VARIOUS
EATERIES

VARIOUS EATERIES PLC

ANNUAL REPORT & FINANCIAL STATEMENTS 2023

Welcome to Various Eateries

We are a hospitality group passionate about creating venues that suit modern consumers lifestyle and needs.

With both Coppa Club and Noci, we are focused on creating destinations that reflect the way people want to socialise, work and relax.

Strategic Report

Governance

Financial Statements

We are welcoming:

Inclusive and positive;
Open minded;
Nothing is too much trouble

STRATEGIC REPORT

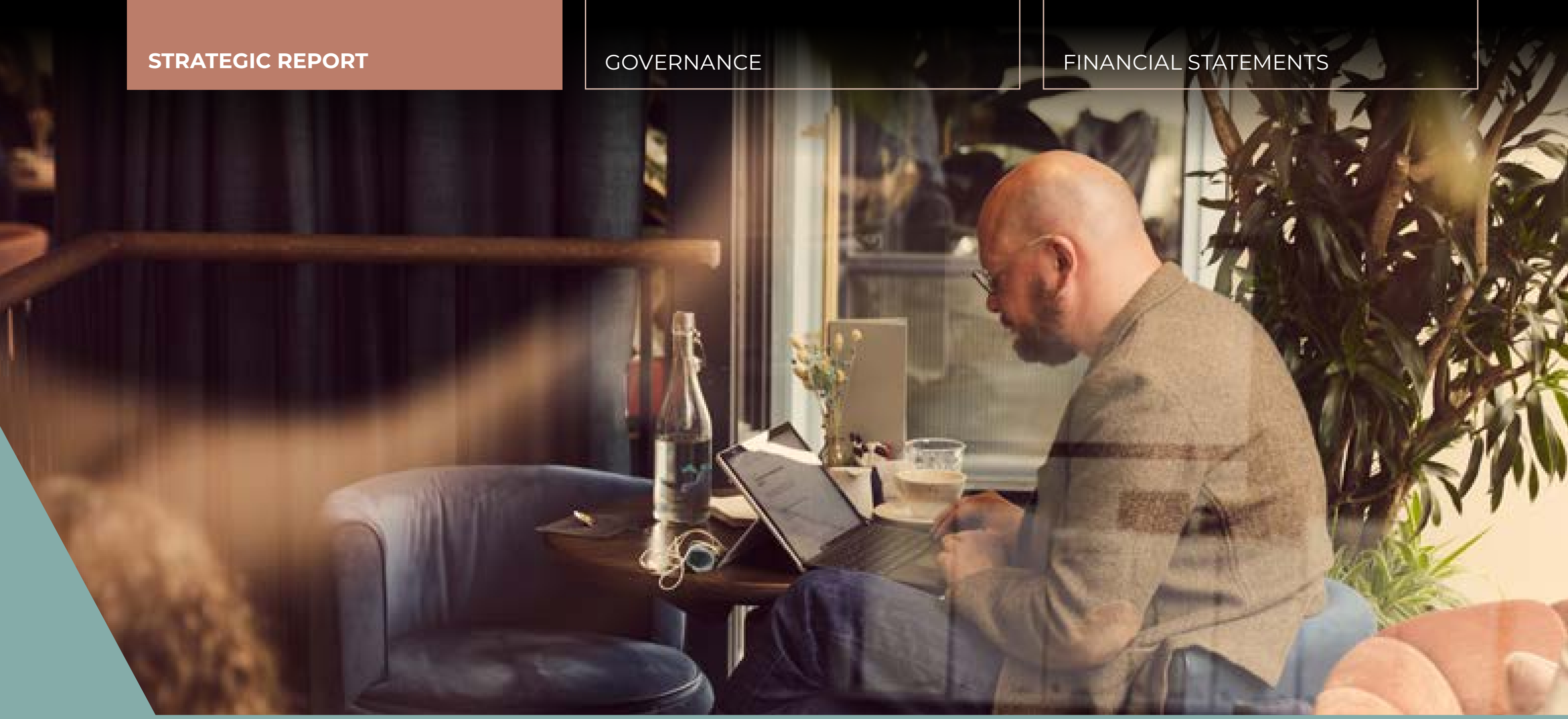
At a Glance

The success of our business is dependent on the culture we foster and the way we think, behave and act.

Our Directors are responsible for developing some of the UK's most successful hospitality groups, and we believe that the current market conditions present the perfect opportunity to expand both Coppa Club and Noci.

COPPA CLUB

NOCI



Our history

Various Eateries was founded by Hugh Osmond in 2014. The first Coppa Club opened in Sonning-on-Thames in 2015, and five more Coppa Clubs had been launched by 2019. Andy Bassadone invested in the Group in 2019 with a vision to redefine the Italian dining sector with our second key brand, Noci which opened its first location in Islington in 2022 and has since opened a further two venues.

Our brands

The Various Eateries Group comprises the Coppa Club and Noci brands, and various standalone restaurants with a total of 18 UK locations.

Our purpose

Great people delivering unique experiences through continuous innovation.

Our culture

The success of our business is dependent on the culture we foster and the way we think, behave and act towards our key stakeholders. We want to work with people who share the same passion that we have for our customers and our brands, and with people looking to work hard, develop with us and become part of the Various Eateries team.

Our values & behaviours

We are welcoming
Inclusive and positive;
Open minded;
Nothing is too much trouble

We take pride
Don't compromise;
Challenge yourself

We are a community
Be part of something;
We look out for each other;
We care about our community

Our Brands

COPPA CLUB

For years, only members' clubs offered a space for people to enjoy at any time of the day – so we created Coppa Club. With clubhouses in beautiful locations, Coppa provides relaxed spaces to eat, drink, meet, work and stay.

Coppa is rooted in its local community where every local is made to feel like a member. It offers an escape from the stresses of everyday life, enabling guests to relax, have fun and connect with natural surroundings in an informal setting.

There are currently 12 Coppa Club locations across the South of England, including three Clubhouses with rooms – Coppa at The Swan and Coppa at The Great House, both located in Berkshire and the Georgian in Haslemere, Surrey.

Current Coppa Club locations include:

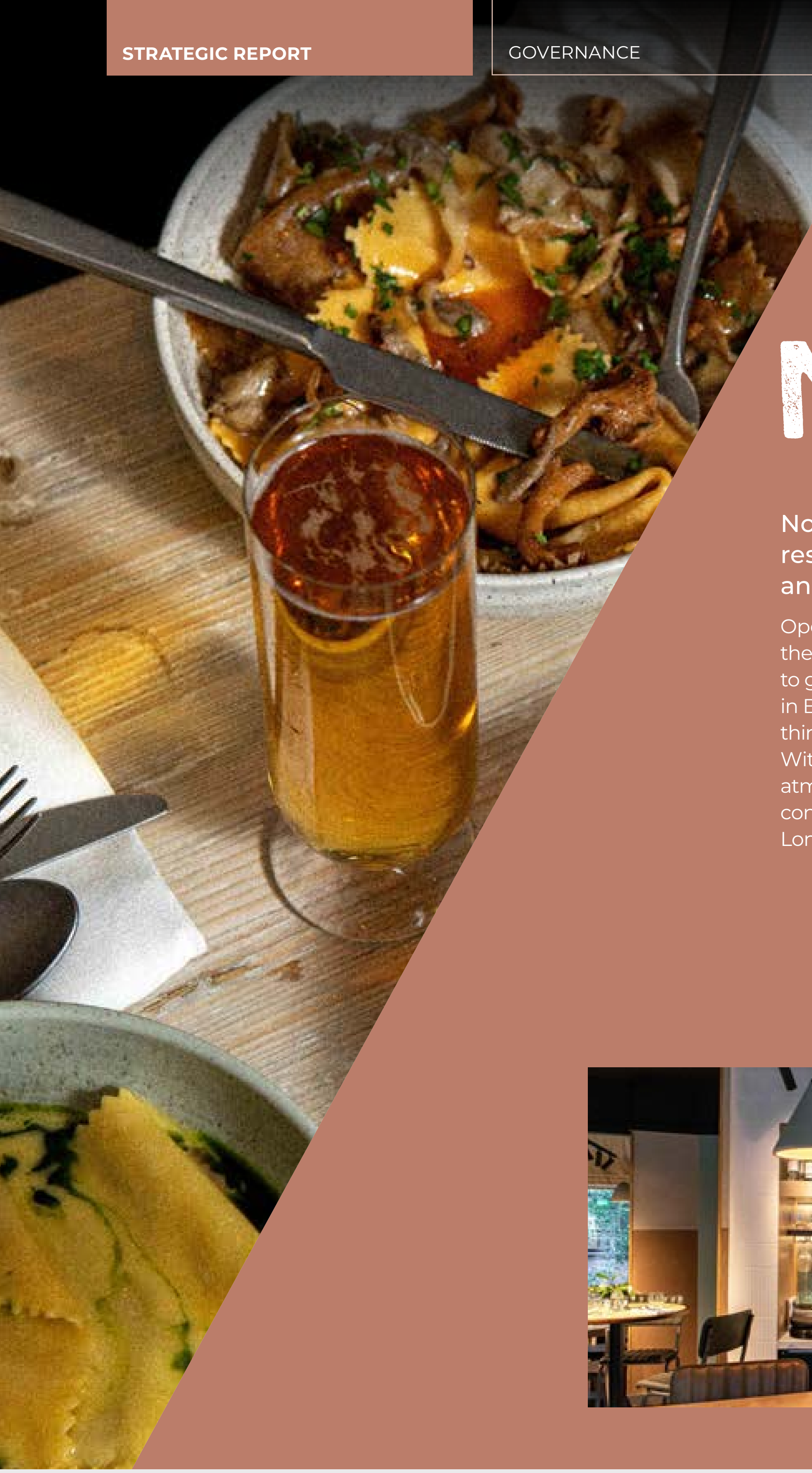
Clubhouses with Rooms
Coppa at The Swan,
Coppa at The Great House and
Coppa at The Georgian

Clubhouses
Located in Tower Bridge, Putney, Clifton, Cobham, Henley, Maidenhead and Brighton

Townhouses
Bath and Guildford

Our other assets

Strada
Strada is an established restaurant and remains a well-known brand in a great location on Southbank.



NOCI

Noci is a specialist fresh pasta restaurant with cocktails on tap and a neighbourhood vibe.

Opened in Islington, London in March 2022, the venue quickly found its feet and continues to grow in popularity. The second site opened, in Battersea Power Station in May 2023 and a third site in Shoreditch during September 2023. With an accessible price point, laid-back atmosphere and a focus on quality, Noci will continue to develop several new sites in the London area in the coming year.

Tavolino

A quality focused Italian restaurant on the banks of the River Thames, overlooking Tower Bridge, attracts both a corporate and tourist market.

31 Below

31 Below is a neighbourhood café/bar with an all-day menu, full service bar, lounge area and workspace located on Marylebone High Street.

Chairman's Statement

£10.1m placing to fuel expansion following a resilient year.

I am pleased to be publishing these results on the back of a successful post-period fundraise and conversion of debt into equity, positioning the Group on a trajectory of accelerated growth. This allows us to move forward with enhanced financial firepower and our sights firmly set on expansion.

Performance in the year under review was solid given the host of challenges faced by the industry, with like-for-like sales standing relatively firm. Experience tells us that in difficult periods, maintaining customer loyalty and brand reputation is paramount, so we made the conscious decision to absorb the majority of price rises. While this strategy put pressure on our margins in the year, taking a longer-term view we are confident it will stand us in good stead.

As we move into FY24, there are encouraging signs that the inflationary landscape is beginning to normalise. Volatility remains, and the rate at which certain pressures will abate is difficult to forecast, but conditions appear to be gradually improving. Supported by strong cash reserves and a refined focus, we will continue to pursue our roll-out strategy in a measured and sustainable way, exercising financial discipline while maintaining the ambition necessary to capitalise on the current opportunity.

ANDY BASSADONE
Executive Chairman

A MULTI-BRAND HOSPITALITY BUSINESS WITH A GENERATIONAL OPPORTUNITY

The Group's strategy is built around the expansion of two brands, each designed to fill a specific gap in the market.

Noci, a modern neighbourhood pasta restaurant that evolved from the Group's Tavolino concept, is the Group's newest venture. Designed to fill the void left by the reduction of operators in the Italian mid-market sector and deliver profitability in c. 3,000 sq ft spaces. Noci's focus on delivering high quality food at an affordable price point provides it with a layer of protection in the event of tightening consumer spend.

Coppa Club, the Group's all-day clubhouse proposition, has been conceived to meet the evolving consumer behaviour trends accelerated by Covid, such as the shift to flexible/hybrid working. From dramatic full-service riverside locations with vast outdoor spaces, to high street hubs benefitting from city centre footfall throughout the seasons, the concept is designed to suit all occasions, from coffee, breakfast and weekend brunches, to lunches, dinner celebrations and late-night drinks.

Underpinning Various Eateries' growth ambitions are a unique set of circumstances that the Board believes form an opportunity akin to the casual dining revolution of the 1990s.

The Directors believe that before Covid, the hospitality industry had become saturated with homogenous operators whose priorities had diverged from quality of food and service. Already struggling to adapt to the impact of Brexit, the lengthy restrictions on trading imposed by the government during the pandemic dealt a killing blow to a number of these businesses.

The unprecedented price increases, rising energy bills and reduction in consumer disposable income that followed in the wake of the Russo-Ukrainian War further destabilised the industry.

The closure of many operators throughout the Covid-19 pandemic has given rise to the increased availability of sites in prime locations, often coming with extensive existing fit outs that result in considerable saving on capital investment. Coupled with favourable rates and reduced competition, this presents a clear opportunity for a well-funded operator with flexible, forward-thinking brands and a strategy attuned to market dynamics.

STEADY TRADING PERFORMANCE IN A YEAR CHARACTERISED BY INDUSTRY-WIDE CHALLENGES

Trading performance for the period was in line with expectations. Revenues were slightly higher than market expectations at £45.5m (2022: £40.7m), largely driven by new site openings.

Group like-for-like sales ("LFL"), excluding the benefit of the reduced rate of VAT in the prior year, held relatively firm, which is a satisfactory performance considering the challenging macroeconomic environment, continued train strikes and unseasonably wet weather in the spring and summer months. The Board believes focusing on the top line as opposed to pursuing short-term profit maximisation to be fundamentally important to long-term, sustainable success.

Noci continues to perform well. H2 (April to September 2023) LFL sales at the first Noci site in Islington grew 23%. Although still in the first months of their existence, initial trading at our second and third sites in Battersea Power Station and Shoreditch has been promising.

In the second half of the financial year we opened three new venues: Coppa Club Townhouse Guildford, Noci Battersea Power Station and Noci Shoreditch.

The Group's townhouse Coppa Clubs in Bath and Guildford, benefitting from high footfall town centre locations, delivered positive performances. The Coppa Clubs with large outdoor spaces, which benefitted in the prior year from exceptionally good weather, were impacted this year by extended periods of unusually wet conditions, including the wettest July since 2009.

Trading at the Group's Tavolino site was strong, delivering LFL sales growth of 10%.

MANAGING COST PRESSURES AND GROWING OPTIMISM AROUND INFLATION OUTLOOK

We took a proactive approach to addressing the inflationary pressures that persisted throughout the year, for example, employing innovative menu engineering to trim unnecessary costs while upholding the quality of our food. An increased emphasis on seasonal rotation, for example, allowed us to continue to provide fresh, premium ingredients without the added expense linked to year-round sourcing.

There are encouraging signs that the cost surges are beginning to subside. Food and energy costs, which were remarkably elevated through much of FY23, are starting to become more manageable. It will take time for conditions to normalise and we will continue to maintain relentless focus on becoming more operationally efficient as a Group. Aligned to this, we are currently exploring several technological solutions which we expect to boost the overall productivity of our colleagues while positively impacting the customer experience.

While the rise in National Living Wage in April 2024 will have an impact on labour costs, the market is in a much better state than it was 12 months ago, with staffing shortages largely under control and a healthy pool of talented and motivated people available to us. During the year, our workforce grew significantly and we maintained a low level of vacancies. A lot of hard work goes on behind the scenes to make Various Eateries a great place to work, learn and progress in the industry, and it is heartening to see it paying dividends.

CONTINUED GROWTH OF ESTATE AND POISED TO ACCELERATE

During the financial year, the Group opened three new sites taking the total to 18: Coppa Club Guildford, Noci Battersea Power Station and Noci Shoreditch.

Coppa Club Guildford, which opened in April 2023, is the second iteration of our townhouse format. A three-storey, all-day venue on the busy high street, it boasts café-work space on the ground floor and a bold mural leading the guests' eye up the stairwell to the first-floor dining space and destination bar on the top floor.

"Performance in the year under review was solid given the host of challenges faced by the industry. We have continued to focus on customer loyalty and brand reputation and maintaining revenues."

ANDY BASSADONE
Executive Chairman

The Board believes there is significant potential for the expansion of Coppa Club, with the next opening in Cardiff this spring.

Opening in May 2023, the Group's second Noci site is located in the comprehensive commercial and residential redevelopment of one of London's most iconic landmarks, Battersea Power Station. Noci Shoreditch, located just off Old Street Roundabout in the heart of the capital's Tech City, followed suit in September 2023.

The Group believes Noci to be the most compelling near-term growth opportunity and intends to open up to 10 new sites over the next couple of years. While the immediate roll out is expected to be focused on the Greater London area, market research leads the Board to believe there are over 100 suitable sites in the UK.

SIGNIFICANTLY STRENGTHENED MANAGEMENT TEAM

In February 2023, we announced the appointment of Sharon Badelek as Chief Financial Officer and Board member with effect from 1 April 2023. Sharon has an established track record of driving growth in businesses in our sector, with an impressive CV that includes senior financial positions at RedCat Pub Company, Vue Entertainment and Novus Leisure Limited. To have attracted someone of Sharon's calibre demonstrates the strength of our proposition and ambition. She has already had a positive impact on our finance function and played an important role in the recent fundraise.

As part of the refocusing of our strategy around the two brands, Rebecca Tooth, formerly of Bills and Cote, was appointed as Managing Director of Coppa Club, while I assumed the role of Managing Director of Noci, having led the concept from inception. The Board believes the new management structure to be conducive to the long-term success of both brands, with dedicated leadership that understand the nuances of each concept and simplified reporting lines that promote quick and effective decision-making.

Oli Williams, former CFO, and Yishay Malkov former CEO, both left the Group during the year. I would like to again thank them for their significant contributions and wish them all the best for the future.

INVESTING IN OUR PEOPLE

During the year under review, we continued to prioritise the wellbeing and development of our colleagues. To facilitate this, a new People Director (non-board position), Scott Williamson, joined the Group in November 2023. Scott comes with a wealth of hospitality experience including brands such as Firmadale Hotels, Strada, Carluccio's, Sticks n Sushi, Bills and Cote. Scott has already had a positive impact on training programmes across Various Eateries and will continue to build on this in 2024.

I would like to express my heartfelt appreciation for everyone at Various Eateries for their dedication and resolve during what was another challenging year for the industry. Without their commitment to upholding the high standards we set as a Group, we would not have been able to grow our reputation as we have, and I am grateful for their efforts.

CURRENT TRADING AND OUTLOOK

Sales in the first quarter of FY24 were in line with management expectations.

As we move into the second quarter, we are optimistic that inflationary pressures will continue to ease and interest rates will at least not rise further, but this remains difficult to predict.

Regardless, we will continue to focus on what is within our control – growing the top line and taking action to ensure high levels of customer satisfaction and improving operational efficiency.

We are building a Group for the long-term and believe this approach will position us well for sustainable, profitable growth and value creation for shareholders as conditions improve.

At the same time, we will progress our roll-out at a measured pace commensurate with market conditions.

ANDY BASSADONE
Executive Chairman

Business Model & the Opportunity

We leverage our key strengths and sources of competitive advantage to deliver our distinct customer proposition.

THE OPPORTUNITY

The shake-up of the UK restaurant sector, kick-started by Covid-19 in early 2020, continues to accelerate at pace, driven by the many well-documented industry-wide challenges. However, this in turn has created some significant opportunities in the sector for a well-placed operator:

Site availability
A number of restaurant leases in prime locations are now becoming available due to closures, often with extensive existing fit outs that result in considerable savings on initial capital investment. Landlords keen to offer attractive rents, rent free periods and landlord contributions to encourage occupancy; and financially stable operators are sought. A combination of the closure of many prime retail units and 2020 changes to planning classification make it easier to lease and turn retail into restaurant spaces.

Changes in consumer behaviour
Coppa Club was designed specifically to take advantage of changes in consumer behaviour, many of which were accelerated by Covid-19. Coppa Club offers a place where you can spend all day. A level of hybrid working is clearly here to stay which will benefit our local sites in the community.

Acquisition opportunities
Strong liquidity and a wealth of experience means we are well placed to make selective and targeted acquisitions of either high-quality individual sites or, if appropriate, restaurant brands.

Reduced competition
A significant number of branded chains, and numerous independents, have either folded or been through an administration process, significantly reducing their estate. Reduced competition, especially of Italian mid-market chains for example, provides a major opportunity for our new and fresh concepts to grow market share rapidly.

OUR KEY STRENGTHS

Entrepreneurial leadership with expert experience
We are led by entrepreneurs Andy Bassadone and Hugh Osmond who bring extensive experience in creating and growing some of the UK's most successful hospitality groups.

Well-invested central infrastructure to support growth
Experienced head office structure capable of supporting our growth plans as well as established in-house support functions such as finance, HR, marketing and procurement. As well as the ability to operate the current business, we also have vast experience of executing builds, new openings and acquisitions.

Financial strength
The successful equity raise of £10.1m in December 2023 will enable the Group to fuel expansion plans. Alongside the equity raise, the Group converted £11.4m of debt into equity, leaving the Group with minimal debt and a strong balance sheet. This allows us to move forward with enhanced financial firepower and our sights firmly set on expansion.

An exceptional executive team
Led by CFO Sharon Badelek and Coppa MD Rebecca Tooth, the team has considerable sector expertise and a proven track record of delivering growth strategies for hospitality groups over many years. Their understanding of the market and strategic guidance will ensure the successful rollout of our key brands.

Established scalable brands
The Group has two key brands poised for roll out; Noci, an evolution of Tavolino, designed for the high street and our established Coppa Club brand including the new townhouse formats which have proved successful in Bath and Guildford.

COPPA CLUB

For years, only members' clubs have offered space for guests to stay all day and transition from work to play, but we aim to change all that. We're relaxed, welcoming and informal, our bars serve great wines and cocktails, our lounge areas are comfy with sofas to relax in and plenty of Wi-Fi and plug sockets, perfect for meetings or just for settling in with your laptop.

NOCI

Fresh artisan pasta and cocktails on tap. Noci, Islington has quickly settled in to the London dining scene and has become known for its quality and value. In May 2023 our second Noci site was opened in Battersea Power Station, followed by the third site in Shoreditch in September 2023.

TAVOLINO

A quality-focused Italian restaurant and bar on the river at London Bridge. Serving simple dishes using the best produce from Italy and the UK, buzzing with local workers and tourists alike.

NEW BRANDS AND ACQUISITIONS

Our entrepreneurial spirit means we are always looking to develop brands in-house that could join Coppa, Noci and Tavolino in being rolled out in the future. But with a strong executive team, we are constantly on the lookout for new acquisition opportunities which match our values and ambition, and to which we believe our expertise could add considerable value.

Task Force for Climate-Related Financial Disclosures (TCFD)

INTRODUCTION

The FY23 year is the first time Various Eateries PLC reports under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, Various eateries has adopted Taskforce on Climate-Related Financial Disclosures (TCFD) which are consistent with the Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022. This section details Various Eateries' climate-related disclosures, in accordance with the TCFD recommendations. Various Eateries are putting governance in place to formalise the management of climate-related risks and opportunities. This will enable Various Eateries to embed climate change risks into existing frameworks, and ensure future strategic and business decisions are mindful of these considerations. Various Eateries recognise the importance of minimising our impact on the environments we operate in, and of using ESG in building a resilient business strategy.

GOVERNANCE: DISCLOSE THE ORGANISATION'S GOVERNANCE AROUND CLIMATE-RELATED RISKS AND OPPORTUNITIES.

TCFD RECOMMENDATION	CURRENT STATUS	UPDATES AND PLANS FOR FY24
Describe the Board's oversight of climate-related risks and opportunities	The Board currently meets on a monthly basis, and discuss financial updates, which includes business drivers, consumer habits and cost of goods. As detailed in the FY23 annual report the relevant key risks were identified as "consumer behaviour & confidence" and "cost inflation". Whilst Climate Change isn't as a standalone risk included within the governance framework, Various Eateries recognise that the business risks identified are influenced by the impacts of climate change. It is acknowledged that consumer behaviour can change with an increase in extreme weather events, both in desire to go out and spend, but also in ability to physically access venues. Cost inflation has been driven by many socio-economic factors as well as environmental, but surety of supply and therefore pricing are impacted by extreme weather conditions across the world. Opportunities arise from continued investment in a diverse portfolio of brands that is spread geographically to minimise impact in any single area. Various Eateries also use menu engineering to control F&B costs and avoid price inflation and minimise disruption in the supply where possible.	· Throughout FY24 and beyond, climate change risks and opportunities will form part of the agenda for Board meetings. · Climate Change governance, risk and opportunities will also be on the agenda for the Audit and AIM Compliance Committee (AACC).
Describe management's role in assessing and managing climate-related risks and opportunities	Senior management in finance and operations currently hold weekly Trading meetings, reviewing revenue numbers and footfall. These will typically consider the impact of the weather on trade, and comment on any issues with suppliers. Monthly meetings are also conducted to review site by site performance, ongoing trends and mitigating actions. Product availability is discussed as required, looking at solutions for issues such as products being out of stock, and potential substitutes or alternative products are considered. Various Eateries acknowledge that there is no current formal process in relation to specific climate risks and opportunities, however it is recognised as part of the general business discussions when considering wider business risks and opportunities.	During FY24 Various Eateries will explore and define roles and strategies to assess climate-related risks and opportunities; ensuring sufficient mitigation is put in place and that the Board receive regular updates.

STRATEGY: DISCLOSE THE ACTUAL AND POTENTIAL IMPACTS OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESS, STRATEGY AND FINANCIAL PLANNING WHERE SUCH INFORMATION IS MATERIAL.

TCFD RECOMMENDATION	CURRENT STATUS Risk term: Short (S) up to 2025, Medium (M) 2025-2035, Long (L) 2035-2050
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	**General Risks** 1. Various Eateries don't engage on climate risks to identify and pursue opportunities for competitive advantage. (S) (M). 2. Energy costs have the potential to increase over time, particularly when considering UK energy security. (S) (M) (L). 3. Potential increases in carbon related levies and surcharges for Greenhouse Gas ('GHG') emissions, which could increase operating costs. (S) (M) (L). **General Opportunities** 1. Improving Various Eateries climate-related credentials could improve brand reputation which may enhance the business reputation and sales performance. (S) (M). 2. If strategies are devised to reduce GHG emissions in advance of potential cost increases due to wholesale energy and carbon being applied, the overall impact to operating costs can be minimised. This may also include energy efficient technology. VEL property team are investigating voltage optimisation systems and heat recovery on new openings, subject to space and electricity supply capacities. (S) (M) (L). 3. Various Eateries have a proactive risk management strategy in place with an appointed consultant to mitigate the risk of wholesale market fluctuations. **Weather – Risks and Opportunities (S) (M) (L)** • Trade can fluctuate according to the weather. The diversity of the VEL portfolio is a strength and helps mitigate this risk – i.e. with town and country locations, guests use visit for different reasons at different times. (S) (M). • Heavy rain, extreme cold or extreme heat can have negative impact on desire to socialise externally. (S) (M). • Extreme cold/snow/rainy conditions can mean suppliers, guests and staff struggle to access some locations. (S) (M). **Cost pressures and availability of key supplies – Risks and Opportunities (S) (M) (L)** • Flooding, extreme heat/drought cause issues in the supply chain. Historically there have been occasions where required products haven't been available at all (e.g. shortage of tinned tomatoes, sunflower oil, olive oil, tenderstem broccoli etc.). (S) (M) (L). • Backup suppliers are in place for key lines but if sourced from a secondary supplier, that is often at a greater cost. Various Eateries prioritise surety of supply over cost in order to meet and exceed guest expectation. (S) (M) (L). **Cost pressures and energy usage (S) (M) (L)** • Increase in energy prices are an industry wide issue; whilst Various Eateries take reasonable steps to manage energy costs, there are knock on impacts through increased costs being passed on within the supply chain. • Extreme weather giving rise to increased heating or air conditioning usage. (S) (M) (L). Over the medium and long term, Various Eateries recognise site selection should take into account portfolio diversification.
Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	As detailed in the FY23 annual report, Various Eateries' strength and resilience is exhibited in the diversity of sites and types of venues that we operate. This helps minimise the impact of any one factor and is a deliberate business strategy. Supply chain strategy is also key consideration, with a focus on maintaining secondary relationships where product lines are vulnerable to adverse impact of climate change. However, this could have an impact on pricing, therefore risks and benefits must be considered. Flexibility in menu engineering is an alternative way of dealing with supply chain issue. Substitutions were a common and well understood occurrence during the Covid pandemic but issues are still present in the market now with natural phenomena destroying crops on a regular basis (such as El Nino in South America impacting avocados, devastating floods in Kenya impacting tenderstem broccoli).

Task Force for Climate-Related Financial Disclosures (TCFD) CONTINUED

TCFD RECOMMENDATION	CURRENT STATUS Risk term: Short (S) up to 2025, Medium (M) 2025-2035, Long (L) 2035-2050
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	To date, the Various Eateries strategy has shown resilience to climate-related impacts. Whilst cost pressures could have simply been managed by price increases, despite a 20% or higher inflationary environment, we have passed on very little in the way of price increases to our guests. Various Eateries have dealt with these cost pressures by efficient cost control, tendering, and menu engineering. Similarly, Various Eateries have dealt with product issues by communicating swiftly with suppliers on appropriate substitutions or putting in place backups where issues could be foreseen. Energy prices were hedged up to 2024 for the majority of our estate (not including new openings or consumption over and above run rate) so have been fairly protected particularly in the energy peak we saw at the start of 2023. Various Eateries will continue to take advice on energy hedging from their consultants and are likely to carry on with their 'surety of supply first' procurement strategy, moving further into climate-related scenarios. Various Eateries will continue to work on its resilience with respect to specific quantified climate scenarios and will over the next few years be reviewing the following: · Climate-related scenario planning assessment, tailored to Various Eateries supply chain. · Assessment of Various Eateries full Greenhouse Gas (GHG) emissions covering Scope 1, Scope 2 and Scope 3 emissions. · Exploration of GHG reduction targets and opportunities including but not limited to net zero aligned with 1.5°C climate science. · Consideration of specific climate-related scenarios ranging from 1.5°C to 4.0°C scenarios.

RISK MANAGEMENT: DISCLOSE HOW THE ORGANISATION IDENTIFIES, ASSESSES AND MANAGES CLIMATE-RELATED RISKS.

TCFD RECOMMENDATION	CURRENT STATUS
Describe the organisation's process for identifying and assessing climate-related risks	Various Eateries in the early stages of the process assessing climate-related risks, and will be working with their appointed sustainability consultants throughout FY24 to further develop their approach.
Describe the organisation's processes for managing climate-related risks	Various Eateries do not currently have a formal process for managing climate-related risks, and will be working with their appointed sustainability consultants throughout FY24 to further develop their approach.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Various Eateries have a reasonable understanding of the potential impact and risks of climate change relevant to their operations and these have been detailed earlier within this report and they are considered within key strategic decisions. It is recognised that Various Eateries will work to formalise the processes to identify and manage key climate risks that appear as the business evolves and include this within the business overarching risk management strategy. This is something they will explore with their partners, during FY24.

METRICS AND TARGETS: DISCLOSE THE METRICS AND TARGETS USED TO ASSESS AND MANAGE RELEVANT CLIMATE-RELATED RISKS AND OPPORTUNITIES WHERE SUCH INFORMATION IS MATERIAL

TCFD RECOMMENDATION	CURRENT STATUS	UPDATES AND PLANS FOR FY24
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Various Eateries do not have any climate specific metrics to identify climate-related risks and opportunities at present.	· Exploration of potential targets for reducing Scope 1 and Scope 2 emissions. · Work to deepen understanding of climate associated metrics.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks	Various Eateries have been reporting and disclosing Scope 1, Scope 2 and limited Scope 3 emissions (indirect transport) since FY20 as part of the Streamlined Energy and Carbon Reporting Requirements as detailed on page 17.	· Investigating the potential to measure and understand all Scope 3 emissions.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Various Eateries do not currently have any targets in relation to climate risks and opportunities.	· In FY24 Various Eateries will work to develop plans to understand the full GHG emissions for the business, and explore targets.

GREENHOUSE GAS EMISSIONS:

Table based on SECR report and reference to GHG figures may be linked to the SECR section of the annual report.

Total Scope 1 and 2 GHG emissions have increased compared to last year as a result of increased business activity and growth. LED lighting has been installed across the estate and the business continues to explore further opportunities for energy reduction.

Energy Consumption		2022/23	2021/22
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	5,036,536	4,308,688
	Total Scope 1 Energy (kWh) excl Refrigerants	**5,036,536**	**4,308,688**
Scope 2: Electricity purchased	Total Electricity (kWh)	5,177,721	4,587,958
Scope 3: Indirect Transport	Employee owned Vehicles (kWh)	225,888	243,353
	Total Scope 1, 2 and 3 Energy Consumption (kWh)	**10,440,145**	**9,139,999**

Emissions Assessment		2022/23	2021/22
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO_2e)	921	787
	Total Scope 1 – (tCO_2e)	**921**	**787**
Scope 2: Electricity purchased and heat and steam generated	Location Based (LB) (tCO_2e)	1,072	887
	Market Based (MB) (tCO_2e)	1,558	1,454
Scope 3: Indirect Transport	Employee owned Vehicles (tCO_2e)	56	60
Location Based	**Total Scope 1, 2 and 3 Emissions (tCO_2e)**	**2,050**	**1,734**
Market Based	**Total Scope 1, 2 and 3 Emissions (tCO_2e)**	**2,536**	**2,301**

Intensity Metric Assessment		2022/23	2021/22
Market Based	**Total Scope 1 – 3 (LB) (tCO_2e/turnover £m)**	**45.1**	**42.6**

EXCLUSIONS. No Mandatory emissions have been excluded from this report.

EMISSIONS FACTORS APPLIED. DEFRA 2023.

METHODOLOGY. This report is aligned with GHG protocol and Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance.

ESTIMATIONS. 3.1% of the energy data (kWh) and 3.2% of the emissions data (tCO_2e) are based on extrapolated/ estimated values.

SCOPE OF EMISSIONS INCLUDED IN THE REPORT. Electricity, Natural Gas and Indirect Transport.

METHODOLOGY AND EMISSIONS DATA

The above emissions data has been produced in accordance with the Streamlined Energy and Carbon Reporting ('SECR') framework, under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The footprint is calculated in accordance with the Greenhouse Gas ('GHG') Protocol and Environmental Reporting Guidelines, including SECR guidance. DEFRA emission factors have been used for all emission sources to allow an activity to be converted into carbon dioxide equivalent (CO_2e).

Financial Review

OVERVIEW

The first half of the financial results for FY22 benefitted from Covid related reliefs and reduced VAT rates, which did not continue into the FY23 financial year.

The KPIs of the Group's performance are summarised in the table below:

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000	Change %
Revenue	**45,495**	40,667	12%
Adjusted EBITDA (before impact of IFRS 16)*	**(2,189)**	437	(601%)
Adjusted EBITDA*	**1,556**	3,531	(56%)
Operating loss	**(4,207)**	(5,209)	19%
Total loss for the year after tax	**(6,677)**	(7,215)	7%
Basic and diluted earnings per share (pence)	**(8.1)**	(8.8)	7%
Cash flow from operating activities	**2,082**	1,861	12%
Net debt excluding IFRS 16 lease liability	**11,609**	3,317	250%
Number of sites	**18**	15	20%

* Not audited.

Summary of financial performance for the 52 weeks ended 1 October 2023

Reconciliation of loss before tax to Adjusted EBITDA	**52 weeks ended 1 October 2023 £ 000**	52 weeks ended 2 October 2022 £ 000
Revenue	**45,495**	40,667
Loss before tax	**(6,677)**	(7,215)
Impairment	–	2,543
Financing costs	**2,470**	2,006
Depreciation and amortisation	**5,571**	4,702
Gain on early surrender of lease	**(899)**	–
Loss on disposal of assets and leases	**37**	54
EBITDA before exceptional costs	**502**	2,090
Pre-opening costs*	**886**	755
Share-based payments	**69**	830
Non-trading site costs*	**(27)**	(144)
Exceptional costs*	**126**	–
Adjusted EBITDA (IFRS 16)	**1,556**	3,531
Adjustment for rent expense*	**(3,745)**	(3,094)
Adjusted EBITDA (IAS 17)	**(2,189)**	437

* Not audited.

FINANCIAL PERFORMANCE

Overall Group revenue increased by 12% (FY23: £45.5m, FY22: £40.7m). The Group's adjusted EBITDA decreased by £1.9m, from £3.5m in FY22 to £1.6m in FY23. During the year, the Group was faced with significant cost increases due to external economic factors which were not fully passed onto customers. In the Board's experience, in challenging market conditions, focusing on the Group's revenue, as opposed to maximisation of short-term profits through cost cutting, is fundamental to future success.

The loss before tax has decreased from £7.2m in FY22 to £6.7m in FY23. In FY23 the Group incurred impairments to goodwill and right-of-use assets of £nil (FY22: £2.5m). The Group's depreciation and amortisation charge has increased by £0.9m (from £4.7m in FY22 to £5.6m in FY23) and pre-opening costs have increased by £0.1m (from £0.8m in FY22 to £0.9m in FY23), as we have continued to invest in new sites. The Group's share based payment charge has decreased by £0.7m (from £0.8m in FY22 to £0.1m in FY23).

Financial Review CONTINUED

FINANCING COSTS

Financing costs of £2.5m (2022: £2.0m) have increased by £0.5m in the year. This arises from increases in lease liability interest as we have invested in new sites, together with increases in costs on the renewal of the deep discounted bonds.

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Financing costs on bank overdraft and borrowings	**897**	662
Lease liability interest	**1,573**	1,344
Financing costs	**2,470**	2,006

IMPAIRMENTS

A detailed review of each individual site has resulted an impairment charge of £nil against goodwill (2022: £1.6m), and of £nil (2022: £1.0m) against right-of-use assets. Detail of the methodology is included in notes 13 and 14 on pages 60 to 62.

DIVIDENDS

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

CASH FLOW AND BALANCE SHEET

Net cash flow from operations increased from £1.9m in FY22 to £2.1m in FY23.

During the period the Group invested £6.8m (2022: £8.9m) in capital expenditure in support of future growth. A new Coppa Club site was opened in Guildford as well as spend incurred on a site in Cardiff due to open in the next financial year. Two new Noci sites opened in Battersea and Shoreditch. Furthermore some light refurbishment was undertaken across other locations.

As a result of the investment undertaken during the year the Group ended the period with cash at bank of £1.9m (2022: £9.4m).

KEY PERFORMANCE INDICATORS ('KPIS')

The Group reviews numerous financial indicators of performance, as shown on page 18, on a monthly and annual basis. Non financial key performance indicators such as guest opinion scores and customer feedback are reviewed weekly.

Principal Risks & Uncertainties

The Directors formally assess the risks of the Group and look to take appropriate action to ensure these are mitigated wherever possible where they could impact its objectives. The Directors consider the following to be the principal risks faced by the Group:

KEY RISKS	DESCRIPTION	MITIGATIONS
COST INFLATION	The Group is subject to inflationary pressures. Increases in National living wage, utilities, food and beverage supplies put continual pressure on margins.	As the Group grows, there will be the ability to mitigate some F&B costs through economies of scale, whilst the Group continually evaluates its labour model to ensure it is efficient. Our experienced Head of Supply Chain & Procurement considers all potential cost savings, including the current hedge we have over the commodity element of our utility bills for the next year.
CONSUMER BEHAVIOUR & CONFIDENCE	The Group operates in a competitive industry in the UK, and is therefore subject to impacts from the wider health of the UK economy. Levels of disposable income continue to be impacted by the cost of living crisis, whilst consumer confidence is officially at the lowest it has ever been.	The Group maintains focus on both quality and value, to ensure they are ahead of competitors. The estate also benefits from being a diversified portfolio, both in terms of geography and offer.
RECRUITMENT & RETENTION	The Group's performance is largely dependent on the management team and employees across its sites. It is therefore important that the Group can continue to employ the right people, with the right skills and experience.	The Group works hard to be an employer of choice and to aid both retention and recruitment. The Group has also invested in its Human Resources department to ensure training, as well as rewards and incentives, are continually reviewed and improved. No agency is used across the Group due to the experienced internal recruitment team, and we sponsor overseas for the very few positions we cannot fill. Given a high percentage of the workforce are Gen Z, the HR team invests significant time in understanding how to communicate with Gen Z and retain.
SUPPLY CHAIN	The Group relies on the freshness and quality of the products supplied in order to maintain standards.	There are multiple suppliers at hand all with good prices who we have a good relationship with.
CYBER SECURITY	As the Group grows, and its reliance on IT increases as new systems are introduced, there is a greater risk of impact on trading, reputational damage or GDPR errors.	The Group employs a Head of IT & Systems to ensure all upgrades / changes to any systems are completed accurately and that data protection measures are followed and recorded. We are also continually monitoring and investing in appropriate firewalls and security, utilising a third-party provider, performing annual gap analysis to our GDPR measures.
CONSISTENCY	With an accelerated expansion plan across various brands, there is a risk of lack of focus on food and service standards. Ensuring continuous innovation of our product is paramount to remain ahead of the competition.	The Group holds quality of product and service at the core of everything it does and continues to invest in numerous systems to constantly monitor these in detail. These include the consolidating of all social feedback, continuous staff training, regular in-house auditing and a robust menu development and delivery process.
COMPETITION	Although the hospitality industry in the UK has been under enormous pressure, it is also the most diverse and competitive it's ever been. Staying relevant and ahead of the game requires constant vigilance.	As mentioned before, the Group is constantly led by quality, consistency and innovation. There is a constant focus on offering a diverse range of products for a wide range of people. This keeps the Group relevant and popular for different reasons and helps maintains its competitive edge.
HEALTH & SAFETY	The Health & Safety of our staff, guests and suppliers is of paramount importance to the Group. Equally important is the need to ensure compliance with numerous regulations for the sector including food hygiene, allergens and fire safety.	The Group has a third-party specialist to ensure that it adheres to the most up-to-date legislation. The Group also undertakes extensive training with its staff, which is then also monitored by various site visits and audits, both from internal and external parties, to ensure documented procedures and policies are being met.

Directors' Duties – S172 Statement

It is the Board's responsibility to ensure that Various Eateries is managed in the long-term interests of all shareholders and stakeholders in the business.

The Board considers the needs and concerns of all stakeholders in its running of the Group. By seeking to understand the differing stakeholder interests and impacts through a proactive programme of engagement, the Directors ensure its decision-making is informed and that the development and delivery of our strategy leads to long-term sustainable success for Various Eateries.

As required by section 172 of the UK Companies Act 2006, the Directors have acted to promote the success of the Group 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 have 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 Group 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 Group's employees;

– The Board recognised the need for strong communications with the employees. A Group wide newletter, updating the head office and senior managers on site continues to be an effective communication tool in the business.

– 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.

– A new employee engagement and training platform was launched in the year.

– A new People Director was appointed post year end and a focus on training and development is underway for the new financial year.

c. the need to foster the Group's business relationships with suppliers, customers and others;

– The Group 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 F&B 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 uses this data to improve the offering and service across the group. Further investment has been made to both 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 the guest scores and general feedback across the estate.

d. the impact of the Group's operations on the community and environment;

– We are committed to actively reducing our environmental impact through our sourcing, energy use and waste disposal, and our place in society. The Group is exploring the use of energy efficient technologies such as voltage optimisation systems and heat recovery systems. We are also mindful of our environmental footprint when sourcing our meat and fish – we use primarily UK & Irish, grass fed beef, and British higher welfare chicken. We do not use fish on our menus rated below MCS 3, and our menus are updated seasonally to make best use of available produce. We are conscious of the impact of our waste and work with our waste providers to minimise how much waste goes to landfill, by recycling wherever practicable.

– To engage with the community the Group 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 Group'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 staff trainers in sites, buddy system for new starters and revamped SOP 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 which includes job chats, scheduled one on ones, weekly and monthly engagement (through meetings, newsletters and engagement platform), surveys and town hall meetings.

– One class of share capital to ensure all shareholders are treated equally.

STAKEHOLDER ENGAGEMENT

Further to the section 172 statement, the Group continues to develop an ESG taskforce to develop a clear strategy, through stakeholder engagement, which will be communicated once clear timeframes and targets are developed. However, as detailed in the table below, the Group already does a considerable amount to engage with its 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, ad hoc 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 · 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	· Investment and reinvigoration of local economies including jobs for local people · Locations for hosting community and charity 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.	· 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 · Group culture and reputation · Health, safety and wellbeing
Suppliers/partners		
Our proposition is dependent on access to the best ingredients from our 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 Group culture and values

Approved by the Board on 31 January 2024 and signed on its behalf by:

SHARON BADELEK
CFO

We take pride:

Don't compromise;
Challenge yourself

GOVERNANCE REPORT

Board of Directors

Andy Bassadone
Executive Chairman

Appointed: 27 August 2020

Andrew Bassadone has significant experience in the restaurant and hospitality sector. He was Managing Director (Europe) of My Kinda Town, which floated on the London Stock Exchange in 1994 and which was ultimately sold to Capital Radio in 1996. He worked as Senior Vice President for Europe for Planet Hollywood before moving to a role as Chief Executive at Signature Restaurants. Between 1998 and 2005, Andy led the acquisitions of restaurants including Belgo, The Ivy, J. Sheekey, Le Caprice and Daphnes and co-founded a new restaurant business – Strada. Signature Restaurants was sold in 2005 but Andy continued as Chief Executive in the new acquisition entity, ultimately leading to the sale of Strada in 2007 for £140m and co-founding Côte at the same time. Côte was sold in 2013 for £100m, whilst Andy focused on developing Bill's restaurant and the initial expansion of the Ivy Café brand. He joined and invested in Various Eateries in 2019.

Sharon Badelek
Chief Financial Officer

Appointed: 1 April 2023

In a career spanning more than 30 years, Sharon has held financial leadership positions at several high-profile leisure and hospitality businesses, including most recently the position of CFO of RedCat Pub Company, an investment vehicle established in January 2021 to acquire freehold pubs. At RedCat, Sharon was instrumental in acquiring 110 pubs in a 12-month period.

Earlier in her career, Sharon was UK Finance Director and later Group Finance Director at Vue Entertainment. As part of the original executive team, Sharon played a leading role in several major acquisitions, with the rollout leading to an increase in EBITDA from £31 million to £110 million. After nine years at the business, Sharon was influential in selling the business for £950 million.

Sharon has also fulfilled the roles of CFO of Inspired Villages Group, a retirement village developer and operator; CFO and later CEO of Novus Leisure Limited, a London pub and nightclub operator; CFO of Westpoint Veterinary Group; Financial Controller and later Group Financial Controller at Holmes Place Health Clubs and Group Chief Accountant at Carlton Communications Plc. Sharon has been ACCA qualified since 1996.

Hugh Osmond
Non-Executive Director

Appointed: 27 August 2020

Hugh founded Sun Capital Partners Limited in 2001 and Osmond Capital Ltd in 2017. He continues to operate both companies. In 1993, Hugh co-led the £18m acquisition and market listing of PizzaExpress. During the eight years he remained on the board, PizzaExpress became one of the UK's largest sit down casual dining groups and the value of the company increased more than 20-fold. Over this period, annual losses were turned into profits of £38m. In 1997, Hugh co-founded Punch Group and, as Executive Chairman, he orchestrated the acquisition and integration of the Allied Domecq Retail estate, the Bass leased estate and inn business, to create the UK's largest pub group. Punch Group reached an enterprise value of £3.5bn in 2005. Hugh co-founded Pearl Group in 2005. Pearl was acquired for £1.1bn from Henderson Plc and embedded value was subsequently grown to £2.3bn. Pearl Group acquired Resolution Plc in 2008 and the enlarged group (renamed Phoenix Group) floated in 2009. Phoenix is now the largest UK insurance consolidator and is listed in the FTSE 100 index. Most recently, Hugh led the investment into Capital Physio in 2019. He founded Various Eateries in 2014.

Tiffany Sword
Non-Executive Director

Appointed: 27 August 2020

Tiffany studied architecture at the University of Cambridge and, after time at DE & J Levy and L'Oreal UK she moved to work alongside Hugh Osmond at Sun Capital Partners Limited. Tiffany worked with Hugh on the creation of Coppa Club from its inception in 2015, and led the launch of the first site in Sonning-on-Thames as Managing Director. More recently Tiffany led the investment into Capital Physio and the development of its high street physiotherapy brand, Bodyset. Tiffany is also a director of Osmond Capital.

A N Re

Glyn Barker
Non-Executive Director

Appointed: 27 August 2020

Glyn is a Chartered Accountant and worked at PwC until he stepped down in 2011. During his time at PwC Glyn held positions including UK Head of Assurance, Managing Partner (UK), Vice Chairman (UK) and Chief Executive, Markets (Europe). Glyn is the Chairman of Irwin Mitchell. He has significant public market experience as a Director of Transocean Limited and a senior advisory partner of Novalpina Capital. He previously acted as senior independent director of Aviva plc until 2019 and as Chairman of The Berkeley Group until 2022.

A N Re

Gareth Edwards
Non-Executive Director

Appointed: 27 August 2020

Gareth is a qualified solicitor and was previously a partner at law firm Pinsent Masons LLP, where he held both the positions of Global Head of Corporate and International Development Partner. He is currently a strategic consultant and an Executive Director of London Bridge Capital Limited, an FCA authorised corporate finance boutique. He has significant public markets experience and is Chairman of Nightcap plc, and Chairman of the Board of Cornerstone FS plc, all of which are admitted to trading on the AIM market of the London Stock Exchange.

A N Re

Committee membership

- A Audit and AIM Compliance
- N Nomination
- Re Remuneration
- ○ Committee Chairman

Executive Chairman's Statement on Corporate Governance

As Chairman of the Board of Directors of Various Eateries PLC, my responsibilities include leading the Board effectively, overseeing the Company's corporate governance model, communicating with shareholders, and ensuring that good information flows freely between the Executive Directors and the Non-Executive Directors in a timely and efficient manner.

It is the Board's responsibility to ensure that Various Eateries PLC is managed in the long-term interests of all shareholders and stakeholders in the business. The Board believes a strong and effective corporate governance culture is critical in this respect as we endeavour to grow a resilient and sustainable business for the benefit of our shareholders, customers, people and suppliers. The building blocks are firmly in place, through the recruitment of strong executives and NEDs, as well as the creation of committees and structures as detailed.

THE QCA CORPORATE GOVERNANCE CODE

Various Eateries PLC has adopted the 2018 QCA Corporate Governance Code (the 'Code') on a comply or explain basis. The Code is constructed around ten broad principles and the report below sets out how we comply with the Code at this time. Compliance with the Code will be reviewed and updated annually, and further information can be found within the compliance statement published on our website.

1) ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTES LONG-TERM VALUE FOR SHAREHOLDERS

The Group's strategy is to drive the long-term growth of the business. The Group's business model is described on page 12 of the Strategic Report, whilst also referenced in the Chairman's statement.

The Board generally meets once a month to review:

- the Group's operational business performance;
- review of the product and customer feedback;
- business model;
- sales, marketing and IT development;
- property matters including potential new sites;
- strategic considerations; and
- the progress of previously agreed actions.

2) SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

Various Eateries PLC has a policy of maintaining open two-way lines of communication with all investors to ensure a clear understanding of the strategy, business plan and current trading. This is achieved through a combination of regular investor meetings (both formal and informal) and quick replies to all queries received.

The Directors see the Annual General Meeting ('AGM') as an important opportunity to meet shareholders either in person or virtually, and encourages all investors to participate and discuss their views. Where feedback is provided, including voting decisions against Company expectations, the Board will engage with those shareholders to hear and address any issues.

All corporate information (including any Company announcements) is available to shareholders, investors and the public at any time on the corporate website. The key point of contact for all shareholders is the Group Chairman, Andy Bassadone. See more in our section 172 statement on page 22 of the Strategic Report.

3) TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Board recognises that strong, trusted relationships with all stakeholders (both internal and external) is vital for the long-term success of the Group. See more in our section 172 statement on page 22.

As part of the annual planning process, the Board identifies the following areas as key:

- Quality – food and drink offer and consistent operational excellence
- Suppliers – sustainable and deep supply chain built on strong, long-term relationships
- Teamwork – motivating, empowering and retaining our best people
- Community – nurturing long-term relationships with guests across all sites; offering quality, good value product in attractive surroundings to grow sales underpinned by our Purpose, Values and Behaviours
- Purpose: Great people delivering unique experiences through continuous innovation

Values:	Behaviours:
We are welcoming	Inclusive and positive; Open minded; Nothing is too much trouble
We take pride	Own it; Don't compromise; Challenge yourself
We are a community	Be part of something; We look out for each other; We care about our community

We have a well-developed and detailed intranet which allows staff to communicate their thoughts with us and where we share an abundance of learning and coaching materials for staff at all levels. During 2023 we have implemented a new learning and development, communication and engagement platform.

Our ears are open – we listen hard and regularly review our menus, settings and our future location strategy to align with what our customers and staff are telling us.

We are committed to a culture of respect and a positive, productive working environment, which is free from any form of discrimination. We are an equal opportunities employer and are committed to treating all current and potential new recruits equally.

Various Eateries PLC encourages collaborative two-way communication with guests through engagement on social media, in person on site, via our central reservations team and through our integrated feedback platform.

4) EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Group operates a robust risk assessment process, which is embedded in the normal management and governance of the business. As part of the annual planning and budgeting process, management document the significant risks identified, the severity and their potential impact, and the plans for managing and mitigating each of those risks.

The Board discusses potential risks at each Board meeting which includes an assessment of the Group's internal control system, comprising financial, operational and compliance controls, to ensure that the Group's risk management framework identifies and addresses all relevant risks in order that the Group's strategy can be successfully executed and delivered. This review considers any significant issues included in reports received during the year and how the risks may have changed during the year and reviews any reports on internal controls prepared by management as well as any issues identified by external auditors.

The Group operates a series of controls to ensure the Executive team implements the policies for risk management and control. These include: the annual strategic planning and budgeting process; a clearly defined organisational structure; authorisation limits; monthly reviews by the Executive team of financial and other operational KPIs.

The Audit and AIM Compliance Committee ('AACC') meets periodically to review the effectiveness of internal controls. The AACC receives reports from management and observations from the external auditors concerning internal control systems and any material control weaknesses. Any significant issues flagged would be included in the risk section of the next Board meeting.

Principal risks faced by the Group are included on page 21 in the Strategic Report.

Both the Board and the Executive team are responsible for reviewing and evaluating risk. The Executive team generally meets at least weekly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading, whilst these figures are also made available to the wider Board and discussed in Board meetings.

5) MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIRMAN

The Group is controlled and governed by the Board of Directors. As the Chairman, Andy Bassadone has the responsibility of running the Board. Andy Bassadone, the Chairman, has executive responsibility for running the business day to day and implementing the strategy of the Group.

The Board comprises two Executive Directors and four Non-Executive Directors. Two of these Directors, Gareth Edwards and Glyn Barker, whilst holding a small immaterial shareholding, are considered as independent by the Board.

The Board generally meets every month, which all Directors are expected to attend. They receive all trading and operational results every month (as per the agreed timetable and in advance of any meetings). There is a documented schedule of matters reserved for the Board.

The Board is supported by the Audit and AIM Compliance Committee, the Nomination Committee and the Remuneration Committee as detailed below against principle 9.

The Company maintains liability insurance for its Directors and Officers. The Company has also entered into indemnity agreements with the Directors, in terms of which the Company has indemnified its Directors, subject to the Companies Act 2006 limitations, against any liability arising out of the exercise of the Directors' powers, duties and responsibilities as a Director or Officer.

6) ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Company has six Directors being Hugh Osmond, Andy Bassadone, Gareth Edwards, Glyn Barker, Tiffany Sword and Sharon Badelek.

Details of the Board's extensive industry experience, skills and personal qualities are highlighted in the biographies on pages 26 and 27.

The Board keeps a close eye on all industry changes and receives regulatory and corporate updates from a number of external advisers who advise where necessary on the legal aspects of any ongoing regulatory enquiries. This ensures that the necessary mix of experience, skills, personal qualities and capabilities delivers the strategy of the Group for the benefit of the shareholders over the medium to long term. For example, Glyn Barker, as the Audit Committee Chairman, is a member of the ICAEW, and Sharon Badelek as CFO, is a Certified Accountant, and both undertake regular development to ensure they remain up to date with changes in standards.

7) EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

Executive Directors are assessed annually on performance by the Chairman before re-election, based on:

- their performance (measured against KPIs);
- their independence (where applicable) and
- continued commitment to the role.

In addition, the overall effectiveness of the Board is measured on the achievements of the Group's annual budget and strategic plan.

Whilst the Group has no formal succession plan, the Board continues to think long term and will appoint senior roles where required.

The Board is confident that the Group's middle management have the strength to ensure the Group's business is not adversely impacted in the period between an Executive Director leaving and a replacement being recruited.

The Nomination Committee is required to recommend and review nominees as new directors to the Board where there are vacancies or where it is felt that additional directors should be appointed. For new appointments, the search for candidates will be conducted and appointments made on merit against objective criteria and with due regard for the benefits of diversity on the Board.

Executive Chairman's Statement on Corporate Governance CONTINUED

8) PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board aims to lead by example, and to do what is in the best interests of the Group.

The Group takes a serious approach towards corporate social responsibility, its values relating to Group culture and its people; the decisions of the management team and the Group strategy are also guided by the values wherever appropriate.

With a growing business that encompasses numerous levels of team diversity and multi-site operations, the Group recognises the vital importance of maintaining a strong culture and clear values to its success. The management team also understands the extent to which the skills, experience and passion of our employees enables us to deliver the highest levels of quality, standards and service – so that ultimately, our guests enjoy the best experience possible with us.

Our teams are chosen carefully; we want people who share the same passion that we have for our guests, that have a strong work ethic and that want to enjoy their time in the industry. We are passionate about developing our team members, whatever stage of their careers they are at. We have clear purpose statements for each brand, underpinned by the same three consistent values and supporting behaviours across the Group. This is clearly communicated throughout the employee journey with us.

The Board continuously seeks to ensure that all of its employees are aware of the Group's core ethical values, and the management structure at restaurant, hotel, and regional level ensures that the ethical values are recognised and respected throughout the Group.

The values are covered repeatedly throughout the employee journey through the business: from job descriptions through interview, the mandatory induction process for new employees, regular Group-wide "town hall" meetings and training sessions and staff newsletters. They are used as points of assessment in annual appraisals which influence promotion and reward, ensuring that all team members are working to the highest operational and ethical standards.

Board members undertake regular informal enquiries of employees to ensure these values are being upheld and promoted to ensure a healthy corporate culture. Feedback from all stakeholders allows the Board to maintain an awareness of the state of its corporate culture, as well as performance against internal targets.

9) MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

During the year the Board has met formally 11 times, the Audit Committee twice, the Remuneration Committee four times, and the Nomination Committee met once. Board and Committee meetings are also convened on an ad hoc basis from time to time in order to consider specific corporate activity. Directors are expected to attend all meetings of the Board and the Committees on which they sit, and the Non-Executive Directors are expected to devote sufficient time to the Group to enable them to fulfil their duties as Directors. The Board is satisfied that the Chairman and each of the Non-Executive Directors are able to devote sufficient time to the business, and they each maintain open communication with the Executive Directors and senior management between the formal scheduled meetings.

Director	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Chairman				
Andy Bassadone	11/11	N/A	N/A	N/A
Executive Directors				
Sharon Badelek	5/5	2/2	N/A	N/A
Non-Executive Directors				
Hugh Osmond	11/11	N/A	N/A	N/A
Gareth Edwards	9/11	2/2	4/4	1/1
Glyn Barker	10/11	2/2	4/4	1/1
Tiffany Sword	11/11	2/2	4/4	1/1

10) COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Audit and AIM Compliance Committee ('the AACC')

The AACC comprises Tiffany Sword, Glyn Barker and Gareth Edwards, with Glyn Barker as Chairman. The AACC meets at least twice a year and at such other times as the Chairman of the AACC shall deem necessary. The AACC reviews the scope and results of the external audit, its cost effectiveness, and the objectivity of the auditors. It also reviews, prior to publication, the interim financial statements, preliminary results announcement, the annual financial statements and the other information included in the Annual Report. In addition, the AACC considers the regulatory, technical and operational risks of the Company and ensures these risks are properly assessed, monitored and reported on and the appropriate policies and procedures are in place.

During the period, the AACC met twice, in these meetings they approved the signing of the prior period Annual Report and approved the interim financial statements. Whilst conducting all other duties, as described, there were no particular issues or risk not previously disclosed that needed to be communicated or resolved.

Remuneration Committee

The Remuneration Committee comprises Tiffany Sword, Glyn Barker and Gareth Edwards, with Gareth Edwards as Chairman. As Chairman, Gareth Edwards has the casting vote. The Remuneration Committee meets at least once per financial year. The Remuneration Committee reviews and recommends nominees as new directors to the Board, reviews the performance of the Executive Directors and sets the remuneration of the Executive Directors. In addition, the Committee determines the payment of bonuses to Executive Directors and approves the Group's bonus and incentive arrangements for employees.

The remuneration of the Non-Executive Directors is decided upon by the Board of Directors. The Committee is also responsible for ensuring the Company's share option schemes are operated properly and approves the share option grants to Executive Directors and employees.

During the period, the Remuneration Committee met four times, in these meetings, they approved some additional share option grants to directors and employees of the Group as disclosed in the Directors' Report.

Nomination Committee

The Nomination Committee comprises Tiffany Sword, Glyn Barker and Gareth Edwards, with Tiffany Sword as Chairman of the Committee. The Nomination Committee met once during the year. The Committee is appointed by the Board to assist the Group and the Board in fulfilling their respective corporate governance responsibilities under applicable laws, to promote a culture of integrity throughout the Group and to assist the Group in identifying and recommending new nominees for election to the Board.

The Group has a schedule of matters reserved for the Board. The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions.

The Board also ensures that the principal goal of the Group is to create shareholder value, while having regard to other stakeholder interests, and takes responsibility for setting the Group's values and standards.

At this stage the Board believes that the governance framework is appropriate for a group of its size, but it continues to keep this under review. The terms of references for the various committees are set out on the Group's website.

The Group communicates with shareholders through the Annual Report, interim and annual announcements, the AGM, investor roadshows, and meetings with individual existing or potential new investors.

The results of the resolutions from the previous AGM were communicated through the regulatory information service.

See more in our section 172 statement on page 22.

Directors' Report

The Directors present the Directors' Report on the affairs of Various Eateries PLC ('the Company') and its subsidiaries ('the Group'), together with their audited consolidated financial statements for the 52–week period ended 1 October 2023 (prior period comparatives are for the 52–week period ended 2 October 2022).

The Corporate Governance Statement on pages 28 to 31 also forms part of the Directors' Report.

PRINCIPAL ACTIVITY

The principal activity of the Group is the operation of restaurants and hotels.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Information about the progress of the business and the Group's corporate activities is given in the Chairman's Statement on pages 8 to 11 and the Financial Review on pages 18 to 20 of the Strategic Report.

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 with section 414C (11) of the Companies Act 2006.

RESULTS AND DIVIDENDS

The consolidated statement of comprehensive income is set out on page 44 of the financial statements and shows the comprehensive loss for the period. The Directors do not recommend the payment of a dividend.

CAPITAL STRUCTURE

Details of the issued share capital are in note 23 on page 66 of the financial statements. Each ordinary share carries the right to one vote at general meetings of the Company.

DIRECTORS OF THE COMPANY

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

GA Barker
AK Bassadone
J Darwent (resigned 1 April 2023)
O Williams (resigned 11 November 2022)
GM Edwards
Y Malkov (resigned 11 September 2023)
HEM Osmond
TC Sword
SM Badelek (appointed 1 April 2023)

Biographical details of each of the current Directors in office at the year end are included in the Board of Directors section (pages 26 and 27).

CHARITABLE AND POLITICAL DONATIONS

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditors are unaware. The Directors have confirmed that they 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 it has been communicated to the auditor.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)/ENERGY CONSUMPTION

The Group presents its greenhouse gas ('GHG') emissions and energy use data under Streamlined Energy and Carbon Reporting for the period ended 1 October 2023.

Energy Consumption		2022/23	2021/22
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	5,036,536	4,308,688
	Total Scope 1 Energy (kWh) excl Refrigerants	**5,036,536**	**4,308,688**
Scope 2: Electricity purchased	Total Electricity (kWh)	5,177,721	4,587,958
Scope 3: Indirect Transport	Total Owned Vehicles (kWh)	225,888	243,353
	Total Scope 1, 2 and 3 Energy Consumption (kWh)	**10,440,145**	**9,139,999**

Emissions Assessment		2022/23	2021/22
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO_2e)	921	787
	Total Scope 1 – tCO_2e	**921**	**787**
Scope 2: Electricity purchased and heat and steam generated	Location Based (LB) (tCO_2e)	1,072	887
Scope 3: Indirect Transport	Employee Owned Vehicles (tCO_2e)	56	60
Location Based	**Total Scope 1, 2 and 3 Emissions (tCO_2e)**	**2,049**	**1,734**

Intensity Metric Assessment		2022/23	2021/22
Intensity Ratio	**Total Scope 1–3 (LB) (tCO_2e/turnover £m)**	**45.1**	**42.6**

The Group's total energy consumption for the period ended 1 October 2023 was 10,440,145 kWh (2022: 9,139,999 kWh). The increase in total energy consumption was due to additional sites opened in the period.

We continue to look to install new more energy-efficient equipment across our estate, on both new builds and like-for-like replacements. We also have installed a new monitoring system at our two busiest sites – the system saves energy by controlling the speed of the extract and air supply fans in–line with activity levels in the kitchen. At lower fan speeds the energy consumption is only 6% of that with the fans running at full capacity. We are looking to trial these in more sites in the future.

DIRECTORS' REMUNERATION

The remuneration of the Directors of the parent Company who held office during the period was:

	At 1 October 2023			At 2 October 2022		
	Salary and fees £ 000	**Employer pension £ 000**	**Total £ 000**	Salary and fees £ 000	Employer pension £ 000	Total £ 000
O Williams	**34**	**1**	**35**	131	4	135
TC Sword	**55**	**–**	**55**	25	–	25
HEM Osmond	**25**	**–**	**25**	25	–	25
Y Malkov	**200**	**6**	**206**	202	5	207
GM Edwards	**50**	**–**	**50**	50	–	50
AK Bassadone	**–**	**–**	**–**	–	–	–
GA Barker	**50**	**–**	**50**	50	–	50
SM Badelek	**90**	**9**	**99**			
Total	**504**	**16**	**520**	483	9	492

Directors' Report CONTINUED

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the Company, including family interests, were as follows:

	At 1 October 2023		At 2 October 2022	
	Shares owned No.	**Outstanding Directors' share awards No.**	Shares owned No.	Outstanding Directors share awards No.
Andy Bassadone[1]	**3,473,817**	–	3,473,817	–
Yishay Malkov[2]	–	**208,333**	2,190,476	208,333
Oliver Williams[2]	–	–	1,095,238	104,167
Hugh Osmond	**41,616,859**	–	41,616,859	–
Tiffany Sword	**60,372**	**300,000**	60,372	300,000
Glyn Barker	**158,730**	–	158,730	–
Gareth Edwards	**119,047**	–	119,047	–
Sharon Badelek	–	**642,857**	–	–

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

Per the above table, The outstanding share awards at 1 October 2023 to Andy Bassadone were part of JSOP Scheme 1. These were all at an exercise price of £0.73. Further options under the CSOP scheme were granted in January 2022 to Yishay Malkov, Oliver Williams, and Tiffany Sword, with an exercise price of £0.69. Oliver Williams share options lapsed 22 May 2023 and Yishay Malkov share options will lapse 8 March 2024. Further options under the CSOP scheme were granted in April 2023 to Sharon Badelek with an exercise price of £0.28. No options were exercised by any Directors in the period. The remaining share options in the schemes, as detailed in note 26 to the financial statements, relate to awards to employees who are not Directors

DIRECTORS' LIABILITY INSURANCE AND INDEMNITY

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

EMPLOYMENT POLICY

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 with 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, gender, disability, sexual orientation, race, 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 people with disabilities 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. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

ENGAGEMENT WITH STAKEHOLDERS

The Board understands the importance of engagement with key stakeholders, including our customers, the communities in which we operate, our suppliers and our shareholders. Information on how we engage, and the actions we have taken, are detailed in the S.172 statement on page 22.

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 Group and Company financial statements for each financial year. The Directors have elected under company law and the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International accounting Standards and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
d. for the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and 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 Various Eateries PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POST BALANCE SHEET EVENTS

Included in note 29 to the Financial Statements on page 73.

GOING CONCERN

In adopting the going concern basis for preparing the financial statements for the period ended 1 October 2023, the Directors have considered the business model as set out on page 12, the Group's principal risks and uncertainties as set out on page 21 as well as taking into account the current cash position and potential facilities.

Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of the economic uncertainty arising from the rise in inflation, along with the impact of the cost of living crisis, together with the events in Ukraine. We have also taken into account the equity raise and conversion to equity of the deep discounted bond (as detailed in note 29, post balance sheet events). For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Approved by the Board on 31 January 2024 and signed on its behalf by::

SHARON BADELEK
Director
20 St Thomas Street
London
SE1 9RS

Independent Auditor's Report
to the members of Various Eateries plc

OPINION

We have audited the financial statements of Various Eateries Plc (the 'parent company') and its subsidiaries (the 'group') for the 52 weeks ended 1 October 2023 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and of the parent company's affairs as at 1 October 2023 and of the group's loss for the 52 weeks then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and the parent 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 as applied to listed entities 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.

Summary of our audit approach

Key audit matters	**Group** • Existence and occurrence of revenue • Impairment of goodwill and property, plant and equipment **Parent company** • Impairment of intercompany receivables • Impairment of investments in subsidiary companies
Materiality	**Group** • Overall materiality: £455,000 (2022: £406,000) • Performance materiality: £318,000 (2022: £284,000) **Parent company** • Overall materiality: £265,000 (2022: £402,000) • Performance materiality: £185,000 (2022: £281,000)
Scope	Our audit procedures (on a sample basis) covered 100% of revenue, 97% of total assets and 100% of loss before tax.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and occurrence of revenue

Key audit matter description	Group revenue was £45.5m for the period ended 1 October 2023 (2 October 2022: £40.7m). Revenue is derived from multiple restaurant sites, as well as hotels (including reservations and events). In the continued growth phase of the group there is risk in relation to the existence and occurrence of reported revenue.
How the matter was addressed in the audit	Our audit approach included reconciling revenue per the financial statements to the following: • EPOS reports (for restaurants) and booking systems (for hotels); • Amounts banked during the period including reviewing any reconciling items and considering the completeness and accuracy of such reconciling items.
Key observations	We have no observations to report in respect of this key audit matter.

Impairment of goodwill and property, plant and equipment

Key audit matter description	The total net carrying value at 1 October 2023 of goodwill was £11.1m (2022: £11.1m) and that of property, plant and equipment ("PPE") £50.3m (2022: £47.7m). Trading conditions (including as a result of the UK economic downturn and the 'cost of living crisis') faced by the restaurant and hospitality sector in the UK have been challenging during a proportion of the period ended 1 October 2023 and since that date. As required by IAS 36 Impairment of assets, management undertook detailed impairment testing to determine whether such assets were impaired. No impairment charge has been recognised in the period (2022: total impairment charge of £2.5m). Because of the significant management judgement involved in forecasting cash flows, in considering the timing and quantum of generation of cash flows, a change in assumptions used could have a material impact on the financial statements and this was therefore determined to be a key audit matter. Refer to note 3 – Critical accounting judgements and key sources of estimation uncertainty, note 13 – Intangible assets and note 14 – Property, plant and equipment.
How the matter was addressed in the audit	Our audit approach included: • obtaining management's site-by-site impairment review and considering the reasonableness of inputs and assumptions, as well as the accuracy of the calculations in the impairment reviews; • considering the accuracy of management's previous forecasting by reference to actual results; • agreeing the initial period included into the forecast back to management's business plan; • performing sensitivity analysis in respect of management's forecast results, and obtaining evidence for the forecast financial impact of management's actions undertaken in the period and since the period end; • comparing post period-end performance with management's forecasts; • reviewing the disclosures in the financial statements for adequacy.
Key observations	As a result of wider economic uncertainties, including general consumer sentiment, management have included disclosures in notes 13 and 14 to explain the degree of estimation involved in determining appropriate carrying values of goodwill and property, plant and equipment.

KEY AUDIT MATTERS CONTINUED

Impairment in the parent company statement of financial position of:

- Investment in hotel companies
- Intercompany receivables

Key audit matter description	The total net carrying value in the parent company statement of financial position at 1 October 2023 of the investment in the two hotel companies was £9.3m (2022: £9.3m). In addition, the parent company had intercompany receivables due from the group's trading and other entities at 1 October 2023 of £42.8m (2022: £42.6m). Trading conditions (including as a result of the UK economic downturn and the 'cost of living crisis') faced by the restaurant and hospitality sector in the UK have been challenging during a proportion of the period ended 1 October 2023 and since that date. As required by IAS 36 Impairment of assets and IFRS 9 Financial instruments, management undertook detailed impairment testing to determine whether such assets were impaired. No material impairment has been recognised in the current period. Because of the significant management judgement involved in forecasting cash flows, in considering the timing and quantum of generation of cash flows, a change in assumptions used could have a material impact on the financial statements (including net assets and distributable reserves of the parent company) and this was therefore determined to be a key audit matter. Refer to note 3 – Critical accounting judgements and key sources of estimation uncertainty and note 15 – Investments.
How the matter was addressed in the audit	Our audit approach included: • Obtaining management's impairment review and considering the reasonableness of the inputs and assumptions, as well as the accuracy of the calculations; • reviewing the disclosures in the financial statements for adequacy.
Key observations	We have no observations to report in respect of this key audit matter.

OUR APPLICATION OF MATERIALITY

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£455,000 (2022: £406,000)	£265,000 (2022: £402,000)
Basis for determining overall materiality	1% of revenue (2022: 1% of revenue)	4% of net assets, reduced to not exceed maximum aggregated component materiality (2022: 4% of net assets, reduced to not exceed maximum aggregated component materiality)
Rationale for benchmark applied	At its current stage of development, revenue growth is a major driver of business performance and a key benchmark for stakeholders	As this is a non-trading holding company, net assets was selected as the most appropriate benchmark to stakeholders
Performance materiality	£318,000 (2022: £284,000)	£185,000 (2022: £281,000)
Basis for determining performance materiality	70% of overall materiality (2022: 70% of overall materiality)	70% of overall materiality (2022: 70% of overall materiality)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £22,700 (2022: £20,300) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £13,200 (2022: £20,100) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The group consists of seven components, all of which are based in the UK.

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	90%	69%	100%
Specific audit procedures	2	10%	28%	–
Total	**4**	**100%**	**97%**	**100%**

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included an analysis of the sufficiency of the group's and parent company's current cash resources, taking into account current cash levels (following the equity share placing completed in December 2023 and related capitalisation of the deep discounted bond which had otherwise been due for renewal in April 2024) and a reasonable worse case trading scenario in the outlook period, taking account of the discretionary nature of forecast capital expenditure.

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 group's or the parent 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Independent Auditor's Report
to the members of Various Eateries plc CONTINUED

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 35 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 group's and the parent 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 group or the parent 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 group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are 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.

The most significant laws and regulations were determined as follows:

Legislation / regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS, FRS 101 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.
Food Safety	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance (as noted above) and inspection of legal and regulatory correspondence, if any.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Impairment of: goodwill and property, plant and equipment; impairment of intercompany receivable and investment in subsidiaries	As set out in key audit matters above.
Existence and occurrence of revenue	As set out in key audit matters above.
Inappropriate capitalisation of expenditure	Testing, on a sample basis, of amounts capitalised to check that only appropriate items have been capitalised.
Management override of controls	· Testing the appropriateness of journal entries and other adjustments; · Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and · Evaluating the business rationale of any significant transactions that are unusual or 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 FCA (SENIOR STATUTORY AUDITOR)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

31 January 2024

We are a community:

Be part of something;
We look out for each other;
We care about our community

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income
for the 52 weeks ended 1 October 2023

	Note	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Revenue	4	**45,495**	40,667
Cost of sales		**(43,597)**	(36,992)
Gross profit		**1,898**	3,675
Central staff costs		**(3,426)**	(2,617)
Share-based payments	26	**(69)**	(830)
Impairment of goodwill	13	**–**	(1,563)
Impairment of property, plant and equipment	14	**–**	(980)
Gain on early surrender of lease		**899**	–
Loss on disposal of property, plant and equipment		**(37)**	(54)
Other expenses	11	**(3,472)**	(2,840)
Operating loss		**(4,207)**	(5,209)
Financing costs	6	**(2,470)**	(2,006)
Loss before tax		**(6,677)**	(7,215)
Tax	10	**–**	–
Loss for the period		**(6,677)**	(7,215)
Earnings per share			
Basic loss per share (pence)	12	**(8.1)**	(8.8)
Diluted loss per share (pence)	12	**(8.1)**	(8.8)

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 other comprehensive income is presented.

Consolidated Statement of Financial Position
as at 1 October 2023

	Note	1 October 2023 £ 000	2 October 2022 £ 000
Non-current assets			
Intangible assets	13	**11,152**	11,214
Right-of-use assets	14	**24,873**	26,109
Other property, plant and equipment	14	**25,397**	21,592
		61,422	58,915
Current assets			
Inventories	16	**1,078**	808
Trade receivables	17	**154**	204
Other receivables	17	**2,082**	2,359
Cash and bank balances	18	**1,902**	9,390
		5,216	12,761
Total assets		**66,638**	71,676
Current liabilities			
Trade and other payables	19	**(13,380)**	(11,420)
Borrowings	20	**(13,511)**	(12,707)
		(26,891)	(24,127)
Net current liabilities		**(21,675)**	(11,366)
Total assets less current liabilities		**39,747**	47,549
Non-current liabilities			
Borrowings	21	**(28,049)**	(29,244)
Provisions	22	**(358)**	(357)
Total non-current liabilities		**(28,407)**	(29,601)
Total liabilities		**(55,298)**	(53,728)
Net assets		**11,340**	17,948
Equity			
Share capital	23	**890**	890
Share premium		**52,284**	52,284
Merger reserve		**64,736**	64,736
Employee benefit trust shares reserve		**(5,012)**	(5,012)
Retained earnings		**(101,558)**	(94,950)
Total funds attributable to the equity shareholders of the Company		**11,340**	17,948

The financial statements of Various Eateries PLC (registration number: 12698869) were approved by the Board and authorised for issue on 31 January 2024.

They were signed on its behalf by:

S BADELEK
Director

Company Statement of Financial Position
as at 1 October 2023

	Note	1 October 2023 £ 000	2 October 2022 (as restated – note 17) £ 000
Non-current assets			
Investments	15	**9,325**	9,325
Amounts due from subsidiaries		**43,808**	42,632
Total assets		**53,133**	51,957
Current liabilities			
Trade and other payables	19	**(2,795)**	(1,863)
Net current liabilities		**(2,795)**	(1,863)
Net assets		**50,338**	50,094
Capital and reserves			
Share capital	23	**890**	890
Share premium		**52,284**	52,284
Employee benefit trust shares reserve		**(5,012)**	(5,012)
Retained earnings		**2,176**	1,932
Total funds attributable to equity shareholders of the Company		**50,338**	50,094

As permitted by section 408 Companies Act 2006, the holding Company's statement of comprehensive income has not been included in these financial statements. The profit for the period was £175,000 (2022: £213,000).

The financial statements of Various Eateries PLC (registration number: 12698869) were approved by the Board and authorised for issue on 31 January 2024.

They were signed on its behalf by:

S BADELEK
Director

Consolidated Statement of Changes in Equity
for the 52 weeks ended 1 October 2023

Attributable to equity shareholders of the Company	Called-up share capital £ 000	Share premium account £ 000	Merger reserve £ 000	Employee benefit trust shares reserve £ 000	Retained Earnings £ 000	Total £ 000
At 3 October 2021	890	52,284	64,736	(5,012)	(88,565)	24,333
Share-based payments	–	–	–	–	830	830
Total transactions with owners	–	–	–	–	830	830
Loss for the period	–	–	–	–	(7,215)	(7,215)
Total comprehensive loss	–	–	–	–	(7,215)	(7,215)
At 2 October 2022	890	52,284	64,736	(5,012)	(94,950)	17,948
Share-based payments	**–**	**–**	**–**	**–**	**69**	**69**
Total transactions with owners	**–**	**–**	**–**	**–**	**69**	**69**
Loss for the period	**–**	**–**	**–**	**–**	**(6,677)**	**(6,677)**
Total comprehensive loss	**–**	**–**	**–**	**–**	**(6,677)**	**(6,677)**
At 1 October 2023	**890**	**52,284**	**64,736**	**(5,012)**	**(101,558)**	**11,340**

Company Statement of Changes in Equity
for the 52 weeks ended 1 October 2023

Attributable to equity shareholders of the Company	Called-up share capital £ 000	Share premium account £ 000	Employee benefit trust shares reserve £ 000	Retained losses £ 000	Total £ 000
At 3 October 2021	890	52,284	(5,012)	889	49,051
Share-based payments	–	–	–	830	830
Total transactions with owners	–	–	–	830	830
Profit for the period	–	–	–	213	213
Total comprehensive income	–	–	–	213	213
At 2 October 2022	890	52,284	(5,012)	1,932	50,094
Share-based payments	–	–	–	69	69
Total transactions with owners	–	–	–	69	69
Profit for the period	–	–	–	175	175
Total comprehensive income	–	–	–	175	175
At 1 October 2023	**890**	**52,284**	**(5,012)**	**2,176**	**50,338**

Consolidated Statement of Cash Flows
for the 52 weeks ended 1 October 2023

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Cash flows from operating activities		
Loss for the year	**(6,677)**	(7,215)
Adjustments to cash flows from non-cash items:		
Depreciation and amortisation	**5,571**	4,702
Impairment loss	**–**	2,543
Gain on early surrender of lease	**(899)**	–
Loss on disposal of assets and leases	**37**	54
Share-based payments	**69**	830
Financing costs	**2,470**	2,006
	571	2,920
Working capital adjustments:		
Increase in inventories	**(270)**	(262)
Decrease/(increase) in trade and other receivables	**327**	(1,059)
Increase in accruals, trade and other payables	**1,454**	262
Net cash flow from operating activities	**2,082**	1,861
Cash flows used in investing activities		
Purchases of property, plant and equipment	**(6,845)**	(8,852)
Net cash flows used in investing activities	**(6,845)**	(8,852)
Cash flows from financing activities		
Interest paid	**(1,627)**	(1,345)
Repayment of borrowings	**–**	(431)
Principal elements of lease payments	**(1,098)**	(1,559)
Net cash flows used in financing activities	**(2,725)**	(3,335)
Decrease in cash	**(7,488)**	(10,326)
Opening cash at bank and in hand	**9,390**	19,716
Closing cash at bank and in hand	**1,902**	9,390

Notes to the Financial Statements

1 GENERAL INFORMATION

Various Eateries PLC, 'the Company', and its subsidiaries (together 'the Group') are engaged in the operation of restaurants and hotels in London and the South East of England.

The Company is a public company limited by shares whose shares are publicly traded on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the registered office is 20 St Thomas Street, London, SE1 9RS.

2 ACCOUNTING POLICIES

BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of the financials statements of the Group which have been applied consistently to all periods presented, are set out below.

The Directors (the 'Directors') of Various Eateries PLC are responsible for the financial statements. Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustments in the next period are disclosed in note 3 on page 54.

The consolidated financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards. The Company has elected to prepare its parent company financial statements in accordance with FRS 101.

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

As permitted under s408 of the Companies Act 2006, the Company has taken advantage of the disclosure exemption in relation to the presentation of a Company statement of profit or loss. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective, impairment of assets, related party transactions and remuneration of key management personnel.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Various Eateries PLC and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 1 October 2023.

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

GOING CONCERN

In adopting the going concern basis for preparing the financial statements for the year ended 1 October 2023, which reflected net current liabilities of £21.7m, the Directors have considered the business model, as set out on page 12, the Group's principal risks and uncertainties as set out on page 21 as well as taking into account the current cash position and the equity raise detailed below.

Based on the Group's cash flow forecasts and projections for 18 months from the financial year end, 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 impact of the cost of living crisis, together with the events in Ukraine. We have also taken into consideration the equity placing in December 2023 giving rise to a cash injection of £9.7m, incorporating a debt to equity conversion of the £11.4m deep discounted bond, to support future roll outs (as detailed in note 29, post balance sheet events). For this reason, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

REVENUE

Restaurant revenue represents net invoiced sales of food and beverage excluding value added tax. Hotel revenue represents net invoiced sales of accommodation and room hire excluding value added tax. Revenue is recognised when the goods or services have been provided.

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

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

INTANGIBLE FIXED ASSETS (OTHER THAN GOODWILL)

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

Asset class	Depreciation method and rate
Right-of-use assets	Life of lease
Freehold buildings	2% per annum
Freehold land	Not depreciated
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.

INVENTORIES

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

FINANCIAL INSTRUMENTS

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised on the trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument. Financial instruments are derecognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

NON-DERIVATIVE FINANCIAL INSTRUMENTS

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. All financial instruments held are classified as subsequently measured at amortised cost.

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.

2 ACCOUNTING POLICIES CONTINUED

IMPAIRMENTS OF TANGIBLE AND INTANGIBLE FIXED ASSETS

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

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

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

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

TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Tax payable is based on taxable profit. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Any liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

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

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

EMPLOYEE BENEFITS

Post-retirement benefits

The 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.

LEASES

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

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

- Leases of low value assets; and
- Leases with a duration of 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 Group's incremental borrowing rate on commencement of the lease is used. This is 10.0% (2022: 4.5%). Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments, such as those linked to turnover, are expensed in the period to which they relate.

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

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

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

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

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

Lease modifications change the scope of the lease or change the consideration for the lease by comparison with that detailed in the original terms and conditions of the contract. If the modifications, in substance, mean that the original lease has been terminated and a new lease created, then the revised terms are accounted for as a new lease.

Where modifications do not need to be accounted for as a separate lease, the amount recognised for the lease liability and the right-of-use asset is revisited to reflect the updated terms and conditions of the contract.

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 Comprehensive Income.

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

INVESTMENTS

In the separate accounts of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

2 ACCOUNTING POLICIES CONTINUED

GOVERNMENT GRANTS

During the period, the Group has received business rates relief. The income from this has been offset against the expense to which it relates.

STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The following standards and interpretations relevant to the Group are in issue but are not yet effective and have not been applied in the financial statements. In some cases these standards and guidance have not been endorsed for use in the United Kingdom.

IAS 1 (Amendment)	Classification of liabilities as current or non-current
IAS 1 (Amendment)	Disclosure of accounting policies
IAS 8 (Amendment)	Definition of accounting estimates
IAS 12 (Amendment)	Deferred tax related to assets and liabilities arising from a single transaction
IFRS 17 (Amendment)	Insurance contracts

The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations. Given the nature of the standards/ interpretations the Group considers that the impact will not be material.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key estimate – 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 between 4.5% and 10.0%. A 0.5% increase in the discount rate to 5% and 10.5% will result in a decrease in net present value of the total lease liability of £883,000 in 2023 (2022: £1,012,000). A 0.5% decrease in discount rate to 4% and 9.5% results in increase in the net present value of the total lease liability of £927,000 in 2023 (2022: £1,067,000).

Key estimate – assessment of recoverable amounts for assets tested for impairment

The Group performs impairment assessments on goodwill, other intangibles, and property, plant and equipment as required by IAS 36 Impairment of assets. The Company also performs impairment assessments on investments in subsidiaries under IAS 36 and receivables from subsidiaries under IFRS 9 Financial instruments.

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 13 and 14 to the financial statements.

Determining whether assets are impaired under IFRS 9 requires application of the 'expected credit loss' approach, which involves estimation of how current and future economic conditions will impact on the amount of any such loss. The carrying value of receivables from subsidiaries is set out in note 17 to the financial statements. This assessment is undertaken by reference to the same underlying business model used in the impairment considerations in respect of goodwill, other intangibles and property, plant and equipment.

4 REVENUE

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

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Sale of goods	**41,437**	36,523
Accommodation and room hire	**4,025**	4,086
Sub-let rental income	**33**	58
	45,495	40,667

5 SEGMENTAL REPORTING

IFRS 8 'Operating Segments' requires operating segments to be based on the Group's internal reporting to its Chief Operating Decision Maker ('CODM'). The CODM is regarded as the Chief Executive Officer together with other Board Members who receive financial information at a site-by-site level.

	52 weeks ended 1 October 2023			
	Restaurant Segment £ 000	**Hotel Segment £ 000**	**Other Unallocated £ 000**	**Total £ 000**
Revenue	**41,437**	**4,025**	**33**	**45,495**
Adjusted EBITDA (before impact of IFRS 16)	**2,859**	**1,162**	**(6,210)**	**(2,189)**
Pre-opening income	**(809)**	–	**(77)**	**(886)**
Exceptional costs	–	–	**(126)**	**(126)**
Non-trading sites income	**27**	–	–	**27**
Impact of IFRS 16	**2,492**	**1,253**	–	**3,745**
Share-based payments	–	–	**(69)**	**(69)**
EBITDA	**4,569**	**2,415**	**(6,482)**	**502**
Depreciation and Amortisation	–	–	**(5,571)**	**(5,571)**
Loss on disposal of assets and leases	–	–	**(37)**	**(37)**
Gain on early surrender of lease	–	–	**899**	**899**
Financing costs	–	–	**(2,470)**	**(2,470)**
Profit / (loss) before tax	**4,569**	**2,415**	**(13,661)**	**(6,677)**
Tax	–	–	–	–
Profit / (loss) for the period	**4,569**	**2,415**	**(13,661)**	**(6,677)**

5 SEGMENTAL REPORTING CONTINUED

	52 weeks ended 2 October 2022			
	Restaurant Segment £ 000	Hotel Segment £ 000	Other Unallocated £ 000	Total £ 000
Revenue	36,523	4,086	58	40,667
Adjusted EBITDA (before impact of IFRS 16)	4,548	1,050	(5,161)	437
Pre-opening costs	(734)	–	(21)	(755)
Non-trading sites income	144	–	–	144
Impact of IFRS 16	1,819	1,275	–	3,094
Share-based payments	–	–	(830)	(830)
EBITDA	5,777	2,325	(6,012)	2,090
Depreciation and Amortisation	–	–	(4,702)	(4,702)
Loss on disposal of assets and leases	–	–	(54)	(54)
Impairments	–	–	(2,543)	(2,543)
Financing costs	–	–	(2,006)	(2,006)
Tax	–	–	–	–
Profit / (loss) for the period	5,777	2,325	(15,317)	(7,215)

6 FINANCE COSTS

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Interest on bank overdrafts and borrowings	**897**	661
Lease liability interest	**1,573**	1,344
Foreign exchange loss	**–**	1
Total financing costs	**2,470**	2,006
Net finance costs	**2,470**	2,006

7 AUDITOR'S REMUNERATION

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Audit of the financial statements	**206**	199

Audit fees for the 52 weeks ended 1 October 2023 includes £46,000 in respect of the 2022 audit. Audit fees for the 52 weeks ended 2 October 2022 includes £36,000 in respect of the 2021 audit. Audit fees for the 52 weeks ended 1 October 2023 include £2,000 (2022: £2,000) in respect of agreed-upon-procedures regarding turnover rent declarations.

8 STAFF NUMBERS AND COSTS

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Their aggregate remuneration comprised:		
Wages and salaries	**18,495**	15,339
Social security costs	**1,357**	1,215
Other pension costs (see note 25)	**279**	220
Share-based payments	**69**	830
Other employee costs	**151**	91
	20,351	17,695

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
The average monthly number of employees (including Directors) was:		
Restaurants	**899**	759
Hotels	**60**	56
Management	**54**	43
	1,013	858

The average monthly number of employees (being Directors) of the Company was seven (2022:seven).

9 DIRECTORS' REMUNERATION

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
The Directors' remuneration for the period in respect of services to the Group, was as follows:		
Remuneration	**504**	483
Employer pension contribution	**16**	9
	520	492

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
In respect of the highest paid Director:		
Remuneration	**200**	202
Employer pension contribution	**6**	5
	206	207

10 TAX

Tax charged in the statement of comprehensive income:

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Tax expense		
Corporation tax	–	–
Total current income tax	–	–
Tax expense in the statement of comprehensive income	–	–

Corporation tax is calculated at 25% (2022: 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 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Loss before tax	(6,677)	(7,215)
Corporation tax at standard rate 22.0% (2022: 19.0%)	(1,469)	(1,371)
Fixed asset differences	–	527
Expenses not deductible	247	1,792
Remeasurement of deferred tax for changes in tax rates	–	1
Income not taxable	–	(1,409)
Tax losses carried forward	1,160	–
Movement in deferred tax not recognised	62	529
Other movements	–	(69)
Total tax charge	–	–

No account has been taken of the potential deferred tax asset of £14,628,000 (2022: £13,375,000) calculated at 25% (2022: 25%) and representing losses carried forward and short-term timing differences, owing to the uncertainty over the utilisation of the losses available.

11 OTHER EXPENSES

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Depreciation and amortisation	324	244
AGA release of provision (note 22)	1	–
Other central costs	3,147	2,596
	3,472	2,840

12 EARNINGS PER SHARE

Basic loss per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares outstanding during the year. There were no potentially dilutive ordinary shares outstanding as at the periods ended 1 October 2023 and 2 October 2022.

	1 October 2023 £ 000	2 October 2022 £ 000
Loss for the year after tax	**(6,677)**	(7,215)
Basic and diluted weighted average number of shares	**82,143,398**	82,143,398
Basic loss per share (pence)	**(8.1)**	(8.8)
Diluted loss per share (pence)	**(8.1)**	(8.8)

13 INTANGIBLE ASSETS

GROUP

	Brand £ 000	**Goodwill £ 000**	**Trademarks, patents & licences £ 000**	**Total £ 000**
Cost or valuation				
At 2 October 2022	**2,912**	**26,019**	**25**	**28,956**
Additions	–	–	–	–
At 1 October 2023	**2,912**	**26,019**	**25**	**28,956**
Amortisation				
At 2 October 2022	**2,788**	**14,954**	–	**17,742**
Charge for the period	**62**	–	–	**62**
Impairment	–	–	–	–
At 1 October 2023	**2,850**	**14,954**	–	**17,804**
Carrying amount 1 October 2023	**62**	**11,065**	**25**	**11,152**

	Brand £ 000	Goodwill £ 000	Trademarks, patents & licences £ 000	Total £ 000
Cost or valuation				
At 3 October 2021	2,912	26,019	25	28,956
Additions	–	–	–	–
At 2 October 2022	2,912	26,019	25	28,956
Amortisation				
At 3 October 2021	2,724	13,391	–	16,115
Charge for the period	64	–	–	64
Impairment	–	1,563	–	1,563
At 2 October 2022	2,788	14,954	–	17,742
Carrying amount 2 October 2022	124	11,065	25	11,214

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

13 INTANGIBLE ASSETS CONTINUED

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 Cash Generating Units ('CGU's') fair value less costs of disposal and its value-in-use.

The goodwill balance relates to Tavolino Riverside (£1,046,000), Strada Southbank (£992,000), Rare Bird Hotels at Sonning Limited (£2,418,000), and Rare Bird Hotels at Streatley Limited (£6,609,000). Tavolino Riverside and Strada Southbank are included within the restaurant operating segment. Rare Bird Hotels at Sonning Limited and Rare Bird Hotels at Streatley Limited are included within the hotels operating segment.

Restaurant segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. The key underlying assumption is the group's 3 year business plan which is based on past experience, taking into account operational developments/ changes at the group's operating sites. A pre-tax discount rate of 12.1% was used (2022: 14.9%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with forecasts for the next three years were used. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 3% growth rate.

Impairment testing at 1 October 2023 resulted in no impairments.

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 1 October 2023. 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 1%, the forecast future EBITDA is reduced by 10% and the terminal growth rate reduced by 1%, a further impairment loss of £nil for the period ended 1 October 2023 would have to be recognised against goodwill (2022: £991,000). 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.

Hotel segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A pre-tax discount rate of 12.1% was used (2022: 14.9%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with forecasts for the next three years were used. Cash flows beyond the forecast period are extended at a terminal growth rate of 3% (2022: 2%).

Impairment testing at 1 October 2023 resulted in no requirement to reduce the carrying value of goodwill at 1 October 2023, as the recoverable amounts of the CGUs, based on value-in-use estimates, were greater than the carrying values.

The estimate of recoverable amount for the hotel segment is sensitive to the discount rate, trading forecast assumptions and terminal growth rate. If the discount rate used is increased by 1%, the forecast future EBITDA is reduced by 10% and the terminal growth rate reduced by 1%, no impairment would be required (2022: nil). 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.

Company

The Company has no intangible assets.

14 PROPERTY, PLANT AND EQUIPMENT

GROUP

	Right-of-use assets £ 000	Freehold property £ 000	Leasehold Improvements £ 000	Furniture, fittings and equipment £ 000	Assets Under Construction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation							
At 2 October 2022	**37,588**	**2,294**	**16,293**	**8,535**	**573**	**2,108**	**67,391**
Additions	**1,206**	**–**	**654**	**935**	**5,191**	**65**	**8,051**
Lease modifications	**56**	**–**	**–**	**–**	**–**	**–**	**56**
Disposals	**(1,228)**	**–**	**–**	**–**	**(30)**	**–**	**(1,258)**
Transfers	**–**	**–**	**4,304**	**664**	**(5,137)**	**169**	**–**
At 1 October 2023	**37,622**	**2,294**	**21,251**	**10,134**	**597**	**2,342**	**74,240**
Depreciation							
At 2 October 2022	**11,479**	**–**	**2,489**	**4,440**	**–**	**1,282**	**19,690**
Charge for the period	**2,499**	**138**	**1,054**	**1,502**	**–**	**316**	**5,509**
Eliminated on disposal	**(1,229)**	**–**	**–**	**–**	**–**	**–**	**(1,229)**
At 1 October 2023	**12,749**	**138**	**3,543**	**5,942**	**–**	**1,598**	**23,970**
Carrying amount							
At 1 October 2023	**24,873**	**2,156**	**17,708**	**4,192**	**597**	**744**	**50,270**

	Right-of-use assets £ 000	Freehold property £ 000	Leasehold Improvements £ 000	Furniture, fittings and equipment £ 000	Assets Under Construction £ 000	IT equipment £ 000	Total £ 000
Cost or valuation							
At 3 October 2021	29,215	2,294	9,814	6,003	1,336	1,583	50,245
Additions	6,531	–	5,481	2,291	585	495	15,383
Lease modifications	2,127	–	–	–	–	–	2,127
Disposals	(285)	–	–	(3)	(74)	(2)	(364)
Transfers	–	–	998	244	(1,274)	32	–
At 2 October 2022	37,588	2,294	16,293	8,535	573	2,108	67,391
Depreciation							
At 3 October 2021	8,491	–	1,756	3,091	–	1,015	14,353
Charge for the period	2,286	–	733	1,351	–	268	4,638
Eliminated on disposal	(278)	–	–	(2)	–	(1)	(281)
Impairment loss	980	–	–	–	–	–	980
At 2 October 2022	11,479	–	2,489	4,440	–	1,282	19,690
Carrying amount							
2 October 2022	26,109	2,294	13,804	4,095	573	826	47,701

Notes to the Financial Statements CONTINUED

14 PROPERTY, PLANT AND EQUIPMENT CONTINUED

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

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

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 (2023: £41,000, 2022: £42,000).

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

Restaurant segment

The key assumptions for the value-in-use calculations are those regarding the discount rate, trading forecasts and growth rates. A discount rate of 12.1% was used (2022: 14.9%), based on the Group's WACC and comparable businesses in the sector. Cash flows in line with forecasts over the next three years were used. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 3% growth rate.

Impairment testing resulted in no impairments in the year. The CGUs with the least headroom are Restaurant 1 with £23,000, Restaurant 2 with £432,000 and Restaurant 3 with £461,000.

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 1%, the forecast EBITDA is reduced by 10%, and the terminal growth rate reduced by 1%, an impairment loss of £650,000 for the period ended 1 October 2023 would have to be recognised against right-of-use assets. Management is not currently aware of any other reasonably possible changes to key assumptions that would cause a unit's carrying amount to exceed its recoverable amount.

Hotel segment

As a result of the headroom identified during the goodwill impairment testing of the hotel operating segment (see note 13), no impairment charge is required in respect of the hotel segment.

COMPANY

The Company has no property, plant and equipment.

15 INVESTMENTS

GROUP SUBSIDIARIES

Name of subsidiary	Principal activity	Country of incorporation and registered office	Proportion of ownership interest and voting rights held by the Group 2023	2022
Various Eateries Holdings Limited*	Holding company	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Rare Bird Hotels at Sonning Limited*†	Hotels and similar accommodation	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Rare Bird Hotels at Streatley Limited*†	Hotels and similar accommodation	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
VEL Property Holdings Limited	Property management services	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
SCP Sugar Limited	Holding company	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Various Eateries Trading Limited	Licensed restaurants	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Noci Islington Limited	Property management services	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Coppa Club (Haslemere) Limited	Property management services	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Coppa Club Limited	Property management services	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Coppa (Bath) Limited	Property management services	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Coppa Club Cardiff Limited	Property management services	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Tavolino Limited	Dormant	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%
Coppa Limited	Dormant	United Kingdom 20 St Thomas Street, London, SE1 9RS	**100%**	100%

* Indicates direct investment of the Company, other companies are held by direct subsidiaries.

† The two subsidiary companies set out above, Rare Bird Hotels at Sonning Limited (Registered Company Number 12764418) and Rare Bird Hotels at Streatley Limited (Registered Company Number 12764529) are exempt from the requirement for an audit for the period ended 01 October 2023 under section 479A of the Companies Act 2006 in respect of that period, as the ultimate parent company, Various Eateries PLC, which has prepared audited consolidated financial statements, is providing a guarantee under section 479C of the Companies Act 2006 in respect of that period, and all members of the companies above agree to the exemption of an audit for the period ended 01 October 2023.

	1 October 2023 £ 000	2 October 2022 £ 000
Summary of investments in subsidiaries		
At start and end of financial period	**9,325**	9,325

There were no additions by the Company in the period.

16 INVENTORIES

	Group		Company	
	1 October 2023 £ 000	2 October 2022 £ 000	**1 October 2023 £ 000**	2 October 2022 £ 000
Food and beverage	**392**	285	**–**	–
Consumables	**686**	523	**–**	–
	1,078	808	**–**	–

Inventories recognised as an expense in the period totalled £10,984,000 (2022: £9,828,000).

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	1 October 2023 £ 000	2 October 2022 £ 000	**1 October 2023 £ 000**	2 October 2022 as restated £ 000
Trade receivables	**154**	204	**–**	–
Prepayments	**946**	907	**–**	–
Other receivables	**1,136**	1,452	**–**	–
	2,236	2,563	**–**	–

All of the trade receivables were non-interest bearing, receivable under normal commercial terms, and the Directors do not consider there to be any material expected credit loss. The Directors consider that the carrying value of trade and other receivables approximates to their fair value. The receivable from subsidiaries (£42,632,000) at 2 October 2022 has been restated as a non current asset, which better reflects management's expectation of the timing of the recovery of the amount.

There is no impact on the parent company's profit for the period, nor its cash flows, nor on the net assets of the parent company at 2 October 2022.

18 CASH AND BANK BALANCES

	Group		Company	
	1 October 2023 £ 000	2 October 2022 £ 000	**1 October 2023 £ 000**	2 October 2022 £ 000
Cash and bank balances	**1,902**	9,390	**–**	–

19 TRADE AND OTHER PAYABLES

	Group		Company	
	1 October 2023 £ 000	2 October 2022 £ 000	**1 October 2023 £ 000**	2 October 2022 £ 000
Trade payables	**3,107**	2,232	**–**	–
Payables to subsidiaries	**–**	–	**2,795**	1,863
Accrued expenses	**4,205**	3,805	**–**	–
Social security and other taxes	**1,400**	1,363	**–**	–
Other payables	**1,377**	1,194	**–**	–
Lease liabilities due in less than one year	**3,291**	2,826	**–**	–
	13,380	11,420	**2,795**	1,863

20 CURRENT BORROWINGS

	Group		Company	
	1 October 2023 £ 000	2 October 2022 £ 000	**1 October 2023 £ 000**	2 October 2022 £ 000
Borrowings from related parties	**13,511**	12,707	**–**	–

Borrowings from related parties classed as payable within 12 months includes two deep discounted bond instruments issued by VEL Property Holdings Limited and by Various Eateries Trading Limited.

The deep discounted bond instrument issued by VEL Property Holdings Limited was rolled in January 2023 with a new redemption date of 14 July 2023. In July 2023 the deep discounted bond was rolled with a new redemption date of 14 January 2024. The nominal value at year end is £2,902,000 (2022: £2,791,000). The discount is recognised between subscription and redemption date, resulting in £51,000 of accrued financing costs as at the reporting date.

The deep discounted bond instrument issued by Various Eateries Trading Limited was rolled for 12 months in February 2023 with a redemption date of April 2024. The nominal value at year end is £10,001,000 (2022: £10,001,000). The discount is recognised between subscription and redemption date resulting in £368,000 of accrued financing costs at the reporting date. The balance of £608,000 (2022: £608,000) under the August 2019 loan agreement matures in April 2024, and bears cash settled interest at 3.75% above SONIA (2022: cash settled interest at 3.75% above SONIA).

21 NON-CURRENT BORROWINGS

	Group		Company	
	1 October 2023 £ 000	2 October 2022 £ 000	**1 October 2023 £ 000**	2 October 2022 £ 000
Lease liabilities due after more than one year	**28,049**	29,244	**–**	–

The loans and borrowings classified as financial instruments are disclosed in note 25.

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

22 PROVISIONS FOR LIABILITIES

GROUP

Authorised Guarantee Agreements ('AGAs')	**52 weeks ended 1 October 2023 £ 000**
At start and end of previous financial period	**357**
At start of financial period	**357**
Charge in the year	**1**
At end of financial period	**358**

The provision relates to the annual rental cost of three (2022: 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 30).

Notes to the Financial Statements CONTINUED

23 SHARE CAPITAL AND SHARE PREMIUM

AUTHORISED, ALLOTTED, CALLED-UP AND FULLY PAID SHARES

	1 October 2023		2 October 2022	
	No. 000	**£ 000**	No. 000	£ 000
Ordinary shares of £0.01 each	**89,008**	**890**	89,008	890

There were no movements in ordinary share capital in the period ended 1 October 2023.

Ordinary shares

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

Employee benefit trust shares reserve

The Group presents these shares as an adjustment to own equity at the period end date through the employee benefit trust shares reserve, until the point that the shares are awarded, and cease to be conditional awards of shares. The award of shares is conditional upon certain vesting criteria, as outlined in note 26.

24 RETIREMENT BENEFIT SCHEMES

GROUP PERSONAL PENSION SCHEME

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

The total cost charged to income of £279,000 (2022: £220,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. As at 1 October 2023, contributions of £34,000 (2022: £30,000) due in respect of the current reporting period had not been paid over to the schemes.

25 FINANCIAL INSTRUMENTS

GROUP

Financial assets at amortised cost

	1 October 2023 £ 000	2 October 2022 £ 000
Cash at bank and in hand	**1,902**	9,390
Trade and other receivables	**1,290**	1,656
	3,192	11,046

Reconciliation of liabilities arising from financing activities

	Lease Liabilities £ 000	Other Borrowings £ 000	Total £ 000
At start of financial period	32,070	12,707	44,777
New Borrowings/(disposals)	(425)	–	(425)
DDB renewal	–	–	–
Interest charge	1,573	804	2,377
Repayments during the period	(1,878)	–	(1,878)
At end of financial period	**31,340**	**13,511**	**44,851**

Valuation methods and assumptions

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

Financial liabilities at amortised cost

	1 October 2023 £ 000	2 October 2022 £ 000
Trade and other payables	**40,029**	39,190
Borrowings from related parties	**13,511**	12,707
	53,540	51,897

Valuation methods and assumptions

The Directors consider that the carrying amount of trade and other payables is approximately equal to their fair value due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Fair value hierarchy

The tables above detail the Group's assets and liabilities disclosed at fair value. Using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, all assets and liabilities shown above are considered to be level 3: 'Unobservable inputs for the asset or liability'. There were no transfers between levels during the financial period.

Financial risk management and impairment of financial assets

The Group's activities expose it to a variety of financial instrument risks. The risk management policies employed by the Group to manage these risks are discussed below. The primary objectives of the financial instrument risk management function are to establish risk limits, and then ensure that exposure to risks stay within these limits.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

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

Credit risk management

The Group's credit risk is attributable to trade and other receivables and cash with the carrying amount best representing the maximum exposure to credit risk. The Group places its cash with banks with high quality credit standings. Trade and other receivables relate to day-to-day activities which are entered into with creditworthy counterparties.

Market risk management

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

Interest rate risk management

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

Notes to the Financial Statements CONTINUED

25 FINANCIAL INSTRUMENTS CONTINUED

Liquidity risk management

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group 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 Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2023	**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						
Trade payables	–	**3,107**	–	–	–	**3,107**
Other payables	–	**5,582**	–	–	–	**5,582**
Borrowings – Deep Discount Bond	–	**12,903**	–	–	–	**12,903**
Borrowings – loan	**3.75% + SONIA**	**608**	–	–	–	**608**
Lease liability	**4.5%**	**3,291**	**3,718**	**3,733**	**20,598**	**31,340**
		25,491	**3,718**	**3,733**	**20,598**	**53,540**

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						
Trade payables	–	2,232	–	–	–	2,232
Other payables	–	4,999	–	–	–	4,999
Borrowings – Deep Discount Bond	–	12,792	–	–	–	12,792
Borrowings – loan	3.75% + SONIA	608	–	–	–	608
Lease liability	4.5%	3,157	3,669	11,178	26,451	44,455
		23,788	3,669	11,178	26,451	65,086

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

26 SHARE-BASED PAYMENTS

As at 1 October 2023, the Group maintained two separate share-based payment schemes for employee remuneration (2022: three):

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

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 £nil (2022: £713,000) has been recognised in profit and loss by the Group in the period ended 1 October 2023.

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

	JSOP (Scheme 1) Number of shares		
	Granted	Exercisable	Total
At 2 October 2022	**–**	**5,809,523**	**5,809,523**
Lapsed 11 November 2022	**–**	**(1,095,238)**	**(1,095,238)**
Lapsed 8 September 2023	**–**	**(2,190,476)**	**(2,190,476)**
At 2 October 2023	**–**	**2,523,809**	**2,523,809**
At 3 October 2021	5,809,523	–	5,809,523
Granted	–	–	–
Vested	(5,809,523)	5,809,523	–
At 2 October 2022	–	5,809,523	5,809,523

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 1.95 years. The total estimated fair value of the options granted on 18 September 2020 that was recognised in expenses over the vesting period is £1,513,000.

26 SHARE-BASED PAYMENTS CONTINUED

JSOP SCHEME 2

A charge of £nil (2022: £35,000) has been recognised in profit and loss by the Group in the period ended 1 October 2023.

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

	JSOP (Scheme 2)	
	Number of shares	Exercise price per share (£)
At 1 October 2023	**–**	**–**
At 3 October 2021	360,000	1.09
Lapsed 29 June 2022	(360,000)	1.09
At 2 October 2022	–	–

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	1.50 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 1 October 2023 have lapsed.

CSOP

A charge of £69,000 (2022: £82,000) has been recognised in profit and loss by the Group in the period ended 1 October 2023.

	CSOP	
	Number of shares	**Exercise price per share (£)**
At 2 October 2022	**1,240,441**	**various**
Granted 15 November 2022	**250,000**	**0.35**
Granted 4 April 2023	**642,857**	**0.28**
Granted 17 July 2023	**393,442**	**0.31**
Lapsed 11 November 2022	**(104,167)**	**1.09**
Lapsed 3 October 2022	**(136,887)**	**1.09**
Lapsed 30 April 2023	**(250,000)**	**1.09**
Lapsed 31 July 2023	**(91,258)**	**1.09**
At 1 October 2023	**1,944,428**	**various**
At 3 October 2021	92,402	1.09
Granted 17 January 2022	990,441	0.69
Lapsed 11 May 2022	(92,402)	1.09
Granted 25 August 2022	250,000	0.42
At 2 October 2022	1,240,441	various

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 £167,000.

	CSOP					
Grant date	11 May 2021	17 January 2022	25 August 2022	15 November 2022	4 April 2023	17 July 2023
Vesting period ends	11 May 2024	17 January 2025	25 August 2025	15 November 2025	4 April 2026	17 July 2026
Share price at date of grant	£1.08	£0.69	£0.42	£0.35	£0.28	£0.31
Volatility	65.66%	65.66%	65.66%	65.66%	65.66%	65.66%
Option life at grant	3 years	3 years	3 years	3 years	3 years	3 years
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free investment rate	0.87%	0.87%	0.87%	0.87%	0.87%	0.87%
Fair value per option at grant date	£0.49	£0.30	£0.19	£0.15	£0.12	£0.13
Exercise price at date of grant	£1.08	£0.69	£0.42	£0.35	£0.28	£0.31
Exercisable from/to	11 May 2024/ 11 May 2031	17 January 2025/ 17 January 2032	25 August 2025/ 25 August 2032	15 November 2025/15 November 2032	4 April 2026/ 4 April 2033	17 July 2026/ 17 July 2033
Remaining contractual life	0.6 years	1.3 years	1.9 years	2.1 years	2.5 years	2.8 years

27 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 £200,000 (2022: £198,000). In addition, H E M Osmond is the principal lender of the £12,903,000 borrowings (2022: £12,099,000) and a shareholder with controlling influence of Xercise2 Limited which is a significant shareholder of the Company. A Bassadone is the lender of £392,000 (2022: £392,000).

As at 1 October 2023, there was £nil (2022: £9,000) of accrued cash interest payable on borrowings from related parties.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

	52 weeks ended 1 October 2023 £ 000	52 weeks ended 2 October 2022 £ 000
Salaries and other short-term employee benefits	**699**	641
Employers national insurance contributions	**87**	83
Post-employment benefits	**21**	11
	807	735

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

	52 weeks ended 1 October 2023		52 weeks ended 2 October 2022	
	Purchase of Goods / Services £ 000	**Sale of Goods / Services £ 000**	Purchase of Goods / Services £ 000	Sale of Goods / Services £ 000
SCP Newbury Manor Limited	**14**	**–**	15	–
Osmond Capital Limited	**200**	**–**	198	–
The Great House at Sonning Limited	**747**	**–**	774	–
CCO Cygnet Limited	**891**	**–**	888	–
	1,852	**–**	1,875	–

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

	1 October 2023		2 October 2022	
	Amounts owed to related parties £ 000	**Amounts owed by related parties £ 000**	Amounts owed to related parties £ 000	Amounts owed by related parties £ 000
The Great House at Sonning Limited	**183**	**–**	–	–
SCP Newbury Manor Limited	**4**	**–**	–	–
CCO Cygnet Limited	**380**	**–**	207	–
Mudlark Hotels Limited	**–**	**24**	–	396
	567	**24**	207	396

SCP Newbury Manor Limited, Osmond Capital Limited, The Great House at Sonning Limited, SCP Newbury Manor Limited, CCO Cygnet Limited and Mudlark Hotels Limited are related parties of the Company because they have common shareholders with controlling influence with the Company.

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

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.

28 CONTROLLING PARTY

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

29 POST BALANCE SHEET EVENTS

EQUITY RAISE

In December 2023, the Company issued 86,036,788 shares at £0.25 each raising a total of £21,509,197. Of the total amount raised, £11,409,197 was used to convert the deep discounted bond debt in Various Eateries Trading Limited to equity (see note 20).
The remaining £10,100,000 was issued for cash consideration. The net cash inflow after transaction fees is £9,707,000.

DEEP DISCOUNTED BOND

In January 2024 the deep discounted bond owed by VEL Property Holdings Limited was rolled with a new redemption date of 14 July 2024 and a nominal value of £3,139,189.

SHARE OPTIONS

Following the equity raise, the existing share options were revised. All JSOP options of 2,523,809 and 654,167 of the CSOP scheme were surrendered.

New options totalling 13,483,180 under the CSOP scheme were issued and will vest over a three-year period to January 2027. One third were issued at 27.5 pence, a 10% premium to the equity raise price of 25 pence. The second third were at a 10% premium to the first issue at 30.25 pence and the last third at 33.275 pence.

30 CONTINGENT LIABILITIES

AUTHORISED GUARANTEE AGREEMENTS

There are 10 (2022: 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 £758,000, of which £358,000 (2022: £357,000) has been provided for (see note 23). The average remaining lease length is six years.

CJRS CLAIM

The Group 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 Group 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.

Advisers

NOMINATED ADVISER AND BROKER

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR

INDEPENDENT AUDITOR

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

SOLICITORS

Irwin Mitchell LLP
40 Holborn Viaduct
London
EC1N 2PZ

PUBLIC RELATIONS

Alma PR
71–73 Carter Lane
London
EC4V 5EQ

Various Eateries PLC

REGISTERED OFFICE:
20 St. Thomas Street
Runway East
London
SE1 9RS

www.variouseateries.co.uk