.

Adoption of new and revised standards

With effect from the 3 October 2016, the VEHL Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Annual Improvements 2014-2016 cycle	1 January 2018
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15	1 January 2018
Clarifications to IFRS 15 – Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities. The introduction of IFRS 9

impacts the VEHL Group's accounting policy for trade receivables, where the VEHL Group has moved to an expected loss method of providing for future impairment. This replaces the previous accounting policy to initially recognise trade receivables at fair value, and then subsequently state at amortised cost less allowances for estimated irrecoverable amounts. There were no adjustments upon transition to IFRS 9.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 introduces a new model for revenue recognition, which is based upon the transfer of control rather than the transfer of risks and rewards under IAS 18 'Revenue'. On all the VEHL Group's engagement types the point at which revenue is recognised has not changed, as the point of transfer of control under IFRS 15 (which determines revenue recognition) is the same as the point of transfer of risks and rewards (which determines revenue recognition under IAS 18). As such, there were no adjustments upon transition to IFRS 15.

IFRS 16 'Leases'

IFRS 16 specifies how the VEHL Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. From 3 October 2016, for each lease the VEHL Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet where previously they were off balance sheet. There has been no impact on cash flow but there has been an impact on the Statement of Comprehensive Income as the operating lease payments have been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

The VEHL Group has taken advantage of the exemptions available under IFRS 16 not to apply the recognition and requirements of IFRS 16 to leases with a term of 12 months or less. The recognition of these exempted leases will therefore continue unchanged – a charge will be recognised in the income statement based on straight-line recognition of the lease payments payable on each lease, after adjustment for lease incentives received. These are also recognised in the operating profit note (note 7).

Standards issued but not yet effective:

The following standards and interpretations relevant to the VEHL Group are in issue but are not yet effective and have not been applied in the Historical Financial Information. In some cases these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
IFRIC Interpretation 23 – Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IFRS 9 – Prepayment Features with Negative Compensation	1 January 2019
Annual improvements 2015-2017 cycle	1 January 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	1 January 2019
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 Business Combinations	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Interest Rate Benchmark Reform: amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020

The company 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 Historical Financial Information requires the Directors to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the Historical Financial Information. 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.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Impairment of goodwill, other intangibles and tangible fixed assets

Determining whether goodwill, other intangibles and tangible fixed assets are impaired requires an estimation of the value in use of the cash-generating units 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 10 and 11.

4. 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 together with other Board Members who receive financial information at a site-by-site level. The VEHL Group trades in one business segment (operating non-members clubs and restaurants) and these sites meet 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.

5. STAFF NUMBERS AND COSTS

	52 weeks ended 1 October 2017 No.	52 weeks ended 30 September 2018 No.	52 weeks ended 29 September 2019 No.
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The average monthly number of employees (including executive directors) was:

Operational staff	855	658	542
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	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
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Their aggregate remuneration comprised:

Wages and salaries	14,972	11,215	9,543
Social security costs	1,199	859	691
Other pension costs	44	120	160
Other employee expense	64	74	61
	<u>16,279</u>	<u>12,268</u>	<u>10,455</u>

6. DIRECTORS’ REMUNERATION

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

	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Salaries and other short term employee benefits	342	382	537
Post-employment benefits	9	12	16
	<u>351</u>	<u>394</u>	<u>553</u>

7. OPERATING LOSS

Loss for the period has been arrived at after charging:

	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Staff costs (note 5)	16,279	12,268	10,455
Leases not recognised as right-of-use assets	847	413	630
Amortisation of intangible assets (note 10)	627	254	–
Impairment of goodwill (note 10)	3,360	3,693	1,236
Depreciation of property, plant and equipment (note 11)	5,550	3,891	3,433
Impairment of property, plant and equipment (note 11)	5,717	1,053	1,004
Loss / (profit) on disposal of assets and leases	925	346	(117)

8. FINANCE INCOME AND COSTS

	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Interest income on bank deposits	7	5	7
Foreign exchange gain	–	24	–
Total finance income	7	29	7
Dividends on preference shares	4,195	4,692	3,941
Interest on bank overdrafts and borrowings	1,454	1,778	2,239
Lease liability interest	892	815	741
Foreign exchange loss	35	–	2
Total finance costs	6,576	7,285	6,923
Net finance costs	(6,570)	(7,256)	(6,916)

9. TAX

	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Corporation tax	–	–	–
Adjustment in respect of prior periods	–	–	–
Total current income tax	–	–	–
Origination of timing differences	–	–	–
Total deferred tax	–	–	–
Tax expense in the statement of profit or loss	–	–	–

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

	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Loss before tax	(23,500)	(16,626)	(11,975)
Corporation tax at standard rate 19.0% (2018: 19.0%, 2017: 19.5%)	(4,583)	(3,159)	(2,275)
Fixed asset differences	–	–	(222)
Expenses not deductible	2,776	2,620	1,280
Income not taxable	(435)	(446)	(53)
Tax losses not recognised	2,242	985	1,131
Effects of group relief/other reliefs	338	287	–
Timing differences not recognised	–	–	139
Amounts not previously recognised	(338)	(287)	–
Total tax charge/(credit)	–	–	–

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

10. INTANGIBLE ASSETS

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licenses £ 000	Total £ 000
Cost or valuation				
At 3 October 2016	2,662	16,993	9	19,664
At 1 October 2017	2,662	16,993	9	19,664
At 2 October 2017	2,662	16,993	9	19,664
Additions	–	–	4	4
At 30 September 2018	2,662	16,993	13	19,668
At 1 October 2018	2,662	16,993	13	19,668
Additions	–	–	10	10
At 29 September 2019	2,662	16,993	23	19,678
Amortisation				
At 3 October 2016	1,781	1,463	–	3,244
Charge for the period	627	–	–	627
Impairment	–	3,360	–	3,360
At 1 October 2017	2,408	4,823	–	7,231
At 2 October 2017	2,408	4,823	–	7,231
Charge for the period	254	–	–	254
Impairment	–	3,692	–	3,692
At 30 September 2018	2,662	8,515	–	11,177
At 1 October 2018	2,662	8,515	–	11,177
Impairment	–	1,236	–	1,236
At 29 September 2019	2,662	9,751	–	12,414
Carrying amount				
At 1 October 2017	254	12,170	9	12,433
At 30 September 2018	–	8,478	13	8,491
At 29 September 2019	–	7,242	23	7,265

Brand relates to the Strada brand name and has been amortised over its estimated useful economic life of 4 years.

Goodwill relates to the three Strada sites. The carrying amount is allocated between the 3 CGUs as follows; Riverside £4,032,000 (value in use), Southbank £3,147,000 (value in use), and St. Katharines Docks £63,000 (fair value). The recoverable amount of goodwill exceeds the carrying amount by £2,046,000 as at 29 September 2019 (2017: £1,007,000, 2018: £1,978,000).

Goodwill is tested annually for impairment due to the adverse impact of the diminishing lease terms on the projected value in use of the CGUs. The recoverable amounts of the CGUs were determined as the higher of value in use and fair value estimates. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Across the period covered by the Historical Financial Information a discount rate of 10% was used, determined by reference to funding structure and comparable businesses in the sector. Growth rates in line with approved 5 year forecasts were assumed, with forecast year 5 site EBITDA extended out to the end of the lease terms at zero growth rate. The key assumption for the fair value calculations is the multiple applied to actual site EBITDA. Across the period covered by the Historical Financial Information a multiple of 5 times site EBITDA was used based on expected market value if the sites were to be sold as individual trading businesses.

One of the key assumptions used in calculating recoverable amount is the discount rate used to determine net present value. A 2% increase in the discount rate would increase the impairment charge by £425,000 for the period ended 29 September 2019 (2017: £127,000, 2018: £251,000). For recoverable amount to equate to carrying amount for the period ended 29 September 2019, the discount rate would have to increase by approximately 3.5% (2017: 1.5%, 2018: 3.3%).

The other key assumptions used in calculating recoverable amount is the multiple applied to actual site EBITDA. If a multiple of 4 times site EBITDA is used, the impairment charge would not increase for the period ended 29 September 2019 (2017 & 2018: no increase).

11. PROPERTY, PLANT AND EQUIPMENT

	Right of use assets £ 000	Leasehold premises and improvements £ 000	Furniture, fittings and equipment £ 000	Work in progress £ 000	IT equipment £ 000	Total £ 000
Cost or valuation						
At 3 October 2016	20,121	11,823	7,075	357	1,178	40,554
Additions	394	239	701	265	110	1,709
Disposals	–	(1,586)	(528)	–	(109)	(2,223)
Transfers	–	114	91	(205)	–	–
Assets reclassified as held for sale	–	(512)	(852)	–	(83)	(1,447)
At 1 October 2017	20,515	10,078	6,487	417	1,096	38,593
Additions	1,318	2,870	325	806	238	5,557
Disposals	(1,628)	(5,720)	(2,136)	(48)	(258)	(9,790)
Transfers	–	505	346	(890)	39	–
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 3 October 2016	–	2,402	3,885	–	221	6,508
Charge for the period	3,542	706	1,091	–	211	5,550
Eliminated on disposal	–	(399)	(528)	–	(28)	(955)
Impairment loss	1,152	4,565	–	–	–	5,717
Assets reclassified as held for sale	–	(259)	(647)	–	(31)	(937)
At 1 October 2017	4,694	7,015	3,801	–	373	15,883
Charge for the period	2,489	331	885	–	186	3,891
Eliminated on disposal	(1,628)	(5,698)	(2,021)	–	(117)	(9,464)
Impairment loss	327	692	1	15	18	1,053
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						
At 1 October 2017	15,821	3,063	2,686	417	723	22,710
At 1 October 2018	14,323	5,393	2,356	270	655	22,997
At 29 September 2019	14,206	6,890	2,422	105	707	24,330

The VEHL 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.

A discount rate of 10% was used in calculating the value in use of property, plant and equipment (2017 & 2018: 10%).

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 (2017: £118,000, 2018: £119,000, 2019: £81,000).

12. INVESTMENTS

VEHL Group subsidiaries

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held by the VEHL Group
			At 1 October 2017, 30 September 2018 and 29 September 2019
Strada Trading Limited	Licensed restaurants	United Kingdom 2nd Floor, 12 Great Portland Street, London, W1W 8QN	100%
SCP Sugar Limited*	Holding company	United Kingdom 2nd Floor, 12 Great Portland Street, London, W1W 8QN	100%
Coppa Club Limited	Dormant	United Kingdom 2nd Floor, 12 Great Portland Street, London, W1W 8QN	100%

* indicates direct investment of VEHL.

VEL Property Holdings Limited is a direct subsidiary of VEHL that was incorporated post year end (see note 24).

13. ASSETS HELD FOR SALE

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Leasehold premises and improvements	253	—	—
Furniture, fittings and equipment	205	—	—
IT equipment	52	—	—
	<u>510</u>	<u>—</u>	<u>—</u>

Assets held for sale represent the carrying amount of property, plant and equipment at leasehold premises that had ceased trading and were being actively marketed as at the reporting date.

14. INVENTORIES

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Food and drinks	378	318	330
Consumables	559	230	221
	<u>937</u>	<u>548</u>	<u>551</u>

Inventories recognised in expenses across the periods totalled; 2017: £9,926,000, 2018: £7,855,000, and 2019: £7,099,000.

15. TRADE AND OTHER RECEIVABLES

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Trade receivables	218	292	209
Prepayments	2,314	1,725	1,065
Other receivables	1,765	1,610	957
	<u>4,297</u>	<u>3,627</u>	<u>2,231</u>

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

16. CASH AND BANK BALANCES

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Cash at bank	2,650	1,587	1,820
Other cash and bank balances	5	14	14
	<u>2,655</u>	<u>1,601</u>	<u>1,834</u>

17. TRADE AND OTHER PAYABLES

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Accumulated dividend on non-equity shares (note 19)	9,489	14,181	–
Trade payables	3,091	2,019	1,783
Accrued expenses	2,193	1,656	2,704
Social security and other taxes	886	499	1,184
Other payables	435	520	768
Lease liabilities due in less than 1 year	3,680	2,819	1,783
	<u>19,774</u>	<u>21,694</u>	<u>8,222</u>

The fair value of trade and other payables approximates to book value at each year end. Trade payables are non-interest bearing and are normally settled monthly.

18. LOANS AND BORROWINGS

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Borrowings from related parties	23,000	32,281	–

Borrowings from related parties were classed as payable within 12 months as at 2017 and 2018 as the previous facility matured on 10 September 2018. This facility was replaced as part of the capital restructure that took place in June 2019 (see note 19 & note 20).

19. NON-CURRENT LOANS AND BORROWINGS

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Redeemable preference shares	29,729	29,729	–
Borrowings from related parties	–	–	21,082
Lease liabilities due after more than 1 year	13,587	12,734	13,287
	<u>43,316</u>	<u>42,463</u>	<u>34,369</u>

Redeemable cumulative preference shares carry 12% compounding interest and have no fixed redemption date. The preference shares are classified as liabilities due to the right to dividend bestowed to the holders. The preference shares were cancelled as part of the capital restructure that took place in June 2019 (see note 20).

The loan facility in place prior to the capital restructure matured on 10 September 2018 and bears interest at 6% above LIBOR. The new loan agreement matures in June 2022, bears 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. The balance as at 29 September 2019 includes £82,000 of payment in kind interest which is capitalised on a quarterly basis.

The loans and borrowings classified as financial instruments are disclosed in note 21 "Financial instruments".

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

20. SHARE CAPITAL AND SHARE PREMIUM

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Ordinary shares of £0.01 each - fully paid	78	78	111
	1 October 2017 Shares	30 September 2018 Shares	29 September 2019 Shares
Ordinary shares of £0.01 each - fully paid	7,800,000	7,800,000	11,111,000

Movements in ordinary share capital

	Date	Shares	Issue price	£ 000
Balance	3 October 2016	6,622,000		66
Issue of shares	18 October 2016	1,158,000	£0.01	12
Balance	1 October 2017 & 30 September 2018	7,780,000		78
Issue of shares	13 August 2019	9,660,000	£0.01	96
Shares cancelled	15 August 2019	(7,440,000)	£0.01	(74)
Issue of shares	16 August 2019	1,111,000	£0.01	11
Balance	29 September 2019	11,111,000		111

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.

Capital restructure

In June 2019, the VEHL Group carried out a capital restructure in the form of a debt for equity swap whereby the previous loan facility and preference share capital and accrued dividends totalling £84,758,000 were replaced by a new loan of £20,000,000, with an additional £1,000,000 of loan finance raised in August 2019 under the new loan agreement in consideration for the issue of new ordinary share capital of £11,000. The new loan agreement matures in June 2022.

21. FINANCIAL INSTRUMENTS

Financial assets - loans and receivables

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Cash at bank and in hand	2,153	1,227	1,392
Cash in transit	502	374	442
Trade and other receivables	1,983	1,902	1,166
	<u>4,638</u>	<u>3,503</u>	<u>3,000</u>

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

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
Trade and other payables	33,362	34,428	21,508
Redeemable preference shares	29,729	29,729	–
Borrowings from related parties	23,000	32,281	21,082
	<u>86,091</u>	<u>96,438</u>	<u>42,590</u>

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 periods.

Financial risk management and impairment of financial assets

The VEHL Group's activities expose it to a variety of financial instrument risks. The risk management policies employed by the VEHL 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 year.

Credit risk management

The VEHL 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 VEHL Group places its cash with banks with high quality credit standing. Trade and other receivables relate to day to day activities which are entered into with creditworthy counterparties.

Market risk management

The VEHL Group's activities expose it economic factors, the Directors monitor market conditions and consider and impact on the VEHL Group's existing strategy.

Interest rate risk management

The VEHL Group is exposed to interest rate risk as the VEHL Group's borrowings have interest rates of 3.75% and 6% above LIBOR.

Liquidity risk management

Liquidity risk arises from the VEHL Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the VEHL 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 VEHL 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.

2017	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						
<i>Non-interest bearing</i>						
Trade payables	–	3,091	–	–	–	3,091
Other payables	–	13,005	–	–	–	13,005
<i>Interest-bearing</i>						
Borrowings	6% + LIBOR	23,000	–	–	–	23,000
Lease liability	4.5%	3,702	2,697	4,405	12,712	23,516
		<u>42,798</u>	<u>2,697</u>	<u>4,405</u>	<u>12,712</u>	<u>62,612</u>
2018	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						
<i>Non-interest bearing</i>						
Trade payables	–	2,019	–	–	–	2,019
Other payables	–	16,856	–	–	–	16,856
<i>Interest-bearing</i>						
Borrowings	6% + LIBOR	32,281	–	–	–	32,281
Lease liability	4.5%	2,892	1,783	4,535	12,197	21,407
		<u>54,048</u>	<u>1,783</u>	<u>4,535</u>	<u>12,197</u>	<u>72,563</u>

2019	Weighted average interest rate %	1 year or less £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000	Remaining contractual maturities £ 000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	–	1,783	–	–	–	1,783
Other payables	–	4,654	–	–	–	4,654
<i>Interest-bearing</i>						
Borrowings	3.75%/6% + LIBOR	–	–	21,082	–	21,082
Lease liability	4.5%	1,885	1,676	4,590	12,093	20,244
		<u>8,322</u>	<u>1,676</u>	<u>25,672</u>	<u>12,093</u>	<u>47,763</u>

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

22. 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 £236,000 (2018 and 2017: £237,000). In addition, M C Allen and H E M Osmond were both shareholders of Xercise2 Ltd which is a shareholder and the principal lender of the £21,082,000 loan (2017 £32,281,000, 2018 £23,000,000).

M C Allen ceased to be a shareholder of Xercise2 Limited in August 2019.

As at 29 September 2019, there was £356,000 of accrued cash interest payable on borrowings from related parties, of which £345,000 was due to Xercise2 Ltd (2017: £365,000 total, £319,000 due to Xercise2 Ltd, 2018: £49,000 total, £nil due to Xercise2 Ltd).

The capital restructure that took place in June 2019 (see note 20) involved the exchange of debt held by equity shareholders of the company (in the form of loans, preference shares classed as debt and accrued dividends) for newly issued ordinary share capital.

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 VEHL Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	52 weeks ended 1 October 2017 £ 000	52 weeks ended 30 September 2018 £ 000	52 weeks ended 29 September 2019 £ 000
Salaries and other short term employee benefits	342	382	537
Post-employment benefits	9	12	16
	<u>351</u>	<u>394</u>	<u>553</u>

Trading transactions

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

Sale of Goods/Services

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
The Great House at Sonning Limited	441	956	799
Rare Bird Hotels Limited	–	–	83
Mudlark Hotels Limited	–	–	32
	<u>441</u>	<u>956</u>	<u>914</u>

Purchase of Goods/Services

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
The Great House at Sonning Limited	764	758	586
Rare Bird Hotels Limited	–	–	67
	<u>764</u>	<u>758</u>	<u>653</u>

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 with the Company.

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

Amounts owed by related parties

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
The Great House at Sonning Limited	60	190	79
Rare Bird Hotels Limited	–	–	34
Mudlark Hotels Limited	–	31	26
	<u>60</u>	<u>221</u>	<u>139</u>

Amounts owed to related parties

	1 October 2017 £ 000	30 September 2018 £ 000	29 September 2019 £ 000
The Great House at Sonning Limited	199	195	–
Rare Bird Hotels Limited	–	–	–
Mudlark Hotels Limited	–	–	–
	<u>199</u>	<u>195</u>	<u>–</u>

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.

23. CONTROLLING PARTY

The VEHL Group's ultimate parent company is Xercise2 Ltd a company incorporated in England & Wales. These financial statements are available upon request from:

Companies House
Crown way
Maindy
Cardiff
CF14 3UZ

This set of VEHL Group accounts is the smallest and largest VEHL Group into which Various Eateries Limited is consolidated.

The ultimate controlling party of the Company is H E M Osmond.

24. POST BALANCE SHEET EVENTS

Coronavirus

The coronavirus (Covid-19) outbreak is currently having a significant impact on the business. All sites were subject to enforced closure between Friday 20 March 2020 and Saturday 4 July 2020. Eight of the restaurants have now reopened with social distancing measures in place.

Following the business interruption caused by Covid-19 the Group made a claim to its insurer, Allianz, under its Business Interruption insurance policy, but the claim was refused outright. The VEHL Group

is aware that the Financial Conduct Authority is currently pursuing a test case against various insurers that may lead to a possible claim in future. However, the VEHL Group is not a party to the claim and neither is Allianz. Given the uncertainty regarding the outcome, plus the likelihood of appeals, it is difficult for the Directors to make any statement or assumption regarding any possible insurance claim. Accordingly no accounting for any possible future insurance settlement has been made in the computation of the VEHL Group's cash requirement or business plan and it is proposed that in the event a revised claim is successful unless required for other purposes the proceeds be directed to repayment of the VEHL Group's outstanding debt in the first instance.

Financing

The VEHL Group has raised additional finance of £5,800,000 since 29 September 2019 via a combination of the new secured loan agreement, which replaced the previous facility as part of a capital restructure in June 2019 (see note 19 & note 20), and one year deep discounted bond instruments issued at subscription prices of between 4.2% and 5.7% discount on nominal value

VEL Property Holdings Limited is a VEHL Group company that was incorporated in November 2019 and is a 100% subsidiary of Various Eateries Holdings Limited. The company was set up as a vehicle for purchasing the freehold of a property that was previously partially leased by the VEHL Group. The transaction to purchase the freehold completed in January 2020, funded by a one year deep discounted bond instrument, issued at a subscription price of 5.7% discount on nominal value, between VEL Property Holdings Limited and the majority existing shareholder and lender of the VEHL Group, and included in the total of the additional finance raised noted above.

Pre-admission reorganisation

In preparation for the placing, a share for share exchange took place on 27 August 2020 whereby shares held in Various Eateries Holdings Limited were acquired by Various Eateries Plc, the new group top company incorporated on 26 June 2020, in consideration for the issue of ordinary shares in Various Eateries Plc.

On 18 September 2020, Various Eateries Plc acquired the entire issued share capital of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited in consideration for the issue of ordinary shares in Various Eateries Plc. These companies were incorporated on 23 July 2020 for the purpose of hiving down the trade and certain assets of The Great House at Sonning Limited and Rare Bird Hotels Limited respectively, effective 23 August 2020. As part of the hive down agreements, new 10 year leases were granted to the new hotel companies by The Great House at Sonning Limited and CCO Cygnet Limited respectively.

On 18 September 2020, £15,700,000 of borrowings from related parties was capitalised by the issue of ordinary shares in Various Eateries Plc to the lenders. As part of this debt refinancing, three of the four existing one year deep discounted bond instruments were redeemed in exchange for one new deep discounted bond instrument with a redemption date of April 2022, and a new loan facility was agreed for the purpose of redeeming the fourth deep discounted bond instrument in January 2021. The total debt remaining immediately after the refinancing was £12,438,000.

25. CONTINGENT LIABILITIES

There are 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 £745,000.

PART IV

UNAUDITED INTERIM FINANCIAL INFORMATION ON THE VEHL GROUP

Various Eateries Holdings Limited

Unaudited Consolidated Statement of Comprehensive Income

For the 26 weeks ended 29 March 2020

	26 weeks ended 31 March 2019 £'000	26 weeks ended 29 March 2020 £'000
Revenue	11,951	11,216
Cost of sales	(11,915)	(11,414)
Gross profit/(loss)	36	(198)
Central staff costs	(1,058)	(1,051)
Other expenses	(929)	(1,019)
Operating loss	(1,951)	(2,268)
Finance income	5	2
Finance costs	(4,167)	(992)
Loss before tax	(6,113)	(3,258)
Tax	–	–
Loss for the period	(6,113)	(3,258)

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.

Various Eateries Holdings Limited
Unaudited Consolidated Statement of Financial Position
As at 29 March 2020

	29 September 2019	29 March 2020
Note	£'000	£'000
Non-current assets		
Intangible assets	5 7,265	7,266
Property, plant and equipment	6 24,330	26,016
	<u>31,595</u>	<u>33,282</u>
Current assets		
Inventories	7 551	395
Trade and other receivables	8 2,231	2,095
Cash and bank balances	1,834	1,292
	<u>4,616</u>	<u>3,782</u>
Total assets	<u>36,211</u>	<u>37,064</u>
Current liabilities		
Trade and other payables	(8,222)	(7,024)
Net current liabilities	<u>(3,606)</u>	<u>(3,242)</u>
Total assets less current liabilities	<u>27,989</u>	<u>30,040</u>
Non-current liabilities		
Loans and borrowings	9 (34,369)	(39,678)
Total non-current liabilities	<u>(34,369)</u>	<u>(39,678)</u>
Total liabilities	<u>(42,591)</u>	<u>(46,702)</u>
Net liabilities	<u>(6,380)</u>	<u>(9,638)</u>
Equity		
Share capital	111	111
Share premium	64,736	64,736
Retained losses	(71,227)	(74,485)
Total shareholder's deficit	<u>(6,380)</u>	<u>(9,638)</u>

Various Eateries Holdings Limited
Unaudited Consolidated Statement of Changes in Equity

For the 26 weeks ended 29 March 2020

	Called-up share capital £'000	Share premium account £'000	Retained losses £'000	Total £'000
At 1 October 2018	78	–	(59,252)	(59,174)
Loss for the period	–	–	(6,113)	(6,113)
Total comprehensive loss	–	–	(6,113)	(6,113)
At 31 March 2019	78	–	(65,365)	(65,287)
At 30 September 2019	111	64,736	(71,227)	(6,380)
Loss for the period	–	–	(3,258)	(3,258)
Total comprehensive loss	–	–	(3,258)	(3,258)
At 29 March 2020	111	64,736	(74,485)	(9,638)

Various Eateries Holdings Limited
Unaudited Consolidated Statement of Cash Flows
For the 26 weeks ended 29 March 2020

		26 weeks ended 31 March 2019 £'000	26 weeks ended 29 March 2020 £'000
	Note		
Cash flows from operating activities			
Loss for the year		(6,113)	(3,258)
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation		1,763	1,536
Loss on disposal and surrender of leases		122	38
Finance income		(5)	(2)
Finance costs		1,539	991
Preference share dividends		2,627	–
		<u>(67)</u>	<u>(695)</u>
Working capital adjustments:			
Decrease in inventories	7	24	156
Decrease in trade and other receivables	8	223	133
Increase/(decrease) in trade and other payables		22	(985)
		<u>202</u>	<u>(1,391)</u>
Net cash flow from operating activities			
Cash flows from investing activities			
Interest received		5	2
Purchases of property plant and equipment	6	(3,538)	(3,366)
Purchase of intangible assets	5	(7)	(1)
(Costs)/proceeds on disposal of property plant and equipment		(145)	108
		<u>(3,685)</u>	<u>(3,257)</u>
Net cash flows from investing activities			
Cash flows from financing activities			
Interest paid		(481)	(529)
Proceeds from borrowings	9	2,700	5,300
New lease liabilities	9	1,592	–
Principal elements of lease payments	9	(1,214)	(665)
		<u>2,597</u>	<u>4,106</u>
Net cash flows from financing activities			
Decrease in cash		<u>(886)</u>	<u>(542)</u>
Opening cash at bank and in hand		<u>1,601</u>	<u>1,834</u>
Closing cash at bank and in hand		<u>715</u>	<u>1,292</u>

Various Eateries Holdings Limited
Notes to the Unaudited Interim Financial Information
For the 26 weeks ended 29 March 2020

1. GENERAL INFORMATION

Various Eateries Holdings Limited (formerly Various Eateries Limited) (“VEHL”) and its subsidiaries’ (together the “VEHL Group”) are companies limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 2nd Floor, 12 Great Portland Street, London, W1W 8QN.

2. BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

The unaudited interim financial information has been prepared under the recognition and measurement principles of International Financial Reporting Standards as adopted by the EU (“IFRS”) but does not include all of the information required for a complete set of IFRS financial statements. The principal accounting policies adopted are consistent with those adopted in the Historical Financial Information as set out in Section B, Part III of this document.

The unaudited interim financial information for the 26 weeks ended 29 March 2020 has not been audited nor subject to an interim review.

The unaudited interim financial information has been prepared on the historical cost basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the unaudited interim financial information of the VEHL Group, which have been applied consistently to all periods presented, are set out below. The directors and proposed directors of Various Eateries plc (the “Directors”) are responsible for the unaudited interim financial information.

Revenue

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

Impairments of tangible and intangible fixed assets

At each reporting end date, the VEHL 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 VEHL 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

The VEHL 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 VEHL Group's incremental borrowing rate on commencement of the lease is used. This is 4.5 per cent. 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 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 VEHL 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 VEHL 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 amortised 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.

When the VEHL 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 amortised over the remaining (revised) lease term.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the unaudited interim financial information requires the Directors to make estimates and judgements that affect the reported amounts of assets and liabilities at the reporting date of the unaudited interim financial information and the reported amounts of costs and revenue during the reporting period. 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.

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Impairment of goodwill, other intangibles and tangible fixed assets

Determining whether goodwill, other intangibles and tangible fixed assets are impaired requires an estimation of the value in use of the cash-generating units 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.

5. INTANGIBLE ASSETS

	Brand £'000	Goodwill £'000	Trademarks, patents & licenses £'000	Total £'000
Cost or valuation				
At 1 October 2018	2,662	16,993	13	19,668
Additions	–	–	7	7
At 31 March 2019	2,662	16,993	20	19,675
Additions	–	–	3	3
At 29 September 2019	2,662	16,993	23	19,678
Additions	–	–	1	1
At 29 March 2020	2,662	16,993	24	19,679
Amortisation				
At 1 October 2018 and 31 March 2019	2,662	8,515	–	11,177
Impairment	–	1,236	–	1,236
At 29 September 2019 and 29 March 2020	2,662	9,751	–	12,413
Carrying amount				
At 31 March 2019	–	8,478	20	8,498
At 29 September 2019	–	7,242	23	7,265
At 29 March 2020	–	7,242	24	7,266

6. PROPERTY, PLANT AND EQUIPMENT

	Right of use assets £'000	Freehold building £'000	Leasehold premises and improvements £'000	Furniture, fittings and equipment £'000	Work in progress £'000	IT equipment £'000	Total £'000
Cost or valuation							
At 1 October 2018	20,205	–	7,733	5,022	285	1,115	34,360
Additions	1,592	–	945	537	323	142	3,538
Disposals	(518)	–	(1,323)	(913)	(2)	(51)	(2,807)
Transfers	–	–	230	–	(231)	1	–
At 31 March 2019	21,279	–	7,585	4,646	375	1,206	35,091
Additions	130	–	233	258	1,844	82	2,547
Disposals	(2,371)	–	(907)	(341)	(24)	(69)	(3,713)
Transfers	–	–	1,588	409	(2,089)	92	–
At 29 September 2019	19,038	–	8,499	4,972	105	1,311	33,925
Additions	–	1,895	13	391	1,024	44	3,366
Disposals	(1,098)	–	(714)	(160)	(11)	(33)	(2,016)
Transfers	–	–	–	–	–	–	–
At 29 March 2020	17,940	1,895	7,798	5,203	1,118	1,321	35,275
Depreciation							
At 1 October 2018	5,882	–	2,340	2,666	15	460	11,363
Charge for the period	904	–	293	456	–	110	1,763
Eliminated on disposal	(518)	–	(1,392)	(863)	(15)	(42)	(2,830)
At 31 March 2019	6,268	–	1,241	2,259	–	528	10,296
Charge for the period	851	–	264	441	–	114	1,670
Eliminated on disposal	(2,371)	–	(816)	(150)	–	(38)	(3,375)
Impairment loss	84	–	920	–	–	–	1,004
At 29 September 2019	4,832	–	1,609	2,550	–	604	9,595
Charge for the period	718	–	249	453	–	116	1,536
Eliminated on disposal	(1,099)	–	(709)	(50)	–	(13)	(1,870)
At 29 March 2020	4,451	–	1,149	2,953	–	706	9,259
Carrying amount							
At 31 March 2019	15,012	–	6,344	2,387	375	678	24,795
At 29 September 2019	14,206	–	6,890	2,422	105	707	24,330
At 29 March 2020	13,489	1,895	6,649	2,250	1,118	615	26,016

7. INVENTORIES

	29 September 2019 £'000	29 March 2020 £'000
Food and drinks	330	203
Consumables	221	192
	<u>551</u>	<u>395</u>

8. TRADE AND OTHER RECEIVABLES

	29 September 2019 £'000	29 March 2020 £'000
Trade receivables	209	691
Prepayments	1,065	497
Other receivables	957	907
	<u>2,231</u>	<u>2,095</u>

All of the trade receivables were non-interest bearing and receivable under normal commercial terms. The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

9. LOANS AND BORROWINGS

	29 September 2019 £'000	29 March 2020 £'000
Current borrowings		
Lease liabilities	1,783	1,574
	<u>1,783</u>	<u>1,574</u>
	29 September 2019 £'000	29 March 2020 £'000
Non-current interest bearing loans and borrowings		
Borrowings from related parties	21,082	26,847
Lease liabilities	13,287	12,831
	<u>34,369</u>	<u>39,678</u>

10. POST BALANCE SHEET EVENTS

The VEHL Group has raised additional finance of £400,000 since 29 March 2020 under the existing loan agreement.

In preparation for the placing, a share for share exchange took place on 27 August 2020 whereby shares held in Various Eateries Holdings Limited were acquired by Various Eateries Plc, the new group top company incorporated on 26 June 2020, in consideration for the issue of ordinary shares in Various Eateries Plc.

On 18 September 2020, Various Eateries Plc acquired the entire issued share capital of Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited in consideration for the issue of ordinary shares in Various Eateries Plc. These companies were incorporated on 23 July 2020 for the purpose of hiving down the trade and certain assets of The Great House at Sonning Limited and Rare Bird Hotels Limited respectively, effective 23 August 2020. As part of the hive down agreements, new 10 year leases were granted to the new hotel companies by The Great House at Sonning Limited and CCO Cygnet Limited respectively.

On 18 September 2020, £15,700,000 of borrowings from related parties was capitalised by the issue of ordinary shares in Various Eateries Plc to the lenders. As part of this debt refinancing, three of the four existing one year deep discounted bond instruments were redeemed in exchange for one new deep discounted bond instrument with a redemption date of April 2022, and a new loan facility was agreed for the purpose of redeeming the fourth deep discounted bond instrument in January 2021. The total debt remaining immediately after the refinancing was £12,438,000.

PART V

ADDITIONAL INFORMATION

1 RESPONSIBILITY STATEMENT

The Directors, whose names, business addresses and functions are set out on page 5 of this document, and the Company accept responsibility, both individually and collectively, for all the information contained in this document, and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 THE COMPANY

- 2.1 The Company was incorporated and registered on 26 June 2020 in England and Wales under the Act with registration number 12698869 as a private company limited by shares with the name Venewco Limited.
- 2.2 On 9 September 2020, the Company's name was changed from Venewco Limited to Various Eateries plc.
- 2.3 On 9 September 2020 the Company was re registered as a public limited company under the Act.
- 2.4 The Company is a public limited company and accordingly the liability of its members is limited to the amount paid up or to be paid on their shares. The principal legislation under which the Company operates and which the Placing Shares will be issued is the Act.
- 2.5 The Company's registered office and corporate headquarters are at 2nd Floor, 12 Great Portland Street, London, England, W1W 8QN and its telephone number is +44 (0) 20 3597 7414.
- 2.6 The Company's web site address which discloses the information required by Rule 26 of the AIM Rules for Companies is www.variouseateries.co.uk.

3 THE SUBSIDIARIES

- 3.1 The Company is the holding company of the Group and, at the date of this document, has the following subsidiaries:

Name	Registered Number	Principal Activity	Status	Country of Incorporation	Percentage of issued share capital or interest held and proportion of voting power
Various Eateries Holdings Limited	09269648	Intermediate holding company	Active	England and Wales	100%
Rare Bird Hotels at Streatley Limited	12764529	Operation of a hotel business	Active	England and Wales	100%
Rare Bird Hotels at Sonning Limited	12764418	Operation of a hotel business	Active	England and Wales	100%
VEL Property Holdings Limited	09171235	Real estate holding company	Active	England and Wales	100% (held by Various Eateries Holdings Limited)

Name	Registered Number	Principal Activity	Status	Country of Incorporation	Percentage of issued share capital or interest held and proportion of voting power
SCP Sugar Ltd	09171235	Intermediate holding company	Active	England and Wales	100% (held by Various Eateries Holdings Limited)
Various Eateries Trading Ltd	09185571	Main operating subsidiary of the Group	Active	England and Wales	100% (held by SCP Sugar Ltd)
Coppa Club Limited	09446267	Real estate holding company	Dormant	England and Wales	100% (held by SCP Sugar Ltd)
Coppa Limited	09446776	Dormant subsidiary	Dormant	England and Wales	100% (held by SCP Sugar Ltd)

4 THE COMPANY'S SHARE CAPITAL

4.1 As at 18 September 2020 (being the latest practicable date prior to the date of this document) and, assuming that the Placing is fully subscribed, immediately following Admission, the Company's issued and fully paid up share capital is, and will be, as follows:

	Number of Ordinary Shares issued and credited as fully paid	Aggregate nominal value
As at 18 September 2020	54,761,901	£547,692
Immediately following Admission	89,008,477	£890,085

4.2 As at 18 September 2020 (being the latest practicable date prior to the date of this document), there are no options outstanding over any Ordinary Shares.

4.3 The Company was incorporated with an issued share capital of £1 comprising one ordinary share of £1.00, which was issued nil paid. Since incorporation and to the date of this document, the following changes to the Company's share capital have taken place:

4.3.1 on 27 August 2020, the 1 issued unpaid ordinary share of £1.00 was subdivided into 100 unpaid Ordinary Shares, being the subscriber shares;

4.3.2 on 27 August 2020, pursuant to the Share for Share Exchange (further details of which are set out in paragraph 14.5 of this Part V), the Company issued a further 11,111,011 Ordinary Shares and paid up the 100 unpaid subscriber shares of £0.01 each;

4.3.3 On 15 September 2020, pursuant to the Capitalisation Agreements (further details of which are set out in paragraph 14.12 of this Part V), the Company agreed to issue an aggregate of a further 23,809,522 Ordinary Shares (being some of the Reorganisation Shares);

4.3.4 On 15 September 2020, pursuant to the Rare Bird Share Purchase Agreements (further details of which are set out in paragraphs 14.6.1 and 14.6.2 of this Part V) the Company agreed to issue an aggregate of a further 12,698,412 Ordinary Shares, (being some of the Reorganisation Shares);

- 4.3.5 on 18 September 2020 the Company issued a further 7,142,856 Ordinary Shares.
- 4.4 On 27 August 2020, the Shareholders passed resolutions, *inter alia*, on the following terms:
- 4.4.1 the Directors were generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot shares in the capital of the Company and grant rights to subscribe for, or convert any securities into, shares in the capital of the Company up to an aggregate nominal amount of £800,000; and
- 4.4.2 the Directors were generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority granted by the resolution summarised in paragraph 4.4.1 above as if section 561 of the Act did not apply to any such allotment.
- 4.5 On 2 September 2020, the Shareholders passed resolutions, *inter alia*, on the following terms:
- 4.5.1 pursuant to sections 90 to 92 of the Act, the Company be re-registered as a public limited company with the name 'Various Eateries plc';
- 4.5.2 the Company adopt new articles of association in substitution for and to the exclusion of all of its existing articles of association, with effect from the date of the Company's re registration as a public company;
- 4.5.3 conditional upon Admission, the Company adopt the Articles as its articles of association in substitution for and to the exclusion of all of its existing articles of association (including those adopted pursuant to 4.5.2 above);
- 4.5.4 in substitution of any existing such authority, conditional upon and from Admission, the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to allot shares or be granted rights to subscribe for or convert any security into shares up to an aggregate nominal amount equal to one third of the nominal value of the Company's Enlarged Issued Share Capital expiring on the conclusion of the first annual general meeting of the Company following Admission (unless previously renewed, varied, or revoked);
- 4.5.5 in substitution of any existing such authority, conditional upon and from Admission, the Directors be given the power to allot equity securities (as defined by section 560 of the Act) of the Company pursuant to the authorities granted by the resolution summarised in paragraph 4.5.4 as if section 561 of the Act did not apply to such allotment:
- 4.5.5.1 in connection with an offer of securities by way of an offer to holders of Ordinary Shares (and any other equity securities) in proportion to their respective holdings;
- 4.5.5.2 otherwise than pursuant to 4.5.5.1 above, in respect of the allotment of equity securities up to an aggregate nominal amount equal to one tenth of the nominal value of the Enlarged Issued Share Capital; and
- 4.5.5.3 in addition to the amount in 4.5.5.2 above, the allotment of equity securities for cash up to an aggregate nominal amount equal to one twentieth of the nominal value of the Enlarged Issued Share Capital, provided that any allotment of equity securities under this paragraph 4.5.5.3 shall only be used in connection with an acquisition or a specified capital investment,
- in each case expiring on the conclusion of the first annual general meeting of the Company following Admission (unless previously renewed, varied or revoked).
- 4.6 Save as disclosed in this Part V, since the Company's incorporation:
- 4.6.1 no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
- 4.6.2 no share or loan capital of the Company has been issued, or is now proposed to be issued (other than pursuant to the Placing or on the exercise of the Options to be issued under the Share Schemes), fully or partly paid, either for cash or other consideration to any person;

- 4.6.3 no person has any preferential subscription rights for any share capital of the Company;
 - 4.6.4 no commissions, discounts, brokerages or other special terms, have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company;
 - 4.6.5 neither the Company nor the Company's wholly owned, dormant subsidiary, holds any of the Ordinary Shares;
 - 4.6.6 the Company has no convertible debt securities, exchangeable debt securities or debt securities with warrants in issue; and
 - 4.6.7 there are no acquisition rights or obligations over the authorised but unissued share capital of the Company and there is no undertaking to increase the share capital of the Company.
- 4.7 The Ordinary Shares have been created under the Act.
 - 4.8 The Ordinary Shares are in registered form and may be held either in certificated form or in uncertificated form through CREST. The Articles permit the Company to issue shares in uncertificated form.
 - 4.9 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
 - 4.10 The Company does not have in issue any securities not representing share capital.
 - 4.11 There are no issued but not fully paid Ordinary Shares.
 - 4.12 Other than pursuant to the Placing, the Ordinary Shares are not being marketed or being made available to the public in whole or in part in conjunction with the application for Admission.
 - 4.13 The Existing Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility, nor has any application for such admission been made and it is not intended to make any arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with Admission.
 - 4.14 The Company has the contractual capacity of a natural person and is empowered to borrow, guarantee and give security.

5 PRE-ADMISSION REORGANISATION

- 5.1 On 27 August 2020, the Company entered into the Share Exchange Agreement (further details of which are set out in paragraph 14.5 of this Part V);
- 5.2 On 15 September 2020, the Company entered into the Capitalisation Agreements, the New DDB and the Deed of Release in relation to debt in Various Eateries Trading Limited (a subsidiary of the Company) held by certain shareholders of the Company and by FPI. Some of this debt was repaid pursuant to the Capitalisation Agreements (and certain associated security was released pursuant to the Deed of Release) with the repayment to be satisfied by (i) the issue of an aggregate of 23,809,522 new Ordinary Shares (being Reorganisation Shares) by the Company on behalf of Various Eateries Trading Limited and (ii) the entering into of the New DDB;
- 5.3 On 15 September 2020, the Company entered into the Rare Bird Share Purchase Agreements. Further details of each of these agreements are set out in paragraphs 14.6.1 and 14.6.2 of this Part V. Under the Sonning Share Purchase Agreement the Company agreed to acquire, the entire issued share capital of Rare Bird Hotels at Sonning Limited, in consideration for the issue of 3,174,603 Ordinary Shares (being Reorganisation Shares). Under the Streatley Share Purchase Agreement the Company agreed to acquire, the entire issued share capital of Rare Bird Hotels at Streatley Limited, in consideration for the issue of 9,523,809 Ordinary Shares (being Reorganisation Shares).
- 5.4 Prior to the Company entering into the Rare Bird Share Purchase Agreements:
 - 5.4.1 The Great House at Sonning Limited transferred its business and assets relating to the operation of the The Great House to Rare Bird Hotels at Sonning Limited and granted

a 10 year lease in respect of The Great House to Rare Bird Hotels at Sonning Limited;
and

- 5.4.2 Rare Bird Hotels Limited transferred its business and assets relating to the operation of The Swan to Rare Bird Hotels at Streatley Limited and CCO Cygnet Limited granted a 10 year lease in respect of The Swan to Rare Bird Hotels at Streatley Limited.

6 ARTICLES OF ASSOCIATION

The Company's Articles contain no specific restriction on the Company's objects and purposes and contain provisions, *inter alia*, to the following effect:

6.1 Board powers

- 6.1.1 The Directors acting as a Board may exercise all the Company's powers, and may do on its behalf anything that can be done by the Company or on its behalf, which is not required by law or the Articles to be done by the Company in general meeting, subject to applicable laws, the Articles, and any direction that the Company gives to the Directors by passing a special resolution.
- 6.1.2 The Board may delegate any of its powers under the Articles, and any other of its powers capable of delegation, to such person or persons or to any Board committee as it considers appropriate. The Board may grant to any such person(s) or committee the power to sub delegate a delegated power to one or more other persons or to a sub committee.

6.2 Directors – appointment, election, re election and removal

- 6.2.1 The Company must have at least two Directors but no more than ten. The Company can change these numbers by passing an ordinary resolution.
- 6.2.2 The Board may appoint as a Director a person who is willing to act as such. The Company may by ordinary resolution appoint as a Director a person who is willing to act as such. The Board may appoint any Director to hold any employment or executive office with the Company for such period and on such terms as the Board decides.
- 6.2.3 At each annual general meeting (i) each Director who was appointed by the Board as a Director since the previous annual general meeting is to be proposed for election by members as a Director, (ii) each other Director who has continued to be a Director without being appointed or elected or re elected by member as such at one of the two previous annual general meetings is to be proposed for re election by members as a Director, and (iii) any other Director can be proposed by the Board for re election as a Director. If a resolution for the election or re election of a person as a Director is put to vote at that meeting but not passed, that person will cease to be a Director.
- 6.2.4 The Company may remove a Director from office by ordinary resolution of which special notice has been given in accordance with the Act or by special resolution.
- 6.2.5 A person will cease to be a Director when (i) they cease to be a Director as a matter of law, (ii) they are removed from office pursuant to the Articles, (iii) a resignation notice that the Company has received from them takes effect in accordance with its terms or, if later, on its receipt by the Company, (iv) the Board resolves that they cease to be a Director on the ground that a bankruptcy order has been made against them or a composition has been made with their creditors generally in satisfaction of their debts or they are unable to act properly as a Director for reasons of ill health or incapacity and have been unable to do so for the previous six months or they have not attended a Board meeting in the previous six months, (v) all of the other Directors sign a written notice (or different notices in the same form) or unanimously pass a resolution requiring them to resign or (vi) in the case of a Director who is an employee of a group undertaking, they cease to be employed by any group undertaking without the Board having resolved that, on such cessation, they are to continue in office as a director.

6.3 Fees and remuneration

The Company may pay to the Directors for their services as Directors such aggregate amount of fees as the Board decides of up to £1,250,000 per annum, or such larger amount as the Company may decide by ordinary resolution. The aggregate fees may be divided among the Directors in proportions decided by the Board or, if no decision is made, equally. An executive

director's remuneration is to be decided by the Board. It may be paid in addition to or instead of a fee payable to them as a Director pursuant to the Articles. A Director who performs any special or extra service for the Company which the Board considers to be outside the scope of their ordinary duties as a Director or, where applicable, the scope of their duties as an executive Director, may be paid additional remuneration for doing so.

6.4 **Directors' interests**

6.4.1 A Director is not required to account to the Company for any profit, remuneration or other benefit which they obtain as a consequence of them (i) being interested in any arrangement or transaction with the Company or any other group undertaking or in which the Company is otherwise interested, (ii) holding any other office or place of profit with the Company in conjunction with their office of Director for such period and on such terms, including as to remuneration, as the Board may decide, (iii) acting in a professional capacity for the Company or any other group undertaking or body corporate in which the Company is interested, (iv) being a partner or a member or an employee of a firm or company, or a consultant to it, that provides services to the Company or any other group undertaking or any such body corporate, or (v) being a director or other officer of a body corporate in which the Company or any other group undertaking is interested or which has an interest in the Company or in any other group undertaking or being employed by or otherwise interested in any such body corporate. This applies, if the Director is or has been required to disclose the nature and extent of their interest in the matter concerned to the other Directors in accordance with the Act, only if they have done so.

6.4.2 A Director is not allowed to vote or be counted in the quorum on any Board resolution concerning any contract in which they have an interest unless that interest could not reasonably be regarded by a majority of the other Directors as likely to give rise to a conflict of interest for them or only arises from or relates to one or more of:

6.4.2.1 the giving of any security, guarantee or indemnity to them in respect of money lent or obligations incurred by them or by any other person at the request of or for the benefit of a group undertaking;

6.4.2.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of a group undertaking for which they themselves have assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

6.4.2.3 an offer of securities by a group undertaking in which they are or may be entitled to participate as a holder of securities or in the underwriting or sub underwriting of which they are to participate;

6.4.2.4 a contract with or relating to another company in which they do not have to their knowledge an interest in shares representing at least one per cent. of any class of that company's equity share capital or that carry at least one per cent. or the rights to vote on substantially all matters at its general meetings;

6.4.2.5 an arrangement for the benefit of employees of any group undertaking which does not award them any privilege or benefit not generally awarded to the employees to whom the arrangement relates;

6.4.2.6 insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including any director; or

6.4.2.7 a proposal for the Company (i) to provide them with an indemnity permitted by company legislation, (ii) to provide them with funds in circumstances permitted by company legislation to meet their defence expenditure in respect of any civil or criminal proceedings or regulatory investigation or other regulatory action or in connection with any application for any category of relief permitted by company legislation, or (iii) to do anything to enable them to avoid incurring any such expenditure.

6.4.3 The Directors may authorise any situation or matter relating to a Director to which section 175 of the Act (on "**Duty to avoid conflicts**") applies (each a "**conflict matter**") on such terms as they think fit. Any terms to which such an authorisation is made subject may include that the Director concerned (i) is not obliged to disclose to

the Company confidential information obtained by them in any situation to which the authorisation applies, nor to use any such information for the Company's benefit, where doing so would amount to a breach of a duty of confidence to any third party that they have previously disclosed to the Board and (ii) may absent themselves from any Board discussions relating to the conflict matter concerned for so long as they have or may have a conflict of interest as a Director in respect of it.

6.5 Dividends

The Company may by ordinary resolution declare a dividend in respect of fully paid Ordinary Shares in issue on a record date fixed by the Board. The dividend must not exceed the amount recommended by the Board. The Board may resolve that the Company pay an interim dividend in respect of fully paid Ordinary Shares in issue on a record date fixed by the Board. The amount of a dividend payable on fully paid Ordinary Shares carrying the right to receive it shall be the same for each share. Any dividend unclaimed after a period of six years from the date the dividend was declared or became due for payment will be forfeited and revert to the Company.

6.6 General meetings

6.6.1 The Board is to decide when and where an annual general meeting is to be held and may make any arrangements it decides fit to allow those entitled to so to attend and participate. The Board may call a general meeting which is not an annual general meeting to be held when and where the Board considers appropriate and with any arrangements that it considers appropriate to allow those entitled to do so to attend and participate. A general meeting is to be called by at least the minimum period required under the Act. A general meeting that is not an annual general meeting may also be called an “**extraordinary**” general meeting.

6.6.2 Notice of a general meeting is to be given to each person who is a member at the relevant time specified in the notice in accordance with company legislation, other than a member who (under these Articles or the terms attached to their shares) does not have the right to receive it. Notice of a general meeting need not be given to a person entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving to its transmission by operation of law.

6.6.3 Two or more persons who may not be in the same place as each other attend the general meeting if they are able to exercise their rights to speak and vote at that meeting. Where two or more attendees at a general meeting are not in the same place, the location of the meeting will, unless the notice of the meeting says otherwise, or the chairman decides otherwise, be the chairman's location. The Board may allow attendance at, and participation in, a general meeting by electronic means and from anywhere in the world.

6.6.4 A person who holds Ordinary Shares at the time specified by the Company for a general meeting in accordance with company legislation may, subject to the Articles and company legislation and any restrictions attaching to those shares (i) attend and speak and vote at that meeting as a member, (ii) appoint another person, or two or more persons in respect of different shares held by them, as their proxy to exercise all or any of their rights to attend, speak and vote at the meeting or (iii) if it is a corporation, by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at the meeting. Every such holder who is present at a general meeting as an individual or through the appointment of a corporate representative or proxy has one vote on a resolution put to the meeting on a show of hands and one vote for every share of which they are the holder on a resolution put to the meeting on a poll. Only the vote of the senior of joint holders will be counted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the holder's names appear in the Company's register of members in respect of the joint holding.

6.7 Interests in shares not disclosed to the Company

6.7.1 The Company may suspend the exercise of voting rights attached to shares if (i) a person to whom the Company has given a notice under section 793 of the Act on the ground that such person is or appears to be interested in those shares fails to comply

with it by the date 14 days after it was given or, if later, by any deadline specified in it (a “**default**”) and (ii) that person remains in default of the notice, so far as the Board is aware. Where this is the case, the Company may suspend all rights conferred by those shares (“**default shares**”) to attend or vote at a general meeting or at a class meeting or on a poll and may also suspend all other rights conferred by those shares in relation to any meeting or poll.

- 6.7.2 Where the default shares represent at least 0.25 per cent of the issued shares of their class, the Company may (i) suspend the payment of all dividends on those shares and the right of their holder to elect to receive other shares instead of any dividend on them, (ii) require their holder to refrain from transferring them, other than pursuant to an exempt transfer, (iii) require a holder of default shares in uncertificated form to have them converted into certificated form, (iv) refuse to register the transfer of default shares in certificated form, unless the transfer is an exempt transfer, and (v) may require the CREST system operator to convert default shares in uncertificated form into certificated form in accordance with the CREST regulations. An “**exempt transfer**” is a transfer of shares (i) made pursuant to an acceptance of a takeover offer made in compliance with the Takeover Code or (ii) which the Board is satisfied is made pursuant to a genuine sale to a person who has no connection with the member making the transfer nor with the defaulter nor with anyone else appearing (other than as a result of the sale) to be interested in the shares or appearing to have been interested in them at any relevant time.
- 6.7.3 The suspension of any rights conferred by default shares, and the obligation of their holder to continue to comply with any requirements notified to it, will cease (i) in relation to all default shares, on the earlier of the Company notifying the holder of such cessation and seven days after the Company’s receipt, of all the information required by the statutory notice, (ii) in relation to default shares that are the subject of an exempt transfer, on the registration of those shares in a transferee’s name pursuant to that transfer, and (iii) in relation to some (but not all) default shares, at such earlier time as the Company may notify to the holder.

6.8 **Return of capital**

On the Company’s winding up its assets available for distribution to members are first to be applied in paying to members sums equal to the nominal amounts of capital paid up on their shares. The remaining assets of the Company available for distribution are then to be applied in making payments to the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.

6.9 **Share class rights**

Rights attached to a class of shares may be varied with the consent in writing from the holders of at least three quarters in nominal value of the issued shares of that class. They may also be varied with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class. Rights attached to shares of the same class will not be treated as varied by the allotment or issue of other shares ranking in all respects equally with them, unless the terms conferring those rights expressly state otherwise.

6.10 **Share transfers**

- 6.10.1 A member may transfer certificated shares by an instrument of transfer in writing in any usual form. The instrument must be signed by or on behalf of the member as the transferor. An instrument of transfer in respect of shares that are not fully paid must also be signed by or on behalf of the transferee. A member may transfer all or any of their uncertificated shares without a written instrument in accordance with the CREST regulations.
- 6.10.2 The Company may refuse to register a transfer of fully paid certificated shares in accordance with provisions in the Articles summarised above under “**Interests in shares not disclosed to the Company**”. It may also refuse to register a transfer of fully paid certificated shares unless (i) the instrument of transfer is properly stamped or is certified or otherwise shown to the Board’s satisfaction to be exempt from stamp duty, (ii) all the shares to which the instrument relates are of the same class and

(iii) the instrument is in favour of a single transferee or not more than four joint transferees and is delivered for registration to the Company at its registered office or such other place as the Board may decide and accompanied by the certificate for the shares to which it relates (except for shares in respect of which the Company did not issue a certificate for their holder) and by any other evidence required by the Company to show the transferor's right to make the transfer or, if the instrument is signed by some other person, to show that person's authority to do so. The Company may refuse to register a transfer of certificated shares which are not fully paid.

6.10.3 Registration of the transfer of an uncertificated share may be refused if the transfer is in favour of more than four persons jointly or if any other circumstances apply in respect of which refusal to register it is permitted or required by the CREST regulations.

6.11 Pre-emption rights

There are no rights of pre-emption under the Company's articles of association in respect of transfers of issued Ordinary Shares. In certain circumstances, the Shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing Shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Shareholders.

7 THE TAKEOVER CODE, MANDATORY BIDS, SQUEEZE OUT AND SELL OUT RULES

7.1 Mandatory takeover bids

7.1.1 The Takeover Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) ("**Directive**"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules set out in the Takeover Code which are derived from the Directive now have a statutory basis.

7.1.2 The Company is a public company incorporated in England and Wales and will be admitted to trading on AIM. Accordingly, the Takeover Code will apply to the Company from Admission. The Takeover Code operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment.

7.1.3 The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected. This is reinforced under Rule 9 of the Takeover Code. Under Rule 9 of the Takeover Code, where:

7.1.3.1 any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with them are interested) carries 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or

7.1.3.2 any person who, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, if such person, or any person acting in concert with them, acquires an interest in any other shares which increases the voting rights in which they are interested, then, except with the consent of the Panel, they, and any person acting in concert with them, must make a general offer in cash to the other shareholders to acquire the balance of the shares not held by them and their concert parties.

7.1.4 An offer under Rule 9 of the Takeover Code must be in cash and at the highest price paid within the preceding 12 months for any shares by the person required to make the offer or any person acting in concert with him.

7.2 Compulsory acquisition – squeeze out

Under sections 974 to 991 of the Act, if within certain time limits, an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares not assented to the offer. The offeror would accept the compulsory acquisition by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, it would execute a transfer of the outstanding shares in its favour and pay the consideration for the shares to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

7.3 Compulsory acquisition – sell out

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer. Certain time limits apply to this entitlement. The offeror would be required to give any holder of shares notice of their right to be bought out within one month of that right arising. Sell out rights cannot be exercised after the end of the three month period from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

8 DIRECTORS' INTERESTS

8.1 As at the date of this document, the interests of the Directors and their families (including any interest known to that Director which could with reasonable diligence be ascertained by him) or any person connected with a Director (within the meaning set out in the AIM Rules for Companies) in the Company's issued share capital and, assuming that the Placing is fully subscribed, immediately following Admission, are as follows:

Name	As at the date of this document		Immediately following Admission	
	No. of Ordinary Shares	Percentage of Existing Shares	No. of Ordinary Shares	Percentage of Enlarged Issued Share Capital
Hugh Osmond	42,781,240 ¹	78.12%	42,781,240 ¹	48.06%
Andrew Bassadone	3,473,817 ²	6.34%	3,473,817 ²	3.90%
Yishay Malkov	2,190,476 ³	4.00%	2,190,476 ³	2.46%
Oliver Williams	1,095,238 ⁴	2.00%	1,095,238 ⁴	1.23%
Glyn Barker	158,730	0.28%	158,730	0.18%
Gareth Edwards	119,047	0.22%	119,047	0.13%
Tiffany Sword	4,187	0.01%	4,187	0.01%

Notes: ¹ 24,569,344 of these Ordinary Shares are held by Xercise2 Limited, 9,523,809 of these Ordinary Shares are held by Rare Bird Hotels Limited, 3,174,603 of these Ordinary Shares are held by The Great House at Sonning Limited and 5,513,484 of these Ordinary Shares are held by FPI. FPI operates on an execution only basis on the sole instruction of Hugh Osmond.

² 2,045,246 of these Ordinary Shares are held by Anella Limited and 1,428,571 of these Ordinary Shares are held jointly with Compound Management (UK) Limited under the Joint Share Ownership Plan.

³ All of these Ordinary Shares are held jointly with Compound Management (UK) Limited under the Joint Share Ownership Plan.

⁴ All of these Ordinary Shares are held jointly with Compound Management (UK) Limited under the Joint Share Ownership Plan.

- 8.2 Save for the loan to Compound Management (UK) Limited described in paragraph 13 of this Part V, there are no outstanding loans granted or guarantees provided by the Company to, or for the benefit of, any of the Directors.
- 8.3 Save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the Company's business taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under performed.
- 8.4 None of the Directors or any person connected with a Director (within the meaning of section 252 to 255 of the Act) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet).

9 DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

9.1 The Directors have been appointed to the offices and roles set out against their respective names below. The service agreements and letters of appointment summarised below are each between the respective Director and the Company.

9.2 Executive Directors

- 9.2.1 Andrew (Andy) Bassadone (Executive Chairman, Age 63) entered into a Chairman Appointment Agreement with the Company dated 18 September 2020, the terms of which are conditional on Admission. His appointment is terminable on 6 months' notice by either party and the agreement contains provisions for early termination, without notice, in certain circumstances, including if he is prevented or prohibited by law from being a director or is in serious (after written warning) repeated breach of any of his obligations to the Company or of any legal duty owed to it. Andy will not be paid any fees but the Directors believe he remains incentivised through his shareholding (via Anella Limited) and JSOP Shares. The agreement also provides for the repayment of all reasonable expenses wholly, properly and exclusively incurred in the performance of the director's duties. In addition, the agreement contains post termination restrictive covenants and confidentiality obligations.
- 9.2.2 Yishay Malkov (Chief Executive Officer, Age 46) entered into a service agreement with the Company dated 18 September 2020, the terms of which are conditional on Admission. Yishay's continuous employment date is 1 January 2020. His appointment is terminable on 6 months' notice by either party and the agreement contains provisions for early termination, without notice, in certain circumstances, including if he is prevented or prohibited by law from being a director or is in serious (after written warning) repeated breach of any of his obligations to the Company or of any legal duty owed to it. Yishay's salary is £200,000 per annum. The agreement also provides for pension contributions by the Company at 5 per cent. of monthly salary, a private health insurance scheme as well as the repayment of all reasonable expenses wholly, properly and exclusively incurred in the performance of the director's duties. In addition, the agreement contains post termination restrictive covenants and confidentiality obligations.
- 9.2.3 Oliver Williams (Chief Financial Officer, Age 37) entered into a service agreement with the Company dated 18 September 2020, the terms of which are conditional on Admission. Oliver's continuous employment date is 28 May 2018. His appointment is terminable on 6 months' notice by either party and the agreement contains provisions for early termination, without notice, in certain circumstances, including if he is prevented or prohibited by law from being a director or is in serious (after written warning) repeated breach of any of his obligations to the Company or of any legal duty owed to it. Oliver's salary is £125,000 per annum. The agreement also provides for pension contributions by the Company at 5 per cent. of monthly salary, a private health insurance scheme as well as the repayment of all reasonable expenses wholly, properly and exclusively incurred in the performance of the director's duties. In addition, the agreement contains post termination restrictive covenants and confidentiality obligations.

9.3 Non-Executive Directors

- 9.3.1 Hugh Osmond (Non-Executive Director, Age 58) entered into a letter of appointment with the Company dated 18 September 2020 (effective 27 August 2020). The appointment and terms of the letter of appointment will expire if Admission does not occur. The appointment is for an initial term until the date falling three years from Admission, terminable on 3 months' notice by either party. The annual fee payable is £25,000 and Hugh is entitled to the reimbursement of reasonable travelling and other expenses incurred in performing his duties. The appointment is subject to re appointment pursuant to the Articles. There are no benefits payable on the termination of the appointment.
- 9.3.2 Tiffany Sword (Non-Executive Director, Age 33) entered into a letter of appointment with the Company dated 18 September 2020 (effective 27 August 2020). The appointment and terms of the letter of appointment will expire if Admission does not occur. The appointment is for an initial term until the date falling three years from Admission, terminable on 3 months' notice by either party. The annual fee payable is £25,000 and Tiffany is entitled to the reimbursement of reasonable travelling and other expenses incurred in performing her duties. The appointment is subject to re appointment pursuant to the Articles. There are no benefits payable on the termination of the appointment.
- 9.3.3 Glyn Barker (Non-Executive Director, Age 67) entered into a letter of appointment with the Company dated 18 September 2020 (effective 27 August 2020). The appointment and terms of the letter of appointment will expire if Admission does not occur. The appointment is for an initial term until the date falling three years from Admission, terminable on 3 months' notice by either party. Glyn will be paid a fee of £50,000 for his services in connection with Admission. The annual fee payable is £50,000 and Glyn is entitled to the reimbursement of reasonable travelling and other expenses incurred in performing his duties. The appointment is subject to re appointment pursuant to the Articles. There are no benefits payable on the termination of the appointment.
- 9.3.4 Gareth Edwards (Non-Executive Director, Age 62) entered into a letter of appointment with the Company dated 18 September 2020 (effective 27 August 2020). The appointment and terms of the letter of appointment will expire if Admission does not occur. The appointment is for an initial term until the date falling three years from Admission, terminable on 3 months' notice by either party. Gareth will be paid a fee of £50,000 for his services in connection with Admission. The annual fee payable is £50,000 and Gareth is entitled to the reimbursement of reasonable travelling and other expenses incurred in performing his duties. The appointment is subject to re appointment pursuant to the Articles. There are no benefits payable on the termination of the appointment.
- 9.4 On 18 September 2020, the Company entered into deeds of indemnity in respect of each of the Directors. Pursuant to these deeds of indemnity, the Company indemnifies each Director, subject to the provisions of the Act, against all charges, costs, damages, expenses and liabilities suffered or (acting reasonably) incurred by the Director in the execution or purported exercise of their duties, powers or responsibilities as a Director of the Company or any group company or otherwise in connection with their office. Amongst other exceptions, the indemnity does not apply to any Director's liability to pay a fine imposed in criminal proceedings or to pay a sum payable to a regulatory authority by way of a penalty in respect of non compliance with any requirement of a regulatory nature (however arising).
- 9.5 The remuneration of the directors of VEHL for the 52 weeks ended 29 September 2019 was £553,000 (as disclosed in Part III). It is estimated that under the arrangements currently in force as at the date of this document, the aggregate remuneration payable and benefits in kind to be granted to the Directors and key management personnel by the Company for the financial period ending 30 September 2020 will c.£380k.

10 ADDITIONAL INFORMATION ON THE DIRECTORS

- 10.1 Other than in respect of the Company, the names of all companies and partnerships of which the Directors have been a director or partner at any time in the five years preceding the date of this document (and indicating whether they are current or former) are set out below:

Name	Current Directorships/Partnerships	Former Directorships/ Partnerships
Andrew Bassadone	Joe Allen Limited (company number 10637883); Anella Limited (company number 10460085); Troia Limited (company number FC032757); Jackson and Rye Holdings (Jersey) Limited (company number FC032495); Conquit Trading Co. Limited (company number FC021184).	Various Eateries Holdings Limited (company number 09269648); Bill's Stores Limited (company number 06347385); Bill's Restaurants Ltd (company number 05158252); Bill's Trading Limited (company number 05256656); Gaucho Holdings Limited (company number 06451551).
Yishay Malkov	Various Eateries Holdings Limited (company number 09269648); Various Eateries Trading Limited (company number 09185571); VEL Property Holdings Limited (company number 12339094); Coppa Club Limited (company number 09446267); Coppa Limited (company number 09446776); SCP Sugar Ltd (company number 09171235); Rare Bird Hotels at Streatley Limited (company number 12764529); Rare Bird Hotels at Sonning Limited (company number 12764418).	None.
Oliver Williams	Various Eateries Holdings Limited (company number 09269648); SCP Sugar Ltd (company number 09171235); Various Eateries Trading Limited (company number 09185571); VEL Property Holdings Limited (company number 12339094); Coppa Club Limited (company number 09446267); Coppa Limited (company number 09446776).	None.

Name	Current Directorships/Partnerships	Former Directorships/ Partnerships
Hugh Osmond	Osmond Capital Ltd (company number 10812804); Yellow Skies LLP (company number OC416603); Apex2100 Ltd (company number 09095637); Mudlark Hotels Limited (company number 08761366); Moultsford Preparatory School Trust Limited (company number 00894361); Xercise2 Limited (company number 07259361); Devonshire Place Holdings Limited (company number 05899724); CCO Trading Limited (company number 05902636); Well Barn Farm Limited (company number 03504020); Rare Bird Hotels Limited (company number 08258851); CCO Cygnet Limited (company number 08258866).	Various Eateries Holdings Limited (company number 09269648); Coppa Club Limited (company number 09446267); Various Eateries Trading Limited (company number 09185571); Morris United Limited (company number 05960495); Carnegie Capital Estates Limited (company number 08749318); Pimco 2001 Limited (company number 04222797); Sunicap Two Limited (company number 04257137); Sun Capital Limited (company number 04257139); Devonshire Place Investments Ltd (company number 06608438); SCP Sugar Ltd (company number 09171235); Xercise Limited (company number 03127555); Sunicap (Nominees) Limited (company number 04192270); Beaufort (company number 05432115); Alpha-Gamma Shares Limited (company number 07273071); Residential Development Funding Limited (company number 08804527); Alphabet Shares Limited (07273352).
Tiffany Sword	Cheppers Ltd (company number 09324678); Mudlark Hotels Limited (company number 08761366); Capital Physio Limited (company number 08954715); OS Physio Ltd (company number 11828101); Osmond Capital Ltd (company number 10812804).	SCP Sugar Ltd (company number 09171235); Various Eateries Holdings Limited (company number 09269648); Various Eateries Trading Limited (company number 09185571); Coppa Club Limited (company number 09446267).

Name	Current Directorships/Partnerships	Former Directorships/ Partnerships
Glyn Barker	The Berkeley Group Holdings Plc (company number 05172586); JCG Developments Limited (09671671); Irwin Mitchell Holdings Limited (FC031481); Interserve Plc (company number 00088456); Transocean Limited (Swiss company) (company number 05172586).	Interserve Group Limited (company number 11830440); Aviva Plc (company number 02468686); Percuil Limited (company number 07884322); Auctus 1234 Limited (company number 08908948); English National Opera (company number 00426792).
Gareth Edwards	Zed Capital Limited (company number 12191595); London Bridge Capital Limited (company number 09456416); The Local Shopping Reit Plc (company number 05304742); Nos Holdings Limited (company number 12459642); Nos 4 Limited (company number 05707123); Nos 5 Limited (company number 05707124); Nos 6 Limited (company number 06188983); Nos 7 Limited (company number 06188985); Bartholomew Street SPV Limited (company number 10620062); Co-Living London Limited (company number 10616046); LGEC Capital Partners LLP (company number OC415929); Positive Healthcare Plc (09852871); Interserve Plc (company number 00088456); Cornerstone Brands Ltd (company number 08367949); FXPress Payment Services Ltd (company number NI602461); Honye Financial Services Limited (Cayman Islands registered number 336262); Anemol International Limited (BVI registered number 2035767); CS Commercial Limited (company number 12717066).	IQ3 Plc (company number 11514604).

10.1.1 As at the date of this document, Hugh Osmond owns more than 3% of the total issued shares in KM Baker Street Limited (a company incorporated in England & Wales with company number 09121800).

10.1.2 Glyn Barker was appointed as a director of Interserve plc on 1 January 2016. Interserve plc entered administration on 15 March 2019. Immediately following appointment, the joint administrators of Interserve plc completed a sale of

substantially all of its business and assets and certain liabilities to a specially formed company, Interserve Group Limited. The administration remains ongoing.

- 10.1.3 Glyn Barker was appointed as a director of Interserve plc on 1 January 2016. On 11 May 2018, Interserve plc notified the market that it had received a formal notice from the FCA that it had been referred to the FCA's Enforcement Division for investigation in connection with its handling of inside information and its market disclosures in relation to its exited Energy from Waste business during the period from 15 July 2016 to 20 February 2017. The FCA has taken no further action following their investigation.
 - 10.1.4 Gareth Edwards was appointed as a director of Interserve plc on 1 February 2017. Interserve plc entered administration on 15 March 2019. Immediately following appointment, the joint administrators of Interserve plc completed a sale of substantially all of its business and assets and certain liabilities to a specially formed company, Interserve Group Limited. The administration remains ongoing.
 - 10.1.5 Gareth Edwards was appointed as a director of Positive Healthcare plc on 2 November 2015. Positive Healthcare plc was placed into creditors' voluntary liquidation on 11 October 2018.
 - 10.1.6 Gareth Edwards was a director of Interserve plc from 1 February 2017 until 15 March 2019. On 11 May 2018, Interserve plc notified the market that it had received a formal notice from the FCA that it had been referred to the FCA's Enforcement Division for investigation in connection with its handling of inside information and its market disclosures in relation to its exited Energy from Waste business during the period from 15 July 2016 to 20 February 2017. The FCA has taken no further action following their investigation.
- 10.2 Save as disclosed in this paragraph 10, none of the Directors has:
- 10.2.1 any unspent convictions in relation to indictable offences;
 - 10.2.2 been or is the subject of any bankruptcy order made against them or been the subject of any form of individual voluntary arrangements;
 - 10.2.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst they were a director of that company or within the 12 months after they ceased to be a director;
 - 10.2.4 been a partner in any partnership which has been placed in compulsory liquidation, or administration or been the subject of a partnership voluntary arrangement or where the assets of any such partnership have been subject of a receivership whilst they were a partner in that partnership or within the 12 months after they ceased to be a partner in that partnership;
 - 10.2.5 been the owner of any asset or been a partner in any partnership which owned, any asset which while they owned that asset, or while they were a partner or within the 12 months after they ceased to be a partner in the partnership which owned the asset, which has at any time been the subject of a receivership;
 - 10.2.6 been the subject of any public criticism and/or investigation by any statutory or regulatory authority (including recognised professional body); or
 - 10.2.7 ever been or is disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.
- 10.3 Save as disclosed in this document, none of the Directors has or have had any interest in transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by any member of the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

- 10.4 No loans made or guarantees granted or provided by any of the Company's members to or for the benefit of any Director are outstanding and there are no loans or guarantees provided by any of the Directors for the Company or its wholly owned dormant subsidiary.

11 SIGNIFICANT SHAREHOLDERS

- 11.1 Save as disclosed in paragraph 8.1 above, the Company is only aware of the following persons who, as at the date of this document and immediately following Admission, are or will be immediately following Admission interested (within the meaning of Chapter 5 of the Disclosure Trading and Transparency Rules) directly or indirectly, jointly or severally, in three per cent or more of the Company's issued share capital or could exercise control over the Company:

Name	As at the date of this document		Immediately following Admission	
	No. of Ordinary Shares	Percentage of Existing Ordinary Shares	No. of Ordinary Shares	Percentage of Enlarged Issued Share Capital
Hugh Osmond	42,781,240 ¹	78.12%	42,781,240 ¹	48.06%
Canaccord Genuity Wealth Management	–	–	21,658,766 ²	24.33%
Andrew Bassadone	3,473,817 ³	6.34%	3,473,817 ³	3.90%
Yishay Malkov	2,190,476 ⁴	4.00%	2,190,476 ⁴	2.46%

Notes: ¹ 24,569,344 of these Ordinary Shares are held by Xercise2 Limited, 9,523,809 of these Ordinary Shares are held by Rare Bird Hotels Limited, 3,174,603 of these Ordinary Shares are held by The Great House at Sonning Limited and 5,513,484 of these Ordinary Shares are held by FPI. FPI operates on an execution only basis on the sole instruction of Hugh Osmond.

² 17,808,219 of these Ordinary Shares are held by Hargreave Hale Limited, 3,419,041 of these Ordinary Shares are held by Canaccord Genuity Wealth Limited acting as agent and 431,506 of these Ordinary Shares are held by Canaccord Genuity Wealth on behalf of execution only clients.

³ 2,045,246 of these Ordinary Shares are held by Anella Limited and 1,428,571 of these Ordinary Shares are held jointly with Compound Management (UK) Limited under the Joint Share Ownership Plan.

⁴ All of these Ordinary Shares are held jointly with Compound Management (UK) Limited under the Joint Share Ownership Plan.

- 11.2 Save as disclosed in paragraph 11.1 above, the Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company and none of the Company or any of the Directors is aware of any arrangement the operation of which may at a subsequent date result in a change of control of the Company.
- 11.3 None of the Directors, nor any persons named in paragraph 11.1 above, has voting rights which are different to those of other Shareholders.

12 EMPLOYEES

- 12.1 As at 18 September 2020, the Group (excluding Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited) employed a total of 460 members of staff and Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited employed a total of 56 members of staff (being 24 employees and 32 employees, respectively) which makes an aggregate of 516 members of staff. All employees are based in the South East of England.

- 12.2 The breakdown of persons by main category of activity was as follows:

	Site	Support centre
The Group*	430	30
Rare Bird Hotels at Sonning Limited	19	5
Rare Bird Hotels at Streatley Limited	24	8

* excluding Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited.

- 12.3 The average number of employees (including directors) employed by the Group and by The Great House at Sonning Limited and Rare Bird Hotels Limited (which are not part of the Group but whose employees have transferred to Rare Bird Hotels at Sonning Limited and Rare Bird

Hotels at Streatley Limited, respectively (pursuant to the Rare Bird Asset Acquisition Agreements), for each of the last three financial years was as follows:

	Year ended 30 September 2019	Year ended 30 September 2018	Year ended 30 September 2017
The Group*	542	658	855
	Year ended 30 December 2019	Year ended 30 December 2018	Year ended 30 December 2017
The Great House at Sonning Limited ¹	43	5	13
	Year ended 30 January 2019	Year ended 30 January 2018	Year ended 30 January 2017
Rare Bird Hotels Limited ²	34	31	77

* excluding Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited.

¹ Not a member of the Group but the employees transferred to Rare Bird Hotels at Sonning Limited pursuant to the Sonning Asset Acquisition Agreement.

² Not a member of the Group but the employees transferred to Rare Bird Hotels at Streatley Limited pursuant to the Streatley Asset Acquisition Agreement.

- 12.4 The Group (excluding Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited) engaged 2 temporary staff in the financial year ended 30 September 2019 and The Great House at Sonning Limited and Rare Bird Hotels Limited engaged 1 temporary staff in their financial year ending in 2019.

13 JOINT SHARE OWNERSHIP PLAN

The Plan

Each of Andrew Bassadone, Yishay Malkov, Oliver Williams and Matthew Fanthorpe (each a “**JSOP Participant**”) entered into a joint share ownership agreement (each a (“**JSOP Agreement**”) on 18 September 2020 with the Company and Compound Management (UK) Limited, as trustee of the VEL employee benefit trust, (the “**Trustee**”). The JSOP Agreement are on identical terms except for the number of Ordinary Shares that each JSOP Agreement applies to. The JSOP Agreements relate to the following numbers of Ordinary Shares (each a “**JSOP Award**”).

Andrew Bassadone	1,428,527 Ordinary Shares
Yishay Malkov	2,190,476 Ordinary Shares
Oliver Williams	1,095,238 Ordinary Shares
Matthew Fanthorpe	1,095,238 Ordinary Shares

Under the terms of the JSOP Agreement, each JSOP Participant has acquired jointly with the Trustee the Ordinary Shares represented by their respective JSOP Award.

The JSOP Agreement provides for each JSOP Participant to acquire an interest (the “**JSOP Interest**”) in any increase in value of the Ordinary Shares represented by a JSOP Award over and above the market value of the Ordinary Shares as at Admission (the “**Base Value**”). Each JSOP Participant will make a payment of 0.1% of the Placing Price for each Ordinary Share represented by the JSOP Award to acquire their JSOP Interest which initially is 0.1% of the Base Value. The Trustee’s interest in the Ordinary Shares will be equal, broadly, to the Base Value which, for these JSOP Awards, is equal to the Placing Price.

Until a JSOP Interest has been realised, the Ordinary Shares represented by the relevant JSOP Award will be jointly owned by the Trustee, on behalf of the EBT, and the relevant JSOP Participant but will be registered in the name of the Trustee.

Each JSOP Participant may realise his JSOP Interest on or after 31 August 2022 or if he is a “good leaver” and the Trustee may cause the JSOP Participant to realise his JSOP Interest on or after 31 August 2030.

On realisation, the beneficial interest in the Ordinary Shares represented by the relevant JSOP Award will be split in proportion to the respective economic entitlements to those jointly owned Ordinary Shares of the Trustee and the relevant JSOP Participant, and the Trustee will automatically transfer the legal title to those jointly owned Ordinary Shares to the Trustee and the relevant JSOP Participant in accordance with their respective beneficial entitlement. Following realisation, each of the Trustee and JSOP Participant will hold legal and beneficial title to such number of Ordinary Shares as has a market value equal to their respective interests at the point of realisation.

In the event of a takeover or a compromise or arrangement being sanctioned by the court the sale proceeds receivable in respect of the JSOP Award will be distributed between the JSOP Participant and the Trustee in proportion with their respective economic entitlements.

If a JSOP Participant ceases to be employed within the Group prior to the realisation of a JSOP Interest then the Trustee has the right to acquire the JSOP Participant's JSOP Interest for a nominal value unless the JSOP Participant is a "good leaver". If the JSOP Participant is a "good leaver" then the relevant JSOP Participant may realise his JSOP Interest.

A JSOP Participant is a "good leaver" if he leaves the Group's employment by reason of:

- the employing company ceasing to be under the control of the Company;
- being given notice (other than for reasons justifying summary dismissal);
- death;
- permanent ill-health or physical or mental capacity which renders him permanently incapable of continued full time employment in his current position; or
- retirement.

JSOP Awards and JSOP Interests are not capable of transfer or assignment by the JSOP Participant.

The voting rights attached to the Ordinary Shares represented by a JSOP Award are exercisable by the JSOP Participant and the Trustee in proportion to their respective economic interest in the Ordinary Shares.

Dividends on the Ordinary Shares represented by a JSOP Award will be paid to the JSOP Participant and the Trustee in proportion to their respective economic interest in the Ordinary Shares.

The Base Value may be adjusted as is necessary and fair and reasonable to take account of a variation in the share capital of the Company, any reorganisation or reconstruction of the Company or any demerger of a Group Company.

The VEL Employee Benefit Trust (the "EBT")

The EBT was settled by the Company pursuant to a trust deed entered into between the Company and Compound Management (UK) Limited. The Company has the power to remove the Trustee and appoint a new trustee.

The EBT is a discretionary settlement set up for the benefit of executive directors, employees and former executive directors and employees (and their immediate dependants) of the Company and its subsidiaries. The Company intends to use the EBT to act as joint owner of the Ordinary Shares that are represented by a JSOP Award.

The Trustee may either purchase existing Ordinary Shares in the market or subscribe for new Ordinary Shares. The Company may from time to time contribute or lend funds to the EBT on such terms as it may decide.

The EBT loan agreement

On 18 September 2020, the Company and Compound Management (UK) Limited, as trustee of the EBT, entered into a loan agreement under which the Company agreed to advance to the Trustee £5.0m to allow the Trustee to acquire the Ordinary Shares forming the JSOP Awards described above.

The loan is interest free and repayable within one month after 31 August 2030.

14 MATERIAL CONTRACTS

Other than as set out below and in paragraph 15 of this Part V, and other than contracts in the ordinary course of business, no member of the Group, has entered into any contract in the two years immediately prior to the date of this document which is or may be material, or which contains any provision under which that member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

14.1 Placing Agreement

Pursuant to the Placing Agreement dated 18 September 2020, between the Company, each Director and WH Ireland:

- 14.1.1 WH Ireland has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price;
- 14.1.2 the Placing Agreement is conditional on, amongst other things, Admission occurring by 8.00 am on 25 September 2020 or by such later date as is agreed in writing between the Company and WH Ireland, being not later than 8.00 am on 30 October 2020;
- 14.1.3 the Placing Agreement contains certain customary representations and warranties from the Company and the Directors in favour of WH Ireland, as to the accuracy of the information in this document and certain other matters concerning the Company and an indemnity from the Company to WH Ireland and its affiliates in respect of certain liabilities and claims that may arise or be made against them in connection with the Placing and Admission;
- 14.1.4 the Company has agreed to pay WH Ireland a corporate finance fee together with a commission based on the aggregate value of the Placing Shares subscribed at the Placing Price, and the costs and expenses of the Placing, together with any applicable VAT;
- 14.1.5 WH Ireland has the right to terminate the Placing Agreement prior to Admission in certain circumstances, including, amongst other things, any breach by the Company or any Director of any of their respective obligations or warranties in the Placing Agreement or in certain force majeure circumstances. If the Placing Agreement is terminated, the Placing will not proceed and no shares will be issued under the Placing; and
- 14.1.6 the Placing Agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts.

14.2 **Nominated Adviser and Broker Agreement**

- 14.2.1 The Company, the Directors and WH Ireland have entered into a nominated adviser and broker agreement, dated 18 September 2020 (the “**Nominated Adviser and Broker Agreement**”), pursuant to which and conditional upon Admission, the Company has appointed WH Ireland to act as its nominated adviser and broker for the purposes of the AIM Rules for Companies. The Company has agreed to pay WH Ireland an annual advisory fee for its services as nominated adviser and broker under such agreement, payable quarterly in advance from the date of Admission.
- 14.2.2 The Nominated Adviser and Broker Agreement contains certain undertakings from the Directors and the Company and indemnities given by the Company in respect of, amongst other things, compliance with all laws and applicable regulations. The Nominated Adviser and Broker Agreement continues for a minimum period of 12 months from Admission and is subject to termination by either the Company or WH Ireland on not less than 3 months prior written notice.

14.3 **Lock in Agreements**

Pursuant to the Lock in Agreements, each of the Locked in Parties has undertaken to the Company and WH Ireland that, save in specified and customary circumstances, they will not, and they shall use their best endeavours to procure that their associates, by reference to the definition of “**related party**” in the AIM Rules for Companies (“**Associates**”), will not dispose of any interest in their Ordinary Shares for a period of 12 months from Admission (“**Lock in Period**”) and for a further 12 month period following the expiry of the Lock in Period to only dispose, and that they shall use their best endeavours to procure that their Associates will only dispose, of their Ordinary Shares through the Company’s broker or as the Company’s broker may reasonably require, in accordance with orderly market principles. However, Rare Bird Hotels Limited is entitled to dispose of some of its shares to facilitate the repayment or repurchase of loan notes issued by CCO Cygnet Limited, at no less than the Placing Price. Further Hugh Osmond, Xercise2 Limited, The Great House at Sonning Limited and Rare Bird Hotels Limited are entitled to transfer, in aggregate, up to 1,000,000 Ordinary Shares so long as the transferee assumes remaining obligations under the Lock in Agreements in respect of those Ordinary Shares.

14.4 Relationship Agreement

- 14.4.1 The Company, WH Ireland, and, as significant (direct or indirect) Shareholders, Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond, have entered into a relationship agreement, which is conditional upon Admission and will be in effect at all times when such significant Shareholders (and/or their connected persons) together hold the legal and/or beneficial title to, or the voting rights attaching to Ordinary Shares, which constitute, in aggregate, not less than 10 per cent of the number of Ordinary Shares in issue.
- 14.4.2 Pursuant to the agreement Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond, in their capacity as (direct or indirect) substantial Shareholders (in the case of Rare Bird Hotels Limited, The Great House at Sonning Limited), have given various undertakings to the Company regarding the relationship between each of them, their connected persons and the Company.
- 14.4.3 In particular, Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond have each agreed not to take any action that would result in the Company not being able to carry on its business independently of Hugh Osmond, Xercise2 Limited, Rare Bird Hotels at Sonning Limited, The Great House at Sonning Limited or any of their connected persons.
- 14.4.4 The agreement will automatically terminate upon the earlier of: (i) the execution of an agreement between all the parties to terminate the agreement; and (ii) the Ordinary Shares ceasing to be traded on AIM or some other recognised stock exchange. If the aggregate interest of Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond in Ordinary Shares falls below 10 per cent, the agreement will cease, but if within one year of the agreement ceasing to apply, those interests reach or exceed 10 per cent, then the provisions of the agreement will automatically re apply.
- 14.4.5 Pursuant to the agreement, for so long as Xercise2 Limited, Rare Bird Hotels Limited, The Great House at Sonning Limited and Hugh Osmond (or persons connected with any of them) in aggregate continue to hold Ordinary Shares in the capital of the Company representing;
- 14.4.5.1 not less than 20 per cent. of the Ordinary Shares in issue, from time to time, Hugh Osmond is entitled to nominate two representatives to be appointed as non-executive directors, and;
- 14.4.5.2 less than 20 per cent. but not less than 10 per cent. of the Ordinary Shares in issue, from time to time, Hugh Osmond shall be entitled to nominate on representative to be appointed as non-executive director.
- 14.4.6 Hugh Osmond and Tiffany Sword are Hugh Osmond's initial appointees pursuant to the agreement.

14.5 Share Exchange Agreement

On 27 August 2020, shareholders of VEHL and the Company entered into the Share Exchange Agreement and, upon completion of that agreement, the Company acquired the entire issued share capital of VEHL, being 11,111,111 ordinary shares of 1p each, on the basis of 1 Ordinary Share for each 1 ordinary share in the capital of VEHL (and the paying up of the 100 unpaid subscriber shares in the Company).

14.6 Acquisitions of Rare Bird Hotels

- 14.6.1 On 15 September 2020, Rare Bird Hotels Limited, CCO Cygnet Limited (both of which are beneficially owned by Hugh Osmond) and the Company entered into the Streatley Share Purchase Agreement pursuant to which the Company acquired the entire issued share capital of Rare Bird Hotels at Streatley Limited being 1,000,000 ordinary shares of £1.00 each, in consideration for 9,523,809 Ordinary Shares (such shares being Reorganisation Shares). Pursuant to the agreement, the Company has the benefit of warranties given by Rare Bird Hotels Limited in respect of the business of Rare Bird Hotels at Streatley Limited. Further, the Company has the benefit of protective undertakings from CCO Cygnet Limited and Rare Bird Hotels Limited in relation to the

use by CCO Cygnet Limited and Rare Bird Hotels Limited of proceeds that they receive in respect of payments under the Streatley Lease being applied to the repayment of debt under which Rare Bird Hotels at Streatley Limited is liable pursuant to the respective Cross-Guarantee.

- 14.6.2 On 15 September 2020, The Great House at Sonning Limited (which is beneficially owned by Hugh Osmond) and the Company entered into the Sonning Share Purchase Agreement pursuant to which the Company acquired the entire issued share capital of Rare Bird Hotels at Sonning Limited being 1,000,000 ordinary shares of £1.00 each, in consideration for 3,174,603 Ordinary Shares, (such shares being Reorganisation Shares). Pursuant to the agreement, the Company has the benefit of warranties given by The Great House at Sonning Limited in respect of the business of Rare Bird Hotels at Sonning Limited. Further, the Company has the benefit of protective undertakings from The Great House at Sonning Limited in relation to the use by The Great House at Sonning Limited of proceeds that they receive in respect of payments under the Sonning Lease being applied to the repayment of debt under which Rare Bird Hotels at Sonning Limited is liable pursuant to the respective Cross-Guarantee.
- 14.6.3 On 11 September 2020, Rare Bird Hotels at Streatley Limited, Rare Bird Hotels Limited and CCO Cygnet Limited entered into the Streatley Asset Purchase Agreement. On 11 September 2020, CCO Cygnet Limited and Rare Bird Hotels at Streatley Limited entered into the Streatley Lease. Pursuant to the Streatley Asset Purchase Agreement and the Streatley Lease, Rare Bird Hotels at Streatley Limited acquired Rare Bird (Streatley). Under the Streatley Asset Purchase Agreement, Rare Bird Hotels at Streatley Limited has the benefit of warranties given by Rare Bird Hotels Limited in respect of Rare Bird (Streatley).
- 14.6.4 On 11 September 2020, Rare Bird Hotels at Sonning Limited and The Great House at Sonning Limited entered into the Sonning Asset Purchase Agreement. On 11 September 2020, The Great House at Sonning Limited and Rare Bird Hotels at Sonning Limited entered into the Sonning Lease. Pursuant to the Sonning Asset Purchase Agreement and the Sonning Lease, Rare Bird Hotels at Sonning Limited acquired Rare Bird (Sonning). Under the Sonning Asset Purchase Agreement, Rare Bird Hotels at Sonning Limited has the benefit of warranties given by The Great House at Sonning Limited in respect of Rare Bird (Sonning).

14.7 **Cross-Guarantees, legal charge and debentures**

Coutts cross-guarantee and debenture and legal charge

- 14.7.1 On 11 September 2020, Rare Bird Hotels at Streatley Limited (formerly RBH Newco Limited) entered into a cross company guarantee between CCO Cygnet Limited, Rare Bird Hotels Limited and Coutts & Co under which Rare Bird Hotels at Streatley Limited, CCO Cygnet Limited and Rare Bird Hotels Limited jointly and severally guaranteed all liabilities of any kind to Coutts & Co together with charges, commission, interest and expenses.

On the same date and in connection with this Cross-Guarantee, Rare Bird Hotels at Streatley Limited (formerly RBH Newco Limited) entered into a debenture in favour of Coutts & Co and also granted a legal charge/mortgage to Coutts & Co in relation to the Streatley Lease.

Santander cross-guarantee and debenture

- 14.7.2 On 11 September 2020, Rare Bird Hotels at Sonning Limited (formerly TGH Newco Limited) entered into a cross company guarantee with The Great House at Sonning Limited and Santander UK plc under which Rare Bird Hotels at Sonning Limited and The Great House at Sonning Limited jointly and severally guaranteed all monies and liabilities of any kind due, owing or incurred to Santander UK plc (and its affiliates) together with all interest accruing on such monies and liabilities and all costs, charges and expenses charged or incurred by Santander UK plc (and its affiliates) in respect of such monies and liabilities.

On the same date and in connection with this Cross-Guarantee, Rare Bird Hotels at Sonning Limited (formerly TGH Newco Limited) entered into a debenture in favour of Santander UK plc.

14.8 Loan agreements (the “Loans and Deep Discounted Bond Agreements”)

Secured loan agreement dated 13 August 2019 (the “August 2019 Secured Loan Agreement”)

- 14.8.1 On 13 August 2019 Various Eateries Trading Limited (formerly Strada Trading Limited) entered into a secured loan agreement (as the borrower) with Xercise2 Limited, Zeta Shares Limited, TDR Capital Nominees Limited and Anella Limited (as the lenders). The lenders are all shareholders in the Company.
- 14.8.2 This secured loan was provided to settle Various Eateries Trading Limited's (the borrower's) existing loan (which was the facility provided pursuant to a secured loan agreement dated 9 September 2015 between Xercise2 Limited, Zeta Shares Limited and TDR Capital Nominees Limited and the borrower as subsequently varied) and to provide further capital.
- 14.8.3 On 13 August 2019, VEHL issued 9,660,272 ordinary shares of 1p each in consideration for the release of debt pursuant to the agreement totalling £16,905,476. The repayment date under the agreement is 13 August 2022.

Deep Discounted Bonds

- 14.8.4 The Group has also issued the following deep discounted bonds to Friends Provident:
- 14.8.4.1 VEL Property Holdings Limited issued a Deep Discounted Bond to FPI on 15 January 2020 pursuant to an instrument of the same date. The subscription amount was £2,300,000 and the nominal value was £2,438,000. The final redemption date is 14 January 2021.
- 14.8.4.2 Various Eateries Trading Limited (formerly Strada Trading Limited) issued a Deep Discounted Bond to FPI on 31 January 2020 pursuant to a bond instrument dated 31 January 2020. The subscription amount was £10,506,175.26 and the nominal value of the bond was £10,983,812.25. The final redemption date is 31 January 2021.
- 14.8.4.3 Various Eateries Trading Limited (formerly Strada Trading Limited) issued a deep discounted bond to FPI on 28 February 2020 pursuant to a bond instrument dated 27 February 2020. The subscription amount was £700,000 and the nominal value of the bond was £731,573.50. The final redemption date is 28 February 2021.
- 14.8.4.4 Various Eateries Trading Limited (formerly Strada Trading Limited) issued a deep discounted bond to FPI on 25 March 2020 pursuant to a bond instrument dated 27 February 2020. The subscription amount was £1,000,000 and the nominal value of the Bond was £1,044,236. The final redemption date is 25 March 2021.

Certain amounts outstanding under the Loans and Deep Discounted Bond Agreements were capitalised pursuant to the Capitalisation Agreements, further details of which are set out in paragraph 14.12 of this Part V of this document.

14.9 Facility Agreement

On 15 September 2020, VEL Property Holdings Limited entered into a facility agreement with Xercise2 Limited (the “**DDB Facility Agreement**”) under which VEL Property Holdings Limited is able to draw down up to £2,438,000 for the purpose of redeeming the deep discount bond issued by VEL Property Holdings Limited on 15 January 2020.

14.10 **Anella Option Agreement**

On or around 13 August 2019, VEHL entered into an option agreement with Anella Limited, a company owned by Andrew Bassadone and his connected parties, in respect of 2,222,222 ordinary shares of 1p each in VEHL. Each option is exercisable at nominal value during the period from the date of the agreement to the date falling 18 months after the date of the agreement. On the exercise of any options, Anella Limited is required to loan to Various Eateries Trading Limited, 67.5p per option exercised, such loan being provided on the same terms as set out in the August 2019 Secured Loan Agreement. Anella Limited has agreed that these options shall lapse pursuant to the Anella Option Lapse Agreement.

14.11 **Anella Option Lapse Agreement**

Pursuant to an option lapse letter agreement dated 18 September 2020 (the “**Anella Option Lapse Agreement**”), Anella Limited agreed with VEHL and Various Eateries Trading Limited that the Anella Option would lapse in its entirety and that the Anella Option Agreement terminates.

14.12 **Capitalisation Agreements, New DDB and Deed of Release**

14.12.1 On 15 September 2020, Various Eateries Trading Limited (formerly Strada Trading Limited) and Xercise2 Limited, Zeta Shares Limited, TDR Capital Nominees Limited and Anella Limited (as the lenders) entered into a capitalisation agreement, under which £11,155,348 of principal being indebtedness outstanding under the August 2019 Secured Loan Agreement was capitalised by the issue of 18,296,038 Ordinary Shares to the lenders.

14.12.2 On 15 September 2020, Various Eateries Trading Limited (formerly Strada Trading Limited) and FPI entered into a capitalisation agreement, under which FPI agreed to the early redemption of the three deep discount bonds with an aggregate nominal value of £12,759,622 issued by Various Eateries Trading Limited to it. This early redemption was financed by the issue of 5,513,484 Ordinary Shares and the issue by Various Eateries Trading Limited of the New DDB to FPI. The subscription amount of the New DDB is £8,961,524, its nominal value is £9,515,172 and it has a term of 19 months.

14.12.3 On 15 September 2020, FPI entered into a deed of release, conditional on completion of the capitalisation agreement described at paragraph 14.12.2, to release the charge dated 31 January 2020 and made in its favour by Various Eateries Trading Limited, Coppa Club Limited and SCP Sugar Ltd.

14.13 **Services Agreement**

On 18 September 2020, VEHL entered into a services agreement with Osmond Capital Ltd, pursuant to which Osmond Capital Ltd has agreed to provide certain services to the Group, including general administrative support and services, general property support and property consultancy services including in relation to disposals and acquisitions and other property consultancy services. This agreement formalises an informal agreement between the parties which had been in place prior to the date of this document.

14.14 **Other material contracts**

14.14.1 On 15 January 2020 VEL Property Holdings Limited acquired the freehold property known as 13-15 Between Streets, Cobham, Surrey, KT11 1AA with title numbers SY218575, SY214096, SY126173 and SY741188. The freehold property was acquired from J. Hutchinson Holdings Limited and the purchase price was £1,697,000.

Charges

14.14.2 On 13 August 2019 a charge (security agreement) was created in favour of Xercise2 Limited, Zeta Shares Limited, TDR Capital Nominees Limited and Anella Limited, which is registered against Various Eateries Trading Limited, Coppa Club Limited and SCP Sugar Ltd. The charge remains in place as at the date of this document.

14.14.3 On 15 January 2020 a charge (legal mortgage) was created in favour of FPI which is registered against VEL Property Holdings Limited. The charge remains in place as at the date of this document.

- 14.14.4 On 27 February 2020 a charge (security agreement) was created in favour of FPI which is registered against Various Eateries Trading Limited, Coppa Club Limited and SCP Sugar Ltd. The charge remains in place as at the date of this document.
- 14.14.5 On 31 January 2020 a charge (security agreement) was created in favour of FPI against Various Eateries Trading Limited, Coppa Club Limited and SCP Sugar Ltd. However, this charge is to be released in full under the Deed of Release as further described in paragraph 14.12.3.

Authorised Guarantee Agreements

- 14.14.6 On 3 February 2017, Benjamin Anthony Zucker, Various Eateries Trading Limited and Chokdee Ltd entered into a Licence to Assign for the premises at 6/7 Montpellier Street, Cheltenham, Gloucestershire. Under the Licence to Assign, Various Eateries Trading Limited covenanted to observe and perform the obligations set out in the Authorised Guarantee Agreement included in Schedule 2 to the Licence to Assign. These covenants include Various Eateries Trading Limited guaranteeing to Benjamin Anthony Zucker, the landlord, that the assignee, Chokdee Ltd, shall pay the rents reserved by the lease and perform the tenant covenants of the lease. In addition, if Chokdee Ltd fails to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall pay or observe and perform them.
- 14.14.7 On 8 June 2018, GMS Estates Limited, Various Eateries Trading Limited and Honest Burgers Limited entered into a Licence to Assign for the premises at 6 Great Queen Street, London, WC2B 5DH. Various Eateries Trading Limited covenanted to observe and perform the obligations set out in the Authorised Guarantee Agreement included in the Licence to Assign. These covenants include Various Eateries Trading Limited guaranteeing to GMS Estates Limited, the landlord, that the assignee, Honest Burgers Limited, shall pay the rents reserved by the lease and perform the tenant covenants of the lease. In addition, if Honest Burgers Limited fails to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall pay or observe and perform them.
- 14.14.8 On 23 January 2018, Mark Alastair Pearse and Mary Elizabeth Anne Ridgers and Various Eateries Trading Limited entered into an Authorised Guarantee Agreement for the premises at Victoria Works, Amenbury Lane, Harpenden, Hertfordshire. Pursuant to this Authorised Guarantee Agreement, Various Eateries Trading Limited guaranteed to Mark Alastair Pearse and Mary Elizabeth Anne Ridgers (the landlord) that the assignee shall pay the rents reserved by the lease and perform the tenant covenants of the lease and if the assignee fails to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall pay or observe and perform them.
- 14.14.9 On 15 May 2019, M.A. Rance & Company Limited, Various Eateries Trading Limited, The Regents Park Grills Ltd and Abdul Musabbir Karim entered into a Licence to Assign for the premises at 4 South Grove, Highgate, London N6 6BS. Under the Licence to Assign, Various Eateries Trading Limited covenanted to observe and perform the obligations set out in the Authorised Guarantee Agreement included in Schedule 1 to the Licence to Assign. These covenants include Various Eateries Trading Limited guaranteeing to M.A. Rance & Company Limited, the landlord, that the assignee, The Regents Park Grills Ltd, shall pay the rents reserved by the lease and perform the tenant covenants of the lease. In addition, if The Regents Park Grills Ltd fails to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall pay or observe and perform them.
- 14.14.10 On 29 April 2016, Hawkins Properties Limited, Various Eateries Trading Limited and Bakalori Restaurants Limited entered into a Licence to Assign for the premises at 25b and 26 Sun Street, Hitchin, Hertfordshire SG5 1AH. Supplemental to the Licence to Assign, Various Eateries Trading Limited and Hawkins Properties Limited entered into an Authorised Guarantee Agreement under which Various Eateries Trading Limited covenanted to observe and perform the obligations set out in the Authorised Guarantee Agreement. These covenants include Various Eateries Trading Limited guaranteeing to Hawkins Properties Limited, the landlord, that the assignee, Bakalori

Restaurants Limited, shall pay the rents reserved by the lease and perform the tenant covenants of the lease. In addition, if Bakalori Restaurants Limited fails to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall pay or observe and perform them.

- 14.14.11 On 29 June 2018, Collin Estates Limited and Various Eateries Trading Limited entered into an Authorised Guarantee Agreement for the premises at 9-10 Market Place, London W1W 8AQ. Pursuant to this Authorised Guarantee Agreement, Various Eateries Trading Limited guaranteed to Collin Estates Limited, the landlord, that Market Place Patisserie Limited, the assignee, will duly and punctually perform and comply with all the tenant covenants of the lease until Market Place Patisserie Limited is released from those covenants and if Market Place Patisserie Limited fails duly and punctually to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall on demand perform or comply with such covenants.
- 14.14.12 On 20 December 2019, Sonatrach International Holding Corporation, Various Eateries Trading Limited, Kappasushi Ltd and Mughal (Earls Court) Ltd entered into a Licence to Assign for the premises on the ground and basement floor of Panton House, 25/27 Haymarket, London, SW1Y 4EA (known as 39 Panton Street, London SW1Y 4EA). Various Eateries Trading Limited covenants to Sonatrach International Holding Corporation, the landlord, that Kappasushi Ltd, the assignee, will duly perform and observe all the covenants and other terms of the lease including the payment of rents and all other sums payable under the lease. Various Eateries Trading Limited shall indemnify Sonatrach International Holding Corporation, the landlord, against all losses, damages, costs and expenses whatsoever sustained by the landlord by reason of Kappasushi Ltd, the assignee, failing to pay all rents and other sums and to perform and observe the covenants.
- 14.14.13 On 20 November 2017, Guerino Silvestri and Various Eateries Trading Limited entered into an Authorised Guarantee Agreement for the premises at 175 New Kings Road, Parsons Green, London, SW6 4SW. Various Eateries Trading Limited guarantees to Guerino Silvestri, the landlord, that the assignee, The City Pub Group plc, shall pay the rents reserved by the lease and observe and duly perform the tenant covenants of the lease. In addition, if the assignee, The City Pub Group plc, fails to pay any of those rents or to observe or perform any of those tenant covenants Various Eateries Trading Limited shall pay or observe and perform them.
- 14.14.14 On 5 April 2019, Paul Anthony Rooney, Various Eateries Trading Limited, Izmir Enterprises Ltd and Platinum Trade Limited entered into a Licence to Assign for the premises at 5/5A East Street, Horsham, RH12 1HH. Under the Licence to Assign, Various Eateries Trading Limited covenanted to observe and perform the obligations set out in the Authorised Guarantee Agreement included in Schedule 1 to the Licence to Assign. These covenants include Various Eateries Trading Limited guaranteeing to Paul Anthony Rooney, the landlord, that the assignee, Izmir Enterprises Ltd, shall pay the rents reserved by the lease and perform the tenant covenants of the lease. In addition, if Izmir Enterprises Ltd fails to pay any of the rents or observe or perform any of the tenant covenants, Various Eateries Trading Limited shall pay or observe and perform them.

15 PREMISES

The Group owns or leases the following properties:

Name of Property	Address	Tenure	Nature of Premises
Great Portland Street	2nd Floor, 12 Great Portland Street, London W1W 8QN	Leasehold (sublease)	Offices
Brighton	12-16 Brighton Square, The Lanes, Brighton BN1 1HD	Leasehold	Restaurant
Maidenhead	Ground floor, The Picturehouse Bridge Avenue, Maidenhead	Leasehold (sublease)	Restaurant

Name of Property	Address	Tenure	Nature of Premises
Cobham	Ground floor and rear yard, 13-15 Between Streets, Cobham, Surrey KT11 1AA	Freehold (owned by VEL Property Holdings Limited)	Restaurant
Henley	55 Bell Street, Henley on Thames RG9 2BG	Leasehold	Restaurant
Marylebone	Ground floor and basement, 31 Marylebone, High Street, London	Leasehold (sublease)	Restaurant
Riverside (More London)	Unit A, 2 More London Riverside, Southwark, London SE1	Leasehold	Restaurant
Sonning	The Great House, Thames St, Sonning, Reading RG4 6UT	Leasehold	Hotel/Restaurant
Southbank (Royal Festival Hall)	Unit No 6, Level 1 Retail Area, Royal Festival Hall, South Bank, London	Leasehold (sublease)	Restaurant
St. Katharine Docks	Retail Unit 2, Tower Bridge House, St. Katharine Docks, London E1	Leasehold	Restaurant
Streatley	The Swan, Streatley-On-Thames, Nr Reading RG8 9HR	Leasehold	Hotel/Restaurant
Tower Bridge	3 Three Quays Walk, Lower Thames Street, London EC3R 6AH	Leasehold	Restaurant

16 RELATED PARTY TRANSACTIONS

The following transactions are the only related party transactions which, as a single transaction or in their entirety, are or may be material (within the meaning of the AIM Rules for Companies) to the Group and have been entered into by a member of the Group during the periods for which historical financial information appears in this document and in respect of the period commencing on 29 September 2019 to the date of this document:

- 16.1 the Share Exchange Agreement;
- 16.2 VEL Property Holdings Limited (as subsidiary of the Company) acquired the freehold title to the premises in Cobham in January 2020. A lease of part of these premises is to be granted to Coppa Club Limited, with the remainder of the property being let to an estate agency business and a physiotherapy business (Capital Physio Limited). Capital Physio Limited has common shareholders with the Group (Hugh Osmond holds 33% of the equity of this company) and Tiffany Sword is a director;
- 16.3 the Loans and Deep Discounted Bond Agreements (as referred to in paragraph 14.8 of this Part V) and the Charges (as referred to in paragraphs 14.14.2 to 14.14.5 of this Part V);
- 16.4 the DDB Facility Agreement;
- 16.5 the Anella Option Agreement;
- 16.6 the Anella Option Lapse Agreement;
- 16.7 the Capitalisation Agreements, the New DDB and the Deed of Release;
- 16.8 the Rare Bird Asset Acquisition Agreements;
- 16.9 the Rare Bird Share Purchase Agreements;

- 16.10 the Rare Bird Leases and Rare Bird Hotels at Sonning Limited's licence to occupy from The Great House at Sonning Limited in respect of the Hideaway at The Great House at Sonning, Thames Street, Sonning, Reading, RG4 6UT;
- 16.11 the Services Agreement (and the management charges for services provided by Osmond Capital Ltd to VEHL and Various Eateries Trading Limited prior to the formalisation of the arrangement (with circa £237,000 having been charged to each entity by Osmond Capital Ltd));
- 16.12 the sales and purchases of goods and services between the Group and The Great House at Sonning Limited, Rare Bird Hotels Limited and Mudlark Hotels Limited, as referred to in paragraph 22 of Section B of Part III of this document; and
- 16.13 the Company has agreed to pay a fee of £150,000 to Osmond Capital Ltd for advisory services in connection with Admission.

17 LITIGATION

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the last 12 months preceding the date of this document, a significant effect on the Company and/or the Company's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened against any subsidiary member of the Group.

18 UK TAXATION

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Ordinary Shares. The following statements are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and, in the case of individual Shareholders, domiciled) for UK tax purposes in (and only in) the UK, who hold their Ordinary Shares as an investment (other than under tax exempt arrangements such as individual savings accounts), and who are the absolute beneficial owners of both their Ordinary Shares and any dividends paid on them.

The tax position of certain categories of Shareholders who are subject to special rules, such as persons who acquire (or are deemed to acquire) their Ordinary Shares in connection with their (or another person's) office or employment, traders, brokers, dealers in securities, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company of the Group, persons holding Ordinary Shares as part of hedging or conversion transactions, Shareholders who are not domiciled or not resident in the UK, collective investment schemes, trusts and those who hold 5 per cent. or more of the Ordinary Shares, is not considered. Nor do the following statements consider the tax position of any person holding investments in any HMRC approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme.

Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

18.1 Taxation of Chargeable Gains

- 18.1.1 For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing is regarded as an acquisition of a new holding in the Company's share capital. To the extent that a Shareholder acquires Ordinary Shares allotted to them, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.
- 18.1.2 The amount paid for the Ordinary Shares will constitute the tax base cost of a Shareholder's holding.
- 18.1.3 A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with

which their investment in the Company is connected may, depending on the relevant shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

UK tax resident individual Shareholders

- 18.1.4 Where an individual Shareholder disposes of Ordinary Shares at a gain, Capital Gains Tax ("CGT") will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.
- 18.1.5 For such individuals, CGT will be charged at 10 per cent. where the individual's taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the income tax basic rate band, CGT will be charged at 20 per cent.
- 18.1.6 For trustees and personal representatives of deceased persons, CGT on gains in excess of the current annual exempt amount will be charged at a flat rate of 20 per cent.
- 18.1.7 Shareholders who are individuals and who are temporarily non resident in the UK may, under anti avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK resident corporate Shareholders

- 18.1.8 Where a Shareholder is within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to a chargeable gain (or allowable loss), depending on the circumstances and subject to any available exemption or relief.
- 18.1.9 Subject to certain exemptions, the corporation tax rate applicable to a UK resident corporate Shareholder on taxable profits is currently 19 per cent.

18.2 Taxation of Dividends

Withholding tax on dividends

- 18.2.1 Under current UK tax legislation no tax is required to be withheld from dividend payments made by the Company.

Dividends paid to UK tax resident individuals

- 18.2.2 UK resident individual Shareholders have the benefit of an annual dividend allowance of £2,000. Dividends falling within this allowance will effectively be taxed at the rate of 0 per cent., but such dividends will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.
- 18.2.3 Dividend income in excess of the annual dividend allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates for 2020/2021: 7.5 per cent. to the extent it falls below the threshold for higher rate income tax; 32.5 per cent. to the extent that it falls above the threshold for higher rate income tax and below the additional rate band; and 38.1 per cent. to the extent that it falls above the threshold for the additional rate band. For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the nil rate band which would (if there was no nil rate amount) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK discretionary trustees

- 18.2.4 The annual dividend allowance is not available to UK resident trustees of a discretionary trust. UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent., which mirrors the dividend additional rate.

Dividends paid to UK tax resident companies

18.2.5 A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti avoidance rules and provided all conditions are met). It is anticipated that dividends should fall within one of such exempt classes but shareholders should seek independent advice to confirm their positions (subject to anti-avoidance rules and provided all conditions are met).

18.2.6 If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, then the corporate Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

18.3 UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

18.3.1 An exemption from stamp duty and SDRT came into effect on 28 April 2014 in respect of securities admitted to trading on certain recognised growth markets (presently including AIM) and which are not listed on a Recognised Stock Exchange. The Company anticipates that this exemption will apply to dealings in the Ordinary Shares such that from Admission, no liability to stamp duty or SDRT should arise in respect of any transfer on sale of the Ordinary Shares.

18.3.2 Absent an exemption from stamp duty and SDRT, any dealings in Ordinary Shares will normally be subject to stamp duty or SDRT. In such circumstances, stamp duty or SDRT could be payable at the rate of 0.5 per cent. (rounded up to the next multiple of £5, if necessary) of the amount or value of the consideration given by the purchaser, subject to a de minimis limit and relevant anti-avoidance provisions

18.3.3 The above statements are intended to be a general guide to the current stamp duty and SDRT position. Certain categories of person are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it. Special rules apply to agreements made by market intermediaries and to certain sale and repurchase and stock borrowing arrangements.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS AT THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

19 WORKING CAPITAL

In the Directors’ opinion, having made due and careful enquiry, and taking into account the net proceeds of the Placing receivable by the Company, the working capital available to the Company and the Group will be sufficient for its present requirements, that is, for at least the period of 12 months from the date of Admission.

20 GENERAL

20.1 The Company expects to receive gross proceeds of the Placing in the amount of £25m, with the total net proceeds of the Placing after costs and expenses expected to be approximately £23.2m. The total costs and expenses relating to Admission and the Placing (including fees and commissions) payable by the Company are estimated to be c.£1.8m.

20.2 The Placing Price represents a premium over the nominal value of 1p per Ordinary Share.

20.3 The Placing will result in the allotment and issue of 34,246,576 Ordinary Shares, diluting existing holders of Ordinary Shares by 38%.

20.4 The Company’s nominated adviser and broker, WH Ireland, is a member of the London Stock Exchange and is authorised and regulated in the UK by the FCA. WH Ireland has given and

not withdrawn its written consent to the inclusion in this document of its name and reference to it in the form and context in which they appear.

- 20.5 RSM Corporate Finance LLP, the reporting accountant to the Company, is a firm of chartered accountants regulated by the Institute of Chartered Accountants in England and Wales. RSM Corporate Finance LLP has given and not withdrawn its written consent to the inclusion of its accountant's report in Section A of Part III of this document in the form and context in which it appears and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules for Companies.
- 20.6 As at the date of this document, the auditors of VEHL are RSM Audit UK LLP, a member of the Institute of Chartered Accountants of Scotland, who audited the statutory accounts of VEHL for the period ended 29 September 2019. RSM UK Audit LLP have also been appointed as auditors of the Company.
- 20.7 The previous auditors of VEHL were Deloitte LLP, a member of the Institute of Chartered Accountants in England and Wales, who were responsible for auditing the statutory accounts of VEHL for the periods ended 30 September 2018 and 3 October 2017.
- 20.8 For the avoidance of doubt and pursuant to paragraphs 20.6 and 20.7 above the historical financial information contained in Part III, section B of this document has been audited.
- 20.9 Where information in this document has been sourced from a third party, this information has been accurately reproduced. So far as the Company and the Directors are aware, and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 20.10 The accounting reference date of the Company is 30 September.
- 20.11 Save as disclosed in this document, there have been no significant changes in VEHL Group's financial position or financial performance since 29 March 2020, being the date to which the VEHL Group's unaudited interim financial information, as set out in Part IV of this document, was prepared.
- 20.12 Save as disclosed in this document, there have been no significant changes in the Company's financial position or financial performances since 26 June 2020, being the date of incorporation of the Company.
- 20.13 No person (other than the Company's professional advisers named in this document and trade suppliers) has at any time within the twelve months preceding the Company's application for Admission received, directly or indirectly, from the Group, and no persons (other than as disclosed in this document and trade suppliers) have entered into any contractual arrangements to receive, directly or indirectly, from the Group on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more, save in respect of fees of c. £45,000 plus VAT paid to Weightmans LLP in respect of legal services.
- 20.14 The Ordinary Shares are not currently admitted to dealings on a recognised investment exchange and, other than the Company's application for Admission, no applications for such admission have been made.
- 20.15 Save as disclosed in this document, there are no investments in progress and there are no future investments on which the Directors have already made firm commitments, which are significant to the Group.
- 20.16 Save as disclosed in this document, the Directors are unaware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 20.17 Save as disclosed in this document, the Directors are unaware of any:
- 20.17.1 trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year;
 - 20.17.2 any significant trends in production, sales and inventory and costs and selling prices.
- 20.18 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation up to the date of this document.

- 20.19 Save as disclosed in this document, the Company is not dependent on any patents, licenses, industrial or commercial contracts or new manufacturing processes which have a material effect on the Company's business or profitability.
- 20.20 No financial information contained in this document is intended by the Company to represent or constitute a forecast of profits by the Company.
- 20.21 With regards to the total revenues for the period covered by the historical financial information all revenues are categorised as food and beverage and the geographic market is the South East of England.
- 20.22 The ISIN for the Ordinary Shares is GB00BM9BZK23.
- 20.23 Pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules a person must notify the Company of the percentage of its voting rights they hold as shareholder or through their direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights (i) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or (ii) reaches, exceeds or falls below an applicable threshold in (i) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure Guidance and Transparency Rules. Certain voting rights held by investment managers, unit trusts, open ended investment companies and market makers can be disregarded except at the thresholds of 5 per cent. and 10 per cent. and above.

21 Availability of this document

Copies of this document are available free of charge at the offices of WH Ireland Limited of 24 Martin Lane, London EC4R 0DR, UK, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and shall remain available for at least one month after Admission. An electronic version of this document will also be available to download from the Company's website, www.variouseateries.co.uk from Admission.

18 September 2020

