



6 November 2020

## **Trading Update**

Dear Shareholder

The directors' trading update in March 2020 anticipated a prolonged period of enforced closure due to the Covid19 virus and a consequential operating loss for the financial year to 3 October 2020. We also advised that we would be fully utilising all available financial support packages provided by the UK and Scottish governments.

It so transpired that bars and restaurants in Scotland remained under enforced government closure until the middle of July and for the remainder of the financial year our outlets were only able to trade on a restricted basis. The majority of our 90 employees were placed on furlough leave. This enabled us to mitigate a significant element of the financial damage caused by the virus.

Prior to Covid19 we were forecasting a strong improvement in operational profitability from the 2019 outcome of £102,780 but the closures referred to resulted in an unaudited operating loss of £241,837 for the financial year.

Looking forward, the outlook for the hospitality sector remains very challenging. The important Christmas trading period already appears compromised and we do not foresee any realistic prospect of a return to normal trading before the spring of 2021.

In order to mitigate the potentially dire financial consequences of a prolonged period of negative cash flow the directors have taken advantage of a CBILS loan of £500,000 as well as restructuring the group's existing facilities through to October 2025 and the directors, estate manager and selected operational managers have all agreed to reductions in their remuneration packages until further notice. The directors are also implementing other cost saving measures including a change of auditor. There will be a consequential delay in publishing the year end report and accounts and the timing of the AGM.

Finally, in the absence of a vaccine for Covid19 it is not possible to predict when normal trading conditions will return and the directors and advisors will continue to monitor developments closely and will consider all options available to the group including asset sales, a return of capital or raising new capital should circumstances dictate.

David Low  
Chairman