Registration number: 09185571

Various Eateries Trading Limited

Annual report and financial statements for the 52 weeks ended 27 September 2020

Various Eateries Trading Limited

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Various Eateries Trading Limited

Company information

Directors	M Fanthorpe O Williams Y Malkov R E Rose
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 27 September 2020

The Directors present their Strategic report for the period ended 27 September 2020.

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

Review of the business and future developments

During the period, Various Eateries Trading Limited has been subject to a number of periods of enforced closure which has significantly impacted upon the Company's revenue and profitability. Despite this, the Directors are confident that the Company is well-placed to take advantage of the post-lockdown environment both with its existing estate and future acquisitions.

The number of trading sites in the estate remained consistent throughout the reporting period. In July 2020, one of the Company's Strada restaurants was converted and reopened as the first new concept Italian restaurant, Tavolino. Early performance outside of lockdowns was promising and the intention is to convert the remaining Strada sites in the future. In December 2020, a new Coppa Club was opened in Cobham, initial signs were exceptional with sales and future bookings exceeding expectations.

Results and performance

The results of the Company for the period are set out on page 12 and show a loss before taxation of £14,323,000 (2019: £8,034,000). The shareholder's deficit of the Company totals £50,133,000 (2019: £52,716,000).

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

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

The trade of the estate post lockdown, whilst varying from site to site, was far stronger than anticipated. From 4 July, when lockdown was officially lifted, the Company began a phased reopening of the estate, with 80% of its sites open and trading by the end of July. All the Company's London sites were negatively impacted by the significantly reduced footfall as most of the UK transitioned to home working and staying local. Our sites outside London, however, were major beneficiaries of this trend.

Key performance indicators

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

	52 weeks ended 27 September 2020	**52 weeks ended 29 September 2019**	**Change**
Sales	£16,464,000	£25,605,000	-35.7%
EBITDA*	(£1,655,000)	£817,000	-
Trading EBITDA**	(£789,000)	£2,271,000	-
Average number of trading restaurants	11	11	-

*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 economic uncertainty surrounding the UK's withdrawal from the EU. 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 22 on page 31. 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.

Funding and future developments
In September 2020, post incorporation of a new group top company and a capital restructure, the new parent company raised £25,000,000 through an Initial Public Offering ('IPO') following admission to AIM.

The Directors intend to use these proceeds to fund the Company's growth strategy and have been exploring a number of desirable sites for expansion across the UK.

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 require 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;
b. the interests of the Company's employees;
c. the need to foster the Company's business relationships with suppliers, customers and others;
d. the impact of the Company's operations on the community and the environment;
e. the Company's reputation for high standards of business conduct; and
f. the need to act fairly between members of the Company

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.	• Investor meetings and roadshows • One-to-one meetings • Interim and annual announcements • Annual report and AGM • Corporate website	• Financial and operational performance • Business model and strategy • Governance • Trust in leadership team
Community and Environment We care about the communities we operate in. We engage with local people and groups in order to learn how best we can support the local economy, support local charities and provide a distinct and differentiated experience.	• Creating all-day multi-use venues, designed to meet the needs of local communities in a post-Covid-19 world • Refurbishing and restoring historic buildings • Hosting wellness and lifestyle events allowing local communities to engage with each other • Providing support to local charities • Carbon and Emissions reporting	• Investment and reinvigoration of local economies including jobs for local people • Locations for hosting community events • Charity
Customers Our success is dependent on maintaining a distinct proposition and relationship with our guests. We must understand evolving consumer requirements in order to best meet their needs and ensure continued loyalty.	• Providing a comfortable and relaxed home-from-home experience and great hospitality • Formal feedback and guest surveys • Digital marketing and social media • Publicity activity through key lifestyle publications • Pop-up activity	• A distinct and unique proposition • An all-day offering allowing guests to eat, meet, work or relax • A broad, high-quality menu that incorporates vegetarian, vegan and gluten-free options • Exciting and convenient locations • Accessible pricing • Consistency in service • Responsiveness to feedback
Employees We are a people business. The skills, experience and passion of our employees enables us to deliver the highest levels of quality, standards and service. In order to attract and retain the best people, we offer competitive pay rates and believe in fostering a culture of collaboration, support, two-way listening and inclusivity.	• Town hall meetings • Central and brand-specific Intranets, providing • learning resources, community hubs and a communication channel • Annual appraisals • Staff newsletters • Targeted electronic campaign "Check ins" • Annual engagement surveys	• Training and development opportunities • Career progression and recognition • Compensation and incentives • Company culture and reputation • Health, safety and wellbeing
Suppliers/Partners Our proposition is dependent on access to the best ingredients from Italian and UK suppliers.	• Honest and open dialogue and negotiation • Clear lines of communication/ decision-making • Annual/six-monthly pricing review • Ongoing product/service review • Direct feedback from operational level • Disciplined ordering/approval process • Menu development involvement	• Long-term and trusted partnerships • Fair pricing with mutually beneficial growth • Ethical and sustainable trading and procurement • Clear communication and processes • Aligned Company culture and values

Various Eateries Trading Limited
Strategic report (continued)
for the 52 weeks ended 27 September 2020

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

O Williams
Director
20 St. Thomas Street
London
SE1 9RS

29/6/2021

Various Eateries Trading Limited
Directors' report
for the 52 weeks ended 27 September 2020

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 27 September 2020 (prior period comparatives are for the 52 week period ended 29 September 2019).

The basis of preparation of the financial statements is set out in note 2 on page 15.

Results and dividends
The results of the Company for the period are set out on page 12.

The Directors do not recommend the payment of a dividend (2019: £nil).

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

M C Allen (resigned 2 January 2020)
M Fanthorpe (appointed 14 September 2020)
S A Farrugia (resigned 2 January 2020)
J A Gripton (resigned 14 September 2020)
Y Malkov (appointed 14 September 2020)
J Metcalf (resigned 14 September 2020)
H E M Osmond (resigned 14 September 2020)
T C Sword (resigned 14 September 2020)
O Williams (appointed 2 January 2020)
R E Rose (appointed 9 February 2021)

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 (the 'Group'). Various Eateries PLC has confirmed that it will provide financial support to the Company should this be required and that it will not recall its loans within the next 18 months.

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

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

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 Group. 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 Company presents its greenhouse gas ('GHG') emissions and energy use data for the first time under Streamlined Energy and Carbon Reporting ('SECR') for the period ended 27 September 2020:

	Energy Consumption (kWh)
Natural Gas	1,992,895
Direct Transport	78,187
Electricity	2,236,293
Total	**4,307,375**

	GHG Emissions (tCO^2e)
Scope 1 - Natural Gas and Direct Transport	386
Scope 2 - Electricity (Location Based)	521
Scope 2 - Electricity (Market Based)	637
Total Scope 1 and 2 Emissions (Location Based)	**907**
Total Scope 1 and 2 Emissions (Market Based)	**1,023**
Intensity Ratio	
Revenue (£ 000)	16,464
Total tCO^2e per £m revenue	**55.10**

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.

Various Eateries Trading Limited
Directors' report (continued)
for the 52 weeks ended 27 September 2020

Post balance sheet events
Post balance sheets events are disclosed in note 25 to the financial statements.

Approved by the Board on and signed on its behalf by:

29/6/2021

O Williams
Director
20 St. Thomas Street
London
SE1 9RS

Various Eateries Trading Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Various Eateries Trading Limited (the 'company') for the year ended 27 September 2020 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of 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 27 September 2020 and of its loss for the year 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.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

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.

RSM UK Audit LLP

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

29 June 2021

Various Eateries Trading Limited
Profit and Loss Account
For the 52 weeks ended 27 September 2020

	Note	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Revenue	4	16,464	25,605
Cost of sales		(17,517)	(24,418)
Gross (loss) / profit		**(1,053)**	**1,187**
Administrative expenses		(3,434)	(3,801)
Exceptional items and impairment	5	(7,936)	(2,445)
Operating loss		**(12,423)**	**(5,059)**
Finance income	6	1	7
Finance costs	6	(1,901)	(2,982)
Loss before tax		**(14,323)**	**(8,034)**
Tax	10	-	-
Loss for the period		**(14,323)**	**(8,034)**

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 15 to 34 form an integral part of these financial statements.

Various Eateries Trading Limited
Balance Sheet
For the 52 weeks ended 27 September 2020

	Note	27 September 2020 £ 000	29 September 2019 £ 000
Fixed assets			
Intangible assets	12	3,626	7,265
Tangible assets	13	19,137	24,330
		22,763	31,595
Current assets			
Stocks	14	384	551
Trade and other debtors	15	1,139	2,231
Cash and bank balances	16	698	1,833
		2,221	4,615
Total assets		24,984	36,210
Current liabilities			
Trade and other creditors	17	(53,601)	(54,556)
Net current liabilities		(51,380)	(49,941)
Total assets less current liabilities		(28,617)	(18,346)
Non-current liabilities			
Loans and borrowings	18	(21,055)	(34,370)
Provisions	19	(461)	-
Total non-current liabilities		(21,516)	(34,370)
Total liabilities		(75,117)	(88,926)
Net liabilities		**(50,133)**	**(52,716)**
Equity			
Share capital	20	16,906	-
Retained losses		(67,039)	(52,716)
Total shareholder's deficit		**(50,133)**	**(52,716)**

The financial statements of Various Eateries Trading Limited (registration number: 09185571) were approved by the Board and authorised for issue on 29/6/2021

They were signed on its behalf by:

O Williams
Director

29/6/2021

Various Eateries Trading Limited
Statement of Changes in Equity
For the 52 weeks ended 27 September 2020

	Called-up share capital £ 000	Retained losses £ 000	Total £ 000
At 30 September 2018	-	(44,682)	(44,682)
Loss for the period	-	(8,034)	(8,034)
Total comprehensive loss	-	(8,034)	(8,034)
At 29 September 2019	-	(52,716)	(52,716)
At 29 September 2019	-	(52,716)	(52,716)
Issue of share capital	16,906	-	16,906
Loss for the period	-	(14,323)	(14,323)
Total comprehensive loss	-	(14,323)	(14,323)
At 27 September 2020	16,906	(67,039)	(50,133)

The notes on pages 15 to 34 form an integral part of these financial statements.

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 6.

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.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group accounts 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 24.

Going concern

The Company is part of the Various Eateries PLC group of companies (the 'Group'). Various Eateries PLC has confirmed that it will provide financial support to the Company should this be required and that it will not recall its loans within the next 18 months.

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

For this reason, the Board considers it appropriate for the 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.

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 Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The goodwill is tested annually for impairment irrespective of whether there is an indication of impairment.

Intangible fixed assets (other than goodwill)

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives of 4 years on a straight line basis.

Property, plant and equipment

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

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

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

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

Work in progress 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.

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.

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 Group operates defined contribution plans for its employees. A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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% (2019: 4.5%). Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments, such as those linked to turnover, are expensed in the period to which they relate.

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

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the 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.

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

2 Accounting policies (continued)

Financing income and expenses

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

Financing income includes interest receivable on funds invested.

Interest income and interest payable are recognised in the Statement of Comprehensive Income as they accrue, using the effective interest method.

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 Group's leases under the portfolio approach is 4.5%. A 0.5% increase in the discount rate to 5% will result in a decrease in net present value of the total lease liability of £433,000 in 2020 (2019: £500,000). A 0.5% decrease in discount rate to 4% results in increase in the net present value of the total lease liability of £461,000 in 2020 (2019: £530,000).

Key estimate - Impairment of goodwill, other intangibles and tangible fixed assets
Determining whether goodwill, other intangibles and tangible fixed assets are impaired requires an estimation of the value in use of the cash-generating units ('CGUs') to which goodwill, other intangibles and tangible fixed assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Details of cash generating units as well as further information about the assumptions made are disclosed in notes 12 and 13.

4 Revenue

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

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Sale of goods	16,464	25,605
Sub-let rental income	55	81
	16,519	25,686

5 Exceptional items and impairment

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
(Loss) / profit on disposal of assets and leases	(1,632)	117
Impairment of goodwill	(3,641)	(1,236)
Impairment of property, plant and equipment	(1,751)	(1,004)
AGA provision	(461)	-
IPO related professional fees	(284)	-
Restructuring costs	(167)	(322)
	(7,936)	(2,445)

6 Finance costs / income

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Interest income on bank deposits	1	7
Total finance income	1	7
Interest on bank overdrafts and borrowings	1,246	2,239
Lease liability interest	654	741
Foreign exchange loss	1	2
Total finance costs	1,901	2,982
Net finance costs	(1,900)	(2,975)

7 Auditor's remuneration

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Audit of the financial statements	100	45
Other fees to auditor		
Taxation compliance services	-	11
Other services	115	-
	115	11

Amounts payable in respect of audit services for 2020 have been borne by Various Eateries Trading Limited on behalf of the Various Eateries PLC group. Audit fees for the 52 weeks ended 27 September 2020 includes £23,000 in respect of the 2019 audit.

8 Staff numbers and costs

The average monthly number of employees (including executive directors) was:	52 weeks ended 27 September 2020 No.	52 weeks ended 29 September 2019 No.
Operational staff	505	537

Their aggregate remuneration comprised:	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Wages and salaries	10,080	9,543
Social security costs	777	691
Other pension costs (see note 25)	178	160
Other employee expense	83	61
Grant income - CJRS	(2,846)	-
	8,272	10,455

9 Directors' remuneration

The Directors' remuneration for the period in respect of service to the Group, was as follows:	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Remuneration	210	149
Employer pension contribution	7	6
	217	155

The number of directors to whom retirement benefits are accruing under money purchase schemes was:	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Number of directors	3	1

In respect of the highest paid director:	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Remuneration	113	137
Employer pension contribution	6	6
	119	143

10 Tax on loss

Tax credited in the statement of profit or loss:	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Corporation tax	-	-
Total current income tax	-	-
Tax expense in the statement of profit or loss	-	-

10 Tax on loss (continued)

Corporation tax is calculated at 19% (2019: 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 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Loss before tax	(14,323)	(8,034)
Corporation tax at standard rate 19% (2019: 19%)	(2,721)	(1,526)
Fixed asset differences	992	(222)
Expenses not deductible	384	531
Income not taxable	-	(53)
Timing differences not recognised	-	(51)
Remeasurement of deferred tax for changes in tax rate	(676)	-
Tax losses not recognised	2,021	1,182
Amounts not previously recognised	-	139
Total tax charge / (credit)	-	-

No account has been taken of the potential deferred tax asset of £7,766,000 (2019: £5,790,000) calculated at 19% (2019: 17%) and representing losses carried forward and short term timing differences, owing to the uncertainty over the utilisation of the losses available.

11 Loss for the period

Loss for the period has been arrived at after charging:

	52 weeks ended 27 September 2020 £ 000	52 weeks ended 29 September 2019 £ 000
Staff costs (note 8)	8,272	10,455
Leases not recognised as right-of-use assets	590	630
Impairment of goodwill (note 12)	3,641	1,236
Depreciation of property, plant and equipment (note 13)	2,832	3,433
Impairment of property, plant and equipment (note 13)	1,751	1,004
Loss / (Profit) on disposal of assets and leases	1,632	(117)

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

12 Intangible assets

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licenses £ 000	Total £ 000
Cost or valuation				
At 29 September 2019	2,662	16,993	23	19,678
Additions	-	-	2	2
At 27 September 2020	2,662	16,993	25	19,680
Amortisation				
At 29 September 2019	2,662	9,751	-	12,413
Impairment	-	3,641	-	3,641
At 27 September 2020	2,662	13,392	-	16,054
Carrying amount				
At 27 September 2020	-	3,601	25	3,626
At 29 September 2019	-	7,242	23	7,265

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

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A pre-tax discount rate of 12.8% was used (2019: 10%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with five-year forecasts were used, which incorporate a reasonably foreseen, as at 27 September 2020, future impact of the Covid-19 pandemic and assumptions concerning the rate at which site-level cash flows will recover. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate. The key assumption for the fair value calculations is the multiple applied to site EBITDA. A multiple of 5 times site EBITDA was used (2019: 5 times) based on expected market value if the sites were to be sold as individual trading businesses.

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

12 Intangible assets (continued)

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

13 Tangible assets

	Right of use assets £ 000	Leasehold premises and improvements £ 000	Furniture, fittings and equipment £ 000	Work in progress £ 000	IT equipment £ 000	Total £ 000
Cost or valuation						
At 29 September 2019	19,038	8,499	4,972	105	1,311	33,925
Additions	707	72	548	2,123	66	3,516
Disposals	(4,369)	(2,383)	(1,910)	(102)	(138)	(8,902)
Transfers	-	871	537	(1,437)	29	-
At 27 September 2020	15,376	7,059	4,147	689	1,268	28,539
Depreciation						
At 29 September 2019	4,832	1,609	2,550	-	604	9,595
Charge for the period	1,272	431	902	-	227	2,832
Eliminated on disposal	(1,862)	(1,510)	(1,321)	-	(83)	(4,776)
Impairment loss	1,616	135	-	-	-	1,751
At 27 September 2020	5,858	665	2,131	-	748	9,402
Carrying amount						
At 27 September 2020	9,518	6,394	2,016	689	520	19,137
At 29 September 2019	14,206	6,890	2,422	105	707	24,330

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. Work in progress 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.

13 Tangible assets (continued)

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

The 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 12.8% was used (2019: 10%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with 5 year forecasts were used, which incorporate an impact of the Covid-19 pandemic and assumptions concerning the rate at which site level cash flows will recover. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate. The key assumption for the fair value calculations is the multiple applied to site EBITDA. A multiple of 5 times site EBITDA was used (2019: 5 times) based on expected market value if the sites were to be sold as individual trading businesses.

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

The estimate of recoverable amount for the restaurant segment is particularly sensitive to the discount rate and trading forecast assumptions. If the discount rate used is increased by 2%, a further impairment loss of £450,000 for the period ended 27 September 2020 would have to be recognised against right of use assets. If the forecast 5 year total EBITDA is reduced by 10%, a further impairment loss of £376,000 for the period ended 27 September 2020 would have to be recognised against right of use assets. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

14 Stocks

	27 September 2020 £ 000	29 September 2019 £ 000
Food and drinks	166	330
Consumables	218	221
	384	551

Inventories recognised as an expense in the period totalled £4,509,000 (2019: £7,099,000).

15 Trade and other debtors

	27 September 2020 £ 000	29 September 2019 £ 000
Trade receivables	111	209
Prepayments	359	1,064
Other receivables	669	957
	1,139	2,231

All of the trade receivables were non-interest bearing, receivable under normal commercial terms, and the directors do not consider there to be any 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

	27 September 2020 £ 000	29 September 2019 £ 000
Cash at bank	698	1,833

17 Current liabilities

	27 September 2020 £ 000	29 September 2019 £ 000
Trade payables	2,462	1,783
Accrued expenses	3,374	2,704
Amounts owed to parent undertaking	44,964	46,336
Social security and other taxes	1,022	1,184
Other payables	548	766
Borrowings from related parties	-	-
Lease liabilities due in less than 1 year	1,231	1,783
	53,601	54,556

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.

18 Non-current loans and borrowings;

	27 September 2020 £ 000	29 September 2019 £ 000
Borrowings from related parties	10,000	21,082
Lease liabilities due after more than 1 year	11,055	13,288
	21,055	34,370

The borrowings from related parties balance as at 27 September 2020 is made up of a deep discounted bond instrument and the existing August 2019 loan agreement. The deep discounted bond was issued in September 2020 as part of a capital restructure (see note 20), with a subscription price of £8,962,000, a nominal value of £9,515,000, and a term of 19 months. The balance of £1,038,000 (2019: £21,082,000) under the August 2019 loan agreement matures in August 2022, bears cash settled interest at 3.75% above LIBOR (2019: cash settled interest at 3.75% above LIBOR on £11,000,000 of the principal and payment in kind interest at 6% above LIBOR on £10,000,000 of the principal), and contains an EBITDA multiple covenant that should have been first tested in September 2020 under the original agreement and has been waived until April 2022.

The loans and borrowings classified as financial instruments are disclosed in note 22.

19 Provisions for liabilities

	52 weeks ended 27 September 2020 £ 000
Authorised Guarantee Agreements ('AGAs')	
At 30 September 2018 and 29 September 2019	-
Provision	461
At 27 September 2020	461

The provision relates to the annual rental cost of four previously operated sites that have been disposed of via assignment of lease and include Authorised Guarantee Agreements ('AGAs') as part of the assignment arrangement (see also note 26).

20 Called-up share capital

Authorised, allotted, called-up and fully paid shares

	27 September 2020		29 September 2019	
	No.	£ 000	No.	£
Ordinary shares of £1 each	16,906,490	16,906	2	2

20 Called-up share capital (continued)

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.

Ordinary shares were issued in the reporting period to settle the intercompany liability created as a result of the June 2019 capital restructure, that made up a proportion of the amounts owed to parent undertaking as at 29 September 2019 disclosed in note 17.

Capital restructure
In September 2020, the Group carried out a pre-AIM float capital restructure in the form of a debt for equity swap whereby deep discounted bond instruments issued by the Company in 2020 and a proportion of the balance under the August 2019 loan agreement were repaid via equity issued by the new ultimate parent company of the Group, Various Eateries PLC. The reduction of debt in the Company was achieved by way of issue of a new deep discounted bond instrument (see note 18) and successive novation of £15,488,000 of the balance upwards through the Group. The intercompany balance created by this novation makes up a proportion of the amounts owed to parent undertaking disclosed in note 17.

21 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 £178,000 (2019: £160,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the schemes. As at 27 September 2020, contributions of £23,000 due in respect of the current reporting period (2019: £27,000) had not been paid over to the schemes.

22 Financial instruments

Financial assets - loans and receivables

	27 September 2020 £ 000	29 September 2019 £ 000
Cash at bank and in hand	698	1,833
Trade and other receivables	780	1,166
	1,478	2,999

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.

22 Financial instruments (continued)

Financial liabilities at amortised cost

	27 September 2020 £ 000	29 September 2019 £ 000
Trade and other payables	64,656	67,844
Borrowings from related parties	10,000	21,082
	74,656	88,926

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.

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 LIBOR.

22 Financial instruments (continued)

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.

2019	Weighted average interest rate %	1 year or less £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000	Remaining contractual maturities £ 000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,783				1,783
Other payables	-	50,990				50,990
Interest-bearing						
Borrowings	3.75%/6% + LIBOR			21,082		21,082
Lease liability	4.5%	1,885	1,676	4,590	12,093	20,244
		54,658	1,676	25,672	12,093	94,099

2020	Weighted average interest rate %	1 year or less £ 000	Between 1 and 2 years £ 000	Between 2 and 5 years £ 000	Over 5 years £ 000	Remaining contractual maturities £ 000
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,462				2,462
Other payables	-	49,908				49,908
Borrowings - DDB	-		9,515			9,515
Interest-bearing						
Borrowings - loan	3.75% + LIBOR		1,038			1,038
Lease liability	4.5%	1,321	1,410	3,877	11,225	17,833
		53,691	11,963	3,877	11,225	80,756

23 Related party transactions

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

The capital restructure that took place in September 2020 (see note 20) involved the exchange of debt held by equity shareholders of the Group (in the form of a loan facility and a deep discounted bond instrument) for newly issued ordinary share capital in Various Eateries PLC.

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

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

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

The following amounts were outstanding at the reporting date:

	Amounts owed to related parties £ 000	Amounts owed by related parties £ 000
Mudlark Hotels Limited	2	38

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

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

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

24 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

25 Post balance sheet events

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

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

Insurance claim
Post the reporting date, the Company received an interim payment from its insurer of £2,500,000 with regards to its Covid-19-related business interruption claim. The claim is still being finalised, with the final quantum not yet known as at the date of signing.

Coppa Club Clifton Village
On 26 April 2021 the Company signed a new 15 year lease for a further site located in Clifton Village, Bristol. The site is scheduled to open in summer 2021.

26 Contingent liabilities

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

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