HISTORICAL FINANCIAL INFORMATION OF HOSTMORE LIMITED

COMBINED STATEMENT OF COMPREHENSIVE INCOME

The combined statements of comprehensive income of the Group for each of the 52 weeks ended 30 December 2018, 29 December 2019 and 27 December 2020 as well as periods ended 28 June 2020 and 27 June 2021 are presented below.

			52 weeks		Periods ended	
	Note	**30 December 2018 £'000**	**29 December 2019 £'000**	**27 December 2020 £'000**	**28 June 2020 (Unaudited) £'000**	**27 June 2021 £'000**
Revenue	4	208,823	214,838	129,088	52,357	39,920
Cost of sales		(45,920)	(46,708)	(26,183)	(11,707)	(7,710)
Gross profit		**162,903**	**168,130**	**102,905**	**40,650**	**32,210**
Administrative expenses		(160,194)	(146,163)	(131,368)	(68,216)	(51,711)
Other income	5	670	172	20,628	11,942	14,886
Operating profit/(loss)	6	**3,379**	**22,139**	**(7,835)**	**(15,624)**	**(4,615)**
Interest receivable and similar income	11	110	216	129	105	22
Interest payable and similar expenses	12	(14,341)	(13,400)	(12,486)	(6,226)	(6,578)
(Loss)/Profit before taxation		**(10,852)**	**8,955**	**(20,192)**	**(21,745)**	**(11,171)**
Taxation	13	1,302	(1,914)	2,878	2,894	3,200
(Loss)/Profit for the financial year from continuing operations		**(9,550)**	**7,041**	**(17,314)**	**(18,851)**	**(7,971)**
Total comprehensive (loss)/gain for the year		**(9,550)**	**7,041**	**(17,314)**	**(18,851)**	**(7,971)**

All operations are continuing operations.

COMBINED STATEMENT OF FINANCIAL POSITION

The combined statements of financial position of the Group as at 30 December 2018, 29 December 2019 and 27 December 2020 as well as the period ended and 27 June 2021 are presented below.

	Note	30 December 2018 £'000	29 December 2019 £'000	27 December 2020 £'000	27 June 2021 £'000
Non-current assets					
Goodwill	14	145,979	145,979	145,979	145,979
Property, plant and equipment	15	57,481	55,598	48,919	45,130
Right-of-use assets	16	147,556	136,717	121,219	116,856
Net investment in a sub-lease	17	934	780	620	534
Prepayments		40	60	60	60
Deferred tax asset	18	2,655	2,318	4,486	7,142
Total non-current assets		**354,645**	**341,452**	**321,283**	**315,701**
Current assets					
Inventory	19	1,199	1,249	703	1,049
Net investment in a sub-lease	17	134	158	359	454
Current tax assets				1,313	1,902
Trade and other receivables	20	6,736	7,638	6,521	6,980
Cash and cash equivalents	21	17,573	27,121	37,201	36,166
Total current assets		**25,642**	**36,166**	**46,097**	**46,551**
Total assets		**380,287**	**377,618**	**367,380**	**362,252**
Current liabilities					
Borrowings	24	(1,076)	(1,076)	(1,426)	(1,426)
Current tax liabilities		(353)	(408)	-	-
Trade and other payables	22	(160,944)	(163,045)	(173,936)	(167,600)
Provisions	25	-	-	(509)	(509)
Lease liabilities	16, 23	(14,217)	(12,678)	(17,672)	(22,148)
Total current liabilities		**(176,590)**	**(177,207)**	**(193,543)**	**(191,683)**
Non-current liabilities					
Borrowings	24	(65,987)	(64,911)	(63,834)	(63,296)
Provisions	25	-	-	(2,821)	(2,850)
Lease liabilities	16, 23	(154,029)	(144,778)	(133,774)	(130,046)
Total non-current liabilities		**(220,016)**	**(209,689)**	**(200,429)**	**(196,192)**
Total liabilities		**(396,606)**	**(386,896)**	**(393,972)**	**(387,875)**
Net liabilities		**(16,319)**	**(9,278)**	**(26,592)**	**(25,623)**
Total equity					
Invested capital	26	-	-	-	8,930
Share premium		-	-	-	-
Share based payment reserve	27	4,054	4,054	4,054	10
Retained losses		(20,373)	(13,332)	(30,646)	(34,563)
Total equity		**(16,319)**	**(9,278)**	**(26,592)**	**(25,623)**

Refer to Note 31 for the combined statement of financial position as at the date of transition to IFRS (01 January 2018).

COMBINED STATEMENT OF CHANGES IN EQUITY

The combined statements of changes in members' interests of the Group for each of the 52 weeks ended 30 December 2018, 29 December 2019 and 27 December 2020 as well as periods ended 28 June 2020 and 27 June 2021 are presented below.

	Invested capital £'000	**Share premium £'000**	**Share based payment reserve £'000**	**Retained losses £'000**	**Total £'000**
Balance at 1 January 2018	-	-	3,264	(10,823)	(7,559)
Total comprehensive loss for the year	-	-	-	(9,550)	(9,550)
Share based payments (Note 27)	-	-	790	-	790
Balance at 30 December 2018	**-**	**-**	**4,054**	**(20,373)**	**(16,319)**
Total comprehensive gain for the year	-	-	-	7,041	7,041
Balance at 29 December 2019	**-**	**-**	**4,054**	**(13,332)**	**(9,278)**
Total comprehensive loss for the period	**-**	**-**	**-**	(18,851)	(18,851)
Balance at 28 June 2020 (unaudited)	**-**	**-**	**4,054**	**(32,183)**	**(28,129)**
Total comprehensive gain for the period	-	-	-	1,537	1,537
Balance at 27 December 2020	**-**	**-**	**4,054**	**(30,646)**	**(26,592)**
Total comprehensive loss for the year	-	-	-	(7,971)	(7,971)
Share based payments (Note 27)	-	-	10	-	10
Shares issued (Note 26)	8,930	-	-	-	8,930
Reclassified to retained earnings on lapsing			(4,054)	4,054	-
Balance at 27 June 2021	**8,930**	**-**	**10**	**(34,563)**	**(25,623)**

COMBINED STATEMENT OF CASH FLOWS

The combined statements of cash flow of The Group for each of the 52 weeks ended 30 December 2018, 29 December 2019 and 27 December 2020 as well as periods ended 28 June 2020 and 27 June 2021 are presented below.

		52 weeks ended			Periods ended	
	Notes	**30 December 2018 £'000**	**29 December 2019 £'000**	**27 December 2020 £'000**	**28 June 2020 (unaudited) £'000**	**27 June 2021 £'000**
Cash flows from operating activities						
(Loss)/Profit for the financial period		(9,550)	7,041	(17,314)	(18,851)	(7,971)
Adjustments for:						
Depreciation, amortisation and impairment	7,15,16	41,526	23,328	31,248	17,047	11,063
COVID rent concessions		-	-	(1,475)	-	(1,077)
Loss on lease derecognition		407	1,889	-	-	-
Interest receivable and similar income	11	(110)	(216)	(129)	(105)	(22)
Interest payable and similar expenses	12	14,369	13,440	12,519	6,242	6,593
Equity settled share-based payment expenses	27	790	-	-	-	10
Taxation	13	(1,302)	1,914	(2,878)	(2,894)	(3,200)
		46,130	**47,396**	**21,971**	**1,439**	**5,396**
Decrease/(Increase) in trade and other receivables		174	2,099	1,116	231	(460)
(Increase)/Decrease in inventory		(14)	(50)	546	290	(347)
(Decrease)/Increase in trade and other payables		(1,086)	459	6,483	(416)	3,073
(Decrease)/Increase in provisions	25	(622)	-	3,330	-	30
Cash used in operations		**(1,548)**	**2,508**	**11,475**	**105**	**2,296**
Rental income from finance sub-leases		177	184	8	4	14
Tax paid		(2,350)	(1,608)	(970)	(970)	-
Net cash generated from operating activities		**42,409**	**48,480**	**32,484**	**578**	**7,706**
Cash flows from investing activities						
Interest received		56	150	75	75	-
Initial direct costs incurred on new leases		(209)	(82)	(11)	-	(15)
Purchase of property, plant and equipment		(9,990)	(11,325)	(3,666)	(2,480)	(2,090)
Net cash used in investing activities		**(10,143)**	**(11,257)**	**(3,602)**	**(2,405)**	**(2,105)**
Cash flows from financing activities						
Proceeds from share issue	26	-	-	-	-	8,930
Repayment of intercompany loan	26	-	-	-	-	(8,930)
Lease payments		(21,852)	(23,733)	(15,606)	(830)	(4,958)
Repayment of bank loan	24	(1,400)	(1,400)	(1,050)	(350)	(700)
Interest paid on bank loan		(2,425)	(2,542)	(2,146)	(1,118)	(978)
Net cash used in financing activities		**(25,677)**	**(27,675)**	**(18,802)**	**(2,298)**	**(6,636)**
Net increase in cash and cash equivalents		**6,589**	**9,548**	**10,080**	**(4,125)**	**(1,035)**
Cash and cash equivalents at beginning of period		**10,984**	**17,573**	**27,121**	**27,121**	**37,201**
Cash and cash equivalents at end of period		**17,573**	**27,121**	**37,201**	**22,996**	**36,166**

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. General information

This combined financial information presents the financial track record of Hostmore plc (formerly Hostmore Limited), Hostmore Group Limited, Wednesdays (Bidco) Limited and their respective subsidiaries (the "Group") for the 52 week periods ended 30 December 2018, 29 December 2019 and 27 December 2020 and the 26 week period ended 27 June 2021.

The Group has not in the past constituted a separate legal group but is a collection of subsidiaries wholly owned by Electra Private Equity plc ("Electra") throughout the period for which this combined financial information has been presented. Whilst the Group did not constitute a separate legal group, all the entities comprising the Group were under common management and common control throughout this period.

The combined financial information presented in this Part X, Section B "Historical Financial Information of the Group" has been prepared specifically for this Prospectus.

The entities that comprise the Group are all incorporated and domiciled in the UK. The principal activities of the Group are the development and operation of branded restaurants and bars and ancillary activities.

Summary of significant accounting policies

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

Basis of preparation

The Company was incorporated on 14 April 2021 for the purpose of acting as parent undertaking for the Group. The Company does not have independent operations in its own right and, as at 27 June 2021, it was a wholly owned subsidiary of Electra. On [reorganisation date], the Company acquired investments from Electra which comprised 100% of the issued share capital of Hostmore Group Limited, and indirectly 100% of the issued share capital of Wednesdays (Bidco) Limited and its respective subsidiaries following implementation of a group reorganisation.

As the Group has not in the past constituted a separate legal entity, the combined historical financial information, which has been prepared specifically for this Prospectus, is therefore prepared on a basis that combines the results, assets and liabilities of each of the entities constituting the Group by applying the principles underlying the consolidation procedures of IFRS 10 'Consolidated Financial Statements' ("IFRS 10") for each of the 52 week periods ended 30 December 2018, 29 December 2019 and 27 December 2020 and the 26 week period ended 27 June 2021, and as at those dates. On such basis, the combined historical financial information sets out the Group's balance sheet as at 30 December 2018, 29 December 2019, 27 December 2020 and 27 June 2021, and combined results of the Group's operations and cash flows for each of the 52 week periods and 26 week period then ended.

This combined historical financial information presents and is prepared for the purposes of this Prospectus and in accordance with the requirements of the Prospectus Directive regulation, the Listing Rules, this basis of preparation, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

This basis of preparation describes how this combined financial information has been prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006' (each and together "IFRS"). The combined historical financial information has been prepared in accordance with those accounting policies that are consistent with those that will be applied by [Hostmore plc] in its financial statements as at and for the 53 weeks ended 02 January 2022. The principal accounting policies that have been applied to this combined financial information are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

IFRS does not provide for the preparation of combined historical financial information and, accordingly, in preparing the combined historical financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 "Standards for Investment Reporting applicable to public reporting engagements on historical financial information" issued by the UK Auditing Practices Board have been applied.

The following summarises the accounting and other principles applied in preparing the Group's combined financial information:

The combined financial information has been prepared on a historical cost basis;

The combined financial information has been prepared by using the Group's historical records to aggregate the results, assets and liabilities of each of the entities constituting the Group and by applying the principles underlying the consolidation procedures of IFRS 10 for each of the 52 week periods ended 30 December 2018, 29 December 2019 and 27 December 2020 and the 26 week period ended 27 June 2021 and as at these dates;

The income tax expense and tax balances in the combined historical financial information have been determined based on the amounts recorded by the Group companies in their statutory accounts. Deferred tax assets and liabilities reflect the full historical deferred tax assets and liabilities recorded by the legal entities included in the Group. The tax charges recorded in the combined income statement and combined statement of comprehensive income are not necessarily representative of the tax charges that would have been reported had the Group been an independent group throughout the period presented. They are not necessarily representative of the tax charges that may arise in the future;

The Group has not in the past constituted a separate legal group and therefore it is not meaningful to show share capital or an analysis of reserves for this combined Group. As such, the net assets of the Group are represented by the cumulative investment of the [Electra] in the Group (shown as "Invested Capital");

As the financial information has been prepared on a combined basis, it is not possible to measure earnings per share. Accordingly, the requirement of IAS 33 'Earnings per Share' to disclose earnings per share has not been complied with.

The Group's deemed transition date to IFRS for the purpose of the combined historical financial information is 31 December 2017, being the beginning of the first period presented, and the requirements of IFRS 1 'First-time Adoption of International Reporting Standards' have been applied as of that date. IFRS 1 allows certain exemptions in the application of particular IFRS to prior periods in order to assist companies with the transition process. The exemptions applied are detailed within the notes to the accounts.

As the Group did not constitute a separate legal group at the date of transition, or throughout the period covered by this combined financial information, the Group has not previously prepared or reported any combined financial information in accordance with any other generally accepted accounting principles ('GAAP'). Consequently, it is not possible to provide IFRS 1 reconciliations between financial information prepared under any previous GAAP and the financial information prepared in accordance with IFRS included in this combined financial information, as required by IFRS 1.

The combined financial information of the Group does not necessarily reflect what the results of operations, financial position, or cash flows would have been had the Group been a separate entity or the future results of the Group as it will exist upon completion of the transaction.

The combined historical financial information is prepared in accordance with IFRS under the historical cost convention, as modified for the revaluation of certain financial instruments. The combined historical financial information is presented in thousands of pounds ("£000") except when otherwise indicated.

The principal accounting policies adopted in the preparation of the combined financial information are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

Measurement convention

The consolidated financial information has been prepared under the historical cost convention.

The preparation of the consolidated financial information in compliance with IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 2.

Basis of consolidation

The combined financial information include the financial statements of the Company and its subsidiary undertakings. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Going concern

The accounts have been prepared on a going concern basis. Whilst the Group is in a net liability position, the strong positive EBITDA and the positive operating cash flow supports the directors' belief that the Group is well placed to manage its business risks successfully and for this reason they have adopted the going concern basis in preparing the financial information.

The Group operates a casual dining business with restaurants throughout the UK. Since March 2020 the trade of the group has been materially disrupted by the effects of the Covid-19 pandemic. The imposition of material Covid-19 related trading restrictions and related support by the UK government is unprecedented, as is the flexibility and support of other stakeholders such as the landlords and banks, who, each acting in their own commercial best interests, have been supportive of the Group to date in finding a mutual path through the period of material Covid-19 disruption. The Directors firmly believe that stakeholders will continue to work together to ensure that viable businesses come through this period of uncertainty in order to continue to generate wealth for all stakeholders in the future.

The Group has completed a re-financing as of 7 July 2021, and as a result has agreed new covenants, measured at the operating group level of Wednesdays (Bidco) Limited and its subsidiaries. These covenants include a single minimum liquidity covenant measured monthly until August 2022. Quarterly covenant tests of the adjusted leverage ratio and fixed charge cover are then reinstated, measured quarterly on a last twelve months basis from quarter ending September 2022, together with a capex covenant measured annually from December 2022. The Group has also prepared forecasts of the expected position for the next 18 months, including severe but plausible downside sensitivities. The severe but plausible downside sensitivities do not result in a breach of any of these newly agreed covenant tests.

The directors are confident that the business will continue to trade and develop profitably beyond the period of Covid-19 disruption and are therefore confident that it is appropriate to prepare these financial statements on a going concern basis.

Revenue recognition

The Group primarily derives revenue from two streams: Dine-in and Dine-out.

Dine-in revenue

The Group has the following performance obligations in its contracts with customers:

1- The sale of food and drinks under the TGI Friday's brand - Sales are recognised when the control of the product has transferred. This is the point at which the products are consumed by the customers in the restaurant.

2- For customers enrolled in the loyalty scheme, an additional performance obligation is the promise to award loyalty points for these purchases which entitle customers to discounts on future purchases. Refer to Note 2 on how transaction price is allocated between the two performance obligations.

Payments are made fully in cash at the time of the sale of food and drink and a contract liability for the loyalty points is recognised. Revenue for the loyalty points is recognised when the points are redeemed or when they expire 12 months after the initial sale.

Dine-out revenue and Other

The Group has a single performance obligation which is the sale of food and drinks through third-party delivery partners, click and collect, cocktails at home and drive up cinema. Sales are recognised when the control of the product has transferred being the point at which products are delivered to the customers. A receivable is recognised for the value of food and drinks at the point of sale. Payment terms are usually settlement within 30 days by the delivery partners. Commissions paid to the delivery partners are recognised as an expense in the statement of comprehensive income.

Gift cards

The Group sells gift vouchers for use in its restaurants both directly and via third parties.

A contract liability is recognised at the point of sale of gift cards. Revenue is recognised when the vouchers are redeemed or when they expire 18 months after the initial sale.

Any commission paid to third parties on sale of gift cards is recognised as an asset and recognised in the statement of comprehensive income when the gift card is redeemed or expires (18 months from the date of issue).

Government grants

The Group recognises government grants at fair value when there is reasonable assurance that the entity will comply with the conditions attached to them and that the grant will be received. Government grants are recognised in the statement of comprehensive income on a systematic basis over the period in which the entity recognises as expense the related costs for which the grants are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in the statement of comprehensive income of the period in which it becomes receivable. The Group has elected to present government grants as “Other income” in the statement of comprehensive income.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, unwinding of the discount on provisions, interest on the lease liability and net foreign exchange losses that are recognised in the statement of comprehensive income.

Other interest receivable and similar income includes interest receivable on funds invested, interest arising from net-investment in sub-leases and net foreign exchange gains.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest method.

Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, together with adjustments to tax payable in respect of previous years.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the reporting date Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency translation

Transactions in foreign currencies are translated to the Group’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate ruling at the reporting date, with all exchange difference being recognised in profit and loss for the year. Differences on settlement of monetary items are recognised in profit and loss for the year.

Goodwill and impairment

On transition, because IFRS 3 has not been applied retrospectively to past business combinations, in the opening IFRS statement of financial position, goodwill has been recognised at the carrying amount of goodwill as reported under the previous financial reporting framework FRS 102.

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

Goodwill does not generate cash flows independently of other assets or groups of assets and is required to be allocated to each CGU or group of CGUs that benefits from the business combination that gave rise to the goodwill. The Group does not allocate goodwill to individual CGUs as it is deemed to represent the ongoing value of the existing business and brand and it cannot be allocated to individual restaurants on a non-arbitrary basis. Therefore, the goodwill is allocated to all CGUs as a group.

Consequently, the Group tests all CGUs for impairment at each reporting date on a value in use basis and where a CGU is considered impaired its carrying value is reduced to its recoverable amount. The impairment loss is allocated pro rata between the assets of the CGU on the basis of the carrying amount of each asset. After this initial allocation of impairment losses, if the combined carrying amount of the CGUs and goodwill is higher than the recoverable amount of the group of all CGUs, the residual impairment losses are allocated to goodwill. At present, sufficient headroom exists and no impairment losses have been allocated to the goodwill.

Where there is an indication that an impairment loss recognised in prior periods for an asset other than goodwill no longer exists, the impairment loss is reversed. The reversal is allocated to the CGU's assets on a pro rata basis. However, the carrying amount of an individual asset is not increased above the higher of its recoverable amount or its historical depreciated cost.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The Group assesses at each reporting date whether an item of property, plant and equipment is impaired.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the shorter of the lease term or the estimated useful lives of each item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	Lease term
Plant and equipment	3 to 8 years
Fixtures and fittings	4 to 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

Inventory

Inventory is stated at the lower of cost and net realisable value. Net realisable value is estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventory, production or conversion costs and other costs in bringing them to their existing location and condition.

Financial instruments

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

Non-derivative financial instruments comprise trade and other receivables, net investment in sub-leases, cash and cash equivalents, borrowings, lease liabilities and trade and other payables. All financial instruments held are measured at amortised cost.

Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade and other receivables for returns to supplies and sales made through third party voucher houses and delivery partners
- net investments in sub-leases
- cash and cash equivalents are also subject to the impairment requirements of IFRS 9. However, the identified impairment loss was immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables and net investments in sub-leases. To measure the expected credit losses, trade and other receivables and net investment in sub-leases have been grouped based on shared credit risk characteristics and the days past due.

The majority of trade and other receivables are current and not past due date. There is also no history of non-payments by the debtors or sub-lessees. Therefore, no material expected credit losses have been identified.

Post-retirement benefits

Defined contribution plans and other long term employee benefits

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

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on a company specific observable market data, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Leases

The principal leasing activity of the group is the leasing of property for the operation of restaurants. On transition to IFRS, the Group has applied IFRS 16 using the modified retrospective approach:

- A lease liability has been measured at the date of transition to IFRS (01 January 2018) at the present value of the remaining lease payments discounted using an appropriate incremental borrowing rate for each lease depending on the remaining lease term ranging from 2.55% for leases with shorter terms to 7.5% for leases with longer terms. Payments included in initial measurement are all fixed payments and any variable payments linked to an index are initially measured at the index or rate at the transition date.

- A right-of-use (RoU) asset has been measured at the date of transition to IFRS at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as well as dilapidations and onerous lease provisions relating to that lease recognised in the statement of financial position immediately before the date of transition to IFRS.

- Assessed the RoU assets for impairment applying IAS 36. See Note 7 for further information.

The following practical expedients have been adopted on the date of transition to IFRS:

- Majority of the leases on transition to IFRS relate to property. A single discount rate has been used for portfolios of leases with similar remaining lease terms.

- Elected not to recognise leases where the remining term on transition is 12 months or less.

- Elected not to recognise leases where the underlying asset is considered low value.

- Initial direct costs have not been included in the measurement of right of use assets.

- Elected to use hindsight in certain cases, such as, for determining the lease term where the contract contains options to extend or terminate the lease.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Where lease payments depend on an index, any changes in future lease payments resulting from a change in the index lead to a re-assessment of the lease liability using a revised discount rate. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Rent concessions

The Group has elected to apply the practical expedient issued in response to the coronavirus pandemic to all eligible rent concessions. Therefore, the Group has not accounted for rent concessions as lease modifications if they are a direct consequence of COVID-19 and the following conditions are met:

- The revised consideration is substantially the same or less than the original consideration;
- The reduction in lease payments relates to payments originally due on or before 30 June 2022; and
- No other substantive changes are made to the terms of the lease.

Sub-leases

The Group acts as a lessor in some cases where it sub-leases its properties recognised as RoU assets. At the date of transition to IFRS all sub-leases were assessed to ascertain whether they were a finance lease or operating lease.

Any sub-leases which are classified as a finance lease, for example, where the term is for almost the entirety of the remaining head lease term are considered finance, an appropriate proportion of the RoU asset has been derecognised and a net investment in sub-lease has been recognised equal to the present value of future lease payments discounted at the same discount rate as the associated head lease. Any difference between the net investment in sub-lease and RoU asset has been recognised in the opening retained earnings at the date of transition. Subsequently, all such differences are recognised in the statement of comprehensive income within administrative expenses.

Where the sub-leases do not meet the definition of a finance lease they are treated as an operating lease and are expensed on a straight line basis over the life of the lease.

Provisions

A dilapidations provision has been recognised in the statement of financial position when the entity has a present legal or constructive obligation to dismantle and restore the RoU assets to the condition required by the terms and conditions of the lease at the end of the lease term. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

New Standards, amendments and interpretations

There are no new standards, no amendments to accounting standards, or IFRIC interpretations that are effective for the period ended 27 June 2021 that have had material impact on the company's financial statements.

New standards, amendments and interpretations not yet adopted

There are no new standards that have been early adopted in the financial information to 27 June 21 and there is no material impact on the Group in relation to new standards, amendments and interpretations for the current and future reporting periods.

2. Critical accounting judgements and estimation uncertainty

Critical judgements

Goodwill

The Group does not allocate goodwill to individual CGUs as it is deemed to represent the ongoing value of the existing business and brand and it cannot be allocated to individual restaurants on a non-arbitrary basis. Therefore, the goodwill is allocated to all CGUs as a group as it is considered that they all benefit equally from the brand value.

Lease term

Several leases of restaurant properties contain extension options or break clauses.

No options to extend or terminate a lease have been included in the assessment of the lease term. The non-cancellable period and enforceable period are both considered to be the initial lease term laid out in the contract in place at the date of transition or periods for which leases have already been extended.

Leases for restaurant properties are generally long-term and due to the nature of the business, decisions to extend or terminate are based on evolving market dynamics that may create an economic incentive to do so. Therefore, at the date of transition there is no reasonable expectation of whether an option to extend or terminate will be exercised except where hindsight has been used.

Allocating transaction price

The Group operates a loyalty scheme where dine-in customers accumulate points for purchases made in restaurants which entitle them to discounts on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the food and drinks consumed at the time of the initial sale and the points on the basis of the fair value of sales.

Impairment

The Group has performed an impairment assessment at the date of transition to IFRS and at the end of each reporting period. The results of this assessment are reviewed by management in conjunction with any known future factors which will impact the profitability of the store in future periods, to arrive at the final impairments recognised in the financial statements.

Critical estimates

Dilapidations

The Group has an obligation to restore the properties from which it operates its restaurants to the condition required by the terms and conditions of the respective leases.

The restaurant units are leased based on a defined number of years. The estimated dilapidation cost is calculated based on the historical dilapidation payments made for restaurants where the lease has come to an end, incorporating a discount to account for negotiations on exit. In addition, the timing of cash flows and the discount rates used to establish net present value of the obligations require estimation.

In the current year a change in estimate has been made. Previously, very few store closures resulted in dilapidations charges causing the estimate of dilapidations provisions to be nil. Recent store closures in 2020 did result in dilapidation charges, and so the estimate of historic dilapidations payments has been updated and a new dilapidations provision has been recognised in the period to 27 December 2020.

The following table shows the effect on the dilapidations provision for a 10% change in the discount incorporated into the expected cost of future settlements, with all other variables held constant.	10% increase in Discount applied	10% decrease in Discount applied
	£'000	£'000
December 2020	291	(79)
June 2021	291	(79)

Impairment

The Group has performed an impairment assessment at the date of transition to IFRS and at the end of each reporting period. An impairment charge has been recognised for non-profit making restaurants based on latest trading data extrapolated to the end of the lease term and each restaurant's ability to cover its costs, including an allocation of central overheads. The key assumption here is that the latest trading data continues in perpetuity with no inflation, and the term reviewed is the life of the lease. When trading data and forecasts indicate a return to profitability that is expected to continue, any previously recognised impairment is reversed.

Refer to Note 7 for details of amounts recognised.

3. Operating segments

The Company only has one operating segment related to sale of food and drinks under the TGI Friday's brand. The measure of profit reviewed by the CODM is EBITDA (before share-based payments) on the basis that these are the measures used to meet the covenant compliance, and is presented below. All non-current assets are located in the UK and Jersey.

	2018	**2019**	**2020**	**June-20**	**June-21**
				(unaudited)	
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
(Loss)/Profit before tax	(10,852)	8,955	(20,192)	(21,745)	(11,171)
Depreciation	26,312	24,968	23,273	11,880	11,060
Net interest and bank charges	14,261	13,206	12,389	6,143	6,560
Impairment	15,214	4,043	7,975	5,167	-
Impairment reversal	-	(5,683)	-	-	-
Share-based payment expenses	790	-	-	-	10
EBITDA	45,725	45,489	23,445	1,445	6,459

The CODM also reviews the EBITDA adjusted to remove the impact of IFRS 16 as below:

	2018	**2019**	**2020**	**June-20**	**June-21**
				(unaudited)	
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Loss before tax - post IFRS 16	(10,852)	8,955	(20,192)	(21,745)	(11,171)
Add: IFRS 16 depreciation	15,296	13,636	12,958	6,680	6,173
Add: IFRS 16 interest expense	11,559	10,626	10,042	5,015	4,987
Less: IFRS 16 interest income	(54)	(55)	(49)	(25)	(22)
Less: Lease expense	(24,075)	(20,261)	(20,523)	(10,985)	(9,540)
Add/Less: Loss/(Gain) on lease derecognition	407	(82)	-	-	-
Impairments	15,214	4,043	7,975	5,167	-
Impairment reversal	-	(5,683)	-	-	-
Share-based payment expenses	790	-	-	-	10
EBITDA	8,285	11,179	(9,789)	(15,893)	(9,563)

4. Revenue

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of food and drinks at a point in time from the following channels:

	2018	2019	2020	June-20	June-21
				(unaudited)	
	£'000	£'000	£'000	£'000	£'000
Dine in revenue	206,058	211,710	114,581	45,937	28,714
Dine out revenue	2,765	3,128	14,104	6,396	10,986
Other	-	-	403	24	220
	208,823	214,838	129,088	52,357	39,920

In 2018 and 2019 dine-out sales are mainly generated through third party delivery partners. In 2020, click and collect was introduced allowing customers to place dine-out orders directly with TGIF for collection. Majority of the dine-out revenue in 2020 is comprised of click and collect. A number of additional revenue streams were also introduced in 2020 including cocktails at home and drive up cinema. Revenue generated from these is shown as "Other".

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers.

	2018	2019	2020	June-20	June-21
				(unaudited)	
	£'000	£'000	£'000	£'000	£'000
Assets recognised for costs incurred to obtain a contract	**43**	**26**	**21**	**25**	**10**
Contract liabilities					
Customer loyalty programme	111	535	594	32	609
Gift vouchers	521	743	505	427	437
	632	1,278	1,099	459	1,046

(i) *Significant changes in contract liabilities*

Customer loyalty programme was started in July 2018. In 2019, the increase in contract liabilities for the customer loyalty programme is partly driven by the impact of a full year of implementation. In 2020, the validity period of the loyalty points was extended due to COVID-19 which led to an increase in the associated contract liability.

Gift vouchers began to be distributed by third parties, as well as sold in stores, in October 2017 and are valid for 18 months. The associated liability in 2019 is higher as a result of a build up of contract liabilities over a full 18 month period compared to 2018. In 2020 gift card sales were lower as a consequence of the pandemic reflected in the lower contract liability related to gift vouchers.

(ii) *Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to brought forward contract liabilities:

	2018	2019	2020	June-20	June-21
				(unaudited)	
	£'000	£'000	£'000	£'000	£'000
Customer loyalty programme	-	111	515	334	203
Gift vouchers	501	251	237	211	30

(iii) *Assets recognised from costs to obtain a contract*

The Group has recognised an asset in relation to costs to generate gift voucher sales via third parties. This is presented within trade and other receivables in the statement of financial position.

These represent the commissions incurred on gift cards sold by third parties and recognised in the statement of comprehensive income when the gift card is redeemed or expires (18 months from the date of issue).

	2018	2019	2020	June-20	June-21
				(unaudited)	
	£'000	£'000	£'000	£'000	£'000
Amortisation recognised	112	168	96	58	43

5. Other income

Included within other income is rental income from the sub-lease of properties under operating leases. In 2020, government grants received under coronavirus support programmes are also shown as other income. These pertain to the Coronavirus Job Retention Scheme as well as various hospitality related grants. The Group has also benefitted from reduced VAT of 5% as well as business rates relief available to the hospitality sector extended by the UK government to provide financial relief during the pandemic.

	2018	2019	2020	June-20	June-21
				(unaudited)	
	£'000	£'000	£'000	£'000	£'000
Rental income from operating leases	593	109	115	35	50
Coronavirus Job Retention Scheme	-	-	18,870	11,886	11,418
Hospitality related grants	-	-	193	50	3,418

There are no minimum lease payments receivable on operating leases for the years ended 30 December 2018, 29 December 2019 and 27 December 2020 as well as the periods ended 28 June 2020 and 27 June 2021.

6. Operating profit/(loss)

Operating profit/(loss) is stated at after charging:

	2018	2019	2020	June-20	June-21
				(unaudited)	
Fees payable to the company's auditor for the	£'000	£'000	£'000	£'000	£'000
- Audit of the financial statements	68	75	188	-	180
- Non-audit fees	315	46	-	-	-
Share based payment charges	790	-	-	-	10
Impairment charge	15,214	4,043	7,975	5,167	-
Impairment reversal	-	(5,683)	-	-	-
Depreciation	26,312	24,968	23,273	11,880	11,060

7. Impairments

Each restaurant within the Group is considered a separate cash generating unit (CGU).

The Group has performed an impairment assessment at the date of transition to IFRS and at the end of each reporting period. An impairment charge has been recognised for non-profit making restaurants based on latest trading data and each restaurant's ability to cover its costs, including an allocation of central overheads. When trading data and forecasts indicate return to profitability that is expected to continue, any previously recognised impairment is reversed.

The Group has recognised the following impairments and reversals of impairment within opening retained losses at 1 January

2018 and within administrative expenses in the statement of comprehensive income at the end of each reporting period:

	1 Jan 2018	2018	2019	2020	June 2020 (unaudited)	June-2021
	£'000	£'000	£'000	£'000	£'000	£'000
Impairment – Property, plant and equipment	16	2,753	1,546	1,092	1,036	-
Impairment – Right-of-use assets	28	12,461	2,497	6,883	4,131	-
Impairment reversal – Right-of-use assets	-	-	(5,683)	-	-	-
	44	15,214	(1,640)	7,975	5,167	-

The recoverable amount is based on value in use calculations with cash flow projections over the lease term of each restaurant using the following discount rates and assuming no growth rate:

	1 Jan 2018	2018	2019	2020	June-2020 (unaudited)	June-2021
	%	%	%	%	%	%
Discount rates	7.5	7.6	7.8	7.9	7.9	7.9

The recoverable amounts of the CGUs in respect of which impairment has been recognised are as follows at each assessment date:

	01-Jan-18	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	£'000	£'000	£'000	£'000	£'000
Cheltenham	3,188	1,983	1,847	1,472	1,419	1,435
Covent Garden	1,846	2,601	1,012	146	116	(67)
Croydon	4,046	2,435	1,063	1,260	1,103	1,084
Gateshead	1,208	410	74	(5)	(85)	14
Guildford	1,594	539	39	172	48	(13)
Halifax	3,171	2,138	1,548	1,117	1,048	1,110
Leeds	1,287	565	436	269	224	251
Leeds Trinity	8,318	5,075	4,319	3,432	3,354	3,403
Leicester Square	9,926	6,890	12,323	11,166	10,891	10,798
Manchester Piccadilly	453	341	294	(252)	(215)	(121)
Northampton	2,672	2,361	1,744	1,409	1,352	1,364
O2 Arena	7,761	4,762	4,206	3,064	3,020	3,055
Reading	3,304	668	887	727	687	718
Reading Oracle	3,435	2,229	2,022	1,413	1,373	1,391
Southampton West Quay	6,071	2,035	2,013	1,205	1,119	1,157
Speke	-	3,693	3,693	3,020	2,997	2,959
Watford	4,990	4,347	3,362	2,949	2,874	2,847

The following table shows the effect on impairment of Property, Plant and Equipment and Rights of Use Assets for a 10% change in the discount rate or EBITDA, with all other variables held constant.

	Discount rate		EBITDA	
	Increase of 10% (Additional impairment) £'000	Decrease of 10% (Lower impairment) £'000	Increase of 10% (Lower impairment) £'000	Decrease of 10% (Additional impairment) £'000
2018	669	(719)	(1,288)	1,426
2019	1,006	(809)	(1,597)	2,437
2020	266	-	-	1,233
June-2020 (unaudited)	1,611	(1,075)	(2,086)	3,081
June-2021	-	-	-	1,167

8. Employee information

The average number of persons employed by the Group during the year, analysed by category, was as follows:

	2018	2019	2020	June-2020 *(unaudited)*	June-2021
	Number	***Number***	***Number***	***Number***	***Number***
Sales	2,747	2,771	2,705	2,909	2,212
Administration	493	495	470	503	350
	3,240	3,266	3,175	3,412	2,562

The aggregate payroll costs of these persons were as follows:

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Wages and salaries	60,659	63,304	60,478	31,639	25,520
Share based payments	790	-	-		10
Social security costs	3,855	4,035	3,626	1,882	1,592
Other pension costs	844	1,072	1,031	539	414
	66,148	68,411	65,135	34,060	27,536

9. Directors' remuneration

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Directors' remuneration	935	1,076	961	305	641

The amounts receivable of the highest paid director was £399,108 (2020: £626,749; 2019: £652,719; 2018: £549,908). No company pension contributions (2020, 2019 and 2018: £nil) were made to a money purchase scheme on their behalf. No share options were exercised by any of the directors for all periods presented.

No retirement benefits accrued to any director under money purchase schemes in the year (2019 and 2018: £nil).

10. Key management personnel

Key management personnel are considered to be the executive team.

The total compensation paid to key management personnel for services provided to the Group is as follows:

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Aggregate emoluments including short-term employee benefits	1,778	2,179	2,219	691	1,359
Post-employment benefits	52	42	33	14	21
Share based payments	790	-	-	-	10
	2,620	2,221	2,252	705	1,390

Mr Gavin Manson is a director of the Group and considered to be one of the key management personnel. His compensation is paid by the ultimate parent Electra Private Equity PLC, which makes no recharge to the entity. Mr Gavin Manson is a director of the parent and a number of fellow subsidiaries, and it is not possible to make a reasonable apportionment of his compensation in respect of each of the subsidiaries. Accordingly, the above details include no compensation in respect of Gavin Manson. His total compensation is included in the aggregate of key management personnel compensation disclosed in the consolidated financial statements of Electra Private Equity PLC.

11. Interest receivable and similar income

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	£'000	£'000	£'000	£'000
Interest receivable on financial assets at amortised cost	56	161	80	80	-
Interest receivable on net investment in sublease	54	55	49	25	22
Total Interest receivable and similar income	110	216	129	105	22

Interest receivable on financial assets at amortised cost is generated on cash held at bank. Cash at bank earns interest at floating rates based on daily bank deposit rates.

12. Interest payable and similar expenses

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	£'000	£'000	£'000	£'000
Interest payable on bank loan	2,437	2,428	2,106	1,042	1,000
Loan arrangement fees	324	324	324	162	162
Other interest payable	21	22	14	7	35
Interest on withholding tax	-	-	-	-	392
Interest and finance charges for lease liabilities	11,559	10,626	10,042	5,015	4,989
Total Interest payable and similar expenses	14,341	13,400	12,486	6,226	6,578

13. Taxation

The tax charge/(credit) arises within the subsidiary undertakings of the Group and represents:

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	£'000	£'000	£'000	£'000
Current tax					
Current tax on income for the year	1,460	1,710	(683)	-	-
Adjustments in respect of prior periods	180	(133)	(27)	(1,521)	(544)
Total current tax	1,640	1,577	(710)	(1,521)	(544)
Deferred tax					
Origination and reversal of timing differences	(3,163)	160	(1,881)	(1,086)	(2,401)
Change in tax rate	240	(53)	(274)	(274)	-
Adjustments in respect of prior periods	(19)	230	(13)	(13)	(255)
Total deferred tax	(2,942)	337	(2,168)	(1,373)	(2,656)
	(1,302)	1,914	(2,878)	(2,894)	(3,200)

Reconciliation of tax expense

The tax credit assessed on the profit on ordinary activities for the year is lower than (2019: lower than, 2018: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%, 2018: 19%).

	2018	2019	2020	June-2020 (unaudited)	June-2021
	£'000	£'000	£'000	£'000	£'000
(Loss)/profit before taxation	(10,852)	8,955	(20,192)	(21,745)	(11,171)
Tax using the UK corporation tax rate of 19%	(2,062)	1,702	(3,836)	(4,131)	(2,122)
Impact of rate difference between deferred and current tax	343	(13)	(274)	(274)	-
Group relief not paid for	1,764	(441)	-	-	-
Loss carried back	-	-	-	-	-
Adjustment in respect of prior periods	180	(133)	(27)	-	(544)
Adjustment in respect of prior periods – deferred tax	(19)	230	(13)	(13)	(255)
Non-deductible expenses	(1,348)	144	552	1,224	(591)
Fixed asset differences	(159)	433	720	300	312
Income not taxable for tax purposes	(1)	(8)	-	-	-
Unrecognised tax losses/(credits)	-	-	-	-	-

Income tax (income)/expense	(1,302)	1,914	(2,878)	(2,894)	(3,200)

14. Goodwill

	Goodwill £'000
Cost	
At 1 January 2018	145,979
Additions	-
At 30 December 2018	**145,979**
Additions	-
At 29 December 2019	**145,979**
Additions	-
At 27 December 2020	**145,979**
Additions	-
At 27 June 2021	**145,979**
Accumulated Impairment	
At 1 January 2018	-
Impairment charge for the year	-
At 30 December 2018	**-**
Impairment charge for the year	-
At 29 December 2019	**-**
Impairment charge for the year	**-**
At 27 December 2020	**-**
Impairment charge for the year	**-**
At 27 June 2021	**-**
Net book value	
At 1 January 2018	**145,979**
At 30 December 2018	**145,979**
At 29 December 2019	**145,979**
At 27 December 2020	**145,979**
At 27 June 2021	**145,979**

Details of impairment assessment are included in Note 7. No reasonably possible change in key assumptions will lead to an impairment of goodwill.

15. Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	Plant and Machinery £'000	Total £'000
Cost				
At 1 January 2018	11,887	71,945	42,498	126,330
Additions	-	6,691	2,966	9,657
At 30 December 2018	**11,887**	**78,636**	**45,464**	**135,987**
Additions	-	7,772	3,256	11,028
Disposals	(2,013)	(1,489)	(1,381)	(4,883)
At 29 December 2019	**9,874**	**84,919**	**47,339**	**142,132**
Additions	-	3,168	1,560	4,728
At 27 December 2020	**9,874**	**88,087**	**48,899**	**146,860**
Additions	-	550	615	1,165
Disposal	-	(17)	(25)	(42)
At 30 June 2021	**9,874**	**88,620**	**49,489**	**147,983**
Accumulated depreciation and impairment				
At 1 January 2018	10,863	25,926	27,948	64,737
Depreciation charge for the year	792	5,732	4,492	11,016
Impairment charge for the year	-	2,753	-	2,753
At 30 December 2018	**11,655**	**34,411**	**32,440**	**78,506**
Disposals	(2,013)	(1,456)	(1,381)	(4,850)
Depreciation charge for the year	232	6,531	4,569	11,332
Impairment charge for the year	-	1,546	-	1,546
At 29 December 2019	**9,874**	**41,032**	**35,628**	**86,534**
Depreciation charge for the year	-	6,023	4,292	10,315
Impairment charge for the year	-	1,092	-	1,092
At 27 December 2020	**9,874**	**48,147**	**39,920**	**97,941**
Disposal	-	9	10	19
Depreciation charge for the year	-	2,986	1,907	4,893
At 28 June 2021	**9,874**	**51,142**	**41,837**	**102,853**

Net book value				
At 1 January 2018	1,024	46,019	14,550	61,593
At 30 December 2018	232	44,225	13,024	57,481
At 29 December 2019	-	43,887	11,711	55,598
At 27 December 2020	-	39,940	8,979	48,919
At 28 June 2021	-	37,478	7,652	45,130

16. Right-of-Use Assets and Lease Liabilities

Amounts recognised in the statement of financial position

The Group has entered into a number of leases on properties from which it operates its restaurants. It has also entered into lease arrangements for motor vehicles for use by employees. These have all been recognised as right-of-use assets on the statement of financial position.

Right-of-Use Assets	**2018 £'000**	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Restaurants	147,463	136,538	121,116	116,787
Vehicles	93	179	103	69
	147,556	136,717	121,219	116,856

Lease liabilities	**2018 £'000**	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Current	14,217	12,678	17,672	22,148
Non-current	154,029	144,778	133,774	130,046
	168,246	157,456	151,446	152,194

Additions to right-of-use assets were:

	2018 £'000	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Restaurants	11,761	2,218	1,040	1,063
Vehicles	97	141	-	-
	11,858	2,359	1,040	1,063

Amounts recognised in the statement of comprehensive income

Depreciation charge of right-of-use assets	**2018 £'000**	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Restaurants	15,268	13,581	12,882	6,138
Vehicles	28	55	76	35
	15,296	13,636	12,958	6,173

In some cases, the rental arrangement with the landlord comprises a fixed minimum base rent and a variable amount based on turnover of the individual restaurant. The variable element of rental payments, leases of low value assets and leases of 12 months or less continue to be charged to Administrative expenses as incurred. Interest expense on lease liabilities is included in interest payable and similar expenses. The total cash outflow for leases is £5,229k for the period to 27 June 2021 (2020 £16,312k, 2019 £24,999k and 2018 £23,135k)

	2018 £'000	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Variable lease expense not included in lease liabilities	980	585	19	(72)
Low value lease expense	280	681	687	343
Short-term lease expense for leases of less than 12 months	23	-	-	-
Rent concessions recognised in administrative expenses	-	-	1,475	1,077

17. Net investment in a sub-lease

The Group sub-leases some of the properties for essentially the whole of the remaining term of the head lease which are classified as finance leases.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received:

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Less than one year	184	204	399	490
One to five years	658	528	399	330
More than five years	569	495	420	385
Total undiscounted lease payments available	1,411	1,227	1,218	1,205
Unearned finance income	(343)	(289)	(239)	(217)
Net investment in the lease	1,068	938	979	988

18. Deferred tax assets and liabilities

	Losses	IFRS 16 leases	Differences between depreciation and capital allowances	Temporary differences	Deferred tax (liability)/asset
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018	-	-	(293)	6	**(287)**
Deferred tax credit/(charge)	-	2,037	906	(1)	**2,942**
Balance at 30 December 2018	**-**	**2,037**	**613**	**5**	**2,655**
Deferred tax credit/(charge)	-	(448)	90	21	**(337)**
Balance at 29 December 2019	**-**	**1,589**	**703**	**26**	**2,318**
Deferred tax credit/(charge)	410	1,125	615	18	**2,168**
Balance at 27 December 2020	**410**	**2,714**	**1,318**	**44**	**4,486**
Deferred tax credit/(charge)	2,066	254	346	(10)	**2,656**
Balance at 27 June 2021	**2,476**	**2,968**	**1,664**	**34**	**7,142**

The Deferred tax credit recognised in the financial information has been recognised within the income statement. The deferred tax asset in relation to losses is expected to be recovered in under 12 months and relates to unutilised losses within the group, the remaining deferred tax assets are considered non-current.

19. Inventory

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Food and beverages	1,199	1,249	703	1,049

Inventory that is perishable is reviewed and written off on a weekly basis by individual restaurants.

Inventories recognised as an expense during the year ended 27 December 2020 amounted to £26,183k (29 December 2019: £46,708k; 30 December 2018: £45,920k).

20. Trade and other receivables

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Trade receivables	625	865	491	1,292
Other debtors	-	197	1,439	1,488
Amounts owed by immediate parent undertaking	3,000	3,000	3,000	3,000
Prepayments and accrued income	3,111	3,576	1,591	1,200
	6,736	7,638	6,521	6,980

All amounts are due for payment within one year. Amounts owed by fellow subsidiaries are repayable on demand and do not attract interest.

21. Cash and cash equivalents

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Cash at bank and in hand	17,573	27,121	37,201	36,166

Cash at bank earns interest at floating rates based on daily bank deposit rates.

22. Trade and other payables

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Trade payables	4,849	6,369	13,397	16,871
Amounts owed to immediate parent undertaking	141,934	141,935	141,935	133,005
Other taxes and social security costs	4,335	4,361	5,957	5,637
Other creditors	1,065	1,214	865	1,120
Interest payable	221	178	147	168
Contract liabilities	632	1,278	1,099	1,046
Accruals	7,665	7,280	10,249	8,922
Deferred income and lease incentives	243	430	287	831
	160,944	163,045	173,936	167,600

The fair value of trade and other payables approximates to book value at each year end. Trade payables are non-interest bearing and are normally settled monthly. Amounts owed to immediate parent undertaking are interest free and repayable on demand.

23. Non-current liabilities

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Secured bank loans	67,063	65,987	65,260	64,722
Lease liabilities	168,246	157,456	151,446	152,194
	235,309	223,443	216,706	216,916

Changes in liabilities arising from financing activities

(i) *Secured bank loans*

	Opening loan balance £'000	Deferred arrangement fees amortised £'000	Payments £'000	Closing £'000
2018	68,139	324	(1,400)	67,063
2019	67,063	324	(1,400)	65,987
H1 2020	65,987	162	(350)	65,799
H2 2020	65,799	161	(700)	65,260
H1 2021	65,260	162	(700)	64,722

(ii) *Lease liabilities*

	Opening lease liability £'000	Additions £'000	Interest expense £'000	Payments £'000	Derecognition/ Modification £'000	COVID concession £'000	Closing £'000
2018	176,959	11,977	11,559	(21,852)	(10,397)	-	168,246
2019	168,246	3,175	10,626	(23,733)	(858)	-	157,456
2020	157,456	1,107	10,042	(15,606)	(78)	(1,475)	151,446
H1 2021	151,446	1,048	4,989	(4,959)	747	(1,077)	152,194

The following table sets out a maturity analysis of the bank loan and lease liabilities, showing the undiscounted payments:

2018
£'000

	Bank Loan	Lease liabilities	Total
Less than one year	2,396	23,607	26,003
One to five years	68,307	111,510	179,817
More than five years	-	139,414	139,414
	70,703	274,531	345,234

2019 £'000	Bank Loan	Lease liabilities	Total
Less than one year	2,037	23,822	25,859
One to five years	66,270	107,612	173,882
More than five years	-	119,557	119,557
	68,307	250,991	319,298

2020 £'000	Bank Loan	Lease liabilities	Total
Less than one year	2,437	28,238	30,675
One to five years	64,314	102,885	167,199
More than five years	-	100,892	100,892
	66,751	232,015	298,766

H1 2021 £'000	Bank Loan	Lease liabilities	Total
Less than one year	2,467	32,563	35,030
One to five years	63,350	82,343	145,693
More than five years	-	110,192	110,192
	65,817	225,098	290,915

24. Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Secured bank loans	68,250	66,850	65,800	65,100
Deferred finance fees	(1,187)	(863)	(540)	(378)
	67,063	65,987	65,260	64,722

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2018 £'000	2019 £'000	2020 £'000	June-2021 £'000
Secured bank loan	GBP	Margin plus LIBOR	2022	Quarterly with balance on maturity	68,250	66,850	65,800	65,100
Deferred finance fees	GBP	n/a	n/a	n/a	(1,187)	(863)	(540)	(378)
					67,063	65,987	65,260	64,722

Margin used in calculating the interest rate is linked to leverage. For the period ended 27 June 2021 it was 3.00% (2020: 2.75%; 2019: 2.75%; 2018: 2.75%).

The bank loan is secured against all the assets of the Group. The total balance outstanding is £65.1m (2020: £65.8m; 2019: £66.9m; 2018: £68.3m) which is netted off above against a £0.4m (2020: £0.5m; 2019: £0.9m; 2018: £1.2m) prepayment in relation to the set-up of the loan. The loan is repayable in quarterly instalments with the balance due for repayment in August 2022. At the period end there is £168k (2020: £147k; 2019: £178k; 2018: £221k) of interest owed to the provider.

25. Provisions

	Dilapidations £'000	Onerous leases £'000	Total £'000
At 1 January 2018	**-**	**(622)**	**(622)**
Provisions made during the period	-	-	-
Provisions used during the period	-	622	622
Unwinding of discounted amount	-	-	-
At 30 December 2018	**-**	**-**	**-**
Provisions made during the period	-	-	-
Unwinding of discounted amount	-	-	-
At 29 December 2019	**-**	**-**	**-**
Provisions made during the period	(3,330)	-	(3,330)
Unwinding of discounted amount	-	-	-
At 27 December 2020	**(3,330)**	**-**	**(3,330)**
Unwinding of discounted amount	(29)	-	(29)
At 28 June 2021	**(3,359)**	**-**	**(3,359)**

The onerous lease provision utilised in 2018 relates to a property lease that did not meet the criteria of IFRS 16 due to the life of the lease remaining being less than 12 months.

26. Invested capital

	No. of shares ('000)	£'000
At 1 January 2018, 30 December 2018, 29 December 2019 and 27 December 2020	-	-
Invested capital	8,930	8,930
At 28 June 2021	**8,930**	**8,930**

During the year, 8,930,238 shares were issued to Tuesdays (MidCo) Limited (TML). The consideration for these shares was a partial release of amounts owed by the Company to TML.

27. Employee benefits

Share based payments

The Group operated a share-based payment scheme for its employees. 10,384 options were granted over shares in Mondays (TopCo) Limited for £0.001p (nominal value) in December 2014. Vesting of the options was conditional on a sale of the business within 4 years from the date of grant and continued employment of the option holders within the Group. Since no sale took place in the 4 year period the options lapsed and were surrendered for £0.001p in 2018.

The management equity plan (MEP) was introduced in February 2021. Under the MEP, upon the approval of Electra plc, the Directors and certain employees have been awarded A shares in Wednesdays Bidco Limited . On an exit (sale, listing, liquidation) of Wednesdays the holders of the A ordinary shares will share in the exit proceeds. The expected life is the estimated time to the exit event. No performance conditions were included in the fair value calculations. The class A shares do not have voting rights.

The fair value per share issued and the assumptions used in the calculation were as follows:

	A class ordinary Shares
Subscription date	25 February 2021
Share price at subscription date	£0.00001

Number of employees	7
Shares issued	20,000
Expected life (years)	9 months
Expected dividends expressed as a dividend yield	0%
Fair value per share	£1.25

The total charge for the period relating to employee share based payment plans was £10k (2020: £nil) which is in relation to equity-settled share based payment transactions. There are no liabilities arising from share-based payment transactions.

Expected volatility was based upon pre COVID-19 volatility exhibited by the core comparators. The total expenses recognised for the year by the Group from share-based payments are as follows:

	2018 £'000	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Total share-based payment expense	790	-	-	10

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	No. of options ('000)		**Weighted Average exercise price**	
	2021	**2018**	**2021**	**2018**
Outstanding at the beginning of the year	-	10	-	0.1p
Granted during the year	20	-	6,500	-
Forfeited/cancelled during the year	-	(10)	-	0.1p
Exchanged for shares	-	-	-	-
Outstanding at the end of the year	**20**	**-**	**6,500**	**-**

28. Capital risk management

For the purpose of the Group's capital management, capital includes interest-bearing debt. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and comply with covenant ratios in order to support its business. No changes were made in the objectives, policies or processes during the periods presented.

The Group Directors manage the Group's capital structure and adjust it, in light of changes in economic conditions and the requirements of the financial covenants. The Group includes in its net debt, interest-bearing loans and borrowings (note 24), lease liabilities (Note 23), less cash and short-term deposits (note 21).

29. Financial instruments

The Group's financial instruments may be analysed as follows:

	2018 £'000	**2019 £'000**	**2020 £'000**	**June-2021 £'000**
Financial assets at amortised cost				
Cash and cash equivalents	17,573	27,121	37,201	36,166
Trade receivables	625	865	491	1,292
Other debtors	-	197	1,439	1,488
Amounts owed by fellow subsidiaries	3,000	3,000	3,000	3,000
Net investment in a sub-lease	1,068	938	979	988

Accrued income	153	243	115	19
	22,419	**32,364**	**43,225**	**42,953**
Financial liabilities				
Borrowings	67,063	65,987	65,260	64,722
Lease liabilities	168,246	157,456	151,446	152,194
Trade payables	4,849	6,369	13,397	16,871
Amounts owed to fellow subsidiaries	141,934	141,935	141,935	133,005
Other creditors	1,065	1,214	865	1,120
Interest payable	221	178	147	168
Accruals	7,665	7,280	10,249	8,922
	391,043	**380,419**	**383,299**	**377,002**
Net financial liabilities	**368,624**	**348,055**	**340,074**	**334,049**

30. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments which result from its operating activities. All of the Group's financial instruments are classified as financial assets at amortised cost and financial liabilities.

The Group does not actively engage in the trading of financial instruments for speculative purposes. The most significant financial risks to which the Group is exposed are described below:

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will not meet its obligations under a contract and arises primarily from the Group's cash at bank as well as trade and other receivables. No collateral is held in respect of any of these.

Cash is held at banks with high credit ratings with low associated credit risk. Trade and other receivables mainly relate to returns to suppliers, amounts owed by voucher houses for TGIF vouchers sold and amounts owed by delivery partners. The Group has long-standing relationships with its trading partners and there is no history of default. The Group manages its exposure to credit risk in respect of these by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. The Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities. The Group Directors manage this risk by:

- maintaining adequate cash reserves through the use of the Group's cash from operations and bank borrowings; and
- continuously monitoring projected and actual cash flows to ensure the Group maintains an appropriate amount of liquidity.

All amounts are due within 12 months except amounts owed to fellow subsidiaries which are repayable on demand and lease liabilities and borrowings which have been analysed into the relevant maturity groups in Note 23.

Foreign currency risk

The Group primarily operates restaurants in the UK and all financial instruments are denominated in sterling. The Group's principal exposure to foreign currency risk arises from the franchise fee owed to TGI Friday's Inc which is paid on a monthly basis.

		2018	
	£'000	**$'000**	**Total**
Cash and cash equivalents	17,573	-	17,573
Trade receivables	625	-	625
Other debtors	-	-	-
Amounts owed by fellow subsidiaries	3,000	-	3,000
Net investment in a sub-lease	1,068	-	1,068
Accrued income	153	-	153
Borrowings	(67,063)	-	(67,063)

Lease liabilities	(168,246)	-	(168,246)
Trade payables	(4,849)	-	(4,849)
Amounts owed to fellow subsidiaries	(141,934)	-	(141,934)
Other creditors	(1,065)	-	(1,065)
Interest payable	(221)	-	(221)
Accruals	(6,572)	(1,093)	(7,665)
	(367,531)	(1,093)	(368,624)

		2019	
	£'000	**$'000**	**Total**
Cash and cash equivalents	27,121	-	27,121
Trade receivables	865	-	865
Other debtors	197	-	197
Amounts owed by fellow subsidiaries	3,000	-	3,000
Net investment in a sub-lease	938	-	938
Accrued income	243	-	243
Borrowings	(65,987)	-	(65,987)
Lease liabilities	(157,456)	-	(157,456)
Trade payables	(6,369)	-	(6,369)
Amounts owed to fellow subsidiaries	(141,935)	-	(141,935)
Other creditors	(1,214)	-	(1,214)
Interest payable	(178)	-	(178)
Accruals	(6,340)	(940)	(7,280)
	(347,115)	(940)	(348,055)

		2020	
	£'000	**$'000**	**Total**
Cash and cash equivalents	37,201	-	37,201
Trade receivables	491	-	491
Other debtors	1,439	-	1,439
Amounts owed by fellow subsidiaries	3,000	-	3,000
Net investment in a sub-lease	979	-	979
Accrued income	115	-	115
Borrowings	(65,260)	-	(65,260)
Lease liabilities	(151,446)	-	(151,446)
Trade payables	(13,397)	-	(13,397)
Amounts owed to fellow subsidiaries	(141,935)	-	(141,935)

Other creditors	(865)	-	(865)
Interest payable	(147)	-	(147)
Accruals	(9,973)	(276)	(10,249)
	(339,798)	(276)	(340,074)

		June-2021	
	£'000	**$'000**	**Total**
Cash and cash equivalents	36,166	-	36,166
Trade receivables	1,292	-	1,292
Other debtors	1,488	-	1,488
Amounts owed by fellow subsidiaries	3,000	-	3,000
Net investment in a sub-lease	988	-	988
Accrued income	19	-	19
Borrowings	(64,722)	-	(64,722)
Lease liabilities	(152,194)	-	(152,194)
Trade payables	(16,871)	-	(16,871)
Amounts owed to fellow subsidiaries	(133,005)	-	(133,005)
Other creditors	(1,120)	-	(1,120)
Interest payable	(168)	-	(168)
Accruals	(8,059)	(863)	(8,922)
	(333,186)	(863)	(334,049)

The FX rates used to convert balances at year end were:

	2018 **£**	**2019** **£**	**2020** **£**	**June-2021** **£**
USD ($)	1.2690	1.30781	1.3561	1.3877

The table below summaries the effect on profit and loss had the functional currency of the Group weakened or strengthened against USD, with all other variables held constant.

	2018 **£**	**2019** **£**	**2020** **£**	**June-2021** **£**
10% weakening of USD	99	86	25	78
10% strengthening of USD	(121)	(105)	(31)	(96)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is subject to this risk exposure as it relates to changes in interest rates on its variable rate borrowings and cash at bank which earns interest at floating rate. A reasonably possible change in interest rates would not materially affect interest income earned on cash and cash equivalents.

As discussed in Note 24, the Group had £65,260 (2019: £65,987k; 2018: £67,063k) of total debt outstanding with interest rate linked to LIBOR.

The table below summaries the effect on profit and loss had the LIBOR weakened or strengthened, with all other variables held constant.

	2018 **£**	**2019** **£**	**2020** **£**	**June-2021** **£**
10% weakening	241	245	211	100
10% strengthening	(241)	(245)	(211)	(100)

The impact of a change of 10% has been selected as this has been considered reasonable given the current level of exchange rates and the volatility observed both on a historical basis and market expectations for future movements.

Fair value of financial instruments

The fair values of all financial assets and liabilities approximates their carrying value.

31. Transition to International Financial Reporting Standards ("IFRSs")

In transitioning its UK GAAP financial statements to IFRS, the Group has made adjustments in respect of its accounting for leases, amortisation of goodwill and impairments. These are described below:

a) Errors under previous GAAP

The group has included an additional adjustment where necessary to reclassify the external bank loan portion that is due in less than 1 year from non-current liability to current liability.

b) *IFRS 16 'Leases'*

IFRS 16 specifies how the Group will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The recognition and measurement of any leases considered exempt will continue unchanged.

Details of the transition approach adopted in accordance with the provisions of IFRS 1 are included in Note 1.

Date of transition – 1 January 2018 – Impact on Statement of financial position

From 1 January 2018, for each lease, the Group has recognised an asset reflecting the right to use the leased asset for the remaining lease term and a lease liability reflecting the obligation to make lease payments. Both the asset and the liability have been recognised on-balance sheet whereas previously they were off-balance sheet.

Years ended 30 December 2018, 29 December 2019 and 27 December 2020 – Impact on Statement of financial position

Following the date of transition, any movements in prepayments, accruals and onerous lease provisions recognised in accordance with FRS 102 have been reversed. Initial direct costs incurred on new leases entered into have been reclassified from Property, plant and equipment and included within the carrying value of the relevant RoU asset. Where such costs have been incurred prior to the commencement of the lease they are recognised as a non-current prepayment until the date of commencement. Lease incentives received from the landlords on new leases are reflected as a deduction from the carrying value of the RoU asset.

Where a lease term has changed, the lease liability has been re-assessed and a corresponding adjustment is made to the RoU asset. Where a lease has terminated early both the lease liability and RoU asset have been derecognised and the difference has been recognised as a gain or loss in the statement of comprehensive income.

Statement of comprehensive income

Previously recognised operating lease charge has been replaced with a depreciation charge on the leased asset and an interest expense on the lease liability.

The unwinding of the dilapidations provision has been included within interest payable and similar expenses within the statement of comprehensive income.

Statement of cash flows

There has been no impact on overall cash flow. However, the classification of lease payments within the cash flow statement has changed from operating activities to financing activities.

Sub-leases

The accounting of leases where the Group acts as a lessor remains unchanged except where the sub-lease is deemed to be a finance lease. For such leases, an appropriate proportion of the RoU asset has been derecognised and a net investment in sub-lease has been recognised equal to the present value of future lease payments discounted at the same discount rate as the associated head lease. Any difference between the net investment in sub-lease and RoU asset has been recognised in the opening retained earnings at the date of transition.

Rental income is no longer recognized in the statement of comprehensive income. Instead, any receipts are recognized as a reduction in the net investment in sub-leases. Any movements in deferred income balances have been reversed. Finance income over the lease term is recognized within interest receivable and similar income in the statement of comprehensive income.

c) ***Amortisation of goodwill***

In accordance with IFRS, goodwill is subject to an annual impairment assessment instead of being amortised over an estimated useful life under FRS 102. Consequently amortization previously recognized in the years ended 30 December 2018, 29 December 2019 and 27 December 2020 has been reversed. There has been no impairment of goodwill for all periods presented.

d) ***Impairments***

The Group has adjusted its value in use calculations for the impact of IFRS 16 discussed above and assessed goodwill as well as RoU assets for impairments at the date of transition. Any resulting impairment losses reduced the carrying amount of RoU assets as well as property, plant and equipment on a pro rata basis.

The Group continues to assess each CGU and goodwill for impairment at each reporting date in line with the accounting policy in Note 1. No impairment of goodwill has been recognised.

e) Taxation

The Group has adjusted the tax charge and deferred tax asset to account for the tax impact of the IFRS adjustments discussed above.

Combined statements of comprehensive income

30 December 2018		**Impact of changes in accounting policies**		
	Notes	**As previously reported £'000**	**IFRS adjustments £'000**	**As restated £'000**
Revenue		208,823	-	208,823
Cost of sales		(45,920)	-	(45,920)
Gross profit		**162,903**	**-**	**162,903**
Administrative expenses	b, c, d	(172,581)	12,387	(160,194)
Other income	b	836	(166)	670
Operating profit		**(8,842)**	**12,221**	**3,379**
Interest receivable and similar income	b	56	54	110
Interest payable and similar expenses	b	(2,810)	(11,531)	(14,341)
(Loss)/Profit on ordinary activities before taxation		**(11,596)**	**744**	**(10,852)**
Taxation	e	(735)	2,037	1,302
Loss for the financial year from continuing operations		**(12,331)**	**2,781**	(9,550)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**(12,331)**	**2,781**	**(9,550)**

29 December 2019		Impact of changes in accounting policies		
		As previously reported	IFRS adjustments	As restated
	Notes	**£'000**	**£'000**	**£'000**
Revenue		214,838	-	214,838
Cost of sales		(46,708)	-	(46,708)
Gross profit		**168,130**	**-**	**168,130**
Administrative expenses	b, c, d	(172,239)	26,076	(146,163)
Other income	b	356	(184)	172
Operating profit		**(3,753)**	**25,892**	**22,139**
Interest receivable and similar income	b	161	55	216
Interest payable and similar expenses	b	(2,814)	(10,586)	(13,400)
(Loss)/Profit on ordinary activities before taxation		**(6,406)**	**15,361**	**8,955**
Taxation	e	(1,466)	(448)	(1,914)
Loss for the financial year from continuing operations		**(7,872)**	**14,913**	**7,041**
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**(7,872)**	**14,913**	**7,041**

28 June 2020 (unaudited)		Impact of changes in accounting policies		
		As previously reported	IFRS adjustments	As restated
	Notes	**£'000**	**£'000**	**£'000**
Revenue		52,357	-	52,357
Cost of sales		(11,707)	-	(11,707)
Gross profit		**40,650**	**-**	**40,650**
Administrative expenses	b, c, d	(75,986)	7,770	(68,216)
Other income	b	11,987	(45)	11,942
Operating profit		**(23,349)**	**7,725**	**(15,624)**
Interest receivable and similar income	b	80	25	105
Interest payable and similar expenses	b	(1,227)	(4,999)	(6,226)
(Loss)/Profit on ordinary activities before taxation		**(24,496)**	**2,751**	**(21,745)**
Taxation	e	2,020	874	2,894
Loss for the financial year from continuing		**(22,476)**	**3,625**	**(18,851)**

operations			
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**(22,476)**	**3,625**	**(18,851)**

27 December 2020		**Impact of changes in accounting policies**		
		As previously reported £'000	**IFRS adjustments £'000**	**As restated £'000**
	Notes			
Revenue		129,088	-	129,088
Cost of sales		(26,183)	-	(26,183)
Gross profit		**102,905**	**-**	**102,905**
Administrative expenses	b, c, d	(149,168)	17,800	(131,368)
Other income	b	20,678	(50)	20,628
Operating profit		**(25,585)**	**17,750**	**(7,835)**
Interest receivable and similar income	b	80	49	129
Interest payable and similar expenses	b	(2,477)	(10,009)	(12,486)
(Loss)/Profit on ordinary activities before taxation		**(27,982)**	7,790	**(20,192)**
Taxation	e	1,753	1,125	2,878
Loss for the financial year from continuing operations		**(26,229)**	8,915	**(17,314)**
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**(26,229)**	**8,915**	**(17,314)**

Combined statements of financial position

1 January 2018			**Impact of changes in accounting policies**		
		As previously reported	**IFRS adjustments**	**FRS 102 correction**	**As restated**
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Non-current assets					
Goodwill		145,979	-	-	145,979
Property, plant and equipment	b	61,668	(75)	-	61,593
Right-of-use assets	b, d	-	174,705	-	174,705
Net investment in a sub-lease	b	-	60	-	60
Prepayments	b	-	617	-	617
Deferred tax asset	e	-	-	-	-
Total non-current assets		**207,647**	**175,307**	**-**	**382,954**
Current assets					
Inventory		1,185	-	-	1,185
Net investment in a sub-lease	b	-	127	-	127
Trade and other receivables	b	12,094	(5,184)	-	6,910
Cash and cash equivalents		10,984	-	-	10,984
Total current assets		**24,263**	**(5,057)**	**-**	**19,206**

	Notes	As previously reported £'000	IFRS adjustments £'000	FRS 102 correction £'000	As restated £'000
Total assets		**231,910**	**170,250**	**-**	**402,160**
Current liabilities					
Borrowings	a	-	-	(1,076)	(1,076)
Current tax liabilities		-	(1,064)	-	(1,064)
Trade and other payables	b	(169,107)	6,459	-	(162,648)
Provisions		-	-	-	-
Lease liabilities	b	-	(11,642)	-	(11,642)
Total current liabilities		**(169,107)**	**(6,247)**	**(1,076)**	**(176,430)**
Non-current liabilities					
Borrowings	a	(68,139)	-	1,076	(67,063)
Deferred tax liability		(287)	-	-	(287)
Provisions	b	(1,938)	1,316	-	(622)
Lease liabilities	b	-	(165,317)	-	(165,317)
Total non-current liabilities		**(70,364)**	**(164,001)**	**1,076**	**(233,289)**
Total liabilities		**(239,471)**	**(170,248)**	**-**	**(409,719)**
Net liabilities		**(7,561)**	**2**	**-**	**(7,559)**
Represented by:					
Invested capital		-	-	-	-
Share premium		-	-	-	-
Share based payment reserve		3,264	-	-	3,264
Retained losses		(10,825)	(2)	-	(10,823)
		(7,561)	**2**	**-**	**(7,559)**

30 December 2018

	Notes	As previously reported £'000	IFRS adjustments £'000	Impact of changes in accounting policies FRS 102 correction £'000	As restated £'000
Non-current assets					
Goodwill	c	133,253	12,726	-	145,979
Property, plant and equipment	b	57,809	(328)	-	57,481
Right-of-use assets	b d	-	147,556	-	147,556
Net investment in a sub-lease	b	-	934	-	934
Prepayments	b	-	40	-	40
Deferred tax asset	e	618	2,037	-	2,655
Total non-current assets		**191,680**	**162,965**	**-**	**354,645**
Current assets					
Inventory		1,199	-	-	1,199
Net investment in a sub-lease	b	-	134	-	134
Trade and other receivables	b	12,282	(5,546)	-	6,736
Cash and cash equivalents		17,573	-	-	17,573
Total current assets		**31,054**	**(5,412)**	**-**	**25,642**
Total assets		**222,734**	**157,553**	**-**	**380,287**
Current liabilities					
Borrowings	a	-	-	(1,076)	(1, 076)
Current tax liabilities	e	-	(353)	-	(353)
Trade and other payables	b	(169,634)	8,690	-	(160,944)
Provisions		-	-	-	-
Lease liabilities	b	-	(14,217)	-	(14,217)
Total current liabilities		**(169,634)**	**(5,880)**	**(1,076)**	**(176,590)**
Non-current liabilities					
Borrowings	a	(67,063)	-	1,076	(65,987)

	Notes	As previously reported £'000	IFRS adjustments £'000	FRS 102 correction £'000	As restated £'000
Provisions	b	(5,139)	5,139	-	-
Lease liabilities	b	-	(154,029)	-	(154,029)
Total non-current liabilities		**(72,202)**	**(148,890)**	**1,076**	**(220,016)**
Total liabilities		**(241,836)**	**(154,770)**	**-**	**(396,606)**
Net liabilities		**(19,102)**	**2,783**	**=**	**(18,356)**
Represented by:					
Invested capital		-	-	-	-
Share premium		-	-	-	-
Share based payment reserve		4,054		-	4,054
Retained losses		(23,156)	2,783	-	(20,373)
		(19,102)	**2,783**	**-**	**(16,319)**

29 December 2019

			Impact of changes in accounting policies		
	Notes	As previously reported £'000	IFRS adjustments £'000	FRS 102 correction £'000	As restated £'000
Non-current assets					
Goodwill	c	120,527	25,452	-	145,979
Property, plant and equipment	b	55,931	(333)	-	55,598
Right-of-use assets	b, d	-	136,717	-	136,717
Net investment in a sub-lease	b	-	780	-	780
Prepayments	b	-	60	-	60
Deferred tax asset	e	729	1,589	-	2,318
Total non-current assets		**177,187**	**164,265**	**-**	**341,452**
Current assets					
Inventory		1,249	-	-	1,249
Net investment in a sub-lease	b	-	158	-	158
Trade and other receivables	b	13,073	(5,435)	-	7,638
Cash and cash equivalents		27,121	-	-	27,121
Total current assets		**41,443**	**(5,277)**	**-**	**36,166**
Total assets		**218,630**	**158,988**	**-**	**377,618**
Current liabilities					
Borrowings	a	-	-	(1,076)	(1,076)
Current tax liabilities	e	-	(408)	-	(408)
Trade and other payables	b	(171,056)	8,011	-	(163,045)
Provisions		-	-	-	-
Lease liabilities	b	-	(12,678)	-	(12,678)
Total current liabilities		**(171,056)**	**(5,075)**	**(1,076)**	**(177,207)**
Non-current liabilities					
Borrowings	a	(65,987)	-	1,076	(64,911)
Provisions	b	(8,561)	8,561	-	-
Lease liabilities	b	-	(144,778)	-	(144,778)
Total non-current liabilities		**(74,548)**	**(136,217)**	**1,076**	**(209,689)**
Total liabilities		**(245,604)**	**(141,292)**	**-**	**(386,896)**
Net liabilities		**(26,974)**	**17,696**	**-**	**(9,278)**
Represented by:					
Invested capital		-	-		-
Share premium		-	-		-
Share based payment reserve		4,054	-		4,054
Retained losses		(31,028)	17,696		(13,332)

(26,974)	**17,696**		**(9,278)**

28 June 2020 (Undaudited)			**Impact of changes in accounting policies**		
	Notes	**As previously reported £'000**	**IFRS adjustments £'000**	**FRS 102 correction £'000**	**As restated £'000**
Non-current assets					
Goodwill	c	114,165	31,814	-	145,979
Property, plant and equipment	b	52,310	(764)	-	51,546
Right-of-use assets	b	-	125,906	-	125,906
Net investment in a sub-lease	b	-	701	-	701
Prepayments	b	-	60	-	60
Deferred tax asset	e	1,228	2,463	-	3,691
Total non-current assets		**167,703**	**160,180**	**-**	**327,883**
Current assets					
Inventory		958	-	-	958
Net investment in a sub-lease	b	-	258	-	258
Current tax assets	b	-	2,169	-	2,169
Trade and other receivables	b	7,676	(530)	-	7,146
Cash and cash equivalents		22,996	-	-	22,996
Total current assets		**31,630**	**1,897**	**-**	**33,527**
Total assets		**199,333**	**162,077**	**-**	**361,410**
Current liabilities					
Borrowings		(1,426)	-	-	(1,426)
Trade and other payables	b	(172,744)	10,646	-	(162,098)
Provisions		-	-	-	-
Lease liabilities	b	-	(23,034)	-	(23,034)
Total current liabilities		**(174,170)**	**(12,388)**	**-**	**(186,558)**
Non-current liabilities					
Borrowings		(64,373)	-	-	(64,373)
Provisions	b	(10,240)	10,240	-	-
Lease liabilities	b	-	(138,608)	-	(138,608)
Total non-current liabilities		**(74,613)**	**(128,368)**	**-**	**(202,981)**
Total liabilities		**(248,783)**	**(140,756)**	**-**	**(389,539)**
Net liabilities		**(49,450)**	**21,321**	**-**	**(28,129)**
Represented by:					
Invested capital		-	-	-	-
Share premium		-	-	-	-
Share based payment reserve		4,054	-	-	4,054
Retained losses		(53,504)	21,321	-	(32,183)
		(49,450)	**21,321**	**-**	**(28,129)**

27 December 2020			**Impact of changes in accounting policies**		
	Notes	**As previously reported £'000**	**IFRS adjustmen ts £'000**	**FRS 102 correction £'000**	**As restated £'000**

Non-current assets					
Goodwill	c	107,802	38,177	-	145,979
Property, plant and equipment	b	50,341	(1,422)	-	48,919
Right-of-use assets	b, d	-	121,219	-	121,219
Net investment in a sub-lease	b	-	620	-	620
Prepayments	b	-	60	-	60
Deferred tax asset	e	1,772	2,714	-	4,486
Total non-current assets		**159,915**	**161,368**	**-**	**321,283**
Current assets					
Inventory		703	-	-	703
Net investment in a sub-lease	b	-	359	-	359
Current tax assets	b	-	1,313	-	1,313
Trade and other receivables	b	7,226	(705)	-	6,521
Cash and cash equivalents		37,201	-	-	37,201
Total current assets		**45,130**	**967**	**-**	**46,097**
Total assets		**205,045**	**162,335**	**-**	**367,380**
Current liabilities					
Borrowings		(1,426)	-	-	(1,426)
Trade and other payables	b	(180,372)	6,436	-	(173,936)
Provisions	b	-	(509)	-	(509)
Lease liabilities	b	-	(17,672)	-	(17,672)
Total current liabilities		**(181,798)**	**(11,745)**	**-**	**(193,543)**
Non-current liabilities					
Borrowings		(63,834)	-	-	(63,834)
Provisions	b	(12,616)	9,795	-	(2,821)
Lease liabilities	b	-	(133,774)	-	(133,774)
Total non-current liabilities		**(76,450)**	**(123,979)**	**-**	**(200,429)**
Total liabilities		**(258,248)**	**(135,724)**	**-**	**(393,972)**
Net liabilities		**(53,203)**	**26,611**	**-**	**(26,592)**
Represented by:					
Invested capital		-	-	-	-
Share premium		-	-	-	-
Share based payment reserve		4,054	-	-	4,054
Retained losses		(57,257)	26,611	-	(30,646)
		(53,203)	**26,611**	**-**	**(26,592)**

Consolidated statements of cash flows

30 December 2018	**Impact of changes in accounting policies**		
	As previously reported	**IFRS adjustments**	**As restated**
	£'000	**£'000**	**£'000**
Cash flows from operating activities			
Profit for the financial period	(12,331)	2,781	(9,550)
Adjustments for:			

Depreciation, amortisation and impairment	26,450	15,076	41,526
Loss on lease derecognition	-	407	407
Interest receivable and similar income	(56)	(54)	(110)
Interest payable and similar expenses	2,810	11,559	14,369
Equity settles share-based payment expenses	790	-	790
Taxation	735	(2,037)	(1,302)
	18,398	**27,732**	**46,130**
(Increase)/Decrease in trade and other debtors	(188)	362	174
Increase in inventory	(14)	-	(14)
Increase/(Decrease) in trade and other payables	1,510	(2,596)	(1,086)
Increase in provisions	3,201	(3,823)	(622)
Cash used in operations	**4,509**	**(6,057)**	**(1,548)**
Rental income from sub-leases	-	177	177
Tax paid	(2,350)	-	(2,350)
Net cash generated from operating activities	**20,557**	**21,852**	**42,409**
Cash flows from investing activities			
Interest received	56	-	56
Initial direct costs incurred on new leases	-	(209)	(209)
Purchase of property, plant and equipment	(10,199)	209	(9,990)
Net cash used in investing activities	**(10,143)**	**-**	**(10,143)**
Cash flows from financing activities			
Lease payments	-	(21,852)	(21,852)
Repayment of bank loan	(1,400)	-	(1,400)
Interest paid on bank loan	(2,425)	-	(2,425)
Net cash used in financing activities	**(3,825)**	**(21,852)**	**(25,677)**
Net increase in cash and cash equivalents	**6,589**	**-**	**6,589**
Cash and cash equivalents at beginning of period	**10,984**	**-**	**10,984**
Cash and cash equivalents at end of period	**17,573**	**-**	**17,573**

29 December 2019	**Impact of changes in accounting policies**		
	As previously reported	**IFRS adjustments**	**As restated**
	£'000	**£'000**	**£'000**
Cash flows from operating activities			
Profit for the financial period	(7,872)	14,913	7,041
Adjustments for:			
Depreciation, amortisation and impairment	25,680	(2,352)	23,328
Loss on lease derecognition	-	1,889	1,889
Interest receivable and similar income	(161)	(55)	(216)
Interest payable and similar expenses	2,814	10,626	13,440
Equity settles share-based payment expenses	-	-	-
Taxation	1,466	448	1,914
	21,927	**25,469**	**47,396**
(Increase)/Decrease in trade and other debtors	(791)	(110)	(901)
Increase in inventory	(50)	-	(50)
Increase/(Decrease) in trade and other payables	1,847	1,612	3,459
Increase in provisions	3,422	(3,422)	-
Cash used in operations	**4,428**	**(1,920)**	**2,508**
Rental income from finance sub-leases	-	184	184
Tax paid	(1,608)	-	(1,608)
Net cash generated from operating activities	**24,747**	**23,733**	**48,480**

Cash flows from investing activities			
Interest received	150	-	150
Initial direct costs incurred on new leases	-	(82)	(82)
Purchase of property, plant and equipment	(11,407)	82	(11,325)
Net cash used in investing activities	**(11,257)**	**-**	**(11,257)**
Cash flows from financing activities			
Lease payments	-	(23,733)	(23,733)
Repayment of bank loan	(1,400)	-	(1,400)
Interest paid on bank loan	(2,542)	-	(2,542)
Net cash used in financing activities	**(3,942)**	**(23,733)**	**(27,675)**
Net increase in cash and cash equivalents	**9,548**	**-**	**9,548**
Cash and cash equivalents at beginning of period	**17,573**	**-**	**17,573**
Cash and cash equivalents at end of period	**27,121**	**-**	**27,121**

28 June 2020 (unaudited)	**Impact of changes in accounting policies**		
	As previously reported	**IFRS adjustments**	**As restated**
	£'000	**£'000**	**£'000**
Cash flows from operating activities			
Profit for the financial period	(22,476)	3,625	(18,851)
Adjustments for:			
Depreciation, amortisation and impairment	12,167	4,880	17,047
Interest receivable and similar income	(80)	(25)	(105)
Interest payable and similar expenses	1,227	5,015	6,242
Equity settles share-based payment expenses	-	-	-
Taxation	(2,020)	(874)	(2,894)
	(11,182)	**12,621**	**1,439**
(Increase)/Decrease in trade and other debtors	5,137	(4,906)	231
Increase in inventory	290	-	290
Increase/(Decrease) in trade and other payables	4,794	(5,210)	(416)
Increase in provisions	1,679	(1,679)	-
Cash used in operations	**11,900**	**(11,795)**	**105**
Rental income from finance sub-leases	-	4	4
Tax paid	(970)	-	(970)
Net cash generated from operating activities	**(252)**	**830**	**578**
Cash flows from investing activities			
Interest received	75	-	75
Purchase of property, plant and equipment	(2,480)	-	(2,480)
Net cash used in investing activities	**(2,405)**	**-**	**(2,405)**
Cash flows from financing activities			
Lease payments	-	(830)	(830)
Repayment of bank loan	(350)	-	(350)
Interest paid on bank loan	(1,118)	-	(1,118)
Net cash used in financing activities	**(1,468)**	**(830)**	**(2,298)**
Net increase in cash and cash equivalents	**(4,125)**	**-**	**(4,125)**
Cash and cash equivalents at beginning of period	**27,121**	**-**	**27,121**
Cash and cash equivalents at end of period	**22,996**	**-**	**22,996**

27 December 2020	Impact of changes in accounting policies		
	As previously reported	IFRS adjustments	As restated
	£'000	£'000	£'000
Cash flows from operating activities			
Profit for the financial period	(26,229)	8,915	(17,314)
Adjustments for:			
Depreciation, amortisation and impairment	26,413	4,835	31,248
COVID concessions	-	(1,475)	(1,475)
Interest receivable and similar income	(80)	(49)	(129)
Interest payable and similar expenses	2,477	10,042	12,519
Taxation	(1,753)	(1,125)	(2,878)
	828	**21,143**	**21,971**
(Increase)/Decrease in trade and other debtors	5,847	(4,731)	1,116
Increase in inventory	546	-	546
Increase/(Decrease) in trade and other payables	6,572	(89)	6,483
Increase in provisions	4,055	(725)	3,330
Cash used in operations	**17,020**	**(5,601)**	**11,475**
Rental income from sub-leases	-	8	8
Tax paid	(970)	-	(970)
Net cash generated from operating activities	**16,878**	**15,606**	**32,484**
Cash flows from investing activities			
Interest received	75	-	75
Initial direct costs incurred on new leases	-	(11)	(11)
Purchase of property, plant and equipment	(3,677)	11	(3,666)
Net cash used in investing activities	**(3,602)**	**-**	**(3,602)**
Cash flows from financing activities			
Lease payments	-	(15,606)	(15,606)
Repayment of bank loan	(1,050)	-	(1,050)
Interest paid on bank loan	(2,146)	-	(2,146)
Net cash used in financing activities	**(3,196)**	**(15,606)**	**(18,802)**
Net increase in cash and cash equivalents	**10,080**	**-**	**10,080**
Cash and cash equivalents at beginning of period	**27,121**	**-**	**27,121**
Cash and cash equivalents at end of period	**37,201**	**-**	**37,201**

32. Related parties

Identity of related parties with which the Group has transacted

The Group paid a franchise fee of £4.5m in 2020 (2019: £8.5m; 2018: £8.3m) to TGI Fridays Franchisor LLC.

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the period to 27 June 2021 amounted to £1.4m (2020: £2.3m; 2019: £2.2m; 2018: £2.6m).

33. Subsidiary undertakings

The undertakings in which the Group's interest at the June 2021 is more than 20% are as follows.

Subsidiary undertakings	Address and country of incorporation	Principal Activity	Class and percentage of shareholding
Thursdays (Holdings) Limited	Grant House, 101 Bourges	Restaurants	Ordinary 100%

	Boulevard, Peterborough, PE1 1NG UK		
Thursdays (UK) Limited	Grant House, 101 Bourges Boulevard, Peterborough, PE1 1NG UK	Restaurants	Ordinary 100%

As noted in note 34 subsequent to the balance sheet date and in advance of the admission a group restructure will happen so that Wednesdays (Midco) Limited will become an immediate subsidiary of Hostmore Group Limited.

34. Events after the reporting date

Subsequent to the presentation of the latest results as at 27 Jun 2021, the Group has undertaken a number of preparatory steps pursuant to the listing of the parent company's shares on the London Stock Exchange scheduled for 28 October 2021. The Company and other members of the Group implemented certain reorganisation steps to effect the Demerger as follows:

- Hostmore Ltd issued 50,000 ordinary shares of £1.00 each to Electra, for cash consideration of £50,000. The Company then undertook a share division of its ordinary share capital, dividing each of its issued shares of £1.00 each into five shares of £0.20 each;

- Wednesdays issued preference shares of £1 each to Tuesdays (Midco) Limited (being the immediate parent company of Wednesdays at that point) in consideration for which Tuesdays (Midco) Limited released a circa £130 million intercompany loan payable by Wednesdays to Tuesdays (Midco) Limited;

- Thursdays (Holdings) Limited issued 818,872,600 ordinary shares of £0.01 each to Wednesdays in consideration for which Wednesdays released a circa £8.2 million intercompany loan payable by Thursdays (Holdings) Limited to Wednesdays;

- Thursdays (UK) Limited declared a dividend of circa £1.8 million payable to Thursdays (Holdings) Limited. This dividend amount was subsequently offset against an existing inter-company receivable due to Thursdays (UK) Limited from Thursdays (Holdings) Limited in the same amount.

- Thursdays (UK) Limited declared a distribution in specie to Thursdays (Holdings) Limited of an inter-company receivable due from Wednesdays of £65 million. Thursdays (Holdings) Limited then declared a dividend of £65 million to Wednesdays. This dividend amount was subsequently offset against the inter-company receivable due to Thursdays (Holdings) Limited from Wednesdays in the same amount.

- Tuesdays (Midco) Limited, by way of a declaration of a dividend in specie, transferred the entirety of its shareholding in Wednesdays to Mondays (Topco) Limited (being the immediate parent company of Tuesdays (Midco) Limited);

- Hostmore Group Limited issued 109,330,607 ordinary shares of £0.20 each to Electra in consideration for the transfer to it, by Mondays (Topco) Limited (at the direction of Electra), of the entirety of its shareholding in Wednesdays;

- Hostmore Group Limited entered into a management services agreement with Wednesdays, Thursdays (Holdings) Limited and Thursdays (UK) Limited;

- Wednesdays entered into a management services agreement with Thursdays (Holdings) Limited and Thursdays (UK) Limited;

- Electra transferred the entirety of its shareholding in Hostmore Group Limited to the Company, in consideration for which the Company issued 5,937,960 ordinary shares of £0.20 each to Electra;

- The Company issued 7,339,374 ordinary shares of £0.20 each to Electra for a subscription price of circa £13.1 million, in aggregate. The Company subsequently subscribed for 5,937,960 ordinary shares of £0.20 each in Hostmore Group Limited for a subscription price of circa £10.6 million, in aggregate;

- Hostmore Ltd was re-registered as a public limited company;

- Hostmore plc and Electra entered into the Demerger Agreement pursuant to which the Company and Electra have conditionally agreed, on the terms of the agreement and subject to receipt of the requisite shareholder approvals, that Electra will make a distribution in specie of all of the issued share capital in Hostmore held by it, immediately prior to both the management issue referred to below and Admission, to Qualifying Shareholders.

- The Group and certain of the Directors and Senior Management (among others) entered into the Fridays MIP Crystallisation Side Letter pursuant to which (and following certain intermediate steps) the Company has agreed, subject to receipt of the requisite shareholder approvals and the making of the distribution in specie referred to above, to issue 9,207,291 ordinary shares of £0.20 each, in aggregate, to certain of the Directors and Senior Management immediately prior to Admission.

As part of this process as noted above, prior to the demerger of the Company, Electra Private Equity PLC subscribed for shares in the Company for an aggregate subscription price of £13.1m, paid in cash. The Company will use these funds to meet certain demerger transaction costs, to provide support for its banking facilities and otherwise for general working capital purposes, as further described below:.

Under the Demerger Agreement, the Company and Electra have agreed to allocate substantially all of the professional fees and charges incurred in connection with Admission and the Demerger to the Group. The Company's expectation is that these transaction costs will be approximately £11.0m in aggregate, but this amount could rise to up to £17.5m, in certain circumstances, dependent on whether certain incentive fees become payable in whole, in part or at all, subsequent to Admission

£2.5m of the cash will be retained by the Company to support the Group's banking facilities and any residual amounts will be used by the Company for ongoing working capital purposes.

Subsequent to the period end on 7 July 2021 the group has completed a re-financing of its external borrowings.

35. Ultimate parent company and parent company of larger group

Electra Private Equity PLC is the ultimate controlling party as at 27 June 2021

As at 27 December 2020, the largest group in which the results of the Group are consolidated is that headed by Mondays (Topco) Limited, incorporated in the UK.