RNS Number : 9217C
Various Eateries PLC
24 June 2021

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

Unaudited Interim Results

Very strong performance since reopening - well-positioned to execute against strategy

Various Eateries PLC, the owner, developer and operator of restaurant, clubhouse and hotel sites in the United Kingdom, announces its results for the 27 weeks ended 4 April 2021.

First Half Summary

- All sites closed for the majority of the period with trading under a variety of government restrictions limited to a maximum of seven weeks in the period
  - Positive like-for-like performance of **+10.1%** at our Coppa Club sites outside of London during October 2020, the only complete month of trading
- Outstanding early performance of Coppa Club Cobham following opening in December 2020
- Received business interruption insurance interim payment of £2.5m in December 2020
- Appointed Property Director, Raj Manek (non-board position), in order to accelerate site acquisition programme

Post-Period Highlights

- Very strong trading since reopening facilitated by large outdoor spaces
  - Better than anticipated sales across Coppa Club estate with like-for-like revenue **up 11.3%** in the first five weeks (12 April to 16 May) of exclusively outdoor trading versus the same period in 2019
  - Further significant uptick in sales in the five subsequent weeks (17 May to 20 June) where Coppa Club sites have been able to open indoors with like-for-life revenue **up 28.3%** versus the same period in 2019
  - Several Coppa Club sites have seen record levels of weekly trading despite restrictions
  - Solid performance at Tavolino Tower Bridge and Strada Southbank, despite continued absence of office workers and tourists
- First weddings of the year in hotels and room bookings benefitting from "staycation" trend - hotels set to benefit from new rules allowing outdoor wedding ceremonies
- Strong pipeline: large, prominent new sites for Coppa Club signed in **Clifton (Bristol)** and **Putney**, with several others in advanced stage of negotiation
- Healthy liquidity and balance sheet puts the Group in a strong position to deliver against its growth strategy with conditions normalising

Half year results resilient despite impact of lengthy closure periods

- Total Group revenue of £3.3m (H1 2020: £11.2m)
- Adjusted EBITDA* of £0.0m (H1 2020: loss of £0.3m)
- Loss after tax of £3.2m (H1 2020: loss of £3.3m)
- Gross cash at period end of £19.3m (H1 2020: £1.3m). As of 22 June 2021, cash in the bank was £20.8m.

**Adjusted EBITDA is explained in the Appendix at the end of the Financials*

Andy Bassadone, Executive Chairman of Various Eateries, said:

"Our business is primed for growth: we have used lockdown to hone our existing sites, secure new ones and ensure we have the right systems and processes in place behind the scenes to enable us to scale effectively.

"After prolonged periods of closures and disruption, it is heartening to see the public returning so enthusiastically to eating and drinking out. It is still early days but the response to our re-openings has been good and trading has been ramping up as we have moved through the government's roadmap.

"As we emerge from the crisis, we do so a well-funded operator, led by an experienced management team with an exceptional track record of building hospitality groups. Our variety of clubhouses and hospitality venues is excellently suited for the post-Covid world and our strategy is unchanged - to take advantage of the unprecedented opportunities the current environment presents."

Yishay Malkov, Chief Executive of Various Eateries, said:

"We have been delighted by the enthusiastic return of our customers over the last few weeks since reopening on April 12. Thankfully, we managed to retain most of our staff through lockdown and they have coped admirably with the incredible levels of business that we have seen recently. Although the labour market is currently difficult in terms of new hirings, we are set up and prepared to train new employees from scratch and do not believe that it will impede our ambitious expansion plans."

<u>Enquiries</u>

Various Eateries plc

Andy Bassadone	Executive Chairman	Via Alma PR
Yishay Malkov	Chief Executive Officer	
Oli Williams	Chief Financial Officer	

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About Various Eateries

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

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

The Group operates two core brands across 11 locations:

- Coppa Club, a collection of clubhouses which combine restaurant, terrace, café, lounge, bar and work spaces, some with bedrooms and other club facilities
- Tavolino, a restaurant aiming to address a gap in the market for high quality Italian food at mid-market prices

For more information visit www.variouseateries.co.uk

Chairman and Chief Executive's Review

While Covid-related government restrictions meant we were unable to trade for most of the period under review, in the short windows we were open, sales trends were very positive. When we were closed, management and the wider operations team continued to work tirelessly behind the scenes to hone our existing estate, refine our offering, explore expansion opportunities and ensure we were prepared for reopening while continuing to support the wellbeing of our people.

On behalf of the Board, I would like to take this opportunity to thank everyone at Various Eateries for their continued commitment and patience. We are now emerging strongly from the crisis, and are delighted to have been able to welcome many of those who had been on furlough back into the workplace.

It has been another unusual period for the Group - as it has been for the entire industry - but we have responded well and recognise we are in a fortunate position relative to many others. We will continue to monitor and respond to new challenges as and when they emerge, but with very strong early sales since the phased reopening began in April, a robust balance sheet and clear path forward to expand the estate, we are optimistic about the future and the role we can play in the recovery.

Poised to capitalise on unprecedented opportunity

Our strategy remains unchanged since IPO and is based on the Board's belief that the current environment presents an unprecedented opportunity for the Group, as a well-funded operator with contemporary brands, future-proof formats and an experienced management team, to create a major hospitality group beyond the pandemic. Initially this will be based on our two core brands of Coppa Club and Tavolino.

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

Both Coppa and Tavolino are immediately ready to scale up given the economic challenges facing the sector. This is particularly as a consequence of Covid, which has led to a significant reduction in competition and premium site availability the likes of which, we believe, the industry has never seen. The current shortage of staff across the industry has been well-publicised in recent weeks but we are managing the situation, are set up and prepared to train new employees from scratch, and do not believe that it will impede our ambitious expansion plans.

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

Strong site expansion progress to date and confident in execution of the site strategy

At present, the Group has 11 sites - 13 including those that are yet to open - all in prime locations.

In December 2020, we opened our seventh Coppa Club site in Cobham, Surrey. Adopting the larger club & brasserie format, the site was originally open for a matter of days before lockdown restrictions were enforced and it had to close. Despite this, the initial response from the local community was amazing, the site has now reopened fully and trading has been exceptional, comfortably exceeding internal expectations.

Post-period end, we signed a lease for Coppa Club Clifton Village, Bristol. Like Cobham, it will be spread over two floors as a relaxed space with something for everyone. From breakfast to dinner, coffee to cocktails, work to play, our first venture into the South West will be available for the local community to enjoy from early until late. The fit out of the site is almost complete with the site set to open in summer 2021.

We are also delighted to have agreed plans for a similar format of Coppa Club in Putney, South West London. The fit out is expected to begin imminently with a view to opening in autumn 2021.

In addition, we are currently putting in place legal arrangements with several new sites following agreement of heads of terms and look forward to providing the market with an update in due course.

Looking ahead, the pipeline of premium new site opportunities is very healthy with supply continuing to outstrip demand. We are constantly appraising prospective properties, including potential hotel partnerships, on a selective basis and are confident that we can continue to expand our estate in line with our strategy.

Encouraging sales during trading windows

In the period under review, we were able trade for a maximum of seven weeks in total because of government restrictions designed to contain the spread of Covid. October was the only complete month of trading, with windows through November and December varying by site depending on where they fell under the three-tier system. Throughout these trading windows, we were subjected to a variety of measures that significantly reduced the number of covers we were able to turn over, including the 'Rule of Six', curfews and the three-tier system.

Pleasingly, in October 2020, the same trading patterns we saw during July and September were evident, with positive like-for-like performance at our sites outside of London. In the short periods we were open in November and December, while trading was encouraging, we were not open long enough for any useful conclusions to be drawn.

Half year results resilient despite impact of lengthy closure periods

Half year results were severely impacted by prolonged periods of closure because of Covid restrictions. As a result, total Group revenue for the half was £3.3m (H1 2020: £11.2m).

The Group reported an adjusted EBITDA of £0.0m (H1 2020: loss of £0.3m), an operating loss of £2.4m (H1 2020: loss of £2.3m) and a loss after tax of £3.2m (H1 2020: loss of £3.3m).

The Group also received a business interruption insurance interim payment of £2.5m in December 2020, which is included in the results above, with negotiations regarding outstanding claims ongoing.

During the period, the Group extended the maturity date of a £2.4m short term loan by 12 months to January 2022, with option to extend for a further 12 months.

Gross cash at period end was £19.3m (H1 2020: £1.3m). As of 22 June 2021, cash in the bank was £20.8m.

Recruiting to accelerate growth and welcoming staff back

Raj Manek joined as property director (a non-board position) in the period with a view to accelerating the site acquisition programme. Raj has a strong track record of successfully rolling out high-quality restaurants at pace and has already made a substantial contribution to the Group.

Our staff continued to be impacted by Covid throughout the period, with most remaining on furlough. We have continued to prioritise their wellbeing, maintaining contact through the company intranet and continuing to encourage engagement through various initiatives. It has again been a difficult time for our staff and their families and the management team would like to thank them for their patience and resolve.

Post-period, since our first reopening in April, we have continued to welcome our staff back in phases subject to capacity increases in line with the easing of restrictions.

Exceptional current trading and confident outlook

The Group began the phased re-opening of its restaurants from 12 April, initially for outdoor trading only in line with government restrictions, and then for indoor and outdoor dining from 17 May. Trading has been extremely strong throughout both phases, with Coppa Club **like-for-like sales up 11.3% and 28.3%** on the corresponding periods in 2019 respectively despite ongoing restrictions. Several Coppa Club sites have set weekly trading records - some on more than one occasion - and Tavolino Tower Bridge and Strada Southbank have delivered a solid performance despite the continued absence of office workers and tourists.

While there will naturally be high levels of pent-up demand post-lockdown and VAT has had an underlying benefit, the outperformance of management expectations across our estate in the weeks we have been open is encouraging and gives the Board confidence in the Group's prospects in the second half and beyond.

Our business is primed for growth and our strategy unchanged - to take advantage of the unprecedented opportunities the current environment presents. We look forward to the lifting of restrictions on 19 July and to reporting on further progress in due course.

Andy Bassadone (Chairman) and Yishay Malkov (Chief Executive Officer)
24 June 2021

Various Eateries PLC
Consolidated Statement of Comprehensive Income
for the 27 weeks ended 4 April 2021

	Note	**27 weeks ended 4 April 2021 Unaudited £ 000**	**26 weeks ended 29 March 2020 Unaudited £ 000**	**52 weeks ended 27 September 2020 Audited £ 000**
Revenue		3,260	11,216	16,469
Cost of sales		(3,905)	(11,414)	(17,516)
Gross loss		**(645)**	**(198)**	**(1,047)**
Central staff costs		(827)	(1,051)	(1,901)
Share-based payments	**10**	(427)	-	-
Impairment of intangible assets		-	-	(3,640)

Impairment of property, plant and equipment		-	-	(1,751)
Loss on disposal of assets and leases		-	(38)	(1,632)
Other expenses		(485)	(981)	(2,469)
Operating loss		**(2,384)**	**(2,268)**	**(12,440)**
Finance income		3	2	1
Finance costs	**3**	(847)	(992)	(2,003)
Loss before tax		**(3,228)**	**(3,258)**	**(14,442)**
Tax		**-**	**-**	**-**
Loss for the period		**(3,228)**	**(3,258)**	**(14,442)**
Earnings per share				
Basic loss per share (pence)	**4**	(3.6)	(29.3)	(116.4)
Diluted loss per share (pence)	**4**	(3.6)	(29.3)	(116.4)

Various Eateries PLC
Consolidated Statement of Financial Position
As at 4 April 2021

	Note	4 April 2021 Unaudited £ 000	29 March 2020 Unaudited £ 000	27 September 2020 Audited £ 000
Non-current assets				
Intangible assets	**5**	12,872	7,265	12,903
Right-of-use assets	**6**	20,689	13,488	21,049
Other property, plant and equipment	**6**	13,525	12,528	12,390
		47,086	33,280	46,342
Current assets				
Inventories		416	395	401
Trade receivables	**7**	449	691	248
Other receivables	**7**	742	1,406	24,682
Cash and bank balances		19,286	1,292	893
		20,893	3,784	26,224
Total assets		67,979	37,064	72,566
Current liabilities				
Trade and other payables	**8**	(6,411)	(5,450)	(10,992)
Borrowings	**9**	(5,213)	(1,574)	(2,402)
Net current assets / (liabilities)		9,269	(3,240)	12,830
Total assets less current liabilities		56,355	30,040	59,172
Non-current liabilities				
Borrowings	**9**	(31,466)	(39,678)	(31,482)
Provisions		(461)	-	(461)
Total non-current liabilities		(31,927)	(39,678)	(31,943)
Total liabilities		(43,551)	(46,702)	(45,337)
Net assets / (liabilities)		**24,428**	**(9,638)**	**27,229**
Equity				
Share capital		890	111	890
Share premium		52,284	64,736	52,284
Merger reserve		64,736	-	64,736
Other reserves	`	(5,012)	-	(5,012)
Retained losses		(88,470)	(74,485)	(85,669)
Total shareholder funds / (deficit)		**24,428**	**(9,638)**	**27,229**

Various Eateries PLC
Consolidated Statement of Changes in Equity
for the 27 weeks ended 4 April 2021

	Called-up share capital £ 000	Share premium account £ 000	Merger reserve £ 000	Employee benefit trust reserve £ 000	Retained losses £ 000	Total £ 000
At 30 September 2019	111	64,736	-	-	(71,227)	(6,380)
Loss for the period	-	-	-	-	(3,258)	(3,258)
At 29 March 2020	111	64,736	-	-	(74,485)	(9,638)

At 29 March 2020	111	64,736	-	-	(74,485)	(9,638)
Share-for-share exchange	-	(64,736)	64,736	-	-	-
Debt for equity swap	238	15,250	-	-	-	15,488
Shares issued on IPO	342	24,658	-	-	-	25,000
Other shares issued	199	14,285	-	(5,012)	-	9,472
Share issue costs	-	(1,909)	-	-	-	(1,909)
Loss for the period	-	-	-	-	(11,184)	(11,184)
At 27 September 2020	890	52,284	64,736	(5,012)	(85,669)	27,229
At 27 September 2020	890	52,284	64,736	(5,012)	(85,669)	27,229
Share-based payments	-	-	-	-	427	427
Loss for the period	-	-	-	-	(3,228)	(3,228)
At 4 April 2021	890	52,284	64,736	(5,012)	(88,470)	24,428

Various Eateries PLC
Consolidated Statement of Cash Flows
for the 27 weeks ended 4 April 2021

	Note	27 weeks ended 4 April 2021 Unaudited £ 000	26 weeks ended 29 March 2020 Unaudited £ 000	52 weeks ended 27 September 2020 Audited £ 000
Cash flows from operating activities				
Loss for the year		(3,228)	(3,258)	(14,442)
Adjustments to cash flows from non-cash items:				
Depreciation and amortisation		1,947	1,536	2,832
Impairment		-	-	5,391
Loss on disposal and surrender of leases		6	38	1,632
Share-based payments		427	-	-
Finance income		(3)	(2)	(1)
Finance costs		847	991	2,003
		(4)	(695)	(2,585)
Working capital adjustments:				
(Increase) / decrease in inventories		(15)	156	149
Decrease in trade and other receivables		367	133	958
(Decrease) / increase in accruals, trade and other payables		(2,399)	(985)	1,656
Increase in provisions		-	-	461
Net cash flow from operating activities		(2,050)	(1,391)	639
Cash flows from investing activities				
Interest received		3	2	1
Purchases of property plant and equipment		(2,027)	(3,366)	(5,086)
Purchase of intangible assets		-	(1)	(2)
Proceeds / (Costs) on disposal of property plant and equipment		3	108	(109)
Costs on issue of shares		-	-	(432)
Net cash flows from investing activities		(2,022)	(3,257)	(5,628)
Cash flows from financing activities				
Interest paid		-	(528)	(841)
Proceeds from borrowings		-	5,300	5,700
Proceeds on issue of shares		23,373	-	79
Principal elements of lease payments		(908)	(665)	(890)
Net cash flows from financing activities		22,465	4,107	4,048
Increase / (decrease) in cash		18,393	(542)	(941)
Opening cash at bank and in hand		893	1,834	1,834
Closing cash at bank and in hand		**19,286**	**1,292**	**893**

Various Eateries PLC
Notes to the Financial Statements
for the 52 weeks ended 27 September 2020

1 General information

Various Eateries PLC is a public limited company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 20 St Thomas Street, London, SE1 9RS.

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

2 Basis of preparation

The unaudited interim financial information for the 27 weeks ended 4 April 2021 has been prepared under the recognition and measurement principles of International Financial Reporting Standards as adopted by the EU ("IFRS") based on the accounting policies consistent with those used in the financial statements for the period ended 27 September 2020, but does not contain all the information necessary for full compliance with IFRS.

The unaudited interim financial information was approved and authorised for issue by the Board on 23 June 2021. The unaudited interim financial information for the 26 weeks ended 29 March 2020 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and should be read in conjunction with the statutory accounts for the period ended 27 September 2020. The information for the 52 weeks ended 27 September 2020 has been extracted from the statutory accounts for that year which have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified, did not contain an emphasis of matter paragraph, and did not contain a statement under sections 498(2)-(3) of the Companies Act 2006.

The interim financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the company operates. All values are rounded to the nearest one thousand Pounds (£'000) except when otherwise indicated.

Changes in accounting policies and disclosures:

There were no changes in accounting policies and disclosures during the period.

3 Financing costs

	27 weeks ended 4 April 2021 Unaudited £ 000	26 weeks ended 29 March 2020 Unaudited £ 000	52 weeks ended 27 September 2020 Audited £ 000
Interest payable on borrowings	577	650	1,349
Lease liability interest	270	342	654
	847	992	2,003

4 Earnings per share

Basic loss per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares outstanding during the year. There were no potentially dilutive ordinary shares outstanding as at the reporting date.

	26 weeks ended 4 April 2021 Unaudited	26 weeks ended 29 March 2020 Unaudited	52 weeks ended 27 September 2020 Audited
Loss for the year after tax (£ 000)	(3,228)	(3,258)	(14,442)
Basic and diluted weighted average number of shares	89,008,477	11,111,011	12,403,859
Basic loss per share (pence)	(3.6)	(29.3)	(116.4)
Diluted loss per share (pence)	(3.6)	(29.3)	(116.4)

5 Intangible assets

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licenses £ 000	Total £ 000
Cost or valuation				
At 29 September 2019	2,662	16,992	23	19,677
Additions	-	-	1	1
At 29 March 2020	2,662	16,992	24	19,678
Additions	-	-	1	1
Acquired through business combination	250	9,027	-	9,277
At 27 September 2020	2,912	26,019	25	28,956
Additions	-	-	-	-

At 4 April 2021	2,912	26,019	25	28,956
Amortisation				
At 29 September 2019 and At 29 March 2020	2,662	9,751	-	12,413
Impairment	-	3,640	-	3,640
At 27 September 2020	2,662	13,391	-	16,053
Amortisation	31	-	-	31
At 4 April 2021	2,693	13,391	-	16,084
Carrying amount				
At 29 March 2020	-	7,241	24	7,265
At 27 September 2020	250	12,628	25	12,903
At 4 April 2021	219	12,628	25	12,872

Brand relates to registered brand names and is amortised over an estimated useful economic life of four years.

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

6 Property, plant and equipment

	Right of use assets £ 000	Freehold property £ 000	Leasehold improve-ments £ 000	Furniture, fittings and equipment £ 000	Work in progress £ 000	IT equipment £ 000	Total £ 000
Cost or valuation							
At 29 September 2019	19,038	-	8,499	4,972	105	1,311	33,925
Additions	-	1,795	13	391	1,024	44	3,266
Disposals	(1,098)	-	(714)	(160)	(11)	(33)	(2,016)
Transfers	-	-	-	-	-	-	-
At 29 March 2020	17,941	1,795	7,798	5,203	1,118	1,322	35,176
Additions	707	-	59	157	1,582	22	2,526
Acquired through business combination	11,532	-	-	403	-	90	12,025
Disposals	(3,272)	-	(1,669)	(1,749)	(91)	(105)	(6,887)
Transfers	-	-	871	537	(1,437)	29	-
At 27 September 2020	26,907	1,795	7,059	4,550	1,172	1,357	42,841
Additions	1,082	-	1,028	627	315	58	3,110
Disposals	(409)	-	-	-	(9)	-	(419)
Transfers	-	-	567	51	(620)	1	-
At 4 April 2021	27,580	1,795	8,654	5,229	858	1,417	45,532
Depreciation							
At 29 September 2019	4,832	-	1,607	2,552	-	604	9,595
Charge for the period	718	-	249	453	-	116	1,536
Eliminated on disposal	(1,098)	-	(709)	(50)	-	(13)	(1,870)
At 29 March 2020	4,453	-	1,147	2,955	-	706	9,261
Charge for the period	554	-	183	448.82	-	111	1,297
Eliminated on disposal	(764)	-	(801)	(1,271)	-	(70)	(2,906)
Impairment loss	1,616	-	135	-	-	-	1,751
At 27							

September 2020	5,859	-	664	2,133	-	747	9,403
Charge for the period	1,032	-	154	612	-	118	1,915
Eliminated on disposal	-	-	-	-	-	-	-
Impairment loss	-	-	-	-	-	-	-
At 4 April 2021	6,891	-	818	2,745	-	865	11,318
Carrying amount							
At 29 March 2020	13,488	1,795	6,652	2,248	1,118	615	25,916
At 27 September 2020	21,048	1,795	6,395	2,417	1,172	610	33,438
At 4 April 2021	20,689	1,795	7,836	2,484	858	552	34,214

7 Trade and other receivables

	4 April 2021 Unaudited £ 000	**29 March 2020 Unaudited £ 000**	**27 September 2020 Audited £ 000**
Trade receivables	449	691	248
Prepayments	166	497	317
Other debtors	576	907	24,365
	1,191	2,095	24,930

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

Other receivables at 27 September 2020 included £23,523,000 in respect of net IPO share issue proceeds.

8 Trade and other payables

	4 April 2021 Unaudited £ 000	**29 March 2020 Unaudited £ 000**	**27 September 2020 Audited £ 000**
Trade payables	1,419	2,049	2,621
Accrued expenses	3,715	2,257	3,813
Social security and other taxes	558	796	988
Other payables	719	346	1,186
	6,411	5,448	8,608

9 Loans and borrowings

	4 April 2021 Unaudited £ 000	**29 March 2020 Unaudited £ 000**	**27 September 2020 Audited £ 000**
Current borrowings			
Borrowings from related parties	2,470	2,334	2,402
Lease liabilities	2,743	1,574	2,384
	5,213	3,908	4,786

	4 April 2021 Unaudited £ 000	**29 March 2020 Unaudited £ 000**	**27 September 2020 Audited £ 000**
Non-current interest bearing loans and borrowings			
Borrowings from related parties	10,000	24,513	10,000
Lease liabilities	21,466	12,832	21,483
	31,466	37,345	31,483

Borrowings from related parties classed as payable within 12 months represents a deep discounted bond instrument issued by VEL Property Holdings Limited on 14 January 2021. The subscription amount was £2,438,000, the nominal value £2,584,000, and the final redemption date is 14 January 2022. The discount is recognised on a straight-line basis between subscription and redemption date, resulting in £32,000 of accrued financing costs as at the reporting date.

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

10 Share-based payments

As at 4 April 2021, the Group maintained one share-based payment scheme for employee remuneration, the Joint Share Ownership Plan ('JSOP'), which will be equity settled. The grants under the JSOP were made on 18 September 2020.

In accordance with IFRS 2 "Share-based Payment", the value of the awards is measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. A charge of £427,000 has been recognised in profit and loss for the 27 weeks ended 4 April 2021 in respect of this JSOP.

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

	JSOP	
	Number of shares	**Exercise price per share (£)**
Outstanding at 29 September 2019	-	-
Granted	5,809,523	0.73
Outstanding at 27 September 2020 and 4 April 2021	5,809,523	0.73
Exercisable at 27 September 2020 and 4 April 2021	-	-

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

	JSOP
Grant date	18 September 2020
Vesting period ends	31 August 2022
Share price at date of grant	£0.73
Volatility	66.98%
Option life	1.95 years
Dividend yield	0.00%
Risk-free investment rate	(0.13)%
Fair value per option at grant date	£0.26
Exercise price at date of grant	£0.73
Exercisable from / to	31 August 2022 / 31 August 2030
Remaining contractual life	1.41 years

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

Appendix: Loss before Tax to Adjusted EBITDA reconciliation (unaudited)

	27 weeks ended 4 April 2021 Unaudited £ 000	**26 weeks ended 29 March 2020 Unaudited £ 000**	**52 weeks ended 27 September 2020 Unaudited £ 000**
Revenue	3,260	11,216	16,469
Loss before tax	(3,228)	(3,258)	(14,442)
Net financing costs	844	990	2,002
Depreciation and impairment	1,915	1,536	8,225
(Profit) / loss on disposal of assets and leases	-	38	1,632
Authorised Guarantee Agreements provision	-	-	461
Initial Public Offering costs	-	-	285
Restructure costs	-	135	167
Pre-opening costs	44	252	564
Share-based payments	427		
Non-trading sites	-	270	302
Adjusted EBITDA	2	(37)	(804)

END

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