17 March 2020

The Brighton Pier Group PLC

(the "Company" or the "Group")

Interim results for the 26 weeks ended 29 December 2019

The Brighton Pier Group PLC today announces its unaudited results for the 26 week period ended 29 December 2019, the first results in which the Company has adopted IFRS 16 (comparative figures are shown for the same period on a pre-IFRS 16 basis together with those for the 26 week period ended 30 December 2018 as reported last year).

Financial Highlights	**26 weeks ended 29 December 2019** ***As reported***	26 weeks ended 29 December 2019 *Pre-IFRS 16**	**26 weeks ended 30 December 2018** ***As reported***
	£m	£m	**£m**
Revenue	**17.3**	17.3	**16.5**
Group EBITDA before highlighted items	**4.2**	3.0	**2.9**
Group EBITDA after highlighted items	**4.1**	2.9	**2.6**
Operating profit before highlighted items	**2.5**	2.2	**2.0**
Operating profit after highlighted items	**2.4**	2.1	**1.7**
Profit before taxation and highlighted items	**2.0**	2.0	**1.7**
Profit before taxation after highlighted items	**1.8**	1.9	**1.4**
Net debt at the end of the period	**11.0**	11.0	**13.5**
Basic earnings per share (with highlighted items added back)	**4.1p**	4.2p	**4.3p**
Basic earnings per share	**3.9p**	4.0p	**3.5p**
Diluted earnings per share (with highlighted items added back)	**4.1p**	4.2p	**4.3p**
Diluted earnings per share	**3.9p**	4.0p	**3.4p**

Commenting on the results, Anne Ackord, Chief Executive Officer, said:

"*I can report that the half year is in line with management expectations, with sales, EBITDA and earnings all up versus the prior period.*

Our two new golf venues at Rushden Lakes and Plymouth Drake's Circus, together with our refurbished bar in Putney have all traded strongly and ahead of expectations.

The pier achieved a record August bank holiday week, with revenues just shy of £1million.

The United Kingdom and the leisure business in particular are facing some unpredictable and difficult months as the coronavirus continues to evolve. We are monitoring this unprecedented situation closely but we believe we have a strong balance sheet, supportive bank and a strong team to meet the challenge.

Despite the current concerns, in the medium to long term the Company's pier, bars and golf businesses remain well invested, strongly cash generative and well positioned for future growth."

* This column has been added to show the 26 weeks ended 29 December 2019 on a comparative basis to the prior period before the changes now required by IFRS 16.

All Company announcements and news are available at www.brightonpiergroup.com

Enquiries:

The Brighton Pier Group PLC	Tel: 020 7376 6300
Luke Johnson, Chairman	
Anne Ackord, Chief Executive Officer	
John Smith, Chief Financial Officer	
Panmure Gordon (UK) Limited (Nominated Adviser and Joint Broker)	Tel: 020 7886 2500
Corporate Finance	
Atholl Tweedie	
Corporate Broking	
Charles Leigh-Pemberton	

This announcement contains inside information.

About The Brighton Pier Group PLC

The Brighton Pier Group PLC (the 'Group') owns and trades Brighton Palace Pier, as well as twelve premium bars nationwide (including two ping-pong concept bars) and eight indoor mini-golf sites.

The Group operates as three separate divisions under the leadership of Anne Ackord, the Group's Chief Executive Officer.

Brighton Palace Pier offers a wide range of attractions including two arcades (with over 300 machines) and eighteen funfair rides, together with a variety of on-site hospitality and catering facilities. The attractions, product offering and layout of the pier are focused on creating a family-friendly atmosphere that aims to draw a wide demographic of visitors. The pier is free to enter, with revenue generated from the pay-as-you-go purchase of products from the fairground rides, arcades, hospitality facilities and retail catering kiosks. According to Visit Britain, it is the fifth most popular free attraction in the UK, with over 4.9 million visitors in 2018, making it the UK's most visited landmark outside of London.

The bars trade under a variety of concepts including Embargo Republica, Lola Lo, Po Na Na, Le Fez, Lowlander, Smash (two ping-pong concept bars) and Coalition. The Group's Bars division predominantly targets a customer base of sophisticated students midweek and stylish over-21s and professionals at the weekend. This division focuses on delivering added value to its customers through premium product ranges, high quality music and entertainment, as well as a commitment to exceptional service standards. The Bars estate is nationwide, incorporating key university cities and towns that provide a vibrant night-time economy and the demographics to support premium bars.

The Golf division (Paradise Island Adventure Golf) operates eight indoor mini-golf sites at high footfall retail and leisure centres. The business capitalises on the increasing convergence between retail and leisure, offering an accessible and traditional activity for the whole family. The first unit was opened in Glasgow, after which followed Manchester, Sheffield, Livingston, Cheshire Oaks, Derby, Rushden Lakes (opened in April 2019) and Plymouth Drake's Circus (opened in October 2019). Each site offers two unique 18-hole mini-golf courses.

Business review

The business review covers the trading results for the 26 weeks ended 29 December 2019 (2018: 26 weeks ended 30 December 2018). The Group trading for the half year is in line with management expectations.

Half year results

The Group is pleased to report improved profitability, with profit before tax and highlighted items up 12% at £2.0 million (2018: £1.7 million). Profit before tax and after highlighted items was also up 28% at £1.8 million (2018: £1.4 million).

On 1 July 2019, the Group was required to adopt the new accounting standard, IFRS 16 Leases.

The new standard replaces IAS 17 Leases and fundamentally alters the classification and measurement of operating leases for lessees, removing the distinction between operating and finance leases.

The Group adopted IFRS 16 on a modified retrospective basis, meaning comparative period information has not been restated, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

In order to give a better understanding of the changes resulting from this new standard, Note 2 below gives a detailed reconciliation of the changes to the statements of consolidated comprehensive income, balance sheet and cash flows.

Total Group revenue for the period was up £0.8 million at £17.3 million (2018: £16.5 million), benefitting from the impact of two new sites openings in the period in Paradise Island Adventure Golf, which together contributed £0.7million of sales in the 26 weeks of trading. Both new sites have performed well ahead of expectations.

Revenue for the Pier division was £7.94 million (2018: £7.85 million), £0.11 million up on the prior period. The bars and catering facilities combined continue to out-perform the prior period, with sales up 3.6%, in large part due to the continued growth in the functions business and success of the new 'Sunset Garden Bar'. Since the end of the summer, high winds and rain have impacted the (exterior) rides with sales down 4.4% over the period, but the (interior) arcades have seen revenues increase 6.1% versus the prior year.

Revenue for the Bars division was £6.6 million (2018: £6.6 million), flat for the period. Trading at the newly refitted Putney Le Fez has been strong for the first half, continuing ahead of expectations. Whilst trading on key calendar dates such as Christmas remain in line with prior years, we continued to see challenging conditions outside of these periods. These challenges relate to overcapacity in a number of towns and cities, changing behaviours of students toward the drinking of alcohol, and shortages of skilled general managers. Our focus is on creating new content and products, improving the customer experience and building strong management teams.

Group gross margin for the period increased by 85 basis points in comparison with the 2018 period, reflecting the high-margin nature of the growing Golf division, together with a continued focus on pricing in order to mitigate pressure from rising input costs across the rest of the Group. It was especially encouraging to see the Bars division gross margin up 73 basis points versus the same period last year.

Highlighted costs totalling £0.1 million (2018: £0.3 million) were incurred during the period, relating to site pre-opening costs for the redevelopment of Po Na Na in Bath and the opening of the new adventure golf site in Plymouth.

In summary, for the 26 weeks ended 29 December 2019 (compared to the equivalent 26-week period ended 30 December 2018):

•	Revenue:	£17.3 million	(2018: £16.5 million)
•	Group EBITDA before highlighted items:	£4.2 million	(2018: £2.9 million)
•	Group EBITDA after highlighted items:	£4.1 million	(2018: £2.6 million)
•	Operating profit before highlighted items:	£2.5 million	(2018: £2.0 million)
•	Operating profit after highlighted items:	£2.4 million	(2018: £1.7 million)
•	Profit before tax and highlighted items:	£2.0 million	(2018: £1.7 million)
•	Profit before tax and after highlighted items:	£1.8 million	(2018: £1.4 million)
•	Net debt at the end of the period:	£11.0 million	(2018: £13.5 million)
•	Basic earnings per share (with highlighted items added back):	4.1p	(2018: 4.3p)
•	Basic earnings per share:	3.9p	(2018: 3.5p)
•	Diluted earnings per share (with highlighted items added back):	4.1p	(2018: 4.3p)
•	Diluted earnings per share:	3.9p	(2018: 3.4p)

Principal developments during the period and outlook

The Group's key performance indicators are focused on the continued expansion of the Group to drive revenues, EBITDA and earnings growth.

Reported Group EBITDA after highlighted items is up 55% at £4.1 million (2018: £2.6 million); on a comparable basis with the prior period, Group EBITDA after highlighted items is up 9.6% at £2.9 million (2018: £2.6 million).

- ***Golf division –*** Golf EBITDA for the 26 weeks is up £0.78 million versus the prior period at £1.45 million (2018: £0.67 million).

  IFRS 16 – £0.5 million of this increase reflects the impact of the accounting treatment of rent under IFRS 16 (see Note 2). On a pre IFRS basis the Golf division is up £0.3 million on the prior year.

  New sites – Rushden Lakes and Plymouth Drake's Circus are both trading ahead of expectations. The division continues to look for new locations. At present no site is signed up for FY 2021.

- ***Pier division*** –EBITDA for the combined Palm Court restaurant and Horatio's bar were up 18%, with the hospitality team continuing to make excellent progress in the conference and events business demonstrating revenue growth during the period of £46k versus the prior period.

The pier overall has benefited from completion of the railway upgrades on the London mainline route to Brighton, as well as good weather during the August bank holiday weekend, both of which contributed to the pier achieving a record week and meeting expectations for the summer onwards.

The rest of the pier was down £0.1 million versus the prior period. This reflects the impact of exceptional winter weather forcing closure of many rides due to high winds from the end of the summer onwards. However, increased revenue from the arcades offset much of the impact of these closures, resulting in the pier division EBITDA as a whole being in line with the prior period at £1.8 million (2018: £1.8 million).

- ***Bars division*** – Bars EBITDA for the 26 weeks is up £0.6 million versus the prior period (2018: £0.7 million).

  IFRS 16 **–** £0.7 million of this increase reflects the impact of the accounting treatment of rent under IFRS 16 (see note 2). On a pre IFRS basis the Bars division is down £0.1 million on the prior year, which reflects the ongoing challenges in this sector of the market.

  Putney Le Fez **–** has a now been open for a full 12 months since its refit and continues to trade ahead of expectations.

  Bath Po Na Na **–** This basement venue was closed for 6 weeks to enable tanking works to the dance floor in order to remedy water ingress from the road above. The business closed in late July and re-opened for returning students in September.

  Reading Coalition **–** in August 2019 we completed the sub-let of this site, which re-opened as the Gun Street Garden in late September.

Results for the half year show that the Group continues to be cash-generative, with EBITDA before highlighted items of £4.2 million (2018: £2.9 million) and EBITDA after highlighted items of £4.1 million (2018: £2.6 million).

Group operating profit before highlighted items was £2.5 million (2018: £2.0 million) and Group operating profit for the period after highlighted items was £2.4 million (2018: £1.7 million).

Cash flow and balance sheet

Net cash flow generated from operations and available for investment (after interest and tax payments) was £3.8 million (2018: £1.0 million).

£1.3 million has been invested in capital expenditure (2018: £1.0 million), the majority of which has been spent on the new golf site at Plymouth Drake's Circus.

In July 2019, £0.4 million of deferred consideration was paid to the previous shareholders of Lethington Leisure Limited for the acquisition of Paradise Island Adventure Golf (2018: £0.6 million).

During the period, the Group made net debt repayments of £1.6 million (2018: £1.2 million).

Total bank debt at the end of the period was £13.2 million (2018: £15.5 million), made up of £1.4 million drawn on the revolving credit facility and £11.9 million of term debt.

The Group continues to comply with all its covenants.

At the period end, cash and cash equivalents were £2.2 million (2018: £2.0 million).

Net debt at the period end stood at £11.0 million (2018: £13.5 million). The Directors continue to take a cautious approach to net debt levels for the Group.

Outlook

Trading for February on the pier has been significantly impacted by storms Ciara, Dennis and Jorge that have caused high winds and flooding across the UK. Whilst the Pier structure has proved itself very resilient to these gales, they have resulted in ride closures for much of the month and, on some days, complete closure of the pier.

The Group is also acutely aware of the threat posed by the coronavirus pandemic to trading at all three divisions and to the leisure and tourist sector generally over the coming months. Given the exceptional circumstances this outbreak presents, it is difficult to assess with confidence either the length or scale of the financial impact on the Group.

In the short term, the Group is taking steps to ensure our customers and staff are safe in our venues with regular careful cleaning of all our locations, provision of hand sanitisers, homeworking where possible and information on how to minimise the risk of infection. . In due course, we may see further actions taken by Government to limit movement and gatherings of people, which will have a short-term impact on all of our businesses and could extend into the summer.

The Group continues to monitor the situation closely and to prepare to take mitigating actions as appropriate.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Comparative period information has not been adjusted to reflect the adoption of IFRS 16 on 1 July 2019.

	Notes	*Unaudited*	*Unaudited*	*Audited*
		26 weeks ended 29 December 2019	***26 weeks ended 30 December 2018***	***52 weeks ended 30 June 2019***
		£'000	***£'000***	*£'000*
Revenue		17,331	16,534	32,022
Cost of sales		(2,713)	(2,728)	(4,995)
Gross profit		**14,618**	**13,806**	**27,027**
Operating expenses - excluding highlighted items		(12,127)	(11,829)	(23,301)
Operating expenses - highlighted items	*5*	(110)	(303)	(557)
Total operating expenses		**(12,237)**	**(12,132)**	(23,858)
Operating profit - before highlighted items		2,491	1,977	3,726
Highlighted items - operating expenses	*5*	(110)	(303)	(557)
Operating profit		**2,381**	**1,674**	**3,169**
Finance cost		(535)	(236)	(480)
Profit before tax and highlighted items		**1,956**	**1,741**	**3,246**
Highlighted items	*5*	(110)	(303)	(557)
Profit on ordinary activities before taxation		**1,846**	**1,438**	**2,689**
Taxation on ordinary activities	*6*	(389)	(193)	(446)
Profit for the year		**1,457**	**1,245**	**2,243**
Earnings per share – Basic*	*7*	3.9	3.5	6.1
Adjusted earnings per share – Basic**	*7*	4.1	4.3	7.3
Earnings per share - Diluted	*7*	3.9	3.4	6.1
Adjusted earnings per share - Diluted	*7*	4.1	4.3	7.3

* 2019 basic weighted average number of shares in issue was 37.29m (Dec 2018: 36.00m)

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

No other comprehensive income was earned during the period (2018: £nil).

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	*As at 29 December 2019*	*As at 30 December 2018*	*As at 30 June 2019*
		£'000	*£'000*	*£'000*
Non current assets				
Intangible assets		12,665	12,678	12,715
Property, plant & equipment		27,753	26,901	27,169
Right-of-use assets		21,402	-	-
		61,820	**39,579**	**39,884**
Current assets				
Assets held for sale		-	293	-
Inventories		648	609	624
Trade and other receivables		1,160	1,803	1,931
Cash and cash equivalents		2,212	2,033	2,725
		4,020	**4,738**	**5,280**
TOTAL ASSETS		**65,840**	**44,317**	**45,164**
EQUITY				
Issued share capital		9,322	9,322	9,322
Share Premium		15,993	15,993	15,993
Merger reserve		(1,111)	(1,111)	(1,111)
Other reserve		428	383	407
Retained earnings/(deficit)		1,290	(1,165)	(167)
Equity attributable to equity shareholders of the parent		**25,922**	**23,422**	**24,444**
TOTAL EQUITY		**25,922**	**23,421**	**24,444**
LIABILITIES				
Current liabilities				
Trade and other payables		3,734	4,273	5,022
Other financial liabilities - current		2,823	2,003	2,003
Lease liabilities - current		1,632	-	-
Income tax payable		712	817	393
Provisions		9	50	131
		8,910	**7,143**	**7,549**
Non-Current liabilities				
Other financial liabilities - non-current		10,342	13,512	12,787
Lease liabilities - non-current		20,240	-	-
Deferred tax liability		426	240	384
		31,008	**13,752**	**13,171**
TOTAL LIABILITIES		**39,918**	**20,895**	**20,720**
TOTAL EQUITY AND LIABILITIES		**65,840**	**44,317**	**45,164**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share Premium	Other reserves	Merger reserve	Retained earnings /(deficit)	Total shareholders' equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2019	9,322	15,993	407	(1,111)	(167)	24,444
Profit for the period	-	-	-	-	1,457	1,457
Transactions with owners						
Share based payments charge	-	-	21	-	-	21
As at 29 December 2019	9,322	15,993	428	(1,111)	1,290	25,922

	Issued share capital	Share Premium	Other reserves	Merger reserve	Retained earnings /(deficit)	Total shareholders' equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 2 July 2018	8,916	15,426	362	(1,111)	(2,410)	21,183
Profit for the period	-	-	-	-	1,245	1,245
Transactions with owners						
Share based payments charge	-	-	21	-	-	21
Issue of shares	406	567	-			973
As at 30 December 2018	9,322	15,993	383	(1,111)	(1,165)	23,422

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 26 weeks to 30 December 2018 *£'000*	Unaudited 26 weeks to 30 December 2018 *£'000*	Audited 52 weeks to 30 June 2019 *£'000*
Operating activities			
Profit before tax	1,846	1,438	2,689
Net finance costs	535	236	480
Amortisation of intangible assets	67	30	62
Depreciation of property, plant and equipment	710	907	1,493
Depreciation of right-of-use assets	901	-	-
Loss on disposal of property, plant and equipment and assets held for sale	-	-	(96)
Share-based payment expense	21	21	45
(Increase)/decrease in inventories	(24)	(10)	(25)
Decrease/(increase) in trade and other receivables	277	(12)	(140)
(Decrease) in trade and other payables	(309)	(1,070)	(119)
(Decrease)/increase in provisions and deferred tax	(70)	(9)	72
Income tax paid	(29)	(277)	(809)
Interest paid	(134)	(225)	(439)
Net cash flow from operating activities	**3,791**	**1,029**	**3,213**
Investing activities			
Purchase of property, plant and equipment, and intangible assets	(1,312)	(1,028)	(2,548)
Settlement of deferred consideration	(354)	(591)	(591)
Proceeds from disposal of property, plant and equipment	-	17	801
Net cash flows used in investing activities	**(1,666)**	**(1,602)**	**(2,338)**
Financing activities			
Proceeds from borrowings	1,400	1,300	1,300
Repayment of borrowings	(3,035)	(2,479)	(3,235)
Proceeds from issue of shares	-	973	973
Principal paid on lease liabilities	(672)	-	-
Interest paid on lease liabilities	(331)	-	-
Net cash flows generated used in financing activities	**(2,638)**	**(431)**	**(1,401)**
Net decrease in cash and cash equivalents	**(513)**	**(779)**	**(87)**
Cash and cash equivalents at beginning of period	2,725	2,812	2,812
Cash and cash equivalents at period end date	**2,212**	**2,033**	**2,725**

Interest paid on borrowings during the comparative periods has been re-classed as cash outflows from financing activities in order to better reflect the nature of the cash flow.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Brighton Pier Group PLC is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM. Its registered address is 36 Drury Lane, London, WC2B 5RR. The Company is the immediate and ultimate parent of the "Group".

The Brighton Pier Group PLC owns and operates Brighton Palace Pier, one of the leading tourist attractions in the UK. The Group is also a leading operator of 12 premium bars, and the operator of 8 indoor adventure golf facilities trading in major towns and cities across the UK.

The principal accounting policies adopted by the Group are set out in Note 2.

2. ACCOUNTING POLICIES

The financial information for the six months ended 29 December 2019 and 30 December 2018 does not constitute statutory accounts for the purposes of section 435 of the Companies Act 2006 and has not been audited. The Group's latest statutory financial statements were for the 52 weeks ended 30 June 2019 and these have been filed with the Registrar of Companies.

Information that has been extracted from the June 2019 accounts is from the audited accounts included in the annual report, published in November 2019, on which the auditor gave an unmodified opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. A copy of these accounts can be found on the Group's website, www.brightonpiergroup.com.

The interim condensed consolidated financial statements for the 26 weeks ended 29 December 2019 have been prepared in accordance with the AIM Rules issued by the London Stock Exchange. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2019, which were prepared in accordance with IFRS as adopted by the European Union.

Change in accounting policy

On 1 July 2019, the Group adopted a new accounting standard, IFRS 16 Leases.

The new standard replaced IAS 17 Leases and fundamentally altered the classification and measurement of operating leases for lessees, removing the distinction between operating and finance leases.

The Group's leases predominantly relate to long-term property leases in the Bars and Golf divisions. In the prior period, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities are initially measured as the total payments required under the terms of the lease, discounted by the incremental borrowing rate (3%, or the rate implicit in the lease) to account for time value of money.

The Group adopted IFRS 16 on a modified retrospective basis, meaning comparative period information has not been restated, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

The standard also permits a choice on initial adoption, on a lease-by-lease basis, to measure the right-of-use asset at either its carrying amount as if IFRS 16 had been applied since the commencement of the lease, or an amount equal to the lease liability, adjusted for accrued or prepaid rent and lease incentives. In all cases, the Group has opted to measure the right-of-use asset at an amount equal to the lease liability, adjusted for accrued or prepaid rent and lease incentives.

When applying IFRS 16, the Group has applied the following practical expedients, on transition date:

- Reliance on the previous identification of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application;
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review;
- Exclusion of initial direct costs from the measurement of the right of use asses at the date of initial application;
- The accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short term leases; and
- The use of hindsight, such as determining the lease term if the contract contains options to extend or terminate the lease.

The Group has applied the following key judgements and estimates when applying IFRS 16:

- The present value of lease liabilities relating to property were measured using the Group's incremental borrowing rate of 3%. All other leases were discounted using the rate implicit in the lease.
- When determining the lease term where extension or termination options exist, all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option, have been considered to determine the lease term. Extension periods (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

An illustration of the impact of the adoption of IFRS 16 is provided overleaf.

Impact on consolidated balance sheet

	As reported	IFRS 16 adjustments	Pre-IFRS 16
	£'000	£'000	£'000
Non current assets			
Intangible assets	12,665		12,665
Property, plant & equipment	27,753		27,753
Right-of-use assets	21,402	(21,402)	-
	61,820	**(21,402)**	**40,418**
Current assets			
Inventories	648		648
Trade and other receivables	1,160	495	1,655
Cash and cash equivalents	2,212		2,212
	4,020	**495**	**4,515**
TOTAL ASSETS	**65,840**	**(20,907)**	**44,933**
EQUITY			
Issued share capital	9,322		9,322
Share Premium	15,993		15,993
Merger reserve	(1,111)		(1,111)
Other reserve	428		428
Retained earnings	1,290	36	1,326
Equity attributable to equity shareholders of the parent	**25,922**	**36**	**25,958**
TOTAL EQUITY	**25,922**	**36**	**25,958**
LIABILITIES			
Current liabilities			
Trade and other payables	3,734	811	4,545
Other financial liabilities - current	2,823		2,823
Lease liabilities - current	1,632	(1,632)	-
Income tax payable	712		712
Provision	9	118	127
	8,910	**(703)**	**8,207**
Non-Current liabilities			
Other financial liabilities - non-current	10,342		10,342
Lease liabilities - non-current	20,240	(20,240)	-
Deferred tax liability	426		426
	31,008	**(20,240)**	**10,768**
TOTAL LIABILITIES	**39,918**	**(20,943)**	**18,975**
TOTAL EQUITY AND LIABILITIES	**65,840**	**(20,907)**	**44,933**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Impact on consolidated statement of comprehensive income

The Group no longer includes rent payments as an administrative expense in the statement of comprehensive income. Under IFRS 16, The Group recognises straight line depreciation of right-of-use assets within administrative expenses, together with interest on lease liabilities within finance costs in the consolidated statement of comprehensive income.

	26 weeks ended 29 December 2019		
	As reported	***IFRS 16 adjustments***	***Pre-IFRS 16***
	£'000	***£'000***	***£'000***
Revenue	17,331		17,331
Cost of sales	(2,713)		(2,713)
Gross profit	**14,618**		**14,618**
Operating expenses - excluding highlighted items	(12,127)	(295)	(12,422)
Operating expenses - highlighted items	(110)		(110)
Total operating expenses	**(12,237)**	**(295)**	**(12,532)**
Operating profit - before highlighted items	2,491	(295)	2,196
Highlighted items - operating expenses	(110)		(110)
Operating profit	**2,381**	**(295)**	**2,086**
Finance cost	(535)	331	(204)
Profit before tax and highlighted items	1,956	36	1,992
Highlighted items	(110)		(110)
Profit on ordinary activities before taxation	**1,846**	**36**	**1,882**
Taxation on ordinary activities	(389)		(389)
Profit for the year	**1,457**	**36**	**1,493**
Earnings per share - Basic	3.9		4.0
Adjusted earnings per share - Basic	4.1		4.2
Earnings per share - Diluted	3.9		4.0
Adjusted earnings per share - Diluted	4.1		4.2

Impact on cash flows

Cash flow statement

	As reported	*IFRS 16 adjustments*	*Pre-IFRS 16*
	£'000	***£'000***	***£'000***
Operating activities			
Profit before tax	1,846	36	1,882
Finance costs	535	(331)	204
Amortisation of intangible assets	67		67
Depreciation of property, plant and equipment	710		710
Depreciation of right of use assets	901	(901)	-
Share-based payment expense	21		21
Increase in inventories	(24)		(24)
Increase in trade and other receivables	277	61	338
Decrease in trade and other payables	(309)	22	(287)
Decrease in provisions	(70)	83	13
Income tax paid	(29)		(29)
Interest paid	(134)		(134)
Net cash flow from operating activities	**3,791**	**(1,030)**	**2,761**
Investing activities			
Purchase of property, plant and equipment and intangible assets	(1,312)		(1,312)
Payment of deferred consideration	(354)		(354)
Net cash flows used in investing activities	**(1,666)**	**-**	**(1,666)**
Financing activities			
Proceeds from borrowings	1,400		1,400
Repayment of borrowings	(3,035)		(3,035)
Payment of finance lease liabilities	(672)	672	-
Interest paid on lease liabilities	(331)	331	-
Net cash flows (used in)/from financing activities	**(2,638)**	**1,003**	**(1,635)**
Net decrease in cash and cash equivalents	**(513)**		**(513)**
Cash and cash equivalents at beginning of period	2,725		2,725
Cash and cash equivalents end of period	**2,212**	**-**	**2,212**

Impact on segment disclosures

Adjusted EBITDA for December 2019 increased as a result of the change in accounting policy. The following segments were affected by the change in policy:

Adjusted EBITDA	***As reported***	***IFRS 16 adjustments***	***Pre-IFRS 16***
Operating segment	***£'000***	***£'000***	***£'000***
Bars	1,335	(699)	636
Pier	1,820	(20)	1,800
Golf	1,446	(477)	969

All other accounting policies used in preparation of the financial information for the six months ended 29 December 2019 are the same accounting policies applied to the Group's financial statements for the 52 weeks ended 30 June 2019. These policies were disclosed in the 2019 Annual Report and are in accordance with IFRS as adopted by the European Union.

3. GOING CONCERN

As reported earlier in this report the Group is acutely aware that the UK is at the beginning of a Coronavirus pandemic that could pose a significant threat to trading at all three divisions and to business generally over the coming months. Given the unprecedented circumstances this illness presents, it is not possible to forecast with confidence either the length or scale of the financial impact. However, it is clear from the last few weeks that concerns over infection are making our customers less willing to visit public spaces and to go out to socialise.

In the short term, the Group is taking steps to ensure our customers and staff are safe in our venues with regular careful cleaning of all our locations, provision of hand sanitisers, homeworking where possible and information on how to minimise the risk of infection. In due course, we may see further actions taken by Government to limit movement and gatherings of people, which will have a short-term impact on all of our businesses and could extend into the summer. The Group would look to the support of its bank and shareholders should exceptional circumstances require it.

After reviewing the Group's performance, future forecasted performance and cash flows, as well as its ability to draw down on its facilities and the covenant requirements of those facilities, and after considering the key risks and uncertainties set out on pages 18-19 of the 2019 Annual Report, the Directors consider that the Group currently has sufficient resources to continue in operational existence for the foreseeable future, subject to the impact of the coronavirus which is being monitored on an ongoing basis. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

4. SEGMENTAL INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") comprising the Board of Directors. During the 26 week period ended 29 December 2019, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The segmental information is split on the basis of those same profit centres - however, management report only the contents of the consolidated statement of comprehensive income and therefore no balance sheet information is provided on a segmental basis in the following tables.

26 week period ended 29 December 2019	Bars	Brighton Pier	Golf	Total segments	Overhead	December 2019 consolidated total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	6,602	7,936	2,793	17,331	-	17,331
Cost of sales	(1,373)	(1,294)	(46)	(2,713)	-	(2,713)
Gross profit	**5,229**	**6,642**	**2,747**	**14,618**		**14,618**
Gross profit %	79%	84%	98%	84%		84%
Administrative expenses (excluding depreciation and amortisation)	(3,893)	(4,822)	(1,301)	(10,016)	(432)	(10,448)
Highlighted items					(110)	(110)
Depreciation and amortisation (excluding right-of-use assets)					(778)	(778)
Depreciation of right of use assets					(901)	(901)
Net finance cost (excluding interest on lease liabilities)					(204)	(204)
Net finance cost arising on lease liabilities					(331)	(331)
Profit/(loss) before tax	**1,336**	**1,820**	**1,446**	**4,602**	**(2,756)**	**1,846**
Income tax	-	-	-	-	(389)	(389)
Profit/(loss) after tax	**1,336**	**1,820**	**1,446**	**4,602**	**(3,145)**	**1,457**
EBITDA (before highlighted items)	1,336	1,820	1,446	4,602	(412)	4,190
EBITDA (after highlighted items)	1,336	1,820	1,446	4,602	(522)	4,080

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. SEGMENTAL INFORMATION (continued)

The following table presents the segmental analysis of the Group as at 29 December 2019 excluding the impact of the adoption of IFRS 16:

26 week period ended 29 December 2019	Bars £'000	Brighton Pier £'000	Golf £'000	Total segments £'000	Overhead £'000	December 2019 consolidated total £'000
Revenue	6,602	7,936	2,793	17,331	-	17,331
Cost of sales	(1,373)	(1,294)	(46)	(2,713)	-	(2,713)
Gross profit	**5,229**	**6,642**	**2,747**	**14,618**		**14,618**
Gross profit %	79%	84%	98%	84%		84%
Administrative expenses (excluding depreciation and amortisation)	(4,593)	(4,842)	(1,778)	(11,213)	(432)	(11,645)
Highlighted items					(110)	(110)
Depreciation and amortisation					(778)	(778)
Net finance cost					(204)	(204)
Profit/(loss) before tax	**636**	**1,800**	**969**	**3,405**	**(1,524)**	**1,881**
Income tax	-	-	-	-	(389)	(389)
Profit/(loss) after tax	**636**	**1,800**	**969**	**3,405**	**(1,913)**	**1,492**
EBITDA (before highlighted items)	636	1,800	969	3,405	(412)	2,993
EBITDA (after highlighted items)	636	1,800	969	3,405	(522)	2,883

Comparative period information has not been adjusted to reflect the adoption of IFRS 16 on 1 July 2019.

26 week period ended 30 December 2018	Bars £'000	Brighton Pier £'000	Golf £'000	Total segments £'000	Overhead £'000	December 2018 consolidated total £'000
Revenue	6,627	7,854	2,053	16,534	-	16,534
Cost of sales	(1,427)	(1,281)	(20)	(2,728)	-	(2,728)
Gross profit	**5,200**	**6,573**	**2,033**	**13,806**	**-**	**13,806**
Gross profit %	78%	84%	99%	83.5%	-	83.5%
Administrative expenses (excluding depreciation and amortisation)	(4,459)	(4,737)	(1,363)	(10,559)	(333)	(10,892)
Highlighted items					(303)	(303)
Depreciation and amortisation					(937)	(937)
Net finance cost					(236)	(236)
Profit/(loss) before tax	**741**	**1,836**	**670**	**3,247**	**(1,809)**	**1,438**
Income tax					(193)	(193)
Profit/(loss) after tax	**741**	**1,836**	**670**	**3,247**	**(2,002)**	**1,245**
EBITDA (before highlighted items)	741	1,836	670	3,247	(312)	2,935
EBITDA (after highlighted items)	741	1,836	670	3,247	(616)	2,631

5. HIGHLIGHTED ITEMS

	26 weeks ended 29 December 2019	*26 weeks ended 30 December 2018*	*52 weeks ended 30 June 2019*
	£'000	*£'000*	*£'000*
Site pre-opening costs	110	168	356
Other closure costs and legal costs	-	135	201
Total	**110**	**303**	**557**

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 incurred during the period ended 29 December 2019 relate to expenses incurred during the redevelopment of Po Na Na in Bath and the opening of the new adventure golf site in Plymouth.

6. TAXATION

The tax charge has been calculated by reference to the expected effective current and deferred tax rates for the full financial year to 30 July 2019 applied against the profit before tax for the period ended 29 December 2019. The full year effective tax charge on the underlying trading profit is estimated to be 19%.

7. EARNINGS PER SHARE

The weighted average number of shares in the period was:

	26 weeks to 29 December 2019	*26 weeks to 30 December 2018*	*52 weeks to 30 June 2019*
	Thousands of shares	Thousands of shares	Thousands of shares
Ordinary shares	**37,286**	37,286	37,286
Weighted average number of shares - basic	**37,286**	35,996	36,642
Dilutive effect on ordinary shares from share options	**-**	292	137
Weighted average number of shares - diluted	**37,286**	36,288	36,779

Basic and diluted earnings per share are calculated by dividing the profit for the period into the weighted average number of shares for the year. In order to provide a measure of underlying performance, management have chosen to present an adjusted profit for the period, which excludes items that may distort comparability. Such items arise from events or transactions that fall within the ordinary activities of the Group but which management believes should be separately identified to help explain underlying performance.

	26 weeks to 29 December 2019	*26 weeks to 30 December 2018*	*52 weeks to 30 June 2019*
Earnings per share from profit for the period			
Basic (pence)	3.9	3.5	6.1
Diluted (pence)	3.9	3.4	6.1
Adjusted earnings per share from profit for the period			
Basic (pence)	4.1	4.3	7.3
Diluted (pence)	4.1	4.3	7.3

8. RECONCILIATION TO EBITDA

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

EBITDA Reconciliation	***26 weeks to 29 December 2019***	*26 weeks to 30 December 2018*	*52 weeks to 30 June 2019*
Profit before tax for the year	1,846	1,438	2,689
Add back depreciation (property plant and equipment)	710	907	1,493
Add back depreciation (right-of-use-assets)	901	-	-
Add back amortisation	67	30	62
Add back finance costs of lease liabilities	331	-	-
Add back other finance costs	204	236	480
Add back share based payment charge	21	21	45
Add back highlighted items	110	303	557
Group EBITDA before highlighted items	**4,190**	**2,935**	**5,326**
Remove highlighted items included in EBITDA	(110)	(303)	(557)
Group EBITDA after highlighted items	**4,080**	**2,632**	**4,769**