ECLECTIC

BAR GROUP PLC

Annual Report 2015

Registered Number 08687172

DIRECTORS, OFFICERS AND ADVISERS

Directors	Luke Johnson	Executive Chairman (appointed 15 June 2015)
	James (Jim) Fallon	Non-Executive Director
	Paul Viner	Non-Executive Director (appointed 30 July 2015)
	Reuben Harley	Chief Executive Officer
	John Smith	Chief Financial Officer
	Leigh Nicolson	Chief Operating Officer (appointed 28 July 2014)
	Richard Kleiner	Non-Executive Director (resigned 15 June 2015)
	Clive Watson	Non-Executive Director (resigned 30 April 2015)

Company Secretary
John Smith

Registered Office
36 Drury Lane
London
WC2B 5RR

Financial Adviser, Nominated Adviser and Broker
Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Auditors
Ernst & Young LLP
1 More London Place
London
SE1 2AF

Lawyers to the Group
Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London
EC4R 9HA

Bankers
Barclays Bank
1 Churchill Place
London
E14 5HP

Financial PR
Instinctif
65 Gresham Street
London
EC2V 7NQ

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

TABLE OF CONTENTS

CHAIRMAN'S STATEMENT

The 52 weeks to the end of June 2015 financial year has been a challenging period for Eclectic Bar Group Plc (the Group). The Group has faced issues in a number of areas: the change in behaviour of students, intense competition in a number of the Group's key trading towns and disappointments in Lola Lo Derby and Dirty Blonde in Brighton. Together, these issues have resulted in EBITDA on continuing operations before highlighted items of £1.8 million for the year versus £2.6 million the prior year.

The Group has responded to these factors by reducing costs at the head office, closing non-profitable nights, focusing on development of its food offer and rationalising its estate. Given the risks associated with new developments, it has been decided not to refurbish the recently acquired Sheffield and Liverpool sites and to seek to dispose of them both over the next twelve to twenty four months.

The impact of these events has resulted in a number of one off costs that are detailed in notes 5 and 13. The Group has impaired fixed assets relating to underperforming sites amounting to £1.2 million, made goodwill impairments of £2.9 million, incurred losses of £0.6 million relating to site disposals and provided £0.7million for onerous leases. I am gaining a deeper understanding of the business and believe we are making tangible progress to assist the Group to plan and execute its strategy. In the short term the focus will be to continue to provide quality service and delivery, continue to focus on reducing costs and to dispose of the Sheffield and Liverpool sites.

The financial highlights are included in the Chief Executive's Review.

Board

There have been a number of changes during the year, Richard Kleiner and Clive Watson resigned from the board and I thank them both for the work they have done during their period in office.

Jim Fallon stepped down as Chairman and I am pleased that he continues on the Board as a Non-Executive Director chairing the Remuneration Committee. During the period we also welcomed to the Board Leigh Nicolson as Chief Operating Officer and Paul Viner as a Non-Executive Director, both of whom have considerable experience in this sector. Paul Viner is also a qualified accountant and will chair the Audit Committee.

I believe these appointments have brought a wide range of expertise to the Board.

Future prospects

I have known the Executive management and had contact with them prior to the Company's listing, and was delighted to be appointed as Executive Chairman in June and to invest in the business with my fellow Directors. This has raised £1,650,000 of cash for the Company and will provide useful additional funding for the Group going forward.

Eclectic is fundamentally a good company with a robust business model. It has much potential including some great people and an attractive portfolio of sites. It has firm foundations and continues to be cash generative. The future opportunity is to build on these strengths and take advantage of the opportunities which exist in the market to diversify into more food led operations and grow the business through acquisition and market consolidation.

Luke Johnson
Chairman
29 September 2015

CHIEF EXECUTIVE'S REVIEW

Eclectic Bar Group Plc (the Group), is a leading operator of 19 (2014: 21) premium bars trading in major towns and cities across the UK.

The Group trades across its estate under a variety of concepts including Embargo Republica, Lola Lo, Sakura, Po Na Na, Fez Club, Lowlander, Dirty Blonde and Coalition. The Group predominantly targets a customer base of sophisticated students midweek and stylish over 21s and professionals at the weekend. The Group focuses on delivering added value for its customers, with premium product ranges, high quality music and entertainment and a commitment to high service standards.

Eclectic's estate is nationwide across key university cities and towns which provide a vibrant night time economy and the demographics to support premium bars.

The loss before tax and highlighted items was £0.5 million (2014: profit £1.0 million). Adjusted loss per share (basic and diluted) on all operations was 0.3 pence per share (2014: earnings per share of 9.4 pence). The loss before tax and after highlighted items was £6.2 million (2014: profit £0.2 million). Loss per share (basic and diluted) on all operations was 44.7 pence per share (2014: 2.7pence).

However, the Group has swiftly responded to these factors by reducing costs at the head office, closing non-profitable nights, focusing on development of its food offer, and rationalising its estate.

Review of the Group's activities during the year
The Company has experienced three main challenges which have impacted on its results during this period:

- University undergraduates nationwide have been less active across the market place during the freshers' weeks and have been less predictable during the academic year;
- There has been increased and intense competition in a number of specific locations;
- Additionally, two of the new openings, Lola Lo in Derby and Dirty Blonde in Brighton, have not performed as well as expected.

The management team have swiftly undertaken a range of mitigating actions:

- Organised student focus groups across a number of venues - the intelligence and findings from these sessions has been used to formulate our student plans for the returning students in late September 2015;
- Reviewed the head office cost base and reduced this by 28%. These savings benefitted the Group in the second half of this financial year with further benefits to come next year;
- Focussed our activity on profitable trading nights, ensuring cost savings by closing non profitable sessions;
- Reviewed our estate, to establish the ongoing viability of some of the smaller, albeit profitable, sites. Consequently we disposed of Norwich Lola Lo in June 2015, and further disposals are expected during the next financial year;
- Renegotiated the principal supply contracts at the end of February 2015 bringing revenue and margin benefits and the logistical simplicity of a single drinks supplier.

Key developments in the estate over the period

Embargo Republica on the Kings Road
After a four week closure for an extensive refurbishment and rebranding as Embargo Republica, the venue re-opened in the last week of August 2014. The rebranded and refurbished Embargo Republica delivers more emphasis to its Cuban spirit and created additional space with the move of the back office functions to the area vacated by the Head Office, which in turn, has been relocated above Lowlander on Drury Lane. An extended outside terrace, a new stage for live acts and a cigar shop at the entrance are all part of the bar's Cuban backdrop giving a distinctive colonial atmosphere. Trading since the re-opening is ahead of expectations.

Bristol Lola Lo
This venue was closed for three weeks and reopened half way through September to coincide with returning university students for the new academic year. The refit of this Lola Lo extends the brand into the South West of England. Trading since opening has been in line with expectations.

Coalition and Manchester Lola Lo
Both venues completed their first anniversary during this period. The combined cash on cash returns (the cash income earned from the cash invested) for the financial year are in excess of 50%. The Company is delighted with trading at both of these units.

CHIEF EXECUTIVE'S REVIEW
continued

Bournemouth Sakura
This venue was refitted as a Sakura during the period and despite every effort to stimulate increased trade, it continued to underperform. The announcement of plans by the landlord to develop residential accommodation above this unit left the Company with limited options. At the end of January the decision was taken to close the business and the lease was surrendered to the landlord at the end of March 2015.

Lowlander on Drury Lane
This venue continues to flourish since its acquisition at the end of March 2014. Trading is in line with expectations; furthermore the unutilised upstairs areas have provided useful space for the relocation of the Company head office, enabling the expansion of Embargo.

Derby Lola Lo and Brighton Dirty Blonde
Initially, Lola Lo in Derby was successful in breaking into the student market, a crucial part of trade in this city, but has since underperformed. However, it is anticipated that Lola Lo Derby will break even in the coming year. Dirty Blonde continues to have one of the most successful Saturdays in the estate but midweek trading has been more subdued. Some modifications have taken place to make the bar more visible to the street and we are working on steps to simplify the food offering and to reduce the cost base. Additionally, we will be building on the success of last year's Christmas trading with additional sessions.

Sheffield and Liverpool
In light of the revised strategy highlighted earlier, the decision has been made to halt development at both of these sites. See significant events that have taken place since the year end on the following page.

Norwich Lola Lo
In June 2015 this site was disposed of for a consideration of £103,000.

For the remainder of the estate, trading has been in line with expectations for the period.

An evolving strategy
Future growth of the Group is primarily anticipated to be through the acquisition and development of small groups of trading sites with a new focus on driving greater food revenues into the bar estate. The Group will also continue to evaluate the purchase of individual sites with a strong trading history but intends to move away from the development of new 'green field' sites.

Eclectic's business platform provides an excellent framework for the variety of venues that the Group owns, enabling the management team to choose the correct concept for the location and community within which it is situated, whilst maintaining the Group's focus on a premium customer base and utilising standard processes and supply.

It is anticipated that future acquisitions will be in major cities and towns where there is also a young and vibrant population. These businesses will also have a more substantial food element to their trade. The Group targets a 30% EBITDA return on new acquisitions and 25% on redevelopments of existing sites in the first twelve months post-acquisition or re-development.

The Group will continue to finance its new acquisitions and developments with cash generated from operating activities, bank funding and, where necessary, through the issue of new shares in Eclectic Bar Group Plc.

Outlook for the coming year

The Group expects to benefit from the full year effect of cost savings over the coming months, both at the head office and at site level, and will continue to dispose of smaller sites where the opportunity arises. In addition, the Group continues to seek out opportunities to acquire smaller bar operating groups or sites with quality earnings to leverage up on the existing head office overhead.

The learnings from the student focus groups have been adopted into the fresher campaigns for the new intake that return in late September and early October. The success of the student campaign and trading leading up to Christmas will be very important to the outcome for the first half.

Furthermore, the Group will be targeting minor investment into a few of the venues that have been impacted by strong competition. The measures implemented will take time to flow through, especially the operational changes. Whilst the Group will continue to be cash generative, it is anticipated that the overall trading result will be similar to the previous year. Trading during the quieter summer months was as expected and we have worked hard to prepare for the all-important return of students for the new academic year.

Significant events that have taken place since the year end

On 15 June 2015, Eclectic announced that Luke Johnson, serial leisure entrepreneur, would become Executive Chairman of the Group and that he intended to subscribe for 3,000,000 new ordinary shares of 25 pence each in the capital of Eclectic Bar Group Plc at a price of 50 pence per ordinary share. In addition, the Self-Invested Pension Plans of Reuben Harley, Eclectic's Chief Executive Officer, and John Smith, Eclectic's Chief Financial Officer, also intended to subscribe for 150,000 new ordinary shares (300,000 new ordinary shares in total) at the subscription price. These proposals were presented and approved by the shareholders at the General Meeting on 30 July 2015, raising £1.65 million to fund the future development of the Group's business.

In addition, Eclectic Bar Group Plc has also issued warrants to subscribe for up to 1,622,274 ordinary shares at a price of 60 pence per ordinary share to Luke Johnson. These warrants can be exercised in up to two tranches, but must be exercised by 30 June 2019, after which they will lapse. The authority to issue shares and to disapply pre-emption rights was also presented and approved by the shareholders at the General Meeting on 30 July 2015.

Since the year end the Liverpool landlord has agreed to conditionally rescind the lease on this property. Eclectic will carry out separation works to split the property into two units, each consisting of approximately half of the property. Once this work is completed, two new leases will be granted, one to a new tenant and the second to Eclectic. The Group will seek to dispose of its share of the site over the next twelve to twenty four months.

On 27 August 2015 the Group reduced its Revolving Credit Facility from £5,000, 000 to £3,500,000.

Finance review

Despite the significant competitive and trading pressures experienced during the year the Group remains strongly cash generative:

- Revenue on continuing operations was down 1.9% at £22.3 million (2014: £22.7 million).
- Revenue including discontinued operations was down 3.5% at £22.3 million (2014: £23.1 million).
- Group EBITDA on all operations before highlighted items was £1.8 million (2014: £2.9 million).
- Group EBITDA on all operations after highlighted items was £0.7 million (2014: £1.7 million).
- Group EBITDA on continuing operations before highlighted items was £1.8 million (2014: 2.6 million).
- Group EBITDA on continuing operations after highlighted items was £0.7 million (2014: £1.3 million).
- Loss before tax and highlighted items was £0.5 million (2014: profit £1.0 million).
- Loss before tax and after highlighted items was £6.2 million (2014: loss of £0.2 million).
- Adjusted loss per share (basic and diluted) on all operations was 0.3 pence per share (2014: earnings per share of 9.4 pence).
- The loss after tax and highlighted items was £5.8 million (2014: loss of £0.3 million).
- Loss per share (basic and diluted) on continuing operations was 44.7 pence per share (2014: loss of 5.2p).

CHIEF EXECUTIVE'S REVIEW
continued

Balance Sheet

Fixed assets
During the period ended 28 June 2015, assets with a net book value of £2,854,000 were impaired. These assets were impaired following the decision to no longer pursue the developments of Liverpool and Sheffield, together with the poor performance of other sites around the estate (see note 13).

During the period, management has also assessed value in use of goodwill, and as a result the Group booked goodwill impairments totalling £1,156,000 (see note 13).

Assets with a further net book value of £687,000 were written down, of which £221,000 related to the refurbishments of Embargo Republica and Bristol Lola Lo.

The sale of Norwich Lola Lo and closure of Bournemouth Sakura resulted in a loss on disposal of fixed assets of £569,000.

The impairments, write-offs and loss on disposal have been included as highlighted items in the income statement.

Bank debt
On 18 March 2014, the Group agreed new banking facilities with Barclays Bank, increasing its Revolving Credit Facility (RCF) from £1.5 million to £5.0 million, with improved interest terms and simplified covenants. Debt was reduced after the 2015 period end with further funding of £1.65 million in cash being received at the beginning of August 2015 from the new share subscriptions. On 27 August 2015, the Group reduced its Revolving Credit Facility from £5,000,000 to £3,500,000.

At the period end the Group had:

- an outstanding term facility of £0.2 million (2014: £0.8 million), with repayments of £0.2 million due to be repaid within the next twelve months. This facility will have been fully repaid by the end of September 2015
- an RCF facility of £5.0 million with £3.5 million drawn (2014: £1.7 million), and
- cash balances of £1.0 million (2014: £0.5 million).

Key performance indicators
The Group's key performance indicators are focused on the continued expansion of the Group to drive revenues and EBITDA growth. Through this growth the Group will be able to offer good career prospects for our staff and great food, drink and entertainment for our premium customers, ensuring regular dividends are payable to shareholders in the future.

New acquisitions and developments
The Group looks to acquire groups of trading sites and existing venues with a strong track record of historic cash generation. In addition, the Group continues to develop existing sites, with key elements for success being the focus on best locations, good rent cover and a concept relevant to both customer and location.

- We have refurbished two existing venues during the period.
- We have entered into leases at two new sites in Liverpool and Sheffield (2014: 4 new sites were acquired). Given the Group's strategy to reduce the risks associated with the development of "green field" sites,the intention is to dispose of these sites and change the focus to the acquisition of smaller groups and individual sites with a track record of consistent earnings.
- We continue to focus on the long term quality of acquisitions rather than the quantity of units acquired.

Group Revenue performance versus the prior period
The Group will continue to drive sales through acquisition and development, together with a strong focus over the coming year to further increase food sales where the opportunity arises. The Group intends to dispose of smaller, less profitable sites, which will impact on sales in the short term but improve profitability in the longer term.

- Revenue on continuing operations was down 1.9% at £22.3 million (2014: £22.7million).
- Total revenue including discontinued operations was down 2.9% at £22.3 million (2014: £23.1 million).

Growth in Group EBITDA on continuing operations before highlighted items
EBITDA is a key valuation metric for the valuation of the Group's business.

We continue to focus on driving site EBITDA through new acquisitions and developments.

- Group EBITDA on continuing operations before highlighted items was £1.8 million (2014: £2.6 million).
- Group EBITDA on continuing operations after highlighted items was £0.7 million (2014: £1.3 million).

PRINCIPAL RISKS AND UNCERTAINTIES

Key Risks	Risk description	Mitigating actions and achievements during the year
Business and resulting financial risk Failure to acquire and or develop new sites	The Group's ability to open new sites, to operate these sites on a profitable basis and to introduce its business concepts successfully into new locations (or develop an acquired brand) is a major part of the future success of the Group. Failure to acquire or develop new sites would financially impact the future earnings of the Group.	During the year the Group has changed its focus by: • undertaking regular reviews of the Group's estate and, where necessary, moving away from managing smaller, less profitable sites – disposed of Norwich in June 2015 • seeking to dispose of Liverpool and Sheffield, both "green field" sites, in favour of the purchase of smaller groups or individual sites with a track record of consistent earnings, so reducing the risk associated with new acquisitions • acquiring new sites with a strong trading record, learning from the successful acquisitions of Coalition and Lowlander • looking to acquire groups of small sites with a food element, which will enable the Group to broaden its customer appeal, widen its offer and extend its trading hours
Business and resulting financial risk Increased competition and changing consumer habits	The bars market in the UK is vibrant, exciting and continuously changing. There is no certainty that the Group will continue to achieve the market penetration it seeks. There is no certainty that the Group will be able to respond to changes in consumer habits. Failure to respond to changing market conditions and consumer habits could impact the future earnings of the Group.	During the year we have continued to focus on: • holding regular focus groups to understand the changing needs of our customers • staff development and training to improve delivery at the point of sale • refining our concepts to broaden our appeal to a wider audience, demonstrated by the successful developments off Embargo Republica and Bristol Lola Lo • ensuring our mix of music and entertainment is relevant to our customers • improving the variety and quality of products that we sell • developing significantly the Group's engagement via digital platforms and social media channels. We see this as a continuing key part of our marketing and communication strategy with our consumers. The Group has seen like-for-like increases in users across all the major social media channels • the mystery shopper programme, to ensure each venue we open provides the experience our customers have come to expect

Key Risks	Risk description	Mitigating actions and achievements during the year
Business risk Failure to recruit the best management for our venues	The competitive nature of the market for the best people is fiercely competitive.	The flotation of the Group on AIM has helped to showcase our business to prospective employees. The Group continue to focus on its training programmes with: • further development of our Bar Academy training programme • more focus on trainee management courses to encourage progress into management roles from within the Group • updated stock administration course, run for the first time this year • new marketing course for promotional managers starting early in the new financial year Competitive remuneration and profit sharing schemes for all staff.
Regulatory Risk Failure to comply with the complex regulations in place over the bar industry in the United Kingdom	The Group's bars are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licenses, alcoholic drinks control, entertainment licences, competition, health and safety, sanitation and data protection.	The focus over the year has been on regular and ad hoc visits to our venues including: • regular control visits, together with follow ups to ensure training and compliance at a local level • annual health and safety checks from outside agencies to ensure each venue we trade complies with current regulations • regular audits and training on fire and safety for all our staff, as well as an online reporting system to gather important information from venues on a daily basis that relate to incidents or regulatory visits The Group's focus on operational 'rituals and routines' helps to protect it in this highly regulated market place.
Financial Risk The Group's financial performance is dependent on a number of key sites	The Group is dependent on a small number of key sites and loss of one of these sites would have an adverse impact on the Group's profitability.	The principle risk which cannot be mitigated by insurance relates to loss of a licence at a site. The Group works closely with licensing authorities and the police; this, together with online reporting systems, helps ensure the Group can react quickly to circumstances arising at individual sites. As the Group grows the significance of these key sites will reduce.

By order of the Board
John Smith
Company Secretary and Director

29 September 2015

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the 52 week period ended 28 June 2015.

Principal activities
Eclectic Bar Group Plc is a leading operator of 19 (2014: 21) premium bars located in major towns and cities across the UK.

The Eclectic Group trades across its estate under a variety of business concepts including Embargo Republica, Lola Lo, Sakura, Po Na Na, Fez Club, Lowlander, Dirty Blonde and Coalition. These business concepts predominantly target a customer base of sophisticated students midweek and stylish over 21s and young professionals at the weekend. The Group focuses on delivering added value for its customers, with premium product ranges, high quality music and entertainment and a commitment to high service standards.

Business review and future developments
A review of the business and its potential future developments, including principal risks and uncertainties, is presented within the Strategic Report, the Chairman's Statement (page 4) and within the Chief Executive's review (pages 5 to 9).

Dividends
A special dividend of 2.5p per share was paid to shareholders on 27 November 2014. The total amount of dividends paid during the period was £323,000. The Directors do not propose any further dividends for the current year.

Going concern
The Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of at least twelve months since the Board approved these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Directors' assessment of going concern can be found in note 1 to the financial statements.

Directors
Detail of the Group's Directors, their roles and backgrounds are as follows:

Luke Johnson (Executive Chairman)
Luke joined Eclectic Bar Group Plc in June 2015 as Executive Chairman. Luke Johnson has been involved in nightclub, bar and restaurant businesses since the age of 18. He was Chairman of PizzaExpress Plc during the 1990s, co-founded the Strada restaurant chain, and was Chairman of Giraffe for nine years until it was sold to Tesco for £50m in 2013. He also served on the board of My Kinda Town. He currently chairs Bread Limited, the owner of the artisan bakery chain Gail's, and Patisserie Holdings Plc. Luke is also part owner of Laine's Pub Company, Grand Union and Draft House.

James (Jim) Fallon (Non-Executive Director)
Since 1994 Jim has worked almost exclusively within the leisure sector as a lender, adviser, owner, operator and, most recently, business consultant. Jim worked for Imperial Chemical Industries in electrical engineering for eight years, prior to joining Midland Bank in 1991. He was at HSBC until 2002, latterly leading the leisure team, before leaving to set up the consumer sector corporate finance advisory business, McQueen Limited. He was specifically responsible for the leisure sector within McQueen as well as much of the day-to-day running of the business. Jim works as a consultant to a variety of UK leisure businesses through his company, Graybridge Solutions Limited.

Jim is Chairman of the Remuneration Committee and a member of the Audit Committee.

Paul Viner (Non-Executive Director)
Paul is a Chartered Accountant and has worked predominantly in the leisure sector. He was previously Finance Director at Tottenham Hotspur Plc. Paul subsequently moved to Riva Gaming Group, where he participated in both an MBI and later an MBO. He then spent several years in the property sector as CFO of Residential Land before being appointed CFO of Giraffe Concepts Limited in March 2009. Paul was a key part of the management team that sold Giraffe to Tesco plc for £50 million. Paul left Giraffe in late 2014 to set up his own business, Intelligent Goat Limited, which, amongst other things, provides mentoring advice for Finance Directors and CEOs. Paul currently holds a number of board positions including CEO of Feng Sushi Limited, as well as being a Non-Executive Director in the bingo and arts and culture sectors.

Paul is Chairman of the Audit Committee and a member of the Remuneration Committee.

Reuben Harley (Chief Executive Officer)
Reuben has worked in the UK pub and bar industry for over 25 years. His career started at Grand Metropolitan Plc before he became an Area Manager at Greenalls Inns in the late 1990s. Between 1998 and 2004, Reuben worked at SFI Group Plc, where he moved through the roles of Operations Manager, Regional Manager and taking over as Brand Manager of the Litten Tree across the South of England. He subsequently became Brand Manager nationally for Bar Med, followed by Divisional Director, responsible for the disposal division of 62 sites. Prior to joining Eclectic Bars Limited as CEO in June 2006, he was Business Development Director for The Nightclub Company.

Leigh Nicolson (Chief Operating Officer)
Leigh has worked in a variety of operational roles in the UK bar market for approximately 20 years. After four years working for Yates Group Plc at site level he moved to work for Fuller, Smith & Turner Plc in London across their high street branded bars business. Following this he spent two years with Inventive Leisure Plc, before joining SFI Group Plc as a New Openings Manager for their new template brand, where he was responsible for a number of new site openings nationwide. Leigh then joined The Nightclub Company in 2005 where he worked on the introduction of the Cantaloup bar brand, before joining Eclectic Bars Limited in 2006 as Area Manager for the London area. His role developed to become National Operations Manager, and he was then appointed Operations Director for the Eclectic Group in 2010. In July 2014 he was appointed to the Board of Eclectic Bar Group Plc as Chief Operating Officer.

John Smith (Chief Financial Officer)
Since qualifying as a chartered accountant with Touche Ross & Co in 1985, John has held a variety of senior finance roles. From Head of Finance at International Currency Exchange Plc he then became Group Finance Director at Vision Express until it was sold to Grand Vision in 1997. After two years as Joint UK Managing Director of Vision Express, post the acquisition, John then became Finance Director of First Leisure Corporation Plc in 1999, before taking over as Chief Executive in 2003. He then took on the role of Chief Executive of The Nightclub Company, which was created by the purchase of 22 nightclubs from the receiver of First Leisure. John became Finance Director of Eclectic Bars Limited in June 2006.

Richard Kleiner – resigned on 15 June 2015.

Clive Watson – resigned on 30 April 2015.

Directors and related party transactions
Internal controls are in place to ensure that any related party transactions involving Directors or other connected persons are carried out on an arm's length basis and are properly recorded by the Group.

Richard Kleiner
Richard is a Partner and CEO of Gerald Edelman LLP. During the period Gerald Edelman provided professional advice in relation to the preparation of tax computations, with the amount paid for these services over the course of the year amounting to £15,800 (2014:£20,595).

James (Jim) Fallon
Jim Fallon is a Director and Shareholder of Graybridge Solutions Ltd. During the period, Graybridge provided support and assistance in relation to potential acquisitions and corporate restructuring projects; the amount paid during the year for these services amounts to £51,800. (2014: £149,281).

Leigh Nicolson
Leigh Nicolson had a loan balance of £10,029 (2014:£14,932) payable to the Group at the period end. This loan is repayable at £400 a month plus interest of 3.25%. The loan expires in May 2017.

Financial instruments
The Group's financial risk management objectives and policies, together with the details of the Group's exposure to price risk, credit risk, liquidity risk and cash flow risk, are outlined in note 14.

Disabled employees
The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Group's policy to provide continuing employment, wherever practical, in the same or alternative position and to provide appropriate training to achieve this aim.

Employee involvement
The Group operates a framework for employee information and consultation that complies with the requirements of the Information and Consultation of Employees Regulation 2005.

Information for all employees under a contract of service with the Group is available via the Group's intranet, employee hand book and through their direct Line Manager. Management meetings take place quarterly, at which information relevant to Group's financial performance is communicated. Conferences are held bi-annually, which celebrate the performance of outstanding individuals and help to showcase important developments in the Group.

Employees are encouraged to participate in a variety of schemes, enabling them to benefit from the commercial success of the Group. At the date of listing, the company introduced a new Company Share Option Scheme in which long serving managers were awarded with options in the Company and all management teams and staff at our head office participate in profit sharing schemes which reward performance in excess of budgets.

Director's remuneration
The remuneration of the directors for the year ended 28 June 2015 is as follows:

	Basic salary & fees £'000	Bonus £'000	Benefits £'000	2015 £'000	2014 £'000
Luke Johnson	-	-	-	-	-
Reuben Harley	178	-	39	217	319
John Smith	153	-	35	188	260
Leigh Nicolson (appointed 28 July 2014)	91	-	13	104	-
Jim Fallon	59	-	-	59	35
Clive Watson	27	-	-	27	18
Richard Kleiner	29	-	-	29	13
Total	**537**	**-**	**87**	**624**	645

The above figures represent the due proportion of each Director's annual salary, reflecting the period during the year for which each Director was a member of the Board.

Payments totalling £1,540 (2014: £601) were paid on behalf of Directors into the Group's auto-enrolment scheme with the "People's Pension Scheme".

On 16 June 2015 the Executive Directors volunteered to take a salary reduction for a period of twelve months of the following amounts: Reuben Harley £40,000, John Smith £40,000 and Leigh Nicolson £10,000.

Director's interests in the share capital of the Company
As at the date of this report the Directors held the following beneficial interests in the share capital of the company.

Director	Percentage of share capital	Number of ordinary shares	Note
Reuben Harley	14.4%	1,856,920	(i)
John Smith	8.5%	1,103,719	(ii)
Leigh Nicolson (appointed 28 July 2014)	1.1%	144,750	(iii)
Jim Fallon	3.3%	422,116	

(i) Reuben Harley	12,500 shares held by a connected party 40,625 share options in the Company Share Option scheme not included above
(ii) John Smith	199,031 shares held by pension scheme 40,625 share options in the Company Share Option scheme not included above
(iii) Leigh Nicolson	156,249 share options in the Company Share Option scheme not included above

At the General Meeting held on 30 July 2015, the shareholders approved new subscriptions for 3,300,000 shares with a value of £1,650,000, which will provide additional working capital to fund the development of the Group's business. Luke Johnson subscribed to 3,000,000 and Reuben Harley and John Smith 150,000 shares each through their respective pension schemes.

Directors liabilities
The Group has not granted any indemnity to any of its Directors against liability in respect of proceedings by third parties. The Group does have in place Directors and Officers Liability insurance.

Political and charitable donations
The Group made no political or charitable donations during the year.

Share Capital
The Company's issued ordinary share capital as at 28 June 2015 comprised a single class of £0.25 ordinary shares of which 12,922,741 shares were in issue and listed on AIM (2014: 12,922,741 £0.25 ordinary shares).

Options over a further 624,183 shares (2014: 871,005 shares) exist within the Employee Share Option Scheme (see note 19 to the financial statements).

On 30 July 2015, the shareholders in General Meeting approved the subscriptions for a further 3,300,000 shares, giving a total of 16,222,741 shares in issue post the subscriptions.

Of the issued share capital, no shares were held in treasury.

Details of movements in the issued share capital can be found in note 18 to the financial statements.

Each share carries the right to one vote at General Meetings of the Company.

The Directors have undertaken in the Placing Agreement to Panmure Gordon not to dispose of any interest in any of their ordinary shares for twelve months from Admission except in certain limited circumstances. For a further period of twelve months, the Directors have agreed to an orderly market arrangement in respect of the ordinary shares they hold at Admission.

Interests in voting rights

As at the date of this report, the Company was aware of the following significant holdings of voting rights (3% or more) in its shares:

Other major shareholders	Percentage of share capital	Number of ordinary shares
Schroder Investment Management	20.1%	2,600,000
Helium Special Situations Fund	17.1%	2,207,720
Hargreave Hale	11.3%	1,459,575
City Financial	6.9%	891,250

Annual General Meeting

The notice convening the Annual General Meeting is contained in a circular sent to shareholders with this report and includes full details of the resolutions proposed.

Events since the balance sheet date

These are detailed in the Chairman's Statement on page 4 and in the Chief Executive's review on pages 5 to 9.

Auditor

Ernst & Young LLP has expressed its willingness to continue in office as auditor of the Company and its reappointment will be put to shareholders at the AGM.

Disclosure of information to auditor

Having made the requisite enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and each Director has taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

John Smith
Company Secretary and Director

29 September 2015

DIRECTORS' RESPONSIBILITY STATEMENT

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

In preparing the Group financial statements, the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Group;

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- make judgements and estimates that are reasonable;

- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;

- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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

INDEPENDENT AUDITOR'S REPORT
to the members of Eclectic Bar Group Plc

We have audited the financial statements of Eclectic Bar Group Plc for the year ended 28 June 2015 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Parent Company Income Statement and the Parent Company Balance Sheet and the related notes 1 to 28 in the Consolidated Financial Statements and related notes 1 to 13 in the Parent Company Financial Statements. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 28 June 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Julie Carlyle
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 September 2015

Notes:
1. The maintenance and integrity of the Eclectic Bar Group Plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

CONSOLIDATED INCOME STATEMENT

For the 52 week period ended 28 June 2015

	Notes	**52 weeks ended 28 June 2015** £'000	52 weeks ended 29 June 2014 £'000	Discontinued operations £'000	Total including discontinued operations £'000
Revenue		22,282	22,707	371	23,078
Cost of sales		(4,589)	(4,760)	-	(4,760)
Gross profit		17,693	17,947	371	18,318
Operating expenses - excluding highlighted items	7	(18,026)	(16,828)	(42)	(16,870)
Operating expenses - highlighted items	5	(5,732)	(1,225)	-	(1,225)
Total operating expenses		(23,758)	(18,053)	(42)	(18,095)
Operating (loss)/profit - before highlighted items		(333)	1,119	329	1,448
Highlighted items - operating expenses	5	(5,732)	(1,225)	-	(1,225)
Operating (loss)/profit		(6,065)	(106)	329	223
Finance revenue	7	-	3	-	3
Finance cost	7	(178)	(407)	-	(407)
(Loss)/profit before tax and highlighted items		(511)	715	329	1,044
Highlighted items	5	(5,732)	(1,225)	-	(1,225)
(Loss)/profit on ordinary activities before taxation		(6,243)	(510)	329	(181)
Taxation on ordinary activities	8	470	(15)	(74)	(89)
Loss for the year from continuing operations		(5,773)			(525)
Profit after tax from discontinued operations	9	-			255
Loss for the year		(5,773)			(270)
(Loss)/earnings per share – Basic**	10	(44.7)p	(5.2)p	2.5p	(2.7)p
Adjusted* earnings per share – Basic**	10	(0.3)p	6.9p	2.5p	9.4p
Loss)/earnings per share - Diluted	10	(44.7)p	(5.2)p	2.5p	(2.7)p
Adjusted* earnings per share - Diluted	10	(0.3)p	6.9p	2.5p	9.4p

* Adjusted basic and diluted earnings per share are calculated based on the profit for the period adjusted for highlighted items.

** 2015 basic weighted average number of shares in issue 12.92 million (2014: 10.17 million).

The comparative period has been adjusted to reflect a reclassification of £251,000 between revenue and costs of sales. For the period ended 28 June 2015 the share based payment expense of £54,000 has been presented within other operating costs, rather than in highlighted items. Due to the immaterial nature of this change the prior year comparative figures have not been adjusted. An analysis of the impact of this change can be found in note 5.

No other comprehensive income was earned during the year (2014: nil).

CONSOLIDATED BALANCE SHEET
As at 28 June 2015

	Notes	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Non current assets			
Intangible assets	11	**4,308**	5,464
Property, plant & equipment	12	**4,537**	8,270
		8,845	13,374
Current assets			
Inventories	15	**395**	455
Trade and other receivables	16	**1,204**	1,650
Income tax receivable		**-**	9
Cash and cash equivalents	17	**976**	461
		2,575	2,575
Total assets		**11,420**	16,309
Equity			
Issued share capital	18	**3,231**	3,231
Share Premium	18	**8,093**	8,093
Merger reserve	18	**(1,575)**	(1,575)
Other reserve	18	**130**	76
Retained (deficit)/earnings		**(5,950)**	146
Equity attributable to equity shareholders of the parent		**3,929**	9,971
Total equity		**3,929**	9,971
Liabilities			
Current liabilities			
Trade and other payables	21	**3,088**	3,189
Other financial liabilities	14	**176**	671
Provisions	22	**374**	201
		3,638	4,061
Non current liabilities			
Deferred tax liability	8	-	476
Other financial liabilities	14	**3,489**	1,801
Provisions	22	**364**	-
		3,853	2,277
Total liabilities		**7,491**	6,338
Total equity and liabilities		**11,420**	16,309

Deferred tax balances as at 28 June 2015 have been presented on a net basis.
The presentation of the prior year comparative figures has also been adjusted accordingly.

These consolidated financial statements have been approved by the Board of Directors and signed on its behalf by:
J A Smith, Director

29 September 2015

Financials

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 28 June 2015

	Notes	52 weeks to 28 June 2015 £'000	52 weeks to 29 June 2014 £'000
Operating activities			
Loss before tax from continuing operations		**(6,243)**	(510)
Profit before tax from discontinued operations	9	**-**	329
Net finance costs	7	**178**	404
Depreciation of property, plant and equipment	12	**1,868**	1,448
Impairment of intangible assets	13	**1,156**	-
Impairment of tangible fixed assets	13	**2,854**	-
Write down of tangible fixed assets	13	**221**	-
Loss/(Gain) on disposal of property, plant and equipment	5, 7	**566**	(9)
Share based payment expense	19	**54**	76
Decrease/(increase) in inventories (excl. inventory acquired)	15	**60**	(108)
Decrease/(increase) in trade and other receivables	16	**446**	(302)
Increase in trade and other payables	21	**508**	668
Interest received		**-**	3
Interest paid		**(192)**	(416)
Income tax paid		**-**	(84)
Net cash flow from operating activities		**1,476**	1,499
Investing activities (from continuing operations)			
Purchase of property, plant & equipment and intangible assets		**(1,935)**	(3,210)
Acquisition of business net of cash	3	**-**	(1,767)
Proceeds from disposal of property, plant & equipment		**174**	9
Net cash flows used in investing activities		**(1,761)**	(4,968)
Financing activities (from continuing operations)			
Proceeds from borrowings		**1,800**	2,450
Repayment of borrowings		**(650)**	(8,703)
Proceeds from IPO		**-**	10,500
IPO costs recognised directly in equity	18	**-**	(851)
Dividends paid	20	**(323)**	-
Capital element on finance lease rental payments		**(27)**	(24)
Net cash flows from financing activities		**800**	3,372
Net increase/(decrease) in cash and cash equivalents		**515**	(97)
Cash and cash equivalents at beginning of period	17	**461**	558
Cash and cash equivalents at year end date		**976**	461

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 28 June 2015

	Notes	Issued share capital £'000	Share Premium £'000	Other reserves £'000	Merger reserve £'000	Retained earnings/ (deficit) £'000	Total share holders' equity £'000
At 30 June 2013		-	-	-	-	416	416
Capital restructuring	18	1,575	-	-	(1,575)	-	-
Issue of shares	18	1,656	8,944	-	-	-	10,600
Share based payments charge	19	-	-	76	-	-	76
IPO costs taken to equity	18	-	(851)	-	-	-	(851)
Loss for the period		-	-	-	-	(270)	(270)
At 30 June 2014		3,231	8,093	76	(1,575)	146	9,971
Share based payments charge		-	-	54	-	-	54
Dividends paid		-	-	-	-	(323)	(323)
Loss for the period		-	-	-	-	(5,773)	(5,773)
At 28 June 2015		**3,231**	**8,093**	**130**	**(1,575)**	**(5,950)**	**3,929**

Financials

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

1. Accounting policies

Eclectic Bar Group Plc is a public limited company incorporated and domiciled in England and Wales. The company's ordinary shares are traded on the Alternative Investment Market. Its registered address is 36 Drury Lane, London, WC2B 5RR. Both the immediate and ultimate parent of the Group is Eclectic Bar Group Plc. Eclectic Bar Group Plc is a leading operator of 19 premium bars located in major towns and cities across the UK.

Basis of preparation

The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to financial statements of the group for the period ended 28 June 2015 and applied in accordance with the Companies Act 2006. The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 28 June 2015. These accounting policies were consistently applied for all the periods presented.

The Group financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Group financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a 52 or 53 week basis up to the last Sunday in June each year (2015: 52 week year ended 28 June 2015 - 2014: 52 week year ended 29 June 2014). The notes to the consolidated financial statements are on this basis.

Going concern

As at 28 June 2015, the Group had net current liabilities of £1,063,000 (2014: net current liabilities of £1,486,000). The group meets its day-to-day working capital requirements through its bank facilities. The group has three principle sources of funding:

- An overdraft facility of £600,000, which at the end of the year was unutilised (2014: Nil).
- A three year Revolving Loan Facility of £5,000,000 which was entered into in March 2014, which is available for the refit of existing units and for new acquisitions. As at the period end, £3,468,000 had been drawn down from this facility (2014: £1,639,000).
- A term loan of £1,950,000 which was entered into in September 2012. As at the period end, £163,000 remained due on this facility (2014: £813,000). Loan repayments of £163,000 are payable over the next twelve months.

Quarterly covenant tests are in place over these bank facilities and the Group was fully compliant as at 28 June 2015.

On 30 July 2015, the shareholders at the Extraordinary General Meeting approved new subscriptions amounting to cash proceeds of £1,650,000. Given these cash proceeds, there is significant headroom on these covenant tests. Based on current and forecasted performance, the Directors expect there to continue to be significant headroom for the foreseeable future. Furthermore, based on current and forecasted performance, the Directors consider that the Group will be profitable and cash generative.

Based on the above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of Eclectic Bar Group Plc and the entities it controls (its subsidiaries) for the periods reported.

For the purposes of preparing these consolidated accounts, subsidiaries are those entities controlled by the group. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities and is achieved through direct or indirect ownership of voting rights, by way of contractual agreement. The financial statements of subsidiaries, which are prepared for the same reporting period, are included in the consolidated financial statements from the date that control commences until the date control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from the intra-group transactions are eliminated in full.

Subsidiary entity accounts are prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP).

Property, plant and equipment
Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Such cost includes the cost of replacing part of the property, plant and equipment when the cost is incurred, if the recognition criteria are met, in which case the carrying value of the replaced part is written off. All major repairs and maintenance costs are recognised in the income statement as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Leasehold improvements	-	over lease term
Furniture and fittings	-	3 - 5 years
IT equipment	-	3 years
Motor vehicles	-	5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is de-recognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. The assets are reviewed for impairment if events or circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount.

Borrowing costs
Borrowing costs are recognised as an expense when incurred.

Business combinations and goodwill
Business combinations are accounted for in accordance with IFRS 3 (revised) for acquisitions made after 1 July 2009.

For each business combination, management makes an assessment of whether any intangible assets have been acquired, and how much goodwill arose as a result of the acquisition. Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained. The group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually and when circumstances indicate that the carrying amount may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash generating units, to which goodwill relates. Where the recoverable amount of the cash generating units is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods. The group performs its annual impairment test of goodwill based on the final day of the financial year.

Impairment of non-financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. For further information see note 2.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement as a highlighted item in the period in which they are incurred.

1. Accounting policies (continued)

Impairment of non-financial assets (continued)

Goodwill is tested for impairment annually at the period end date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and includes all cost incurred in bringing each product to its present location and condition.

Investments and other financial assets

Financial assets within the scope of IAS 39 are classified as financial assets held at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

The Group currently holds no financial assets held at fair value through profit or loss, held-to-maturity or available for sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs.

The Group determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Loans and receivables

Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted in an active market. After initial recognition loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Assets carried at amortised cost

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the group will not be able to collect all the amounts due under the original terms of the invoice. The carrying amount of the receivables is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectable.

Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at bank and short term deposits with a maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial liabilities

Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

De-recognition of liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Fair value measurement
Fair value disclosures for financial instruments are provided in note 14 (Other financial assets and liabilities - risk management objectives and policies.)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities,
Level 2 valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
Level 3 valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the leased liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

Leases continued
Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term.

Operating lease rentals, together with lease incentives are charged to the income statement on a straight line basis over the term of the lease.

Provisions
Provisions are recognised when the Group has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the Group's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

Highlighted items
Highlighted items are treated as such if the matters are non-recurring, material and fall within one of the categories below:

a) restructuring costs of the group (including costs associated with listing of the Group on AIM);
b) acquisition costs and pre-opening costs relating to new refit sites;
c) impairments, write downs/losses on disposal site closure costs and onerous leases.

Acquisition and pre-opening costs are highlighted because they are one-off costs that are unique to each development. The Group only acquires new sites when appropriate opportunities arise. Therefore in any given period, acquisition costs can vary significantly depending on the number of new sites acquired and the level of investment required to bring the site into use, and so do not reflect the costs of the day-to-day operations of the business. These are therefore split out in order to aid comparability with prior periods. Similarly, pre-opening costs are incurred after the acquisition of a new site. For the reasons outlined above, these costs have also been highlighted in order to aid comparability with prior periods.

1. Accounting policies (continued)
Highlighted items (continued)
Costs relating to impairments, write-downs/losses on disposal, site closures and onerous leases are highlighted to the extent that they relate to one-off costs following any of the above activities. Impairments and write downs only occur in exceptional circumstances and are therefore highlighted. Similarly, the decision by management to close a site only occurs in exceptional circumstances; therefore the costs associated with such an activity have also been highlighted.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes.

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income is recognised as interest accrues (using the effective interest rate method).

Share-based payments
Equity-settled transactions

The costs of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date of grant and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined using the Black-Scholes pricing model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting) conditions, other than performance conditions linked to the price of the shares of the Company (market conditions). Any other conditions which are required to be met in order for the employee to become fully entitled to an award are considered non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the grant date fair value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the market vesting condition or non-vesting condition is satisfied, provided that all service and non-market vesting conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of service and non-market vesting conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition or a non-vesting condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the terms of the original award continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over the fair value of the settled award being treated as an expense in the income statement.

The Group does not currently award cash-settled share options to employees.

Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

1. Accounting policies (continued)

New standards and interpretations

The following standards and interpretations are applicable but had no material impact on the Group.

Effective dates*	
IFRS 10 Consolidated Financial Statements	1 January 2014
IFRS 11 Joint Arrangements	1 January 2014
IFRS 12 Disclosure of Interests in Other Entities	1 January 2014
IAS 27 Separate Financial Statements	1 January 2014
IAS 28 Investments in Associates and Joint Ventures	1 January 2014
IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendments)	1 January 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement– Novation of Derivatives and Continuation of Hedge Accounting (Amendments)	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014

The following standards and interpretations in issue are not yet effective for the Group and have not been adopted by the Group:

Effective dates*	
IFRS 9 Financial Instruments (issued in 2010)	To be confirmed*
Amendments to IFRS 7 and IFRS 9 Mandatory Effective Date and Transition Disclosures	To be confirmed*
Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39	To be confirmed*
Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IFRS 11- Accounting for Acquisition of Interests in Joint Operations	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 9 Financial Instruments (issued in 2014)	1 January 2018
Amendments to IAS 27- Equity Method in Separate Financial Statements	1 January 2016

* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the group prepares its financial statements in accordance with IFRS as adopted by the European Union (EU), the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the group's discretion to early adopt standards.

**These amendments contain no stated effective date and include consequential amendments which remove the mandatory effective date of IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open but allowing each version of the standard to be available for application.

Not all of these standards and amendments impact the Group's consolidated financial statements.

The Directors do not expect the adoption of these standards and interpretations to have a material impact on the consolidated or Company financial statements in the period of initial adoption.

2. Significant accounting estimates, judgements and assumptions

The preparation of the Group's financial statements requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

In the process of applying the Group's accounting policies, management has made the following judgments and estimates which have the most significant effect on the amounts recognised in the financial statements:

Estimates

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on similar assets or observable market prices less incremental costs for disposing the assets. The value in use calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to changes in expected future cash flows. The cash flows are derived from the budget and projections for the next three years. These projections are influenced by factors which are inherently uncertain such as footfall and non-controllable costs such as rent, rates and license costs. They do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is also sensitive to the discount rate used for the discounted cash flow model and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are disclosed further in note 13.

Rent review provisions

Operating leases on commercial property are subject to regular rent reviews by landlords. Lease clauses provide for upward review to open market rental rates in the local areas around each site. Such reviews can take time to conclude, meaning management must estimate the likelihood of each review resulting in an increase in rental payments. Where increases do occur, landlords may apply this retrospectively from the period when the review process was contractually required to commence. Management therefore makes estimates on whether an increase in rental payments is likely at each rent review date and creates a provision for any estimated increase in rent expense. The provision amount is based on observable market rental rate specific for local area around each individual site. Further details can be found in note 22.

Judgements

Operating lease commitments

The Group has entered into commercial property leases as a lessee. In doing so, it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risk and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Deferred tax assets

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in those circumstances outlined in note 1. Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. Business combinations

On 31 March 2014 the Group acquired 100% of the issued share capital of Newman Bars Limited and its subsidiary Chalice Bars Limited. Both companies are unlisted and based in the UK. The Group acquired these companies in order to assume ownership of the lease, trade and assets of Lowlander, a Belgian bar and restaurant in Covent Garden, central London.

3. Business combinations (continued)

Assets acquired and liabilities assumed

The fair values of the identifiable consolidated assets and liabilities of Newman Bars Limited as at the date of acquisition were:

Fair value of assets acquired and liabilities assumed	Fair value recognised at March 2014 £'000
Assets	
Tangible assets	**151**
Inventories	**16**
Cash	**114**
Trade and other receivables	**40**
Liabilities	
Trade and other payables	**(163)**
Total identifiable net assets at fair value	**158**
Goodwill arising on acquisition (see note 13)	**736**
Purchase consideration transferred	**894**
Purchase consideration	
Cash	**794**
Shares	**100**
Total purchase consideration	**894**

The Group issued 60,241 ordinary shares as part of the consideration for Newman Bars Limited. The fair value of the shares is calculated with reference to the quoted price of the shares of the Company at the date of acquisition, which was £1.66 each. The fair value of the consideration paid in shares is therefore £100,000.

Newman Bars Limited and Chalice Bars Limited contributed £346,000 to group revenue and £61,000 to group net profit during the period from acquisition (31 March 2014) to 29 June 2014. Had they been consolidated from 1 July 2013, the consolidated income statement for the period ended 29 June 2014 would show pro-forma revenue of £1,227,000 and net profit of £132,000. Goodwill of £736,000 comprises the fair value of operating a site in a prestigious central London location.

In October 2013 the Group acquired leases to the Coalition nightclub in Brighton and the freehold of Coyote Wild in Derby. The Group acquired these sites in order to widen its current portfolio and drive further growth.

The fair values of the identifiable assets of Coalition as at the date of acquisition are detailed below. No liabilities were assumed as part of this transaction.

Fair value of assets acquired	Fair value recognised at October 2013 £'000
Assets	
Tangible assets	570
Inventories	17
Cash	4
Other receivables	12
Total identifiable net assets at fair value	**603**
Goodwill arising on acquisition (see note 13)	130
Purchase consideration transferred	**733**
Purchase consideration	
Cash	733
Total purchase consideration	**733**

Goodwill of £130,000 comprises the fair value of expected synergies arising from the acquisition.

Coalition contributed £1,414,000 to revenue and £296,000 to net profit during the period from acquisition (31 October 2013) to 29 June 2014. Had Coalition been consolidated from 1 July 2013, the consolidated income statement for the period ended 29 June 2014 would show pro-forma revenue of £2,003,000 and net profit of £417,000.

The fair values of the identifiable assets and liabilities of Derby Coyote Wild as at the date of acquisition:

Fair value of assets acquired	Fair value recognised at March 2013 £'000
Assets	
Tangible assets	350
Inventories	8
Cash	5
Total identifiable net assets at fair value	363
Goodwill arising on acquisition (see note 13)	–
Purchase consideration transferred	**363**
Purchase consideration	
Cash	363
Total purchase consideration	**363**

The above acquisition contributed £310,000 to revenue and £2,000 to net profit during the period from acquisition to 29 June 2014. Had these businesses been consolidated from 1 July 2013, the consolidated income statement for the period ended 29 June 2014 would show pro-forma revenue of £488,000 and net profit of £5,000.

The above business combinations resulted in total acquisition costs of £159,000. These were expensed to the income statement as a highlighted item (see note 5) during the period ended 29 June 2014.

4. Segmental information

The following tables present revenue and loss and certain asset and liability information regarding the Group's business segments for the period ended 28 June 2015. The contract operation of bars represents a discontinued operation for the period ended 29 June 2014 (see note 9), meaning that the Group consisted of just one segment, Owned Bars, as at the period end date of 28 June 2015.

IFRS 8: Operating Segments applies the so-called 'management approach' to segment reporting and requires the Group to report financial and descriptive information about its reportable segments. Such reportable segments are operating segments or aggregations of operating segments that meet specified criteria.

Operating segments are components of an entity which engage in business activities from which they may earn revenues and incur expenses about which discrete financial information is available that is regularly evaluated by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. The Group is required to report separate financial information about each operating segment that:

- has been identified as described above or results from aggregating two or more of those segments if they exhibit similar long-term financial performance and have similar economic characteristics; and
- exceeds certain quantitative thresholds.

The Group identified the board of directors as its CODM and defined operating segments based on the information provided to the board of directors. The board reviews discrete financial information for each site and uses this information to allocate resources. As these sites have similar economic characteristics and long-term financial performance, using, for example, operating profit margin, gross margin and comparable site sales development as quantitative benchmarks, it was concluded that all sites should be aggregated into the segment 'Owned Bars'. This meets the requirements of IFRS 8 and is consistent with the core principle of the standard.

	Period ended 28 June 2015			Period ended 29 June 2014		
	Owned bars £'000	**Contract operation of bars £'000**	**Total £'000**	Owned bars £'000	Contract operation of bars £'000	Total £'000
Revenue						
Sales to external customers	**22,282**	**–**	**22,282**	22,707	371	23,078
Group operating (loss)/profit	**(6,065)**	**–**	**(6,065)**	(106)	329	223
Net finance cost	**(178)**	**–**	**(178)**	(404)	–	(404)
Impairment & write down of tangible and intangible assets	**(4,231)**	**–**	**(4,231)**	–	–	–
(Loss)/profit before taxation	**(6,243)**	**–**	**(6,243)**	(510)	329	(181)
Assets and liabilities						
Segment assets	**11,420**	**–**	**11,420**	16,309	–	16,309
Segment liabilities	**7,491**	**–**	**7,491**	6,338	–	6,338

The Group has included additional disclosure on the face of the income statement to make clear the contribution to revenue, profit before tax and profit after tax of the operations that were discontinued in 2014.

5. Highlighted items

	Period ended 1 June 2015 £'000	Period ended 29June 2014 £'000
Acquisition and pre-opening costs		
Acquisition costs	**–**	159
Site pre-opening costs	**166**	174
	166	333
Impairments, write downs and onerous lease provisions		
Impairment intangible non-current assets*	**1,156**	–
Impairment of tangible non-current assets*	**2,854**	–
Loss on disposal of non-current assets*	**569**	–
Onerous lease provisions	**710**	–
	5,289	–
		–
Restructuring, closure and legal costs		
Restructuring costs	**208**	
Other closure costs & legal costs	**69**	–
	277	
Costs associated with the listing		
Restructuring costs associated with IPO	**–**	175
IFRS 2 Share based payment charge**	**–**	76
Share issue costs	**–**	399
Listing costs	**–**	33
Listing bonus payments	**–**	209
	–	892
Total	**5,732**	1,225

The above items have been highlighted to give a better understanding of non-comparable costs included in the Consolidated Income Statement for this period.

Site pre-opening costs of £166,000 relate to the one-off opening costs of sites in London, Bristol, Bournemouth, Liverpool and Sheffield.

Restructuring costs of £208,000 were incurred as a result of the reorganisation of the Group and incorporation of Eclectic Icon Limited. For further details see note 28.

Costs of £1,156,000 relate to the one-off impairments of goodwill (see note 13). Write downs of tangible non-current assets resulted in one-off costs of £2,854,000 (see note 13). Highlighted losses on disposal of £569,000 relate to the disposal of the Norwich and Bournemouth sites (see note 12).

The tax effect of the above highlighted items was to increase the total tax credit by £354,000.

*These are non-cash items that are excluded from Group EBITDA.

**The share based payment charge of £53,000 for the period ended 28 June 2015 has been included in administrative expenses rather than in highlighted items. This is because these costs will be recurring in future years and so are no longer consider by management to be exceptional. The impact of this change on the income statement for the period ended 29 June 2014 is summarised in the table on the following page.

5. Highlighted items (continued)

	As per prior year published accounts £'000	Adjusted £'000
Highlighted items	**1,225**	1,149
Operating profit before highlighted items	**1,448**	1,372
EBITDA before highlighted items	**2,896**	2,820
Profit before tax and highlighted items	**1,044**	968
Adjusted earnings per share (basic and diluted - pence per share)	**9.4**	8.6

6. Employee costs

Employee benefits expense

Group	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Included in other operating costs		
Wages and salaries	**5,377**	5,310
Social security costs	**342**	332
	5,719	5,642

Average number of people employed

	2015 FTE	2014 FTE
Number of full time equivalent (FTE) employees	**225**	234
Average number of people (including executive directors) employed:		
Operational	**204**	215
Administration	**21**	19
Total average headcount	**225**	234

Directors

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Aggregate remuneration in respect of qualifying services	**624**	645
Aggregate remuneration in respect of the highest paid director	**217**	319

An analysis of Directors' remuneration is set out in the Directors' Report on page 14. Payments totalling £1,540 (2014: £601) were made on behalf of Directors into the Group's auto-enrolment 'People's Pension Scheme'. Payments totalling £4,125 were made during the period on behalf of all other employees in respect of this scheme (2014: £7,213).

7. Other income and expenditure

Finance costs

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Interest on debts, borrowings and finance leases	**178**	407

Finance income

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Bank interest	**–**	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

7. Other income and expenditure (continued)
Finance costs

Depreciation, amortisation and costs of inventories included in the consolidated income statement

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Included in operating expenses		
Depreciation of owned property, plant & equipment	**1,848**	1,424
Depreciation of assets held under finance leases	**20**	24
Profit on disposal of property, plant & equipment	**(3)**	(9)
Write down of property, plant & equipment	**221**	-
Operating lease rentals – land and buildings	**1,636**	1,634
Staff costs (see note 6)	**5,719**	5,642
Contract security costs	**1,661**	1,827
Other operating expenses	**6,924**	6,286
Operating expenses from discontinued operations	**-**	42
	18,026	16,870

8. Income tax
a) Tax on profit on ordinary activities
The tax is made up as follows:

	Period ended 29 June 2015 £'000	Period ended 30 June 2014 restated £'000
Current tax:		
UK Corporation tax (credit)/ charge on the (loss)/profit for the period	**–**	(33)
Adjustment in respect of prior periods	**6**	8
Total current tax	**6**	(25)
Deferred tax:		
Origination and reversal of temporary differences	**(476)**	114
Total tax charge for the year	**(470)**	89

(b) Factors affecting tax charge for the period

The tax charge/(credit) for the period is different from the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%). The differences are explained below:

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
(Loss)/profit on ordinary activities before tax	**(6,243)**	(181)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	**(1,295)**	(41)
Effects of:		
Expenses not (taxable)/ deductible for tax purposes	**498**	189
Tax losses not recognised as deferred tax asset	**289**	-
Chargeable gains	**19**	
Impact of tax rate change	**13**	(67)
Adjustment in respect of prior periods	**6**	8
Total tax charge for the period	**(470)**	89

Legislation to reduce the UK main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015 was enacted in July 2013. Accordingly, deferred tax balances at 28 June 2015 have been calculated based on these rates.

c) Deferred tax

On 8 July 2015, the Chancellor announced that the UK main rate of corporation tax will fall to 19% from 1 April 2017 and 18% from 1 April 2020. These rate changes had not been substantively enacted at the balance sheet date and consequently in these accounts deferred tax continues to be recorded at the 20% rate. The deferred taxation liability, using a tax rate of 20% (2014: 20%), comprises the following

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Assets		
Capital allowances in (advance)/arrears of depreciation	**469**	44
Taxable losses carried forward	**66**	-
Other temporary differences	**42**	48
	577	92
Recognised in the balance sheet:		
Included in (payables)/ receivables		
Liabilities		
Goodwill	**(577)**	(568)
Total deferred tax liability	**–**	470

Deferred tax balances as at 28 June 2015 have been presented on a net basis. The presentation of the prior year comparative figures has also been adjusted accordingly. In the 2014 published accounts a deferred tax asset of £92,000 and a deferred tax liability of £568,000 were shown separately on the balance sheet.

In 2015, deferred tax assets totalling £289,000 in relation to trading losses carried forward in Barclub Trading Limited were not recognised due to insufficient certainty that the Group will have future taxable profits against which the tax asset will be realised.

9. Discontinued operations

On 20 October 2013, the Group ended its contract to manage the day-to-day operations of 33 sites owned by Premium Bars and Restaurants Limited ('PBR'). This contract had been in place since August 2012. The PBR contract was included in the 'Contract Operation of Bars' segment until 20 October 2013. The revenue, costs and cash flows attributable to this contract are outlined below. There were no assets or liabilities outstanding in respect of the contract.

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Revenue	–	371
Gross profit	–	371
Operating expenses	–	(42)
Total operating expenses	–	(42)
Operating profit	–	329
Taxation on ordinary activities	–	(74)
Profit after tax from discontinued operation	–	255
The net cash flows incurred by the PBR contract were:		
Cash flows from operating activities		
Net cash inflow	–	255
	–	255
(Loss)/earnings per share – Basic & diluted (pence)	–	2.5
Adjusted earnings per share – Basic & diluted (pence)	–	2.5

10. Earnings per share

Basic earnings per share amounts are calculated by dividing net income for the period attributable to ordinary shareholders of Eclectic Bar Group Plc by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Basic earnings per share

	Period ended 28 June 2015	Continuing operations	Discontinued operations	Period ended 29 June 2014
(Loss)/profit for the period (£'000)	**(5,773)**	(525)	255	(270)
Basic weighted number of shares (number)	**12,922,741**	10,173,068	10,173,068	10,173,068
(Loss)/earnings per share (pence) – Basic (pence)	**(44.7)**	(5.2)	2.5	(2.7)

Basic adjusted earnings per share

	Period ended 28 June 2015	Continuing operations	Discontinued operations	Period ended 29 June 2014
Profit for the period before highlighted items (£'000)	**(41)**	700	255	955
Basic adjusted weighted number of shares (number)	**12,922,741**	10,173,068	10,173,068	10,173,068
Adjusted earnings per share – Basic (pence)	**(0.3)**	6.9	2.5	9.4

Diluted basic earnings per share

The impact of dilutive shares on the weighted average number of shares is summarised below:

	2015 Number	2014 Number
Weighted average number of shares for Basic EPS	12,922,741	10,173,068
Dilutive effect of share options	–	24,893
Weighted average number of share for Diluted EPS	**12,922,741**	**10,197,961**

10. Earnings per share (continued)

As the Group made a loss from continuing operations, all potential ordinary shares are deemed to be anti-dilutive. Therefore the diluted and basic earnings per share for continuing operations are the same. No share options were in issue for the prior period, therefore there were no dilutive shares in the comparative period.

	Period ended 28 June 2015	Period ended 29 June 2014		
		Continuing operations	Discontinued operations	Total
(Loss)/profit for the period (£'000)	**(5,773)**	(525)	255	(270)
Diluted weighted number of shares (number)	**12,922,741**	10,173,068	10,197,961	173,068
Loss)/earnings per share (pence) – Diluted (pence)	**(44.7)**	(5.2)	2.5	(2.7)

Adjusted diluted earnings per share

	Period ended 28 June 2015	Continuing operations	Discontinued operations	Period ended 29 June 2014
(Loss) / Profit for the period (£'000)	**(41)**	700	255	955
Diluted weighted number of shares (number)	**12,922,741**	10,197,961	10,197,961	10,197,961
Loss)/earnings per share (pence) – Adjusted diluted (pence)	**(0.3)**	6.9	2.5	9.4

11. Intangible assets

	Group Goodwill £'000
Cost	
At 30 June 2013	7,189
Additions	866
At 29 June 2014	8,055
At 28 June 2015	**8,055**
Amortisation & impairments:	
At 30 June 2013	2,591
At 29 June 2014	2,591
Impairment (note 13)	1,156
At 28 June 2015	**3,747**
Net book value	
At 30 June 2013	4,598
At 29 June 2014	5,464
At 28 June 2015	**4,308**

The goodwill balance above relates primarily to the Group's acquisition of twelve sites in 2006. These sites included; Embargo, Putney Fez, Cambridge Fez, Wimbledon Po Na Na, Bath Po Na Na, Oxford Po Na Na, Bath Lola Lo, Lincoln Lola Lo, Brighton Lola Lo, Norwich Lola Lo, Edinburgh Lola Lo and Reading Sakura. The goodwill arising from this transaction amounted to £3,897,000.

The goodwill totalling £1,567,000 arising from subsequent acquisitions has been allocated on an individual basis against each site acquired (see note 3).

The Group only has one operating segment - however, management considers each site to be a separate CGU on the basis that each site generates cash flows which are largely independent of the cash flows generated by other sites.

The value of the goodwill was tested for impairment during the current financial year by means of comparing the recoverable amount of each CGU with the carrying value of its goodwill. Based on the operating performance of the CGUs, an impairment of goodwill of £1,156,000 was identified in the current financial year (2014: nil) and has been included as a highlighted item in the consolidated income statement (see note 5).

The remaining valuations indicate sufficient headroom, such that a reasonably possible change to key assumptions would not result in any impairment of goodwill. Refer to note 13 for further information of the impairment review.

12. Property, plant and equipment

	Computers £'000	Motor vehicles £'000	Fixtures, Fittings & equipment £'000	Leasehold improvement £'000	Buildings improvement £'000	Assets in the course of construction £'000	Total £'000
Cost							
At 30 June 2013	171	154	5,372	3,620	–	6	9,323
Transfers	31	–	627	576	–	(1,234)	–
Additions	128	–	1,531	323	–	1,228	3,210
Acquired	–	–	179	465	428	–	1,072
Disposals	–	(40)	–	–	–	–	(40)
At 29 June 2014	330	114	7,709	4,984	428	–	13,565
Transfers	–	–	(49)	225	–	176	–
Additions	66	66	1,201	424	–	178	1,935
Disposals	(55)	(117)	(1,254)	(834)	–	(2)	(2,262)
At 28 June 2015	**341**	**63**	**7,607**	**4,799**	**428**	**–**	**13,238**
Depreciation							
At 30 June 2013	128	69	2,720	970	–	–	3,887
Charge for the period	49	24	998	374	3	–	1,448
Disposals	–	(40)	–	–	–	–	(40)
At 29 June 2014	177	53	3,718	1,344	3	–	5,295
Charge for the period	86	20	1,408	286	68	–	**1,868**
Impairments	39	–	1,543	1,208	64	–	**2,854**
Disposals	(54)	(53)	(917)	(292)	–	–	**(1,316)**
At 28 June 2015	**248**	**20**	**5,752**	**2,546**	**135**	**–**	**8,701**
Net book value							
28 June 2015	**93**	**43**	**1,855**	**2,253**	**293**	**–**	**4,537**
Net book value							
29 June 2014	153	61	3,991	3,640	425	–	8,270
Net book value							
30 June 2013	43	85	2,652	2,650	–	6	5,436

Assets acquired relate to assets acquired as part of business combinations. As the period ended 28 June 2015, the net book of assets held under finance leases was £35,000 and the gross carrying amount of fully depreciated property, plant and equipment that is still in use was £5,139,000 (2014: £1,632,000).

During the period ended 28 June 2015, assets with a net book value of £2,854,000 were impaired. These assets were impaired following the decision to no longer pursue the developments in Liverpool and Sheffield, and due to the poor performance of other sites around the estate. See note 13 for further details.

The sale of Norwich Lola Lo and the closure of Bournemouth Sakura resulted in a loss on disposal of fixed assets of £569,000. The impairments and loss on disposal have been included as highlighted items in the income statement.

As a result of the refurbishment at Embargo and Bristol, assets with a net book value of £221,000 were written off during the period. These write-offs have been included within operating expenses in the income statement.

Cars with a net book value of £67,000 were disposed of during the period, resulting in a gain on disposal of £3,000.

13. Impairment review

The group performed its annual impairment test in June 2015 and 2014. The Group considers the relationship between the trading performance of each CGU and their book value when reviewing for indicators of impairment. As at 28 June 2015, the closure of the Bournemouth Lola Lo site and generally difficult trading conditions across the Group indicated a potential impairment of the assets.

Each site represents a cash generating unit (CGU). Goodwill is allocated to the site on which it arose.

The recoverable amount of the goodwill has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three year period.

Cash flows for each CGU beyond the three year period are extrapolated, assuming a terminal growth of 1.5% (2014: 1.5%) that reflects the expected growth based on market research. The pre-tax discount rate applied to cash flow projections is 12% (2014: 9.8%). As each CGU shares similar risks and has similar geographical characteristics, the same discount and growth rates have been applied to all CGUs.

To assess for impairment, the value in use of the CGU is compared to the carrying value of the assets of that CGU including any attributed goodwill. If the resultant net present value of the discounted cash flows is less than the carrying value of the CGU including goodwill, the difference is written off through the income statement.

Carrying amount of goodwill allocated to each of the CGUs:

As a result of this analysis, management has recognised impairment charges totalling £1,156,000 in the current year against goodwill with a carrying amount of £5,464,000 giving a carrying amount as at 28 June 2015 of £4,308,000. The impairment charge is recorded within highlighted items in the consolidated income statement. See the detailed table below.

Carrying amount of property, plant and equipment allocated to each of the CGUs:

As a result of this analysis, management has recognised further impairment charges totalling £2,854,000 in the current year against property, plant and equipment with a carrying amount of £8,270,000, giving a carrying amount as at 28 June 2015 of £4,537,000. The impairment charge is recorded within highlighted items in the consolidated income statement. See the detailed table below.

13. Impairment review (continued)

	As at 28 June 2015		As at 28 June 2015		
	Goodwill carrying value £'000	Impairment £'000	Fixed asset carrying value £'000	Impairment £'000	Write down /disposal £'000
Norwich Lola Lo	28	28	–	–	103
Bournemouth Lola Lo	296	296	–	–	466
Disposals	**324**	**324**	**–**	**–**	**569**
Sites no longer being developed (Liverpool & Sheffield	**–**	**–**	**344**	**344**	**–**
Brighton Dirty Blonde	405	405	836	836	–
Derby Lola Lo	-	-	726	726	–
Reading Sakura	316	316	758	266	–
Other sites	150	111	682	682	–
Underperforming sites	**871**	**832**	**3,002**	**2,510**	**–**
Totals	**1,195**	**1,156**	**3,346**	**2,854**	**569**

All fixed assets held by Norwich Lola Lo and Bournemouth Sakura were disposed of during the period, resulting in a loss on disposal of £569,000. This is included in highlighted items in the income statement.

The calculation of value in use for all CGUs is most sensitive to the following assumptions:

- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period
- Growth in expenses, including rent based on rent reviews

Discount rates – The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

Growth rates – Rates are based on published industry research, market conditions and economic factors such as the changing habits of students in the towns and cities the Group operates in as well as competition faced from other businesses in these areas. Management has also considered general consumer confidence, including factors like job prospects, inflation and household disposable income. When determining the appropriate growth rates, management has also considered the regulatory environment.

Growth in expenses including rent – Eclectic's main costs are drinks, labour and rent. Estimates regarding the drink cost are based on past actual price movements as well as expected results from supplier negotiations. Labour increases have been estimated in relation to the National Minimum Wage. Rent reviews are typically every five years and budgets assume increases of between 2 to 5% annually compounded. The rate reflects the specific market locations for the related venue.

Headroom is dependent upon sensitivities to these and other assumptions. The largest elements of goodwill are in the Embargo and Putney Fez CGUs. A fall in forecast EBITDA of between 60% to 66% or an increase in the WACC to 28% would be required before the carrying value of goodwill exceeded its value in use at these sites. In the case of most other CGUs, a fall exceeding 30% of forecasted EBITDA or an increase in the WACC to greater than 20% would be required before an impairment was needed. The exceptions to this are Reading Lola Lo and Lowlander, where a decrease of EBITDA of 10% or increase in the WACC to 15% would trigger an impairment.

14. Other financial assets and liabilities

Financial assets

Group	As at 28 June 2015 Loans and receivables £'000	As at 29 June 2014 Loans and receivables £'000
Current assets as per balance sheet		
Trade and other receivables excluding prepayments	**827**	825
Cash and cash equivalents	**976**	461
	1,803	1,286

There were no non-current financial assets as at 28 June 2015 (2014: nil).

Loans and receivables are non-derivative financial assets. The carrying value may be affected by changes in the credit risk of the counterparties.

Financial liabilities
Interest bearing loans and borrowings

Group	Interest rate %	Maturity	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Liabilities as per balance sheet				
Current				
Obligations under finance leases and hire purchase contracts			**13**	21
Other loans:				
£1.950m bank loans (2014 – £1.950m)	LIBOR + 3.25%	Sept 2015	**163**	650
			176	671
Non-current				
Obligations under finance leases and hire purchase contracts			**21**	–
Other loans:				
£1.950m bank loans (2014 - £1.950m)	LIBOR + 3.25%	Sept 2015	**–**	163
£5m revolving loan facility	LIBOR + 3.25%	Mar 2017	**3,468**	1,638
			3,489	1,801

Obligations under finance leases
This relates to the Group's obligations under finance leases in relation to company cars for senior employees.

£1.95m bank loan
This is a term loan arranged in September 2012. The amount outstanding on this facility as at 28 June 2015 was £163,000 (2014: £813,000), which is payable in the next twelve months.

£5million Revolving Credit Facility
The purpose of this £5million Revolving Credit Facility is to fund capital expenditure and new site acquisitions. The amount drawn down on the facility as at 28 June 2015 was £3,468,000, net of unamortised arrangement fees (2014: £1,639,000 drawn down).

14. Other financial assets and liabilities (continued)

Fair Values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's interest bearing loans and borrowings:

	As at 28 June 2015		As at 29 June 2014	
	Carrying Value £'000	Fair Value £'000	Carrying Value £'000	Fair Value £'000
Interest-bearing loans and borrowings	3,468	3,492	1,802	1,815
Obligations under finance leases	34	31	21	20

Management assessed that cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

- The fair values of the Group's interest-bearing borrowings and loans are determined by employing the DCF method using a discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 28 June 2015 was assessed to be insignificant.

All loans are classed as Level 2 in the fair value hierarchy.

Trade and other payables

Group	**Maturity**	**2015 £'000**	2014 £'000
Trade payables	Payable within 1 year	**1,456**	1,588
Other payables, accruals and provisions	Payable within 1 year	**2,371**	1,802
		3,827	3,390

Financial risk management objectives and policies

The Group's financial instruments comprise cash, loans, borrowings and liquid resources, as well as various items such as trade receivables and trade payables that arise directly from its operations.

The Group does not enter into derivatives or hedging transactions.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the group's financial instruments are investment risk, interest rate risk and liquidity risk. The Group does not have any exposure to foreign currency risk. The board reviews policies for managing each of these risks and they are summarised as follows:

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

2015	Increase /decrease in basis points	Effect on profit before tax £'000
Sterling	+ 100	(35)
Sterling	- 100	35
2014		
Sterling	+ 100	(25)
Sterling	- 100	25

Financials

Liquidity risk

The Group's policy is to finance its operations and expansion through working capital and, in the case of investing in target companies, to raise an appropriate level of acquisition finance.

The table below summarises the maturity profile of the Group's financial liabilities as at 28 June 2015 and 29 June 2014 based on contractual (undiscounted) payments.

Year ended 28 June 2015	**Total £'000**	**On demand £'000**	**Up to 1 year £'000**	**1-2 years £'000**	**2-5 years £'000**
Interest-bearing loans and borrowings	**163**	**–**	**163**	**–**	**–**
Revolving credit facility	**3,607**	**–**	**-**	**3,607**	**–**
Trade payables	**1,456**	**–**	**1,456**	**–**	**–**
Finance leases	**34**	**–**	**13**	**13**	**8**

Year ended 29 June 2014	Total £'000	On demand £'000	Up to 1 year £'000	1-2 years £'000	2-5 years £'000
Interest-bearing loans and borrowings	822	–	650	172	–
Revolving credit facility	1,726	–	–	–	1,726
Trade payables	1,588	–	1,588	–	–
Finance leases	21	–	21	–	–

14. Other financial assets and liabilities (continued)

The Group aims to mitigate liquidity risk by managing cash generation by its operations. Investment is carefully controlled, with authorisation limits operating up to Board level and cash payback periods applied as part of the investment appraisal process.

Credit risk

Credit risk is a risk that one or more counterparties will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. There are no significant concentrations of credit risk within the Group. The maximum credit risk exposure relating to financial assets is trade receivables, represented by the carrying value as at the balance sheet date.

Customer credit risk is managed by each business unit, subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are approved by management. The Group evaluates the concentration of risk with respect to trade receivables as low, due to the fact that its customers are often also suppliers to the business.

There is no material difference between the fair values and book values of the Group's trade receivables and no concerns relating to credit worthiness.

The Group manages its capital structure and makes adjustments to it, in light of economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or perhaps issue new shares. Following the listing of the Group on AIM in November 2013, the Group's primary capital management objectives involved remaining within debt covenants whilst also seeking out suitable acquisition targets.

The movement in cash and cash equivalents is reconciled to movements in debt as follows:

	2015 £'000	2014 £'000
(Decrease)/increase in cash and cash equivalents	**515**	(97)
Repayment of loan to Avanti Capital Plc	**–**	7,302
(Increase)/decrease in other borrowings	**(1,150)**	(561)
Decrease/(increase) in debt resulting from cash flows	**(635)**	6,644
Other non-cash movements	**(44)**	(427)
Decrease in net debt in the period	**(679)**	6,217
Net debt at start of period	**(2,011)**	(8,228)
Net debt at end of period	**(2,690)**	(2,011)

Composition of net debt
Net debt is made up as follows:

	2015 £'000	2014 £'000
Cash and cash equivalents	**976**	461
Short term borrowings	**(163)**	(650)
Long term borrowings	**(3,469)**	(1,801)
Finance lease payables	**(34)**	(21)
Total net debt	**(2,690)**	(2,011)

Details of the significant investments in which the company holds, directly or indirectly, 20% or more of the nominal value of any class of share capital are as follows:

	Holding	Proportion of voting rights and shares held	Nature of business
Eclectic Icon Limited	Ordinary shares	100%	Holding company
Eclectic Bars Limited***	Ordinary shares	100%	Funding entity
Newman Bars Limited	Ordinary shares	100%	Management of bars
Chalice Bars Limited	Ordinary shares	100%	Operation of bars
Barclub Trading Limited*	Ordinary shares	100%	Management & operation of bars
Barclub (Bath) Limited**	Ordinary shares	100%	Management of bars
Barclub (Embargo) Limited**	Ordinary shares	100%	Dormant
Barclub (Brighton) Limited**	Ordinary shares	100%	Dormant
Barclub (Friar Street) Limited**	Ordinary shares	100%	Dormant
Barclub (Norwich) Limited**	Ordinary shares	100%	Dormant
Barclub (Manchester) Limited**	Ordinary shares	100%	Dormant
Barclub (Sidney Street) Limited**	Ordinary shares	100%	Dormant
Barclub (Reading) Limited*	Ordinary shares	100%	Dormant
Barclub (Peter Street) Limited*	Ordinary shares	100%	Dormant
Sakura Bars Limited**	Ordinary shares	100%	Dormant
Barclub (Cambridge) Limited**	Ordinary shares	100%	Dormant
HSB Clubs Limited**	Ordinary shares	100%	Dormant

* held indirectly by Eclectic Bars Limited
** held indirectly by Barclub Trading Limited
*** held indirectly by Eclectic Icon Limited

For the period ended 28 June 2015, the following subsidiaries were entitled to the exemption from audit under section 479A of the Companies Act 2006.

Newman Bars Limited	Registered Number 07041435
Chalice Bars Limited	Registered Number 07045390
Barclub (Bath) Limited	Registered Number 04968281

15. Inventories

	As at 28 June 2015 £000	As at 29 June 2014 £000
Goods for re-sale	**395**	455
	395	455

The cost of inventories recognised as an expense and included in cost of sales amounted to £4,589,000 (2014: £4,760,000).

Financials

16. Trade and other receivables

	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Trade receivables	**198**	168
Other receivables	**629**	657
Prepayments and accrued income	**377**	825
	1,204	1,650

Trade receivables are non-interest bearing and are payable on 30 day terms. All outstanding trade receivables are considered to be recoverable.

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total £'000	Neither past due nor impaired £'000	<30 days £'000	30-60 days £'000	61-90 days £'000	91-120 days £'000	>120 days £'000
2015	198	112	2	–	–	37	47
2014	168	25	113	–	–	9	21

See Note 14 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past, due nor impaired.

17. Cash and cash equivalents

	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Cash at bank and at hand	976	461
Cash and cash equivalents	976	461

As at 28 June 2015, the Group had available £3,287,000 (2014: £4,487,000) of undrawn committed borrowing facilities.

18. Issued capital and reserves

Ordinary shares called up and fully paid

	Period ended 28 June 2015		Period ended 29 June 2014	
Ordinary shares issued and fully paid	Thousands	£'000	Thousands	£'000
Ordinary shares at £0.25 each	12,923	3,231	12,923	3,231

On incorporation on 19 November 2013, the Company issued 6,299,996 shares to the owners of Eclectic Bars Limited (the former parent company of the Group) in exchange for the entire issued share capital of that company.

On 28 November 2013, the Group placed a further 6,562,500 ordinary shares on the Alternative Investment Market (AIM) at a listing price of £1.60.

On 31 March 2014, the Group issued a further 60,241 ordinary shares to the owners of Newman Bars Limited, as part of the consideration paid in exchange for 100% of the issued share capital of Newman Bars Limited and its subsidiary Chalice Bars Limited. See note 3 for further details. The ordinary shares issued have the same rights as the other shares in issue.

Share premium

	£'000
At 1 July 2013	
Increase on 28 November 2013	8,859
Increase on 31 March 2014	85
Directly attributable IPO costs taken to equity	(851)
At 29 June 2014	8,093
At 28 June 2015	8,093

Merger reserve

This reserve represents the value passed onto the existing shareholders of Eclectic Bars Limited, the former parent company of the Group, as part of the share-for-share swap with Eclectic Bar Group Plc, which took place on incorporation of the new parent entity.

Other reserves

This reserve contains the equity value of share based payments issued to date.

19. Share based payments

Employee Share Option Plan (ESOP)

Under the Employee Share Option Plan (ESOP), share options of the parent are granted to employees of the Group with more than twelve months of service. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest in four annual instalments, provided the employee remains in employment on the vesting date. 25% of the options issued vested on 30 June 2014, whilst a further 25% vested on 30 June 2015, with the process continuing until all options are vested.

There are no performance conditions associated with these options. The fair value of the options was estimated at the grant date using the Black Sholes option pricing model, taking into account the terms and conditions upon which the share options were granted. The contractual term of each option ranges from one to four years. There are no cash settlement alternatives.

The expense recognised for employee services during the year is shown in the following table:

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Total expense arising from share-based payment transactions	54	76

Financials

19. Share based payments (continued)

Movements in the year

The following table illustrates the number, weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	No.	WAEP (£)
Outstanding at 1 July 2013	**–**	**–**
Granted during the year	942,441	1.60
Forfeited during the year	(71,436)	–
Exercised during the year	–	–
Expired during the year	–	–
Outstanding at 30 June 2014	**871,005**	**1.60**
Granted during the year	–	–
Forfeited during the year	(246,822)	1.60
Exercised during the year	–	–
Expired during the year	–	–
Outstanding at 28 June 2015	**624,183**	**1.60**
Exercisable at 28 June 2015	**156,045**	**1.60**

The weighted average remaining contractual life for the share options outstanding as at 28 June 2015 is four years (2014: six years). The weighted average fair value of options granted during the prior year was £0.30. The exercise price for all options outstanding at the end of the year was £1.60 (2014: £1.60).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry date 30 June	Exercise price in £ per share option	Share options (thousands)
2013-14	2018	1.60	153
2013-15	2019	1.60	153
2013-16	2020	1.60	153
2013-17	2021	1.60	153
2014-14	2018	1.70	3
2014-15	2019	1.70	3
2014-16	2020	1.70	3
2014-17	2021	1.70	3
			624

There were no new share option awards granted during the period ended 28 June 2015.

The fair value of options granted during the prior period determined using the Black-Scholes valuation model was as follows:

Variable	Nov 13 1yr Scheme	Nov 13 2yr Scheme	Nov 13 3yr Scheme	Nov 13 4yr Scheme	Mar 2014 1yr Scheme	Mar 2014 2yr Scheme	Mar 2014 3yr Scheme	Mar 2014 4yr Scheme
Stock Price	£1.60	£1.60	£1.60	£1.60	£1.70	£1.70	£1.70	£1.70
Exercise Price	£1.60	£1.60	£1.60	£1.60	£1.70	£1.70	£1.70	£1.70
Dividend Yield	3.78%	3.78%	3.78%	3.78%	3.78%	3.78%	3.78%	3.78%
Option Term (years)	2.29	2.79	3.30	3.80	2.13	2.63	3.13	3.63
Risk-less rate	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%
Volatility	25%	30%	35%	40%	25%	30%	35%	40%
Fair value	**0.195**	**0.256**	**0.321**	**0.388**	**0.262**	**0.363**	**0.454**	**0.548**

19. Share based payments (continued)
The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

20. Dividends paid and proposed

A special dividend of 2.5p per share was paid to shareholders on 27 November 2014. The total amount of dividends paid during the period was £323,000. No further dividends are proposed.

21. Trade and other payables

	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Trade payables	1,456	1,588
Other payable	22	156
Accruals	615	853
Other taxes and social security costs	995	592
	3,088	3,189

22. Provisions

Rent review provision

The Group has made a provision in respect of expected increases in rent costs as a result of rent reviews on operating leases. Operating leases on commercial property are subject to regular rent reviews by landlords in accordance with the lease agreement.

Management uses current open market rental rates in the local areas around each site and compares this to the Group's current lease terms. The provision recognised represents the best estimate of any expected increase in rental payments as a result of rent reviews applied retrospectively to the date of the last rent review as per the lease agreement.

For each operating lease on which a rent review is due, management estimates a rental payment increase of between 2% to 5%, based on current open market rental rates.

Onerous lease provision

In respect of onerous leases, provision is made for onerous lease contracts on sites that have either closed, or where projected future trading income is insufficient to cover the fixed unavoidable expenses such as rent, rates and other property costs to the end of the lease term, net of expected trading on sublet income provision. The provision is based on the present value of expected future cash outflows relating to unavoidable expenses in excess of economic benefits guaranteed with the site business. The majority of this provision is expected to be utilised over the next three years.

	Rent review provision £'000	Onerous Lease provision £'000	Total £'000
Balance at 30 June 2013	134	-	134
Additional provision charged to the income statement	89	-	89
Unused amounts reversed during the period	(22)	-	(22)
Balance at 29 June 2014	201	-	201
Additional provision charged to the income statement	16	710	726
Unused amounts reversed during the period	(189)	-	(189)
Balance at 28 June 2015	28	710	738
Current	28	346	374
Non-current	-	364	364

23. Related party transactions

Group

The parent company and ultimate controlling entity of the Group is Eclectic Bar Group Plc. Note 14 and 28 provide information about the Group's structure, including details of the subsidiaries and the holding company.

The Group considers its key management personnel to be the Directors of the company. The compensation of key management personnel is as follows:

Amounts paid to Directors, including employers national insurance contributions, was £703,527 during the period (2014: £707,050).

Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Richard Kleiner is a Partner and CEO of Gerald Edelman LLP – during the period, Gerald Edelman provided professional advice in relation to the preparation of tax computations. The amount paid during the year for these

23. Related party transactions (continued)
services amounts to £15,800 (2014: £20,595). No amounts were outstanding at the period end.

Jim Fallon is a Director and shareholder of Graybridge Solutions Limited. During the period Graybridge provided advice and assistance in relation to potential acquisitions and corporate restructuring projects. The amount paid during the year for these services equates to £51,800 (2014: £149,281). No amounts were outstanding at the period end.

Leigh Nicolson had a loan balance of £10,029 (2014: £14,932) payable to the Group at the period end. This loan is repayable at £400 a month plus interest of 3.25%. The loan expires in May 2017.

Information on shares and share option awards held by key management personnel can be found on page 14 in the Directors' report.

24. Commitments
Operating lease commitments
Total minimum lease payments under non-cancellable operating leases are as follows:

	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Operating leases payment due:		
Within one year	**1,860**	1,847
In two to five years	**7,248**	7,174
In over five years	**15,767**	24,537
	24,875	33,558

All operating lease commitments relate to non-cancellable leases on the Group's portfolio of trading sites. As the period ended 28 June 2015, the Group had one lease that included a contingent rent clause equating to 5% of revenue in excess of £1.5 million in any twelve month period. This agreement does not have a material impact on the Group.

The Group does not have any renewal, purchase or escalation clauses in its operating leases, nor are there any restrictions imposed by its operating leases.

Finance lease commitments
As at 28 June 2015, the Group had total minimum commitments under finance leases as set out below:

	As at 29 June 2015 £'000	As at 30 June 2014 £'000
Amount payable:		
Within one year	**13**	21
In two to five years	**21**	-
	34	21
Future interest	**(3)**	(1)
Present value of finance lease liabilities	**31**	20

Finance lease commitments relate to the Group's obligations under finance leases in relation to company cars for senior employees.

25. Events after the reporting period
On 15 June 2015, Eclectic announced that Luke Johnson, serial leisure entrepreneur, would become Chairman of the Group and that he intended to subscribe for 3,000,000 new ordinary shares of 25 pence each in the capital of Eclectic Bar Group Plc at a price of 50 pence per ordinary share. In addition, the Self-Invested Pension Plans of Reuben Harley, Eclectic's Chief Executive Officer, and John Smith, Eclectic's Chief Financial Officer, also intended to subscribe for 150,000 new ordinary shares (300,000 new ordinary shares in total) at the subscription price. These proposals were presented and approved by the shareholders at the General Meeting on 30 July 2015, raising £1.65million to fund the future development of the Group's business.

In addition, Eclectic Bar Group Plc has issued warrants to subscribe for up to 1,622,274 ordinary shares at a price of 60 pence per ordinary share to Luke Johnson. These warrants can be exercised in up to two tranches, but must be exercised by 30 June 2019, after which they will lapse. The authority to issue shares and to disapply pre-emption rights was also presented and approved by the shareholders at the General Meeting on 30 July 2015.

Since the period end, the Liverpool landlord has agreed to conditionally rescind the lease on this property. Eclectic will carry out separation works to split the property into two units, each consisting of approximately half of the property. Once this work is completed, two new leases will be granted, one to a new tenant and the second to Eclectic. The Group will seek to dispose of its share of the site over the next twelve to twenty four months.

On 27 August 2015, the Group reduced its Revolving Credit Facility from £5,000,000 to £3,500,000.

26. Auditor remuneration

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Audit	**108**	67
Tax advisory	**3**	–
Group restructuring work	**39**	276
	150	343

The amount paid to auditors in relation to the 2015 audit includes additional costs of £33,000 that were incurred in relation to the 2014 audit

27. Reconciliation to EBITDA

Group profit before tax can be reconciled to Group EBITDA as follows:

2015 EBITDA Reconciliation	**2015**	2014
Loss before tax for the year	**(6,243)**	(181)
Add back depreciation	**1,868**	1,448
Add back net interest paid	**178**	404
Add back fixed asset write downs not in highlighted items	**221**	–
Add back share based payment charge	**54**	–
Add back highlighted items	**5,732**	1,225
Group EBITDA before highlighted items	**1,810**	2,896
Discontinued operations – PBR revenue	**–**	(329)
Group EBITDA before highlighted items and discontinued operations	**1,810**	2,567

28. Group arrangements

The Group consists of four main entities, which each perform a specific role in the business as a whole. On 18 July 2014 a new company was formed called Eclectic Icon Limited. This company is a 100% subsidiary of Eclectic Bar Group Plc.

In a Share Sale and Purchase Agreement dated 24 July 2014, Eclectic Bar Group Plc agreed to transfer 100% of its holding in Eclectic Bars Limited (6,310,000 ordinary shares of £0.0001) to Eclectic Icon Limited in return for the allotment and issue of 14,999,999 ordinary shares in that company.

On the same day, Eclectic Icon Limited carried out a capital reduction whereby its share capital was reduced from £15,000,000 divided into 15,000,000 shares of £1.00 each, to £1,500,000 divided into 15,000,000 shares of £0.10 each. This created £13,500,000 of realised profits which would be available in the future for distribution by way of dividends to Eclectic Bar Group Plc.

All trading cash is controlled by Eclectic Bars Limited, the former parent entity of the Group which is 100% owned by Eclectic Icon Limited. All trading and operating leases are managed by Barclub Trading Limited, the principal trading entity of the Group. The Group also contains a number of dormant subsidiaries which hold operating leases. The risks, rewards and expenses relating to all operating leases are borne by Barclub Trading Limited.

PARENT COMPANY ACCOUNTS

For the period ended 28 June 2015

The accounts for the parent entity, Eclectic Bar Group Plc, are presented below. Please note that these accounts are presented using UK GAAP.

All comparative information covers the period from incorporation on 12 September 2013 to 29 June 2014.

Company profit and loss statement

	Notes	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Administrative expenses		**(54)**	–
Administrative expenses – exceptional items		**–**	(683)
Operating loss	2	**(54)**	(683)
Interest receivable		**67**	236
Dividends received		**1,500**	–
Profit/(loss) on ordinary activities before taxation		**1,513**	(447)
Tax on profit/(loss) on ordinary activities	6	**(15)**	15
Profit/(loss) for the financial year	10	**1,498**	(432)

All results were derived from continuing operations.

Company balance sheet

	Notes	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Fixed assets			
Investments	7	**10,794**	2,469
		10,794	2,469
Current assets			
Debtors	8	**1,403**	8,499
Net current assets		**1,403**	8,499
Total assets		**12,197**	10,968
Net assets		**12,197**	10,968
Capital and reserves			
Called up share capital	9	**3,231**	3,231
Share premium	10	**8,093**	8,093
Other reserves	10	**130**	76
Profit and loss account	10	**743**	(432)
Shareholders' funds		**12,197**	10,968

J A Smith
Company Secretary and Director

29 September 2015

NOTES TO THE PARENT COMPANY ACCOUNTS

For the period ended 28 June 2015

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention. They are prepared in accordance with applicable accounting standards in the United Kingdom, and are prepared in sterling, which is the currency of the Company's primary economic environment.

These financial statements have been prepared for the 52 week period to 28 June 2015. The comparative information has been prepared for the period from incorporation on 12 September 2013 to 29 June 2014.

The company has adopted FRS 26, and has invoked the FRS 29.0D exemption not to give FRS 29 disclosures about financial instruments.

Going concern

The company's principal business activity is to hold the investment in Eclectic Icon Limited. The company receives dividends from Eclectic Icon Limited, which funds its own distributions to shareholders.

As at 28 June 2015, the Company had net current assets of £1.4 million (2014: £8.5 million). This consists of intercompany loans receivable from other Group companies.

The Company has two principle sources of funding.

- The Company also has the ability to raise further funds through the offer of new shares on the Alternative Investment Market. These funds, net of issue costs, would be available to fund the activities of the Group.

- The Company receives dividends from Eclectic Icon Limited (100% directly owned subsidiary), which funds dividend payments to shareholders of the Company.

Based on the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Investments

Fixed asset investments are initially stated at cost.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets, However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Administrative costs – exceptional items
Administrative costs are treated as exceptional items and disclosed separately in the profit and loss account above operating profit or loss if the matters are material and non-recurring, and require to be disclosed separately in order to give a true and fair view. Full details of these costs are disclosed in note 2.

2. Administrative costs – exceptional items

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Share issue costs	–	399
Listing costs	–	33
Restructuring costs associated with IPO	–	175
IFRS 2 Share based payment chargee	–	76
	–	683

The share based payment charge of £53,000 for the period ended 28 June 2015 has been included in administrative expenses rather than in exceptional items. This is because these costs will be recurring in future years and so are not exceptional. Excluding the share based payment charge, total exceptional items for the period ended 29 June 2014 would have been £607,000 and operating profit before exceptional items would have been £175,000.

3. Interest receivable

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Amounts receivable from other Group companies	**67**	236

Amounts receivable from other Group companies represents interest on loan receivable balances at the period end.

4. Directors' remuneration
Full details of Directors' remuneration can be found in the consolidated Group accounts on page 14.

5. Dividends paid and received

In November 2015 the Company received a dividend of £1,500,000 from Eclectic Icon Limited, a 100% owned subsidiary.

A special dividend of 2.5p per share was paid to shareholders on 27 November 2014. The total amount of dividends paid during the period was £323,000. No further dividends are proposed.

6. Tax

(a) Tax on profit on ordinary activities

The tax is made up as follows:

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Current tax:		
UK corporation tax on the loss for the year (note 6b))	**–**	–
Deferred tax:		
Reversal/(origination)of timing differences (note 6(c))	**15**	(15)
Total tax charge/(credit) on loss on ordinary activities	**15**	(15)

(b) Factors affecting tax charge for the year

The tax charge/(credit) for the period is different from the standard rate of corporation tax in the UK of 20.75% (2014 – 22.5%). The differences are explained below:

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Profit/(loss) on ordinary activities before tax	**1,513**	(447)
Loss on ordinary activities multiplied by blended rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	**314**	(100)
Effects of:		
Expenses not (taxable)/deductible	**(299)**	100
Reversal of deferred tax	**(15)**	–
Current tax for the period (note 6(a))	**–**	–

Legislation to reduce the UK main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015 was enacted in July 2013. Accordingly, deferred tax balances at 28 June 2015 have been calculated based on these rates.

(c) Deferred tax

No deferred taxation asset or liability has been provided as at 28 June 2015.

Recognised in the balance sheet	**Period ended 28 June 2015 £'000**	Period ended 29 June 2014 £'000
Deferred tax asset		
Share options	**–**	15
	–	15
Recognised in the balance sheet:		
Included in debtors (Note 8)	**–**	15

7. Investments

	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Investment in Eclectic Icon Limited	**9,900**	–
Investment in Eclectic Bars Limited	**–**	1,575
Investment in Newman Bars Limited	**894**	894
	10,794	2,469

On the 18 July 2014 a new company was formed called Eclectic Icon Ltd. This company is a 100% subsidiary of Eclectic Bar Group Plc.

In a share sale and purchase agreement dated 24 July 2014 Eclectic Bar Group Plc agreed to transfer 100% of its holding in Eclectic Bars Ltd (6,310,000 ordinary shares of £0.0001) to Eclectic Icon Limited in return for the allotment and issue of 14,999,999 ordinary shares in that company.

On the same day Eclectic Icon Ltd carried out a capital reduction whereby its share capital was reduced from £15,000,000 divided into 15,000,000 shares of £1.00 each to £1,500,000 divided into 15,000,000 shares of £0.10 each, thereby creating £13,500,000 of realised profits which would be available in the future for distribution by way of dividends to Eclectic Bar Group Plc.

On 28 June 2015, management conducted an impairment review of the carrying value of its investments. This review considered the value in use of the Eclectic Group after deducting the Group's liabilities to external suppliers and the liabilities owed to the parent company. No impairment was identified as a result of this analysis,

The company owns, directly or indirectly, 100% of the ordinary share capital of the following UK companies:

	Holding	Proportion of voting rights and shares held	Nature of business
Eclectic Icon Limited	Ordinary shares	100%	Holding company
Eclectic Bars Limited***	Ordinary shares	100%	Funding Entity
Barclub Trading Limited*	Ordinary shares	100%	Management & operation of bars
Newman Bars Limited	Ordinary shares	100%	Management of bars
Chalice Bars Limited^	Ordinary shares	100%	Operation of bars
Barclub (Bath) Limited**	Ordinary shares	100%	Dormant
Barclub (Embargo) Limited**	Ordinary shares	100%	Dormant
Barclub (Brighton) Limited**	Ordinary shares	100%	Management of bars
Barclub (Friar Street) Limited**	Ordinary shares	100%	Dormant
Barclub (Norwich) Limited**	Ordinary shares	100%	Dormant
Barclub (Manchester) Limited**	Ordinary shares	100%	Dormant
Barclub (Sidney Street) Limited**	Ordinary shares	100%	Dormant
Barclub (Reading) Limited	Ordinary shares	100%	Dormant
Sakura Bars Limited**	Ordinary shares	100%	Dormant
Barclub (Cambridge) Limited**	Ordinary shares	100%	Dormant
HSB Clubs Limited**	Ordinary shares	100%	Dormant

8. Debtors

	As at 28 June 2015 £'000	As at 29 June 2014 £'000
Amounts due from group undertakings	**1,403**	8,484
Deferred tax asset	**–**	15
	1,403	8,499

Amounts due from Group undertakings are interest bearing and repayable on demand.

9. Capital and reserves

Ordinary shares issued and fully paid

	As at 28 June 2015		As at 29 June 2014	
	Thousands	£	Thousands	£
Ordinary shares at £0.25 each	**12,923**	**3,231**	12,923	3,231

Share premium

	£'000
At 12 September 2013	–
Increase on 28 November 2013	8,859
Increase on 31 March 2014	85
Directly attributable IPO costs taken to equity	(851)
At 29 June 2014	**8,093**
At 28 June 2015	**8,093**

Other reserves consist of charges in respect of share options.

10. Reconciliation of shareholders' funds and movements on reserves

	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000	Total share-holders' funds £'000
At 12 September 2013	–	–	–	–	–
Shares issued	3,231	8,944	–	–	12,175
Directly attributable IPO costs taken to equity	–	(851)	–	–	(851)
Share based payment charges	–	–	76	–	76
Loss for the period	–	–	–	(432)	(432)
At 29 June 2014	**3,231**	**8,093**	**76**	**(432)**	**10,968**
Share based payment charges	–	–	54	–	54
Dividends paid	–	–	–	(323)	(323)
Profit for the period	–	–	–	1,498	1,498
At 28 June 2015	**3,231**	**8,093**	**130**	**743**	**12,197**

11. Related party transactions

As at 28 June 2015, a loan of £1,403,000 is due from Eclectic Bars Limited. This loan is interest bearing and repayable on demand.

12. Events after the reporting period

On 15 June 2015, Eclectic announced that Luke Johnson, serial leisure entrepreneur, would become Chairman of the Group and that he intended to subscribe for 3,000,000 new ordinary shares of 25 pence each in the capital of Eclectic Bar Group Plc at a price of 50 pence per ordinary share. In addition, the Self Invested Pension Plans of Reuben Harley, Eclectic's Chief Executive Officer, and John Smith, Eclectic's Chief Financial Officer, also intended to subscribe for 150,000 new ordinary shares (300,000 new ordinary shares in total) at the subscription price. These proposals were presented and approved by the shareholders at the General Meeting on 30 July 2015, raising £1.65million to fund the future development of the Group's business.

In addition Eclectic Bar Group Plc has also issued warrants to subscribe for up to 1,622,274 ordinary shares at a price of 60 pence per ordinary share to Luke Johnson. These warrants can be exercised in up to two tranches, but must be exercised by 30 June 2019, after which they will lapse. The authority to issue shares and to disapply pre-emption rights was also presented and approved by the shareholders at the General Meeting on 30 July 2015.

13. Auditor remuneration

	Period ended 28 June 2015 £'000	Period ended 29 June 2014 £'000
Audit of Company accounts	**5**	5
	5	5

The audit fee was borne by Barclub Trading Limited, a 100% subsidiary of the Company. There were no non-audit fees incurred during the year.

NOTES

Eclectic Bar Group plc
36 Drury Lane
London WC2B 5RR

Tel: 020 7376 6300
Fax: 020 7823 3756

www.eclecticbars.co.uk