

Registration number: 09185571

Various Eateries Trading Limited

Annual report and financial statements for the 52 weeks ended 2 October 2022



Various Eateries Trading Limited

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Various Eateries Trading Limited

Company information

Directors	M Fanthorpe Y Malkov L Anderson R Manek P Van Zijl S Badelek
Registered office	Runway East 20 St. Thomas Street London SE1 9RS
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB United Kingdom

Various Eateries Trading Limited
Strategic report
for the 52 weeks ended 2 October 2022

The Directors present their Strategic report for the period ended 2 October 2022.

The Directors, in preparing this report have complied with Section 414C of the Companies Act 2006.

Review of the business

Various Eateries Trading Limited benefitted from all sites being open to trade throughout the year compared to periods of closure in the preceding two years due to the impact of Covid-19 restrictions, albeit trade was impacted in December 2021 through to early 2022 from the Government's advice to stay at home.

The number of sites expanded during the trading period, with 4 new sites opening: this included Coppa Clubs in Putney (November 2021), Haslemere (May 2022) and Bath (August 2022). These new sites performed well and are a key part of the make up of our estate of prime locations designed to capture the growing demand for this kind of offering. In March 2022, we opened the first Noci site overlooking Islington Green, this new Noci site quickly settled into its first location and became known locally and London-wide for its quality and atmosphere, the site has performed strongly since opening.

The Company incurred impairments of £1,563,000 to goodwill during the period, and £485,000 to property, plant and equipment. Impairment to goodwill in restaurant 1 is due to the recoverable amount, being value-in-use, being lower than the goodwill recognised. Impairment testing resulted in the reduction of carrying amount to recoverable amount, being value-in-use, for multiple CGUs in 2022, with the full charge recognised against the restaurant segment. This charge in the Company was for the lease on Restaurant 3 (impairment of £278,000 leaving a recoverable amount in the CGU of £471,000) and Restaurant 4 (impairment of £207,000 leaving a recoverable amount in the CGU of £nil).

Results and performance

The results of the Company for the period are set out on page 14 and show a loss before taxation of £6,200,000 (2021: £1,830,000 loss). The shareholder's deficit of the Company totals £56,546,000 (2021: £50,346,000).

The company benefitted from all sites being able to trade throughout the period compared to 2021 in which there were significant restrictions to trade at various times during the year. Depreciation charges and pre-opening costs have increased for the company this period as we have continued to invest in new sites. Additional income items included in 2021 were not received this year, impacting on the overall EBITDA. This included the insurance settlement of £2,500,000 and Coronavirus Job Retention Scheme grant payments of £2,785,000.

The Government's advice to stay at home in December 2021 had a significant impact on all sites, particularly our three sites in London which would traditionally benefit from significant Christmas trade. From April 2022 onwards, a period of relatively normal trading, our five regional sites benefitted from a strong rebound uplift in like-for-like sales. Trading in London saw a slower recovery as tourism and office-based working had not yet recovered to their pre-pandemic levels.

Various Eateries Trading Limited
Strategic report (continued)
for the 52 weeks ended 2 October 2022

Key performance indicators

The Company's key financial and other performance indicators during the period were as follows:

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021	Change
Sales	£36,593,000	£20,212,000	81.0%
EBITDA*	£(1,470,000)	£2,472,000	(159.7)%
Trading EBITDA**	£(859,000)	£2,619,000	(132.9)%
Average number of trading restaurants	15	11	36.5%

*EBITDA is defined as operating loss before depreciation, amortisation, impairment charges, restructuring costs and profit or loss on disposal, but after foreign exchange gains or losses.

**Trading EBITDA is defined as EBITDA adjusted to remove non-trading site post closure costs and new site pre-opening costs. Trading EBITDA is not audited.

Principal risks and uncertainties

The Board has the primary responsibility for identifying the principal risks which the business faces and for developing appropriate policies to manage those risks. To assist with this process, an annual Risk Review is presented to the Board. Given the nature of the Company's businesses, the principal business risks relate to the following:

- funding and liquidity;
- competition and current economic climate;
- employee recruitment, retention; and
- timely supplies of quality products.

The above risks are partly mitigated by the following key measures:

- monitoring of required funding based on budgets and plans;
- a continued focus on delivering a great experience to our customers at excellent value for money;
- competitive reward structures and comprehensive training and development programmes; and
- close monitoring against key supplier service level agreements, with contingent arrangements in place where necessary.

The directors are aware that there is an element of risk associated with the continued economic uncertainty surrounding the UK's withdrawal from the EU and its longer term impact on the business. To date, this has not proved problematic for the Company which continues to monitor its supply chain by maintaining dialogue with suppliers and ensuring that suitable alternatives are available.

Financial risk management

The Company's activities expose it to a variety of financial instrument risks. The risk management policies employed by the Company to manage these risks are set out in note 23 on page 34. 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.

Credit risk

The Company's credit risk is attributable to trade and other receivables and cash. The Company 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.

Various Eateries Trading Limited
Strategic report (continued)
for the 52 weeks ended 2 October 2022

Funding and future developments

Funding from the IPO and related party loan have been used to support the business from a cash flow perspective, and has funded the 4 new sites opened in the period of 3 Coppa sites opened in Putney, Haslemere and Bath whilst the first Noci opened in Islington. The growth continued post year end with the company remaining on track to open a further 3 Coppa sites in Cardiff, Guilford and Farnham as well as another Noci site in the Battersea Power Station.

The company has continued to trade in line with management expectations in the financial year from October 2022. A mixed picture in October and November followed by a strong festive period didn't offer a great deal in terms of themes and patterns, and it is still too early to draw any meaningful conclusions.

Section 172 Statement

It is the Directors' responsibility to ensure that the Company is managed in the long-term interests of all shareholders and stakeholders in the business. The Directors consider the needs and concerns of all stakeholders in their running of the Company. By seeking to understand the differing stakeholder interest and impacts through a proactive programme of engagement, the Directors ensure their decision making is informed and that the development and delivery of the Company's strategy leads to long-term sustainable success for the Company.

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

- a. the likely consequences of any decisions in the long term;
 - Throughout the period the Board has ensured investment decisions, including new leases, are right for the long-term prospects of the business, not just in this uncertain economic environment. Specifically this included signing leases this past year that protect the Company for the next decade or so with favourable terms not seen for a long time in the hospitality property market.
 - The Board also invested in a new concept that is suitable for expansion with the long term view of capitalising on both the current depressed economic climate, and the inevitable period of recovery that will follow.
- b. the interests of the Company's employees;
 - The Board recognised the need for strong communications with the employees. In order to keep the positive momentum from the previous year investments took place including a relaunch of a monthly Company wide newsletter and a weekly communication tool with senior managers on site.
 - An annual engagement survey and a follow up on last year's employee feedback took place and engagement numbers have gone up across the estate.
 - Work has been undertaken on a new employee engagement and training platform that will be launched in 2023.
- c. the need to foster the Company's business relationships with suppliers, customers and others;
 - The Company maintains close dialogue with its suppliers, looking to consolidate wherever possible without compromising on quality and security of supply.
 - We have actively reduced the number of different food and beverage suppliers in order to both achieve efficiency and to create closer, more mutually beneficial relationships. Throughout the last year, especially because of the well publicised supply chain issues, the Board has encouraged the Culinary Director and Head of Procurement to engage with our suppliers on a daily basis, renegotiate credit terms and to meet with them face to face regularly.
 - The Board discusses the customer feedback in every board meeting and has continued investing in the channels of communication and acting upon the feedback given. This includes investing further in a customer feedback platform and in house training for the daily maintenance of it. Further investment has been made in the company website and central reservations (both as far as team numbers and IT infrastructure) in order to more efficiently communicate with our guests and to increase our efficiency in answering their needs. This has reflected in improved guest scores and general feedback across the estate.

Various Eateries Trading Limited
Strategic report (continued)
for the 52 weeks ended 2 October 2022

Section 172 Statement (continued)

- d. the impact of the Company's operations on the community and the environment;
 - We are members of the Sustainable Restaurants Association and are committed to actively reducing our environmental impact through our sourcing, energy use and waste disposal, and our place in society. The Company has invested, and continues to invest, in different initiatives in order to lower our environmental footprint and better integrate with our surrounding communities. Specifically these include review of our energy consumption including installation of digital meters which allow the property team to analyse and reduce the energy consumption on site. The Company has also signed up to various sustainable groups such as the Marine Conservation Society.
 - To engage with the community the Company engages in a number of activities, including partnering with HM Prisons in order to integrate day release inmates as team members in our sites, investing in an array of local community activities such as "Mums Clubs", different wellbeing classes and talks and sponsoring local charity events.
- e. the Company's reputation for high standards of business conduct;
 - Internal audit, both desktop and site visits, to ensure standards are being maintained. This includes operational audits, customer service audits and financial audits.
 - Ongoing staff training, including the introduction of staff trainers in sites, buddy system for new starters and revamped standard operating procedures for both front and back of house teams.
 - Formal mystery diner programme, aligned to guest feedback. This is brand specific and is updated every year to ensure standards are aligned with guest needs.
- f. the need to act fairly between members of the Company
 - Regular Shareholder engagement.
 - One class of share capital to ensure all shareholders are treated equally.

Various Eateries Trading Limited
Strategic report (continued)
for the 52 weeks ended 2 October 2022


Stakeholder Engagement

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

Why we engage	How we engage	Stakeholder interests
Shareholders The Board regards effective communication with shareholders as crucial to understanding and meeting their needs and expectations.	<ul style="list-style-type: none"> Investor meetings and roadshows One-to-one meetings Interim, ad hoc and annual announcements Annual report and AGM Corporate website 	<ul style="list-style-type: none"> Financial and operational performance Business model and strategy Governance Trust in leadership team
Community and Environment We care about the communities we operate in. We engage with local people and groups in order to learn how best we can support the local economy, support local charities, and provide a distinct and differentiated experience.	<ul style="list-style-type: none"> Creating all-day multi-use venues, designed to meet the needs of local communities in a post-Covid-19 world Refurbishing and restoring historic buildings Hosting wellness and lifestyle events allowing local communities to engage with each other Providing support to local charities Carbon and Emissions reporting We are a member of the Sustainable Restaurants Association 	<ul style="list-style-type: none"> Investment and reinvigoration of local economies including jobs for local people Locations for hosting community events
Customers Our success is dependent on maintaining a distinct proposition and relationship with our guests. We must understand evolving consumer requirements in order to best meet their needs and ensure continued loyalty.	<ul style="list-style-type: none"> Providing a comfortable and relaxed home-from-home experience and great hospitality Formal feedback and guest surveys Digital marketing and social media Publicity activity through key lifestyle publications Pop-up activity 	<ul style="list-style-type: none"> A distinct and unique proposition An all-day offering allowing guests to eat, meet, work or relax A broad, high-quality menu that incorporates vegetarian, vegan and gluten-free options Exciting and convenient locations Accessible pricing Consistency in service Responsiveness to feedback
Employees We are a people business. The skills, experience and passion of our employees enables us to deliver the highest levels of quality, standards and service. In order to attract and retain the best people, we offer competitive pay rates and believe in fostering a culture of collaboration, support, two-way listening and inclusivity.	<ul style="list-style-type: none"> Town hall meetings Central and brand-specific Intranets, providing learning resources, community hubs and a communication channel Annual appraisals Staff newsletters Targeted electronic campaign "Check ins" Annual engagement surveys 	<ul style="list-style-type: none"> Training and development opportunities Career progression and recognition Compensation and incentives Company culture and reputation Health, safety and wellbeing
Suppliers/Partners Our proposition is dependent on access to the best ingredients from our suppliers.	<ul style="list-style-type: none"> Honest and open dialogue and negotiation Clear lines of communication/ decision-making Annual/six-monthly pricing review Ongoing product/service review Direct feedback from operational level Disciplined ordering/approval process Menu development involvement 	<ul style="list-style-type: none"> Long-term and trusted partnerships Fair pricing with mutually beneficial growth Ethical and sustainable trading and procurement Clear communication and processes Aligned Company culture and values

Various Eateries Trading Limited
Strategic report (continued)
for the 52 weeks ended 2 October 2022

This report was approved by the Board on ¹²11 April 2023 and signed on its behalf by:



Y Malkov
Director
20 St. Thomas Street
London
SE1 9RS

Various Eateries Trading Limited
Directors' report
for the 52 weeks ended 2 October 2022

The Directors present their annual report on the affairs of Various Eateries Trading Limited ('the Company'), together with the audited financial statements for the 52 week period ended 2 October 2022 (prior period comparatives are for the 53 week period ended 3 October 2021).

The basis of preparation of the financial statements is set out in note 2 on page 17.

Results and dividends

The results of the Company for the period are set out on page 14.

The Directors do not recommend the payment of a dividend (2021: £nil).

Directors of the Company

The Directors, who served throughout the period and up until the date of signing, were as follows:

M Fanthorpe
Y Malkov
L Anderson (appointed 11 November 2022)
J Darwent (appointed 11 November 2022, resigned 1 April 2023)
R Manek (appointed 11 November 2022)
P Van Zijl (appointed 11 November 2022)
O Williams (appointed 2 January 2020, resigned 11 November 2022)
R E Rose (appointed 9 February 2021, resigned 4 April 2022)
S Badelek (appointed 1 April 2023)

Directors' liability insurance and indemnity

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

Principal activity

The principal activity of the Company continues to be that of the sale of food and drink from its restaurant portfolio.

Charitable and political donations

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

Going concern

The Company is part of the Various Eateries plc group of companies. Various Eateries plc has confirmed that it will provide financial support to the Company should this be required for 12 months from the date of approval of these financial statements.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of the economic uncertainty arising from the rise in inflation, along with the continuing impact of both Covid-19 and Brexit, together with the events in Ukraine. We have also taken into account the renewal of the deep discounted bond post year-end (as detailed in note 27, post balance sheet events), which we note is scheduled for renewal on 15 April 2024, i.e. more than 12 months from the date of approval of these financial statements.

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

Various Eateries Trading Limited
Directors' report (continued)
for the 52 weeks ended 2 October 2022

Employees

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

We have a diverse workforce and an equal opportunities policy in place. We aim to employ people who reflect the diverse nature of society and value people and their contribution irrespective of age, sex, disability, sexual orientation, race, colour, religion, marital status or ethnic origin. We do not tolerate harassment or bullying in any shape or form. Procedures are in place to respond to accusations of workplace discrimination, harassment and victimisation. An effective employee grievance procedure is in operation, and the policy is properly communicated to our people. Applications from disabled persons are given full consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training and equal opportunities.

Streamlined Energy and Carbon Reporting (SECR) / Energy Consumption

The Green House Gas emissions reporting requirements for the Company are included within the Strategic Report and consolidated financial statements of Various Eateries PLC. The Group accounts of Various Eateries PLC are available to the public and can be obtained as set out in note 25.

Auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

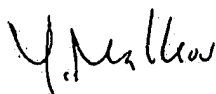
Matters of Strategic Importance

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

Post balance sheet events

Post balance sheet events are disclosed in note 27 to the financial statements.

Approved by the Board on ¹² April 2023 and signed on its behalf by:



Y Malkov
Director
20 St. Thomas Street
London
SE1 9R

Various Eateries Trading Limited

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Various Eateries Trading Limited

Opinion

We have audited the financial statements of Various Eateries Trading Limited (the 'company') for the period ended 2 October 2022 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 October 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Independent auditor's report to the members of Various Eateries Trading Limited

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which

Independent auditor's report to the members of Various Eateries Trading Limited

included reviewing financial statement disclosures, inspecting any correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to food safety and licensing. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities if any.

The audit engagement team identified the risk of management override of controls, existence of revenue and impairment of goodwill and property, plant and equipment as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

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

William Farren

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

12 April 2023

Various Eateries Trading Limited
Profit and Loss Account
For the 52 weeks ended 2 October 2022

		52 weeks ended 2 October 2022 £ 000	53 weeks ended 3 October 2021 £ 000
	Note		
Revenue	4	36,593	20,212
Cost of sales		<u>(34,547)</u>	<u>(18,966)</u>
Gross profit		2,046	1,246
Administrative expenses		(5,040)	(3,844)
Insurance claim			2,500
Exceptional items and impairment	5	<u>(2,102)</u>	<u>(841)</u>
Operating loss		(5,096)	(939)
Finance income	6	-	3
Financing costs	6	<u>(1,104)</u>	<u>(894)</u>
Loss before tax		(6,200)	(1,830)
Tax	10	<u>-</u>	<u>-</u>
Loss for the period		<u>(6,200)</u>	<u>(1,830)</u>

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.

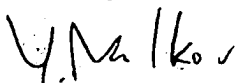
The notes on pages 17 to 41 form an integral part of these financial statements

Various Eateries Trading Limited
Balance Sheet
As at 2 October 2022

		2 October 2022 £ 000	3 October 2021 £ 000
	Note		
Fixed assets			
Intangible assets	12	2,062	3,626
Tangible assets	13	<u>30,445</u>	<u>22,363</u>
		<u>32,507</u>	<u>25,989</u>
Current assets			
Stocks	14	789	532
Trade and other debtors	15	4,195	2,803
Cash and bank balances	16	<u>990</u>	<u>448</u>
		<u>5,974</u>	<u>3,783</u>
Total assets		<u>38,481</u>	<u>29,772</u>
Current liabilities			
Trade and other creditors	17	(69,895)	(57,617)
Loans and borrowings	18	<u>(11,362)</u>	<u>(11,435)</u>
Net current liabilities		<u>(75,283)</u>	<u>(65,269)</u>
Total assets less current liabilities		<u>(42,776)</u>	<u>(39,280)</u>
Non-current liabilities			
Loans and borrowings	19	(13,414)	(10,709)
Provisions	20	<u>(356)</u>	<u>(357)</u>
Total non-current liabilities		<u>(13,770)</u>	<u>(11,066)</u>
Total liabilities		<u>(95,027)</u>	<u>(80,118)</u>
Net liabilities		<u>(56,546)</u>	<u>(50,346)</u>
Equity			
Share capital	21	16,906	16,906
Retained losses		<u>(73,452)</u>	<u>(67,252)</u>
Total shareholder's deficit		<u>(56,546)</u>	<u>(50,346)</u>

The financial statements of Various Eateries Trading Limited (registration number: 09185571) were approved by the Board and authorised for issue on 12 April 2023.

They were signed on its behalf by:


Y Malkov
Director

The notes on pages 17 to 41 form an integral part of these financial statements.

Various Eateries Trading Limited
Statement of Changes in Equity
For the 52 weeks ended 2 October 2022

	Called-up share capital £ 000	Retained earnings £ 000	Total £ 000
At 27 September 2020	16,906	(65,422)	(48,516)
Loss for the period	-	(1,830)	(1,830)
Total comprehensive loss	-	(1,830)	(1,830)
At 3 October 2021	16,906	(67,252)	(50,346)
At 3 October 2021	16,906	(67,252)	(50,346)
Loss for the period	-	(6,200)	(6,200)
Total comprehensive loss	-	(6,200)	(6,200)
At 2 October 2022	16,906	(73,452)	(56,546)

The notes on pages 17 to 41 form an integral part of these financial statements.

Various Eateries Trading Limited
Notes to the financial statements
For the 52 weeks ended 2 October 2022

1 General information

Various Eateries Trading Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2 and the Directors' report on page 8.

2 Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure framework'. The financial statements have been prepared under the historical cost convention.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets, financial instruments, related party transactions and remuneration of key management personnel.

Going concern

The Company is part of the Various Eateries plc group of companies. The Company incurred a loss of £6,200,000 in the period ended 2 October 2022, and had net current liabilities of £75,283,000 at that date, including an amount of £16,757,000 owed to Various Eateries Holdings Limited and £46,667,000 owed to SCP Sugar Limited. Various Eateries plc has confirmed that it will provide financial support to the Company should this be required for 12 months from the date of approval of these financial statements.

Based on the Company's cash flow forecasts and projections, the Board is satisfied that the Company will be able to operate within the level of its facilities for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of the economic uncertainty arising from the rise in inflation, along with the continuing impact of both Covid-19 and Brexit, together with the events in Ukraine. We have also taken into account the renewal of the deep discounted bond post year-end (as detailed in note 27, post balance sheet events which we note is scheduled for renewal on 15 April 2024, i.e. more than 12 months from the date of approval of these financial statements).

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

Revenue

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

Rental income

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

2 Accounting policies (continued)

Allocation of costs

Cost of sales includes all direct costs incurred in restaurants. Administrative expenses include central and area management, administration and head office costs.

Goodwill

Goodwill relates to acquired sites and is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. The company is taking the option to not restate any balances prior to the opening balance sheet for the purpose of the financial statements. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company 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
Assets under construction	Not depreciated
IT equipment	20% - 33.33% per annum

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

Assets under construction relates to capital expenditure on sites that have not started trading.

Stocks

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

2 Accounting policies (continued)

Financial instruments

The Company 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 Company 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 Company 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 Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

2 Accounting policies (continued)

Exceptional costs

The Company presents a total net figure, on the face of the profit and loss account, for exceptional items. Exceptional items are material items of revenue or cost that, because of the unusual nature and / or expected infrequency of the events giving rise to them, merit separate presentation to allow an understanding of the Company's financial performance. Impairment charges are included in exceptional items.

Tax

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

2 Accounting policies (continued)

Leases

The Company 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 Company's incremental borrowing rate on commencement of the lease is used. This is 4.5% (2021: 4.5%). Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments, such as those linked to turnover, are expensed in the period to which they relate.

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

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Company 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 Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

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

When the Company 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.

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

2 Accounting policies (continued)

Finance income and financing expenses

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

Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the Statement of Profit or Loss as they accrue, using the effective interest method.

Government grants

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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:

Key judgement - determining the rate used to discount lease payments

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The discount rate applied to the Company's leases under the portfolio approach is 4.5%. A 0.5% increase in the discount rate to 5% will result in a decrease in net present value of the total lease liability of £516,000 in 2022 (2021: £406,000). A 0.5% decrease in discount rate to 4% results in increase in the net present value of the total lease liability of £548,000 in 2022 (2021: £432,000).

Key estimate – determining the AGA provision

The Group has historically entered into AGA provisions for 8 sites (2021: 9) which have been disposed of via assignment of lease. Should the assignees default on their payments, the Group would become liable. Judgement is required to determine the probable outflow of resources that arise from these guarantees. A provision of £357,000 (2021: £357,000) has been made for one year of rent at 3 sites (2021: 3), with other sites considered a contingent liability (as detailed in note 28). This reflects an assessment of the trading status of the assignees, and the expected cost to dispose of the lease should those assignees default.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

Key estimate - Impairment of goodwill, other intangibles and tangible fixed assets

The Company performs impairment assessments on goodwill, other intangibles, and property plant and equipment as required by IAS 36 Impairment of assets.

Determining whether assets are impaired under IAS 36 requires an estimation of the recoverable amount of the cash-generating units ('CGUs') to which those 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, carrying values of goodwill, other intangibles and property, plant and equipment as well as further information about the assumptions made are disclosed in notes 12 and 13 to the financial statements.

4 Revenue

An analysis of the Company's total revenue which all originates in the United Kingdom is as follows:

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
	£ 000	£ 000
Sale of goods	36,514	20,212
Accommodation and room hire	79	-
	<u>36,593</u>	<u>20,212</u>

5 Exceptional items and impairment

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
	£ 000	£ 000
Loss on disposal of assets and leases	(53)	(335)
Impairment of goodwill	(1,564)	-
Impairment of property, plant and equipment	(485)	(610)
AGA provision	-	104
	<u>(2,102)</u>	<u>(841)</u>

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

6 Finance costs / income

	52 weeks ended 2 October 2022 £ 000	53 weeks ended 3 October 2021 £ 000
Interest income on bank deposits	-	3
Total finance income	-	3
Financing costs on bank overdrafts and borrowings	472	396
Lease liability interest	631	498
Foreign exchange loss	1	-
Total financing costs	1,104	894
Net financing costs	(1,104)	(891)

7 Auditor's remuneration

	52 weeks ended 2 October 2022 £ 000	53 weeks ended 3 October 2021 £ 000
Audit of the financial statements	199	138
Other fees to auditor		
Other services	1	1
	1	1

Amounts payable in respect of audit services for 2021 have been borne by Various Eateries Trading Limited on behalf of the Various Eateries PLC group. Audit fees for the 52 weeks ended 2 October 2022 includes £36,000 in respect of the 2021 audit. Audit fees for the 53 weeks ended 3 October 2021 includes £13,000 in respect of the 2020 audit.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

8 Staff numbers and costs

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
The average monthly number of employees (including executive directors) was:	No.	No.
Operational staff	<u>802</u>	<u>554</u>

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
Their aggregate remuneration comprised:	£ 000	£ 000
Wages and salaries	14,021	10,517
Social security costs	1,076	778
Other pension costs (see note 22)	193	159
Other employee expense	86	89
Grant income - CJRS	-	(2,785)
	<u>15,376</u>	<u>8,758</u>

9 Directors' remuneration

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
The Directors' remuneration for the period in respect of service to the Company, was as follows:	£ 000	£ 000
Remuneration	491	390
Employer pension contribution	<u>11</u>	<u>9</u>
	<u>502</u>	<u>399</u>

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
The number of directors to whom retirement benefits are accruing under money purchase schemes was:	£ 000	£ 000
Number of directors	<u>3</u>	<u>3</u>

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
	£ 000	£ 000
In respect of the highest paid director:		
Remuneration	202	181
Employer pension contribution	5	5
	<u>207</u>	<u>186</u>

10 Tax on loss

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
	£ 000	£ 000
Tax credited in the statement of profit or loss:		
Corporation tax	-	-
Total current income tax	<u>-</u>	<u>-</u>
Tax expense in the statement of profit or loss	<u>-</u>	<u>-</u>

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable loss for the period.

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

	52 weeks ended 2 October 2022	53 weeks ended 3 October 2021
	£ 000	£ 000
Loss before tax	<u>(6,200)</u>	<u>(1,830)</u>
Corporation tax at standard rate 19% (2021: 19%)	(1,178)	(348)
Fixed asset differences	507	196
Expenses not deductible	88	153
Income not taxable for tax purposes	-	-
Temporary differences not recognised	-	-
Group relief surrendered	192	42
Remeasurement of deferred tax for change in tax rates	-	(2,348)
Tax losses not recognised	<u>391</u>	<u>2,305</u>
Total tax charge	<u>-</u>	<u>-</u>

No account has been taken of the potential deferred tax asset of £10,437,000 (2021: £9,785,000) calculated at 25% (2021: 25%) and representing losses carried forward and short term timing differences, owing to the uncertainty over the utilisation of the losses available.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

11 Loss for the period

Loss for the period has been arrived at after charging:

	52 weeks ended 2 October 2022 £ 000	53 weeks ended 3 October 2021 £ 000
Staff costs (note 8)	15,376	8,758
Leases not recognised as right-of-use assets	3,340	1,211
Impairment of goodwill (note 12)	1,564	-
Depreciation of property, plant and equipment (note 13)	3,137	2,455
Impairment of property, plant and equipment (note 13)	485	610
Loss on disposal of assets and leases	<u>54</u>	<u>335</u>

Leases not recognised at right-of-use assets relate to leases which are linked to turnover.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

12 Intangible assets

	Brand	Goodwill	Trademarks, patents & licenses	Total
	£ 000	£ 000	£ 000	£ 000
Cost or valuation				
At 3 October 2021	2,662	16,993	25	19,680
Additions	-	-	-	-
At 2 October 2022	2,662	16,993	25	19,680
Amortisation				
At 3 October 2021	2,662	13,392	-	16,054
Impairment	-	1,564	-	1,564
At 2 October 2022	2,662	14,956	-	17,618
Carrying amount				
At 2 October 2022	-	2,037	25	2,062
At 3 October 2021	-	3,601	25	3,626

Brand relates to registered brand names and has been 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.

The brought-forward goodwill balance relates to: Tivolino Riverside (£2,609,000) and Strada Southbank (£992,000).

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A pre-tax discount rate of 14.9% was used (2021: 12.0%), based on the Company's WACC and comparable businesses in the sector. Cash flows in line with forecasts were used. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate.

Impairment testing at 2 October 2022 resulted in the impairment of goodwill relating to Restaurant 1 for £1,564,000, leaving a recoverable amount of £1,046,000. This is due to the recoverable amount, being value-in-use, being lower than the goodwill recognised.

Given the ongoing global economic uncertainty and its impact on the UK hospitality sector there is particular sensitivity to the forecasts prepared in connection with the impairment review as at 2 October 2022. The estimate of recoverable amount for the restaurant segment is particularly sensitive to the discount rate and trading forecast assumptions. If the discount rate used is increased by 2%, the forecast future EBITDA is reduced by 10% and the terminal growth rate reduced by 1%, a further impairment loss of £991,000 for the period ended 2 October 2022 would have to be recognised against goodwill (2021: £220,000). Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

13 Tangible assets

	Right of use assets £ 000	Leasehold premises and improve- ments £ 000	Furniture, fittings and equipment £ 000	Assets under constr- uction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation						
At 3 October 2021	15,611	9,625	5,565	1,323	1,487	33,611
Additions	1,703	5,359	2,274	562	489	10,387
Lease modifications	1,399	-	-	-	-	1,399
Disposals	(285)	1	(3)	(74)	(2)	(363)
Transfers	-	998	232	(1,262)	32	-
At 2 October 2022	<u>18,428</u>	<u>15,983</u>	<u>8,068</u>	<u>549</u>	<u>2,006</u>	<u>45,034</u>
Depreciation						
At 3 October 2021	5,653	1,737	2,871	-	987	11,248
Charge for the period	932	745	1,207	-	253	3,137
Eliminated on disposal	(278)	-	(2)	-	(1)	(281)
Impairment loss	485	-	-	-	-	485
At 2 October 2022	<u>6,792</u>	<u>2,482</u>	<u>4,076</u>	<u>-</u>	<u>1,239</u>	<u>14,589</u>
Carrying amount						
At 2 October 2022	<u>11,636</u>	<u>13,501</u>	<u>3,992</u>	<u>549</u>	<u>767</u>	<u>30,445</u>
At 3 October 2021	<u>9,958</u>	<u>7,888</u>	<u>2,694</u>	<u>1,323</u>	<u>500</u>	<u>22,363</u>

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

13 Tangible assets (continued)

The Company'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. Assets under construction relates to capital expenditure on sites that have not started trading.

Depreciation is charged to cost of sales in the profit and loss account 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 administrative expenses in the profit and loss account.

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 (2022: £42,000, 2021: £41,000).

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

The key assumptions for the value in use calculations are those regarding the discount rate, trading forecasts and growth rates. A discount rate of 14.9% was used (2021: 12.0%), based on the Company's WACC and comparable businesses in the sector. Cash flows in line with 5 year forecasts were used. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate.

Impairment testing resulted in the reduction of carrying amount to recoverable amount, being value-in-use, for three CGUs in 2022, with the full charge recognised against the restaurant segment. This charge was for the lease on restaurant 3 (impairment of £278,000 leaving a recoverable amount in the CGU of £471,000) and restaurant 4 (impairment of £207,000 leaving a recoverable amount in the CGU of £nil). The CGU with the least headroom is Restaurant 7 with £534,000. The charge in 2021 was for £610,000 against right of use assets at restaurant 4.

The estimate of recoverable amount for the restaurant segment is particularly sensitive to the trading forecast assumptions. If the discount rate used is increased by 2%, the forecast EBITDA is reduced by 10%, and the terminal growth rate reduced by 1%, a further impairment loss of £83,000 for the period ended 2 October 2022 would have to be recognised against right of use assets. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

14 Stocks

	2 October 2022 £ 000	3 October 2021 £ 000
Food and drinks	285	233
Consumables	504	299
	<u>789</u>	<u>532</u>

Inventories recognised as an expense in the period totalled £9,827,000 (2021: £5,037,000).

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

15 Trade and other debtors

	2 October 2022 £ 000	3 October 2021 £ 000
Trade receivables	66	59
Prepayments	735	512
Other receivables	754	614
Amounts owed by other group companies	<u>2,640</u>	<u>1,618</u>
	<u><u>4,195</u></u>	<u><u>2,803</u></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 at bank and in hand

	2 October 2022 £ 000	3 October 2021 £ 000
Cash at bank	<u>990</u>	<u>448</u>

17 Current liabilities

	2 October 2022 £ 000	3 October 2021 £ 000
Trade payables	2,062	1,570
Accrued expenses	2,379	3,841
Amounts owed to parent undertaking	46,667	45,787
Amounts owed to other group companies	17,002	5,316
Social security and other taxes	1,024	834
Other payables	<u>761</u>	<u>269</u>
	<u><u>69,895</u></u>	<u><u>57,617</u></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.

The amounts owed to parent undertakings are interest free, unsecured and repayable on demand.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

18 Current borrowings

	2 October 2022 £ 000	3 October 2021 £ 000
Borrowings from related parties	10,123	10,000
Lease liabilities due in less than 1 year	<u>1,239</u>	<u>1,435</u>
	<u>11,362</u>	<u>11,435</u>

The deep discounted bond instrument issued by Various Eateries Trading Limited was in April 2022, with a subscription price of £9,515,000, a nominal value of £10,001,000, and a term of 12 months. The discount is recognised between subscription and redemption date resulting in £226,000 of accrued financing costs at the reporting date.

The balance of £608,000 (2021: £1,038,000) under the August 2019 loan agreement matures in April 2023, bears cash settled interest at 3.75% above SONIA (2021: cash settled interest at 3.75% above LIBOR).

19 Non-current borrowings

	2 October 2022 £ 000	3 October 2021 £ 000
Lease liabilities due after more than 1 year	<u>13,414</u>	<u>10,709</u>
	<u>13,414</u>	<u>10,709</u>

The borrowings classified as financial instruments are disclosed in note 23.

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

20 Provisions for liabilities

	52 weeks ended 2 October 2022 £ 000
Authorised Guarantee Agreements ('AGAs')	
At 3 October 2021	356
Release of provision	<u>-</u>
At 2 October 2022	<u><u>356</u></u>

The provision relates to the annual rental cost of three (2021: three) previously operated sites that have been disposed of via assignment of lease and include Authorised Guarantee Agreements ('AGAs') as part of the assignment arrangement (see also note 28).

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

21 Called-up share capital

Authorised, allotted, called-up and fully paid shares

	2 October 2022		3 October 2021	
	No.	£ 000	No.	£
Ordinary shares of £1 each	<u>16,906,490</u>	<u>16,906</u>	<u>16,906,490</u>	<u>16,906</u>

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 £1 and the Company does not have a limited amount of authorised capital.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

22 Retirement benefit schemes

Group personal pension scheme

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

The total cost charged to income of £193,000 (2021: £159,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the schemes. As at 2 October 2022, contributions of £30,000 due in respect of the current reporting period (2021: £26,000) had not been paid over to the schemes.

23 Financial instruments

Financial assets - loans and receivables

	2 October 2022 £ 000	3 October 2021 £ 000
Cash at bank and in hand	990	448
Trade and other receivables	3,460	2,291
	<u>4,450</u>	<u>2,739</u>

Valuation methods and assumptions

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

Financial liabilities at amortised cost

	2 October 2022 £ 000	3 October 2021 £ 000
Trade and other payables	83,880	69,283
Borrowings from related parties	10,123	10,000
	<u>94,003</u>	<u>79,283</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.

Financial risk management and impairment of financial assets

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

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

23 Financial instruments (continued)

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 balance sheet, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

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

Credit risk management

The Company'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 Company places its cash with banks with high quality credit standings. Trade and other debtors relate to day to day activities which are entered into with creditworthy counterparties.

Market risk management

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

Interest rate risk management

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

Liquidity risk management

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

Management review cash flow forecasts on a regular basis to determine whether the Company 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 Balance Sheet.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

23 Financial instruments (continued)

2022	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	-	2,062				2,062
Other payables	-	66,809				66,809
Borrowings - DDB	-	9,515				9,515
<i>Interest-bearing</i>						
Borrowings - loan	3.75% + SONIA	608				608
Lease liability	4.5%	1,279	1,633	4,642	13,524	21,078
		<u>80,273</u>	<u>1,633</u>	<u>4,642</u>	<u>13,524</u>	<u>100,072</u>

2021	Weighted average interest rate %	1 year or less £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000	Remaining contractual maturities £ 000
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	1,570				1,570
Other payables	-	55,213				55,213
Borrowings - DDB	-	9,515				9,515
<i>Interest-bearing</i>						
Borrowings - loan	3.75% + LIBOR	1,038				1,038
Lease liability	4.5%	1,508	1,538	4,180	10,544	17,770
		<u>68,844</u>	<u>1,538</u>	<u>4,180</u>	<u>10,544</u>	<u>85,106</u>

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

24 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 £198,000 (2021: £200,000). In addition, H E M Osmond is the principal lender of the £12,099,000 borrowings (2021: £10,000,000) and a shareholder with controlling influence of Xercise2 Ltd which is a significant shareholder of Various Eateries PLC.

As at 2 October 2022, there was £9,000 (2021: £20,275) of accrued cash interest payable on borrowings from related parties.

Trading transactions

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

	Purchase of Goods / Services £ 000	Sale of Goods / Services £ 000
SCP Newbury Manor Limited	15	-

There were no amounts outstanding with related parties as at the reporting date.

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

25 Controlling party

The Company is a wholly owned subsidiary of SCP Sugar Limited, the immediate parent company, registered in England and Wales.

The ultimate controlling party is H E M Osmond.

Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is Various Eateries PLC, incorporated in the United Kingdom.

The address of Various Eateries PLC is:
20 St. Thomas Street
London
SE1 9RS

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

26 Share based payments

As at 2 October 2022, the Company maintained three separate share based payment schemes for employee remuneration (2021: three):

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

All options are over shares of Various Eateries PLC.

JSOP Scheme 1

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 £134,000 (2021: £154,000) has been recognised in profit and loss by the Company in the period ended 2 October 2022.

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

JSOP (Scheme 1)			
	Granted	Number of shares Exercisable	Total
At 3 October 2021	1,095,238	-	1,095,238
Granted	-	-	-
Vesting	<u>(1,095,238)</u>	<u>1,095,238</u>	<u>-</u>
At 2 October 2022	<u>-</u>	<u>1,095,238</u>	<u>1,095,238</u>
At 27 September 2020	1,095,238	-	1,095,238
Granted	<u>-</u>	<u>-</u>	<u>-</u>
At 3 October 2021	<u>1,095,238</u>	<u>-</u>	<u>1,095,238</u>

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

26 Share based payments (continued)

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

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

The historical volatility has been calculated based on the share returns of four comparators for a period preceding the valuation date equal to the initial expected term of the options, i.e. a period of 1.92 years. The total estimated fair value of the options granted on 18 September 2020 that was recognised in expenses over the vesting period is £289,000.

JSOP Scheme 2

A charge of £35,000 (2021: £20,000) has been recognised in profit and loss by the Company in the period ended 2 October 2022.

The JSOP is part of the remuneration package of the Company'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.

	Number of shares	JSOP (Scheme 2) Exercise price per share (£)
At 3 October 2021	360,000	1.09
Granted	-	-
Lapsed 29 June 2022	<u>(360,000)</u>	<u>1.09</u>
At 2 October 2022	<u>-</u>	<u>-</u>
At 27 September 2020	-	-
Granted 11 May 2021	<u>360,000</u>	<u>1.09</u>
At 3 October 2021	<u>360,000</u>	<u>1.09</u>

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

26 Share based payments (continued)

	JSOP
Grant date	11 May 2021
Vesting period ends	Various
Share price at date of grant	£1.03
Volatility	64.17%
Option life	3.89
Dividend yield	0.00%
Risk-free investment rate	0.24%
Exercise price at date of grant	£1.09
Exercisable from / to	31 March 2025 / 31 March 2026
Remaining contractual life	2.50 years

The historical volatility has been calculated based on the share returns of four comparators for a period preceding the valuation date equal to the initial expected term of the options, i.e. a period of 3.89 years. The total estimated fair value of the options granted on 11 May 2021 to be recognised in expenses over the vesting period was £193,000. All options under the scheme as at 2 October 2022 have lapsed.

CSOP

A charge of £59,000 (2021: £6,000) has been recognised in profit and loss by the Group in the period ended 2 October 2022.

	Number of shares	CSOP	Exercise price per share (£)
At 3 October 2021	92,402		1.09
Granted 17 January 2022	667,941		0.69
Lapsed 11 May 2022	(92,402)		1.09
Granted 25 August 2022	<u>250,000</u>		<u>0.42</u>
At 2 October 2022	<u>917,941</u>		<u>various</u>
At 27 September 2020	-		-
Granted	<u>92,402</u>		<u>1.09</u>
At 3 October 2021	<u>92,402</u>		<u>1.09</u>

The fair value of the options is estimated at the date of grant using a Black-Scholes valuation method. The total estimated fair value of the options granted during the year to be recognised over the vesting period is £248,000.

Various Eateries Trading Limited
Notes to the financial statements (continued)
For the 52 weeks ended 2 October 2022

	CSOP	CSOP	CSOP
Grant date	11 May 2021	17 January 2022	25 August 2022
Vesting period ends	11 May 2024	17 January 2025	25 August 2025
Share price at date of grant	£1.08	£0.69	£0.42
Volatility	65.66%	65.66%	65.66%
Option life at grant	3 years	3 years	3 years
Dividend yield	0.00%	0.00%	0.00%
Risk-free investment rate	0.87 %	0.87 %	0.87 %
Fair value per option at grant date	£0.49	£0.30	£0.19
Exercise price at date of grant	£1.08	£0.69	£0.42
Exercisable from / to	11 May 2024/11 May 2031	17 January 2025/17 January 2032	25 August 2025/25 August 2032
Remaining contractual life	1.6 years	2.3 years	2.9 years

27 Post balance sheet events

Funding

Within current liabilities (note 18), is a deep discounted bond instrument with a nominal value of £10,001,000 and a final redemption date of 15 April 2023. In February 2023, this was replaced by a new deep discounted bond instrument with a nominal value of £10,802,000 and a final redemption date of 15 April 2024.

28 Contingent liabilities

Authorised Guarantee Agreements

There are 8 (2021: 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 was heightened as a result of the coronavirus (Covid-19) outbreak. The total annual rental cost for these sites is £559,000, of which £357,000 (2021: £357,000) has been provided for (see note 20). The average remaining lease length is 6 years.

CJRS claim

The Company made material claims under the CJRS schemes in order to support the business through the pandemic. Given multiple changes to the rules governing the schemes, as well as the degree of complexity in the various rules, the Company undertook an external review of past claims to confirm their validity. The directors are of the opinion that claims made to date are valid and materially correct and so do not consider the likelihood of material outflow as a result of this review to be probable.