Registered number: 08722610

GUSTO RESTAURANTS GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 SEPTEMBER 2021

GUSTO RESTAURANTS GROUP LIMITED

COMPANY INFORMATION

Directors	J K Roberts K A Lawton M A Snell F Bandura T Ross-Jones A Elliott
Registered number	08722610
Registered office	81 King Street Knutsford England WA16 6DX
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 11th Floor, Landmark St Peters Square, 1 Oxford Street Manchester M1 4PB
Bankers	Santander Corporate Banking 298 Deansgate Manchester M3 4HH
Solicitors	Pinsent Masons LLP 3 Colmore Circus Birmingham B4 6BH

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

Overview

Gusto Restaurants Group Limited (Group) is the parent of Gusto Restaurants Limited, Gusto Restaurants Limited is the only trading subsidiary within the group. Gusto Restaurants Limited (Gusto, the Company) owns and operates Italian inspired premium restaurants and bars. Gusto's menu is aspirational and accessible and focuses on freshly prepared classic and contemporary Italian cuisine. Operating from city centre and neighbourhood locations, the Company comprises 13 restaurants and bars located in the Midlands, the North of England and Scotland. A superb atmosphere, ambience and high levels of service are key elements of Gusto's appeal. The Company's strategy is to grow shareholder value by building a business that is capable of delivering growing and sustainable long-term cash flows. The Board believes that the strength of the Gusto brand and the Company's very solid financial footing mean it is well placed to deliver on this key strategic aim.

Trading

The significant number of government imposed restrictions on trade due to the Covid-19 pandemic meant the business was only able to trade for approximately six months of the current financial year.

However, in the short periods of time when the company was allowed to trade, it was gratifying to see customers returning to experience Gusto's offering. As a result of that customer loyalty and the admirable efforts of the company's employees, each of whom was awarded a discretionary bonus to reward them for their hard work and support, the business traded ahead of budgeted expectations.

Turnover of £12.4m was an extremely positive result in the circumstances. This converted to a positive EBITDA contribution of £583,000 (FY20: £4,031,000). With net assets at the year end of £7,442,000 and a healthy cash balance, the business is well placed to build on that positive trading as the country moves forward.

Nevertheless, it is clear that UK government policy had a significant impact on the business, the hospitality sector in general and also the wider UK economy. Noting that the year under review included two full lockdowns, the implementation of a regional tiering system, partial re-openings and also periods of time when only outdoor trading was allowed, the directors are delighted with the performance of the business. This would not have been achieved without the fantastic efforts of our loyal suppliers and hard-working staff, so the directors would like to place on record their thanks to all who have supported the business throughout the year.

*Note that FY20 was an 18 month period.

Current trading and outlook

It continues to be the case that, when allowed to open and trade freely, the business performs very well. Indeed, trading in October and the early part of November 2021 was ahead of expectation. Customer feedback remains very high compared to peers and numerous employee initiatives are in place to help us continue to support and develop our staff.

However, as has been widely reported, government advice for people to work from home and limit social interaction significantly impacted on trading towards the end of calendar year 2021, particularly in the build-up to Christmas and over the festive period itself. Government support in the form of a £6,000 grant per site was welcomed, but clearly this was nowhere near enough to cover the shortfall in what is, for the vast majority of hospitality businesses, the most significant trading period of the year.

Nevertheless, the business has remained profitable through the first part of the new financial year, and with infection rates falling and government reviewing its advice on isolation periods, the directors remain hopeful that the coming year will be another positive one for the business and its people as it continues to grow.

As a demonstration of the company's positive intent, a new site was opened successfully in Nottingham in December 2021. Early signs are encouraging, with trading so far exceeding board expectations in spite of the wider operational difficulties all hospitality businesses continue to experience. As a result of that, and the company's strong financial position, new sites are continuing to be assessed and the directors hope to add at least one other site to the company's portfolio in the coming year.

Principal risks and uncertainties

COVID 19 pandemic and further lockdowns
Gusto follows any government regulations that are in force relating to the management of the pandemic and our teams are focused on ensuring the safety of our customers. Further lockdowns or advice to avoid hospitality are likely to impact the Company's performance, particularly if there is no substantial government support. The senior leadership team keeps itself regularly appraised of the latest government pronouncements as well as rules and regulations that are relevant to restaurants.

People and recruitment
The recruitment of people into the hospitality sector has always been a focus but it is evident that the sector has suffered from an outflow of available staff, both to other sectors and also through many returning to their home nations. Our aim is to become an employer of choice in the restaurant sector. We are therefore actively working to highlight the many things that set us apart from others in the sector, such as excellent training, providing real opportunities to grow and develop careers, a caring and supportive environment and the latest enabling technology.

In addition, the need to isolate whilst testing positive for COVID can put pressure on the restaurant teams having to cope with periods of enforced absences. We manage this by using available staff from other restaurants, by restricting the number of customers so as to maintain service levels or, in extreme cases, by closing a restaurant or restaurants. The directors are hopeful such situations will become less frequent as restrictions ease and advice on isolation periods changes.

Financial Instruments
The company uses various financial instruments to finance the company's operations. These include: cash generated from operations; a working capital facility and trade debtors and creditors.

Market and Interest Rate Risk
Market Risk encompasses two types of risk being currency risk and fair value interest rate risk. The Company does not have direct exposure to currency risk which is initially borne by its suppliers.

The company finances its operations and any capital expenditure through retained profits and internally generated cash resources. A working capital loan is in place as well as a senior debt facility with interest paid on a quarterly basis. No other external funding has been provided to the Company. In a period of historically low interest rates, no hedging or other financial instruments are in use to manage the interest rate risk on the Company's debt, the directors believing that the cost outweighs the benefit. However, this policy is subject to regular review.

Liquidity Risk
The company seeks to manage liquidity risk by reviewing cash balances on a daily basis and forecasting its cash flow prudently several months into the future.

Other Financial Risk
The senior leadership team regularly monitor and discuss other risks and uncertainties including restaurant performance, competition, economic conditions and rising costs.

Key performance indicators

The company monitors and relies on a number of key performance indicators when assessing performance. The main financial measures are sales performance compared to budget and prior year, the number of customers dining in its restaurants, food and beverage margin variances, labour cost and productivity as well as restaurant EBITDA (earnings before interest, taxes, depreciation and amortisation).

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

This report was approved by the board and signed on its behalf.

Frank Bandura

F Bandura
Director
Date: 28/6/2022

DIRECTORS' REPORT
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

The Directors present their report and the financial statements for the period ended 26 September 2021.

Results and dividends

The profit/(loss) for the period, after taxation, amounted to £103,000 *(2020: loss £122,000)*.

The Directors have not recommended payment of a dividend in the current or previous period.

Directors

The Directors who served during the period were:

J K Roberts
G W Tipper (resigned 23 October 2020)
K A Lawton
M A Snell
F Bandura
T Ross-Jones (appointed 23 October 2020)
T Selby (appointed 23 October 2020, resigned 30 March 2022)
A Elliott (appointed 1 July 2021)

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Employees

Communication with staff is accorded a high priority and employees are kept informed of the Group's performance and activities through regular briefings and updates. They are also given the opportunity to communicate their ideas to all levels of management.

The company considers applications, including from disabled individuals, for any available roles on the basis of merit and suitability for the specific role. The Company aims to provide a workplace that offers equal opportunities for all employees in terms of training, career development and promotion. Employees that become disabled whilst employed with the Company will be offered alternative employment, if available, should their disability prevent them from fulfilling their current job role.

Communications with employees is accorded a high priority, The Company uses the latest technology to ensure that employees are kept informed of the Company's performance and activities. There is also a facility for employees to ask questions of the Senior Leadership Team anonymously. Employees are also encouraged to provide direct feedback (also anonymously) on certain issues through a regular employee engagement survey.

There is an auto-enrolment pension scheme in place to ensure that pension benefits accrue to those employees that have not opted out.

The Group provides employee pension benefits for full time employees.

Going concern

The directors have prepared the accounts on a going concern basis. A range of factors were considered in arriving at this decision: firstly, the cash generation of the business driven by strong trading since re-opening in April 2021. Secondly, the UK moving rapidly towards a situation where lockdowns and coronavirus restrictions are no longer a mechanism used for controlling the level of COVID-19 infections. Finally, forecasts of business performance which include consideration of performance in the light of current food inflation and higher staff costs. Forecasts also test the group's ability to meet covenants using current performance indicators. The directors therefore have a reasonable expectation that the Group has sufficient resources to meet its liabilities as they fall due based on its forecasts of future performance.

Qualifying third party indemnity provisions

Insurance policies are in place that indemnify the directors against liability when acting for Gusto Restaurants Group Limited.

Disclosure of Information in the Strategic Report

The company has chosen to disclose information regarding the future development opportunities for the company and financial instrument risk management policies in the strategic report rather than the directors report.

Post balance sheet events

After the year end Gusto Restaurants Limited opened a further restaurant site in Nottingham in December 2021. Trading so far is ahead of board expectations.

Disclosure of information to auditor

The Directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Frank Bandura

F Bandura
Director
Date: 28/6/2022

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUSTO RESTAURANTS GROUP LIMITED

Opinion

We have audited the financial statements of Gusto Restaurants Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the period from 28 September 2020 to 26 September 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 26 September 2021 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUSTO RESTAURANTS GROUP LIMITED (CONTINUED)

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 and of 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.

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.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates. We determined the Companies Act 2006 and UK financial reporting legislation FRS 102 to be the most significant laws and regulations to the entity. We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Evaluation of the processes and controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
  - The Company's control environment including the adequacy of procedures for authorisation of transactions.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUSTO RESTAURANTS GROUP LIMITED (CONTINUED)

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.

Grant Thornton UK LLP

Paul Bamber MA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 28/6/2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	Note	**Period ended 26 September 2021 £000**	*As restated Period ended 27 September 2020 £000*
Turnover	4	**12,409**	*34,779*
Cost of sales		**(9,600)**	*(30,613)*
Gross profit		**2,809**	*4,166*
Administrative expenses		**(6,634)**	*(15,140)*
Exceptional administrative expenses/income	12	**(585)**	*8,010*
Other operating income	5	**3,575**	*4,224*
Operating (loss)/profit	6	**(835)**	*1,260*
Interest payable and similar expenses	10	**(490)**	*(1,402)*
Loss before taxation		**(1,325)**	*(142)*
Tax on loss	11	**1,428**	*20*
Profit/(loss) for the financial period		**103**	*(122)*

There was no other comprehensive income for 2021 *(2020: £Nil)*.

The notes on pages 20 to 42 form part of these financial statements.

All results relate to continuing operations.

GUSTO RESTAURANTS GROUP LIMITED
REGISTERED NUMBER:08722610

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 26 SEPTEMBER 2021

	Note		26 September 2021 £000		27 September 2020 £000
Fixed assets					
Intangible assets	13		**5,495**		*5,985*
Tangible assets	14		**5,891**		*6,299*
			11,386		*12,284*
Current assets					
Stocks	17	**259**		*219*	
Debtors: amounts falling due within one year	18	**1,562**		*512*	
Cash at bank and in hand	19	**5,483**		*3,580*	
		7,304		*4,311*	
Creditors: amounts falling due within one year	20	**(5,213)**		*(4,141)*	
Net current assets			**2,091**		*170*
Total assets less current liabilities			**13,477**		*12,454*
Creditors: amounts falling due after more than one year	21		**(6,035)**		*(5,125)*
Provisions for liabilities					
Net assets			**7,442**		*7,329*
Capital and reserves					
Called up share capital	24		**1**		-
Share premium account	25		**9,041**		*9,032*
Capital redemption reserve	25		**7,084**		*7,084*
Profit and loss account	25		**(8,684)**		*(8,787)*
Shareholder's funds			**7,442**		*7,329*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

F Bandura Frank Bandura
Director

Date: 28/6/2022

The notes on pages 20 to 42 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 26 SEPTEMBER 2021

	Note		**26 September 2021 £000**		*27 September 2020 £000*
Fixed assets					
Investments	16		**483**		*483*
			483		*483*
Current assets					
Debtors: amounts falling due within one year	18	**22**		*12*	
		22		*12*	
Net current assets			**22**		*12*
Total assets less current liabilities			**505**		*495*
Net assets			**505**		*495*
Capital and reserves					
Called up share capital	24		**1**		-
Share premium account	25		**9,041**		*9,032*
Profit and loss account	25		**(8,537)**		*(8,537)*
			505		*495*

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Company's profit for the year was £Nil *(2020: Loss: £8,408,000).*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Frank Bandura
F Bandura
Director

Date: 28/6/2022

The notes on pages 20 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 28 September 2020	-	9,032	7,084	(8,787)	7,329
Comprehensive income for the period					
Profit for the period	-	-	-	103	103
Total comprehensive income for the period	-	-	-	103	103
Shares issued during the period	1	9	-	-	10
Total transactions with owners	1	9	-	-	10
At 26 September 2021	1	9,041	7,084	(8,684)	7,442

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 27 SEPTEMBER 2020

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2019	-	9,032	-	(8,665)	367
Comprehensive income for the period					
Loss for the period	-	-	-	(122)	(122)
Total comprehensive income for the period	-	-	-	(122)	(122)
Capital contribution	-	-	7,084	-	7,084
Total transactions with owners	-	-	7,084	-	7,084
At 27 September 2020	-	9,032	7,084	(8,787)	7,329

The notes on pages 20 to 42 form part of these financial statements.

GUSTO RESTAURANTS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 28 September 2020	-	9,032	7,084	(8,787)	7,329
Comprehensive income for the period					
Profit for the period	-	-	-	103	103
Total comprehensive income for the period	-	-	-	103	103
Shares issued during the period	1	9	-	-	10
Total transactions with owners	1	9	-	-	10
At 26 September 2021	1	9,041	7,084	(8,684)	7,442

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 SEPTEMBER 2020

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 April 2019	-	9,032	-	(8,665)	367
Comprehensive income for the period					
Loss for the period	-	-	-	(122)	(122)
Total comprehensive income for the period	-	-	-	(122)	(122)
Capital contribution	-	-	7,084	-	7,084
Total transactions with owners	-	-	7,084	-	7,084
At 27 September 2020	-	9,032	7,084	(8,787)	7,329

The notes on pages 20 to 42 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 28 September 2020	-	9,032	(8,537)	495
Total comprehensive income for the period	-	-	-	-
Contributions by and distributions to owners				
Shares issued during the period	1	9	-	10
At 26 September 2021	1	9,041	(8,537)	505

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 SEPTEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2019	-	9,032	(129)	8,903
Comprehensive income for the period				
Loss for the period	-	-	(8,408)	(8,408)
Total comprehensive income for the period	-	-	(8,408)	(8,408)
At 27 September 2020	-	9,032	(8,537)	495

The notes on pages 20 to 42 form part of these financial statements.

GUSTO RESTAURANTS GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 28 September 2020	-	9,032	(8,537)	495
Total comprehensive income for the period	-	-	-	-
Contributions by and distributions to owners				
Shares issued during the period	1	9	-	10
At 26 September 2021	1	9,041	(8,537)	505

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 27 SEPTEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2019	-	9,032	(129)	8,903
Comprehensive income for the period				
Loss for the period	-	-	(8,408)	(8,408)
Total comprehensive income for the period	-	-	(8,408)	(8,408)
At 27 September 2020	-	9,032	(8,537)	495

The notes on pages 20 to 42 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	26 September 2021 £000	*27 September 2020 £000*
Cash flows from operating activities		
Profit/(Loss) for the financial period	**103**	*(122)*
Adjustments for:		
Amortisation of intangible assets	**490**	*728*
Depreciation of tangible assets	**928**	*2,043*
Impairments of fixed assets	**-**	*1,674*
Loss on disposal of tangible assets	**23**	*3,168*
Interest paid	**490**	*431*
Taxation charge	**(1,428)**	*(20)*
(Increase)/decrease in stocks	**(40)**	*92*
(Increase)/decrease in debtors	**(206)**	*933*
Increase/(decrease) in creditors	**1,655**	*(6,174)*
Corporation tax received	**-**	*2*
Net cash generated from operating activities	**2,015**	*2,755*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 26 SEPTEMBER 2021

	26 September 2021 £000	*27 September 2020 £000*
Cash flows from investing activities		
Purchase of intangible fixed assets	-	*(560)*
Purchase of tangible fixed assets	**(542)**	-
Net cash from investing activities	**(542)**	*(560)*
Cash flows from financing activities		
Issue of ordinary shares	**1**	-
Share premium on issue	**9**	-
New secured loans	**700**	-
Repayment of loans	-	*(744)*
Interest paid	**(280)**	*(431)*
Net cash used in financing activities	**430**	*(1,175)*
Net increase in cash and cash equivalents	**1,903**	*1,020*
Cash and cash equivalents at beginning of period	**3,580**	*2,560*
Cash and cash equivalents at the end of period	**5,483**	*3,580*
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**5,483**	*3,580*

The notes on 20 to 42 form part of these financial statements.

1. General information

Gusto Restaurants Group Limited is private Company limited by shares and incorporated in England and Wales. Its registered office is 81 King Street, Knutsford, WA16 6DX.

The Company's principal activity in the current and prior period, is the management activities of a holding Company. The principal activity of the Group is that of restaurateurs.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The accounts are for the period from 28 September 2020 to 26 September 2021. The prior period was 18 months from 1 April 2019 to 27 September 2020.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have prepared the accounts on a going concern basis. A range of factors were considered in arriving at this decision: firstly, the cash generation of the business driven by strong trading since re-opening in April 2021. Secondly, the UK moving rapidly towards a situation where lockdowns and coronavirus restrictions are no longer a mechanism used for controlling the level of COVID-19 infections. Finally, forecasts of business performance which include consideration of performance in the light of current food inflation and higher staff costs. Forecasts also test the group's ability to meet covenants using current performance indicators. The directors therefore have a reasonable expectation that the Group has sufficient resources to meet its liabilities as they fall due based on its forecasts of future performance.

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and turnover can be readily measured. Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added tax. Turnover relates to revenue earned from the sale of goods.

Sale of goods

Turnover relates to income received from customers who eat and drink in the restaurants is recognised on the day the event occurs. Customer deposits received in advance is held as a liability on the Statement of Financial Position until the customer eats or drinks in the restaurants. Function deposits and gift vouchers are recognised as turnover when the function occurs or the voucher is tendered.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The intangible assets are amortised over the following useful economic lives:

Trademarks	-	9 years
Goodwill (purchased)	-	9 years
Goodwill (consolidated)	-	20 years

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold property improvements	- Over 25 years
Fixtures and fittings	- Over 10 years
Computer equipment	- Over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2. Accounting policies (continued)

2.13 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Government grants

Government grants, including Coronavirus job retention scheme income, are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.16 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2. Accounting policies (continued)

2.19 Pre-opening costs

Pre- opening costs are recognised in advance of the opening of bars and restaurants and include expenditure incurred up to the reporting date.

2.20 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

At each reporting date the carrying value of investments is reviewed for indicators of impairment. If there are indicators of impairment management will perform an impairment review. This requires an estimate of the 'recoverable amount' - the higher of 'value in use' and fair value less costs to sell - of the cash generating unit. Estimating the value in use requires the directors to make an estimate of the expected future cash flows and choose a suitable discount rate to calculate the present value of those cash flows. The actual cash flows may differ from the directors' estimates.

4. Turnover

An analysis of turnover by class of business is as follows:

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Food and beverage	**12,409**	*34,779*

All turnover arose within the United Kingdom.

5. Other operating income

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Government grants receivable namely CJRS and other Covid-19 support	**3,575**	*4,224*

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Period ended 26 September 2021 £000	*As restated Period ended 27 September 2020 £000*
Depreciation of tangible fixed assets	**928**	*2,043*
Amortisation of intangible assets, including goodwill	**490**	*728*
Operating lease rentals: Other	**2**	*38*
Operating lease rentals: Land and buildings	**792**	*2,916*
Defined contribution pension cost	**90**	*701*
Exceptional items (note 12)	**585**	*(8,010)*
Loss on disposal of tangible fixed assets	**23**	*3,167*
Impairment of tangible fixed assets	**-**	*1,674*

7. Auditor's remuneration

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**30**	*30*

Fees payable to the Group's auditor and its associates in respect of:

Accounts preparation services	**4**	*3*
Taxation compliance services	**8**	*8*

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	**Company 26 September 2021 £000**	*Company 27 September 2020 £000*
Wages and salaries	**7,903**	*17,100*	-	-
Social security costs	**512**	*1,295*	-	-
Cost of defined contribution scheme	**90**	*701*	-	-
	8,505	*19,096*	-	-

Company

The Company had £Nil staff costs, including Directors remuneration during the period *(2020: £Nil).*

Group

The average monthly number of employees, including the Directors, during the period was as follows:

	Period ended 26 September 2021 No.	*Period ended 27 September 2020 No.*
Management and administration	**101**	*550*
Retail (including part time employees)	**356**	*160*
	457	*710*

Company

The Company had Nil employees, during the period *(2020: Nil).*

9. Directors' remuneration

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Directors' emoluments	**543**	*527*

The highest paid Director received remuneration of £239,000 *(2020: £217,000)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £1,000 *(2020: £5,000)*.

10. Interest payable and similar expenses

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Bank interest payable	**-**	*431*
Other interest payable	**490**	*971*
	490	*1,402*

11. Taxation

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Current tax on profits for the period	**-**	*585*
Current tax adjustments in respect of prior periods	**(585)**	*-*
Deferred tax		
Origination and reversal of timing differences	**(93)**	*(622)*
Adjustments in respect of prior periods	**(490)**	*(22)*
Effect from change in rate	**(260)**	*39*
Total deferred tax	**(843)**	*(605)*
Taxation on loss on ordinary activities	**(1,428)**	*(20)*

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than *(2020: higher than)* the standard rate of corporation tax in the UK of 19% *(2020: 19%)*. The differences are explained below:

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Loss on ordinary activities before tax	**(1,325)**	*(142)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2020: 19%)*	**(252)**	*(27)*
Effects of:		
Income not taxable	**-**	*(2,137)*
Expenses not deductible for tax purposes	**86**	*2,730*
Capital allowances for period in excess of depreciation	**-**	*182*
Fixed asset differences	**72**	*-*
Adjustments to tax charge in respect of prior periods	**(585)**	*-*
Adjustments to deferred tax charge in respect of prior periods	**(490)**	*(21)*
Short term timing differences	**-**	*(785)*
Remeasurement of deferred tax for change in rate	**(260)**	*38*
Other permanent differences	**1**	*-*
Total tax credit for the period	**(1,428)**	*(20)*

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax will increase to 25%. The increase in the main corporation tax rate from 19% to 25%, effective 1 April 2023, was substantively enacted in May 2021. This increase in rate has been reflected in the measurement of the deferred tax represented in these accounts given it is expected to reverse wholly or partly after April 2023.

12. Exceptional items

	Period ended 26 September 2021 £000	*Period ended 27 September 2020 £000*
Management restructuring costs	-	*57*
Site closure and associated costs	-	*637*
Bad debts written off	-	*46*
Creditors written off as a result of the CVA	-	*(4,373)*
Loan notes written off	-	*(3,300)*
Accrued loan note interest written off	-	*(1,077)*
Closures and re-openings due to Covid 19	**526**	-
Pre-opening	**59**	-
	585	*(8,010)*

IIn the prior period there were restructuring charges, largely as a consequence of the impact of the Covid-19 pandemic and the Company entering into a Company Voluntary Arrangement (CVA) in September 2020. As a result of this significant liabilities were written off. The liabilities written off were reflected in exceptional items above.

The current period exceptional costs largely relate to site closures and associated costs incurred as a result of UK Government imposed lockdowns along with pre-opening costs of new sites.

13. Intangible assets

Group

	Trademarks £000	Purchased goodwill £000	Consolidated goodwill £000	Total £000
Cost				
At 28 September 2020	46	508	8,636	9,190
At 26 September 2021	46	508	8,636	9,190
Amortisation				
At 28 September 2020	46	371	2,788	3,205
Charge for the period on owned assets	-	58	432	490
At 26 September 2021	46	429	3,220	3,695
Net book value				
At 26 September 2021	-	79	5,416	5,495
At 27 September 2020	*-*	*137*	*5,848*	*5,985*

Amortisation on intangible assets is charged to administration expenses.

14. Tangible fixed assets

Group

	Leasehold property improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 28 September 2020	10,740	8,563	463	19,766
Additions	285	246	12	543
Disposals	(1,496)	(3,173)	(137)	(4,806)
At 26 September 2021	9,529	5,636	338	15,503
Depreciation				
At 28 September 2020	7,595	5,495	377	13,467
Charge for the period on owned assets	358	525	45	928
Disposals	(1,473)	(3,173)	(137)	(4,783)
At 26 September 2021	6,480	2,847	285	9,612
Net book value				
At 26 September 2021	3,049	2,789	53	5,891
At 27 September 2020	*3,145*	*3,068*	*86*	*6,299*

15. Analysis of net debt

	At 28 September 2020 £000	Cash flows £000	Other non-cash changes £000	At 26 September 2021 £000
Cash at bank and in hand	3,580	1,903	-	5,483
Debt due after 1 year	(5,125)	(700)	(210)	(6,035)
	(1,545)	1,203	(210)	(552)

16. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 28 September 2020	**483**
At 26 September 2021	**483**
Net book value	
At 26 September 2021	**483**
At 27 September 2020	*483*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Gusto Restaurants UK Limited	81 King Street, Knutsford, England, WA16 6DX	Holding Company	Ordinary	100%
Gusto Restaurants Limited	81 King Street, Knutsford, England, WA16 6DX	Restaurateurs	Ordinary and preference	100%
Darnold Licensing Limited	81 King Street, Knutsford, England, WA16 6DX	Dormant	Ordinary	100%

17. Stocks

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	**Company 26 September 2021 £000**	*Company 27 September 2020 £000*
Restaurant and bar stock	**259**	*219*	**-**	*-*

Stock recognised in cost of sales during the period as an expense was £2,614,000 *(2020: £7,668,000)*.

No impairment loss was recognised in cost of sales against stock during 2021 or 2020 due to slow-moving and obsolete stock. The total carrying amount of stock is pledged as security against the Group's loans.

18. Debtors

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	**Company 26 September 2021 £000**	*Company 27 September 2020 £000*
Trade debtors	**13**	*4*	**-**	*-*
Amounts owed by Group undertakings	**-**	*-*	**10**	*-*
Other debtors	**28**	*201*	**-**	*-*
Prepayments and accrued income	**428**	*58*	**-**	*-*
Deferred taxation	**1,093**	*249*	**12**	*12*
	1,562	*512*	**22**	*12*

No impairment loss was recognised against debtors during 2021 or 2020.

19. Cash and cash equivalents

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	**Company 26 September 2021 £000**	*Company 27 September 2020 £000*
Cash at bank and in hand	**5,483**	*3,580*	**-**	*-*

20. Creditors: Amounts falling due within one year

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	**Company 26 September 2021 £000**	*Company 27 September 2020 £000*
Trade creditors	**1,700**	*1,301*	-	-
Corporation tax	-	*584*	-	-
Other taxation and social security	**1,052**	*145*	-	-
Other creditors	**812**	*869*	-	-
Accruals and deferred income	**1,649**	*1,242*	-	-
	5,213	*4,141*	-	-

21. Creditors: Amounts falling due after more than one year

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	**Company 26 September 2021 £000**	*Company 27 September 2020 £000*
Loan notes	**910**	-	-	-
Other loans	**5,125**	*5,125*	-	-
	6,035	*5,125*	-	-

In the period to 27 September 2020 the debt was assigned from Santander to Ensco Finco LLP and is shown in Other loans at £5,125,000. Interest is charged at LIBOR plus 3.75%. Repayment of the loan is due in full on 21 September 2025.

An additional £699,000 loan notes were issued on 13 October 2020 which included a redemption premium. The loan notes have been recognised at amortised cost using the effective interest method. Interest is charged at LIBOR plus 3.75%. Repayment of the addition loan notes is due in full in 13 October 2025.

Within the current financial year both of the loans detailed above have been listed on The International Stock Exchange.

22. Loans

	Group 26 September 2021 £000	*Group 27 September 2020 £000*
Amounts falling due 2-5 years		
Loan notes	910	-
Other loans	5,125	5,125
	6,035	5,125

23. Deferred taxation

Group

	2021 £000	*2020 £000*
At beginning of period	249	(356)
Credit to profit or loss	844	605
At end of period	1,093	249

	Group 26 September 2021 £000	*Group 27 September 2020 £000*	Company 26 September 2021 £000	*Company 27 September 2020 £000*
Accelerated capital allowances	-	195	-	-
Short term timing differences	64	54	12	12
Losses and other deductions	896	-	-	-
Fixed asset timing differences	133	-	-	-
	1,093	249	12	12

24. Share capital

	26 September 2021 £	*27 September 2020 £*
Allotted, called up and fully paid		
10,000 *(2020: Nil)* B Ordinary shares of £0.010000 each	**100**	-
1,000 *(2020: Nil)* C Ordinary shares of £0.001000 each	**1**	-
850,000 *(2020: Nil)* Preferred Ordinary shares of £0.001000 each	**850**	-
8,550,140 *(2020: 8,550,140)* F Ordinary shares of £0.000001 each	**9**	*9*
1 *(2020: 1)* Deferred share of £1.000000	**1**	*1*
1 *(2020: 1)* A Deferred share of £1.000000	**1**	*1*
124,125 *(2020: 124,125)* B Deferred shares of £0.001000 each	**124**	*124*
	1,086	*135*

In the current year there was a share issue of 10,000 B Ordinary shares of £0.01 each, 1,000 C Ordinary shares of £0.0001 each and 850,000 preference ordinary shares of £0.001 each. The B Ordinary shares were issued for proceeds of £10k therefore recognising £9k of share premium as a result of the issue. The proceeds were at par for the other issues. See below for the associated rights of each of the new categories of shares.

The rights attaching to each class of shares have varying rights, which have been detailed below.

Voting
The C ordinary and preferred ordinary shares all have full voting rights. The other share classes hold no voting rights.

Dividend
The C ordinary, preferred ordinary and B ordinary shares all have the right to receive a dividend at the discretion of the Directors. The other share classes hold no right to receive a dividend.

Capital
The C ordinary, A deferred, preferred ordinary, B ordinary and B deferred shares all have the right to a capital distribution (including on winding up). The other share classes hold no right to a capital distribution (including on winding up).

25. Reserves

Called up share capital

Represents the nominal value of shares that have been issued.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

This reserve represents a capital contribution from management.

Profit and loss account

Includes all current and prior period retained losses.

26. Contingent liabilities

The company has given a guarantee in respect of the leasehold property in Albert Dock, Liverpool. The guarantee is secured by a fixed and floating charge on the company's properties and undertakings, and a negative pledge. The charge is held with Ensco Finco LLP, Santander UK PLC, Palatine Private Equity LLP and Beechbrook Mezzanine Ii Jersey Limited (Security Agent).

As at 26 September 2021 and 27 September 2020, the Directors have confirmed that the Group and Company had no other contingent liabilities.

27. Capital commitments

As at 26 September 2021 the Group had £1.1m committed in relation to capital expenditure relating to various sites *(27 September 2020: £Nil)*.

28. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administrated fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £90,000 *(2020: £701,000)*. There are outstanding contributions to the fund at 26 September 2021 totalling £28,000 *(2020: £57,000)*.

29. Commitments under operating leases

At 26 September 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 26 September 2021 £000	*Group 27 September 2020 £000*
Not later than 1 year	**1,048**	*872*
Later than 1 year and not later than 5 years	**4,722**	*4,252*
Later than 5 years	**15,221**	*15,043*
	20,991	*20,167*

The Company has no commitments under operating leases at 26 September 2021 or 27 September 2020.

30. Related party transactions

The Group and Company has taken advantage of the exemption in FRS 102 (section 33) "Related Party Disclosure" and has not disclosed transactions with Group undertakings.

Related party transactions consisted of £165,000 *(2020: £80,000)* of management charges to Palatine Private Equity LLP. The balance owed to them at 26th September 2021 was £46,000 *(2020: £Nil)*.

Within the year loan notes were issued to Gusto Restaurants Limited from Palatine Private Equity LLP for the value of £700,000. See note 21 for disclosures of the repayment terms and the year end balance including accrued interest. In the previous year the bank loan due to Santander of £5,125,000 was reassigned to Palatine Private Equity LLP. The amount due to this related party at year end in relation to these loans is £6,035,000 *(2020: £5,125,000)*.

31. Prior period restatement

A prior period adjustment has been recognised to correct the classification of costs between costs of sales and administrative expenses, following a review by management. This has resulted in the reclassification of £22,945k from administrative expenses previously reported to cost of sales. Therefore administrative expenses previously reported as £37,244k have decreased and been restated as £14,299k. Cost of sales previously reported of £7,668k have increased and been restated as £30,613k. This is a reclassification only and therefore there is no impact on the reported loss for the previous period.

32. Post balance sheet events

After the year end Gusto Restaurants Limited opened a further restaurant site in Nottingham in December 2021.

33. Controlling party

The Directors consider the ultimate controlling party of the Company to be Palatine Private Equity LLP.