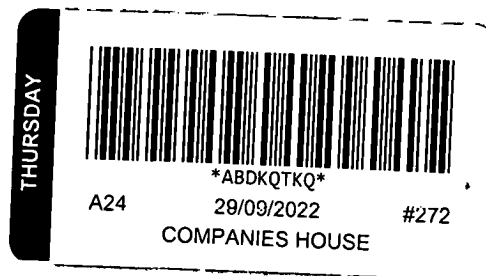


Registration number: 12339094

VEL PROPERTY HOLDINGS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021**



VEL PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

Directors	O Williams Y Malkov
Registered number	12339094
Registered office	Runway East 20 St. Thomas Street London SE1 9RS
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

VEL PROPERTY HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the financial statements	9 - 16

VEL PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

The Directors present their annual report on the affairs of VEL Property Holdings Limited ('the Company'), together with the audited financial statements for the 53 week period ended 3 October 2021.

The basis of preparation of the financial statements is set out in note 2 on page 9.

Principal activity

The company holds a freehold property.

Directors' responsibilities statement

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

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

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

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

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

Results and Dividends

The results of the Company for the period are set out on page 6.

The Directors do not recommend the payment of a dividend.

Directors

The directors who served during the period were:

O Williams (appointed 28 November 2019)

Y Malkov (appointed 14 September 2020)

Directors' liability insurance and indemnity

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

VEL PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

Going concern

The Company is part of the Various Eateries plc group of companies. Various Eateries plc has confirmed that it will provide financial support to the Company should this be required for 18 months from the date of approval of these financial statements. The directors note, however that the Various Eateries plc group of companies has borrowings, including a deep discounted bond with a nominal value of £9.5m which is redeemable in April 2023. The Company also has a deep discounted bond with a nominal value of £2.8m which is redeemable in January 2023. The ability of Various Eateries plc to provide the required financial support to the Company is predicated on the ability of the Various Eateries plc group to renew/replace or roll over the deep discounted bonds prior to, or at, their respective redemption dates.

The directors have concluded that the above circumstances represent a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Company will have adequate resources to continue operating for at least the next 18 months following the date of approval of these financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

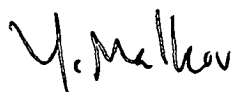
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Y Malkov
Director

Date: 28 September 2022

VEL PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEL PROPERTY HOLDINGS LIMITED

Opinion

We have audited the financial statements of VEL Property Holdings Limited (the 'company') for the period ended 3 October 2021 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 October 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to note 2 to the financial statements concerning the company's ability to continue as a going concern. As at 3 October 2021, the company had net current liabilities of £2,411,000 including £1,000 owed to Various Eateries plc and fellow group companies. The company is reliant on the ongoing support of Various Eateries plc. The Various Eateries plc group has borrowings repayable within the next twelve months. These events or conditions, along with the other matters as set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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.

VEL PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEL PROPERTY HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

VEL PROPERTY HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEL PROPERTY HOLDINGS LIMITED

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

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

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

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

Use of our report

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

William Farren

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

28 September 2022

VEL PROPERTY HOLDINGS LIMITED

PROFIT & LOSS ACCOUNT
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

		53 weeks ended 3 October 2021 £ 000	Period ended 27 September 2020 £ 000
	Note		
Rent receivable	-	182	5
Administrative expenses		(43)	(17)
Operating profit / (loss)		139	(12)
Interest payable and similar expenses	5	(142)	(102)
Loss before tax		(3)	(114)
Tax	6	-	-
Loss for the period		(3)	(114)

There were no recognised gains and losses for the 2021 or 2020 other than those included in the income statement.

The notes on pages 9 to 16 form part of these financial statements.

VEL PROPERTY HOLDINGS LIMITED
REGISTERED NUMBER: 12339094

BALANCE SHEET
AS AT 3 OCTOBER 2021

	Note	3 October 2021 £ 000	27 September 2020 £ 000
Non-current assets			
Investment Property	7	2,294	2,277
Current assets			
Debtors	8	129	135
Cash at bank and in hand		10	5
		<u>139</u>	<u>140</u>
Current liabilities			
Trade and other creditors	9	(7)	(129)
Borrowings	10	(2,543)	(2,402)
		<u>(2,411)</u>	<u>(2,391)</u>
Net current liabilities		<u>(2,411)</u>	<u>(2,391)</u>
Net liabilities		<u>(117)</u>	<u>(114)</u>
Equity			
Share capital	12	-	-
Profit and loss account		(117)	(114)
		<u>(117)</u>	<u>(114)</u>
Total shareholder's deficit		<u>(117)</u>	<u>(114)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006.

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

Y. Malkov

Y Malkov
Director

Date: 28 September 2022

The notes on pages 9 to 16 form part of these financial statements.

VEL PROPERTY HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 OCTOBER 2021

	Called-up share capital £ 000	Profit and loss account £ 000	Total equity £ 000
Loss for the period	-	(114)	(114)
Total comprehensive loss	-	(114)	(114)
At 27 September 2020	-	(114)	(114)
Loss for the period	-	(3)	(3)
Total comprehensive loss	-	(3)	(3)
At 3 October 2021	-	(117)	(117)

The notes on pages 9 to 16 form part of these financial statements.

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

1. Company information

VEL Property Holdings Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on the Company Information page at the front of the financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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

2.2 Going concern

The Company is part of the Various Eateries plc group of companies. Various Eateries plc has confirmed that it will provide financial support to the Company should this be required for 18 months from the date of approval of these financial statements. The directors note, however that the Various Eateries plc group of companies has borrowings, including a deep discounted bond with a nominal value of £9.5m which is redeemable in April 2023. The Company also has a deep discounted bond with a nominal value of £2.8m which is redeemable in January 2023. The ability of Various Eateries plc to provide the required financial support to the Company may be predicated on the ability of the Various Eateries plc group to renew/replace or roll over the deep discounted bonds prior to, or at, their respective redemption dates.

The directors have concluded that the above circumstances represent a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Company will have adequate resources to continue operating for at least the next twelve months following the date of approval of these financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements.

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

2.3 Financial instruments

The Company 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 income statement.

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.

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 Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.4 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.

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

2.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is 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 investment property by equal instalments over its estimated useful economic life on a straight-line basis. The following rates are applied:

Asset class	Depreciation method and rate
Freehold buildings	50 years
Freehold land	Not depreciated

The estimated useful life, residual value 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. Investment property is tested for impairment if indications of impairment are present.

2.6 Impairments of investment property

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

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

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

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

2.7 Taxation

The tax expense represents the tax currently payable and is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account 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. The Company liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

2.8 Dividends

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

3. Critical accounting judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

Key estimate - Impairment of investment property

Determining whether investment properties are impaired requires an estimation of the value in use of the cash-generating units ('CGUs') to which investment properties have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Details of cash generating units as well as further information about the assumptions made are disclosed in note 7.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

5. Interest payable and similar expenses

	53 weeks ended 3 October 2021 £ 000	Period ended 27 September 2020 £ 000
Financing costs on borrowings	<u>142</u>	<u>102</u>

VEL PROPERTY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021**

6. Taxation

Factors affecting tax charge for the period

Corporation tax is calculated at 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 and loss as follows:

	53 weeks ended 3 October 2021	Period ended 27 September 2020 £ 000
Loss before tax	<u>(3)</u>	<u>(114)</u>
Corporation tax at standard rate 19%	-	(22)
Expenses not deductible for tax purposes	27	20
Group relief claimed	(24)	
Deferred tax not recognised	<u>(3)</u>	<u>2</u>
Total tax charge / (credit)	<u>-</u>	<u>-</u>

7. Investment property

	Investment property £ 000
Cost or valuation	
Additions	<u>2,277</u>
At 27 September 2020	<u>2,277</u>
Additions	<u>17</u>
At 3 October 2021	<u>2,294</u>
Amortisation	
Charge for the period	<u>-</u>
At 27 September 2020	<u>-</u>
Charge for the period	<u>-</u>
At 3 October 2021	<u>-</u>
Carrying amount	
At 3 October 2021	<u>2,294</u>
At 27 September 2020	<u>2,277</u>

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

7. Investment property (continued)

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

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

The key assumptions for the value in use calculations are those regarding the discount rate, trading forecasts and growth rates. A discount rate of 12.0% was used, based on the Company's WACC and comparable businesses in the sector. Cash flows in line with 5 year forecasts were used, which incorporate an impact of the Covid-19 pandemic and assumptions concerning the rate at which site level cash flows will recover. Cash flows beyond the forecast period are extended out to the end of the lease terms at a 2% growth rate. The key assumption for the fair value calculations is the multiple applied to site EBITDA. A multiple of 5 times site EBITDA was used based on expected market value if the sites were to be sold as individual trading businesses.

Impairment testing identified no impairment to investment property.

8. Debtors

	3 October 2021 £ 000	27 September 2020 £ 000
Trade and other receivables	19	-
Prepayments and accrued income	-	33
Amounts owed by other group undertakings	107	102
Social security and other taxes	3	-
	<u>129</u>	<u>135</u>

9. Creditors: Amounts falling due within one year

	3 October 2021 £ 000	27 September 2020 £ 000
Trade creditors	-	2
Accruals and deferred income	6	5
Amounts owed to other group undertakings	1	122
	<u>7</u>	<u>129</u>

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

10. Borrowings

	3 October 2021 £ 000	27 September 2020 £ 000
Borrowings from related parties	<u>2,543</u>	<u>2,402</u>

Borrowings from related parties represents a deep discounted bond instrument issued by the Company on 14 January 2021. The subscription amount was £2,438,000, the nominal value £2,584,000 and the final redemption date is 14 January 2022. The discount recognised on a straight-line basis between subscription and redemption date, resulting in £105,000 of accrued finance costs at the reporting date.

11. Financial instruments

	3 October 2021 £ 000	27 September 2020 £ 000
Financial assets - loans and receivables		
Other debtors	126	5
Cash and cash equivalents	<u>10</u>	<u>5</u>
	<u>136</u>	<u>10</u>

Valuation methods and assumptions

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

	3 October 2021	27 September 2020
Financial liabilities at amortised cost		
Creditors: Amounts falling due within one year	7	129
Borrowings from related parties	<u>2,543</u>	<u>2,402</u>
	<u>2,550</u>	<u>2,531</u>

Valuation methods and assumptions

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

VEL PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 53 WEEKS ENDED 3 OCTOBER 2021

12. Share capital

	3 October 2021 £ 000	27 September 2020 £ 000
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary shares of £1	<u>-</u>	<u>-</u>

13. Controlling party

The ultimate controlling party is H E M Osmond.

The immediate parent company is Various Eateries Holdings Limited, registered in England and Wales. The ultimate parent company and largest and smallest group into which this company is consolidated is Various Eateries PLC, registered in England and Wales. Copies of the group financial statements may be obtained from Various Eateries PLC, 20 St. Thomas Street, London, SE1 9RS.

14. Post Balance Sheet event

Within current liabilities at the year end, there was a deep discounted bond instrument with a nominal value of £2,584,000 and a final redemption date of 14 January 2022. In January 2022, this was replaced by a new deep discounted bond instrument with a nominal value of £2,791,000 and a final redemption date of 14 January 2023.