THE BRIGHTON PIER GROUP PLC

(formerly Eclectic Bar Group Plc)

Consolidated Financial Statements

For the period ended 26 June 2016

Registered Number 08687172

DIRECTORS, OFFICERS AND ADVISERS

Directors	Luke Johnson	Executive Chairman
	John Smith	Chief Financial Officer
	Leigh Nicolson	Managing Director – Bars Division
	Anne Martin	Managing Director – Pier Division (appointed 26 April 2016)
	James (Jim) Fallon	Non-Executive Director
	Paul Viner	Non-Executive Director (appointed 30 July 2015)
	Joe Tager	Non-Executive Director (appointed 27 April 2016)
	Reuben Harley	Former Chief Executive Officer (resigned 26 April 2016)

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

Joint Broker
Arden Partners plc
Highfield House
Edgbaston, Birmingham
B15 3DV

Auditors
Grant Thornton UK LLP
Grant Thornton House
202 Silbury Boulevard
Milton Keynes MK9 1LW

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
Maitland
125 Shaftesbury Avenue
London WC2H 8AD

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

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CHAIRMAN'S STATEMENT

The clear highlight of the year was the acquisition of The Brighton Marine Palace and Pier Company on 27 April 2016.

Brighton Palace Pier is an iconic landmark and leisure attraction in Brighton, spanning 1,722 feet and offering a wide variety of seaside entertainment including amusement rides, arcades, bars, a restaurant and other food and retail kiosks. Free of charge to enter, the pier provides a nostalgic, recreational environment, with spectacular views of Brighton and the English Channel. According to Visit Britain, it is the fifth most popular visitor destination in the UK, drawing over 4.6 million visitors in 2015, making it the UK's most visited attraction outside of London.

I believe this acquisition represented a significant opportunity for the Group to acquire the freehold of a valuable asset, while at the same time broadening its business base. The enlarged Group will benefit from the extensive experience of the Pier's management team, led by Anne Martin. Revenue generated by the Pier will be transformative to the existing business during the current financial year, providing substantial free cash flow for use within the enlarged Group and enabling the possibility of funding further acquisitions across the leisure and entertainment sector, as and when opportunities arise.

During our first full summer of ownership, the Pier business has traded in line with our expectations. Good weather has continued to attract visitors to Brighton seafront, despite the significant disruption to rail services over recent months.

Since my appointment at the start of this financial year, I am pleased to report that the Group has also made good progress with the existing bars business.

The campaign for returning students in September 2015 was a notable success, halting the slow-down witnessed during the previous year. The introduction of the 'Loyal' card scheme, the installation of free public wi-fi, improved offers and better communication with customers have all contributed towards new student nights, boosting overall student numbers and increasing mid-week sales for the Group.

The significant savings made on head office costs, as well as the rebasing of costs across the estate, were, in my view, essential to the future profitability of the existing business. The 2.25% margin improvement arising from the re-negotiation of the Bars principal supply contracts has brought welcome additional profit, together with a logistics benefit through having a single drinks supplier.

Meanwhile, Derby Lola Lo's return to profitability, the successful launch of Smash (our new 'ping pong' bar in Reading) and the disposal of Sheffield and half of the Liverpool site, demonstrate positive progress.

Most importantly, at the end of this financial period, the new combined Group returned to profitability with basic adjusted earnings per share of 4.2 pence versus a loss of 0.3 pence per share for the same period last year. This is a key milestone for the business and demonstrates what the Group can accomplish through effort and application.

The financial highlights are included in the Business Review.

Board

There have been a number of changes to the composition of the Board during the year. Following the acquisition of the Pier, Reuben Harley resigned from the Board and I would like to thank him for his contribution during his period in office. Leigh Nicolson, formerly Operations Director, was appointed Managing Director and takes over leadership of the Bars division. I am also pleased to welcome Anne Martin, who joins the Group as the new Managing Director of the Pier division, and Joe Tager as a Non-Executive Director.

I believe these appointments bring a wide range of additional expertise to the Board.

Dividend

The Board does not propose to pay any dividend during the year.

Luke Johnson
Chairman
30 September 2016

Business Review

The Brighton Pier Group PLC (the Group), owns and trades Brighton Palace Pier together with 18 (2015: 19) premium bars trading in major towns and cities across the UK.

The Group operates these businesses in two separate divisions: Leigh Nicolson leads the Bars division and Anne Martin leads the Pier division.

Brighton Palace Pier was acquired on 27 April 2016 for a total cash consideration of £18 million on a cash-free, debt-free basis. The acquisition constituted a reverse takeover under AIM Rules and was approved by shareholders at a general meeting held on 26 April 2016. The Company funded the purchase from the proceeds of an £8.5 million placing of new ordinary shares in the Company (at a price of 55 pence), together with new £13 million debt financing from Barclays Bank plc (made up of a £12 million term loan facility and a new revolving credit facility of £1 million).

The trading results for the period include 52 weeks from the Bars division and two days short of 9 weeks for the Pier division.

The Group is pleased to report the return to profitability with profit before tax and highlighted items at £0.9 million (2015: loss £0.5 million).

Adjusted earnings per share (basic) on all operations was 4.2 pence (2015: loss per share of 0.3 pence).

Adjusted earnings per share (diluted) on all operations was 4.1 pence (2015: loss per share of 0.3 pence).

Profit before tax and after highlighted items was £47,000 (2015: loss £6.2 million).

Loss per share (basic and diluted) on all operations was a loss of 0.5 pence (2015: loss per share of 44.7 pence).

Review of the Group's activities during the year

BARS DIVISION

The Bars division trades under a variety of concepts including Embargo Republica, Lola Lo, Sakura, Po Na Na, Fez Club, Lowlander, Dirty Blonde, Smash and Coalition. The Group predominantly targets a customer base of sophisticated students midweek and stylish over 21s and professionals at the weekend. The division focuses on delivering added value to its customers through premium product ranges, high quality music and entertainment, and 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 Group undertook a number of actions to mitigate the downturn in trading it observed in the 2015 financial year that had resulted from lower student numbers, increased competition and the underperformance of two sites (Lola Lo in Derby and Dirty Blonde in Brighton) including:

- using the intelligence and findings from student focus group sessions to formulate plans for those returning in September 2015;
- reducing the head office cost base;
- focusing activity on profitable trading nights and ensuring cost savings by closing non-profitable sessions;
- reviewing the estate in order to establish the on-going viability of some of the smaller, albeit profitable, sites and to improve trading in the two underperforming sites;
- re-negotiating the principal supply contracts at the end of February 2015, bringing revenue and margin benefits as well as the logistical simplicity of a single drinks supplier.

The management team is pleased to report that good progress has continued in all of the above areas throughout the year:

- **Students**

  At the start of the new academic year in September 2015, the Group introduced its new 'Loyal' card, offering special deals for cardholders on student nights. The initiative proven itself to be a significant success, with over 664,000 drinks sold under the 'Loyal' card scheme during the student year.

  We have now completed the installation of free public wi-fi into all of our venues, enabling students to stay connected with friends online. This provides the Group with the opportunity to acquire new customer data via the sign-on process, communicate offers to students when they sign onto wi-fi and ultimately drive sales through longer visit times in our venues.

In comparison with the prior year, the student academic year has witnessed increases in the total number of student sessions offered by the Group, more students through our doors and increased sales from student nights.

- **Improvements in liquor margin arising from new contracts started February 2015**

  The liquor margin is up 1% on the same period last year, reflecting continued purchasing benefits for the first seven months of the period.

- **Savings on operating expenses**

  Total operating expenses for the Bars division were £13,595k for the period (2015: £16,158k) before highlighted items. Total costs have fallen by £2,563k (15.9%), which reflects the savings both in head office and across all the units.

- **Outlook for the estate**

  The Group expects to continue to benefit from the cost savings already delivered, both at head office and at site level, and will continue to dispose of marginal sites where the opportunities arise.

Key developments in the Bars division over the period

Derby Lola Lo

Derby has had considerable success this year in breaking into the student market, which forms a crucial part of trade in this city. The management team has significantly improved the operation of this business and the Board has the pleasure to report that this venue is now profitable.

Brighton Dirty Blonde

The work to make the bar more visible from the street, to simplify the food offering and to reduce the cost base has been completed. However, the challenge to deliver mid-week sales together with the high cost base, means that this venue continues to be unprofitable. We are reviewing all options for this site over the coming months.

Reading Smash

The street level bar of Reading Sakura was redeveloped and reopened at the end of May 2016 as Smash. The bar trades during post-work hours and in the evening with a menu including fresh dough pizzas and craft beer. In addition, the venue provides activity areas for customers to enjoy games of ping pong with friends and to watch major sporting events on large screens. We are delighted with the success of this format, which is currently trading ahead of management expectations.

Manchester Sakura

This venue was forced to close just before Christmas due to water flooding from the railway lines above. Transport for Greater Manchester has been undertaking significant works to the track, which have affected a number of tenants on the locks. An insurance claim for loss of trade and damage is already underway. The Landlord is working hard to resolve these issues but it is not yet possible to give any dates as to when this venue is likely to reopen.

Liverpool

The Landlord has carried out work to separate this venue into two halves, which is now complete. As announced in September, half of the venue has already been disposed of to a new tenant, whilst the remaining half is being actively marketed for sale, and interest has been received from a number of parties.

Sheffield

Contracts for the disposal of this venue were agreed and signed in June 2016 and completed in July 2016. All costs associated with this disposal were provided for in the 2015 financial year.

PIER DIVISION

The Pier division manages all trading by Brighton Palace Pier, an iconic landmark and leisure attraction in Brighton, acquired on 27 April 2016.

Brighton Palace Pier offers a wide range of attractions including two arcades and over twelve amusement rides, together with a variety of on-site hospitality and catering facilities. The attractions, product offering and layout of the Pier are focussed 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 on the amusement rides, in the arcades, in the hospitality facilities and at the retail kiosks.

Additionally, the Pier has recently introduced a pre-paid wristband offer to allow customers unlimited use of the amusement rides for a flat fee during their day visit, with secondary spend then generated in the arcades, catering and hospitality facilities and retail kiosks. Brighton Palace Pier's pricing structure enables its attractions and facilities to be accessible to visitors of all budgets.

The Pier is open every day of the year other than Christmas Day, typically from 9.30am until midnight (Easter to September) and 11.00am until 5.00pm (October to Easter). Average visit times range from one hour to around half a day, allowing the Pier to accommodate a high turnover of visitors each day. Whilst the Pier itself is outdoors, a number of its attractions and hospitality facilities are under cover, including the Palm Court restaurant, making it possible to remain open for trade during periods of inclement weather.

Arcades

The Pier currently operates two indoor arcade locations with 347 machines in total - the Palace of Fun, which is located in what was formerly known as the Winter Garden near the entrance of the Pier and is the larger of the two, and the Dome, which is located at the Pier head amongst the amusement rides. Palace of Fun contains 234 arcade machines, including arcade games, simulators, penny pushers and other participation games. Palace of Fun generates the majority of arcade revenue, and is a key revenue-generating attraction during the quieter winter period due to its location at the front of the Pier and being kept open all year round. The Dome holds 113 arcade machines, including arcade games, penny pushers, simulators, table games and competitive participation games. Side stalls are located throughout the Pier, offering classic fairground participation games such as 'hook a duck' and coconut shies.

Amusement rides

The amusement rides cater for a wide range of visitors of all ages, including thrill rides and traditional fairground rides. Entry to the amusement rides can be through pre-paid tickets or via the pre-paid unlimited entry wristband offer. Pricing is flexibly managed in respect of the time of season, the time of day and the prevailing weather. Other than when they are being serviced, which takes place in late winter, the rides remain open all year round, weather permitting.

The amusement rides are all based at the Pier head, and contain seven thrill rides. These are major attractions to visiting customers and include: Turbo Coaster - the Pier's largest rollercoaster and the fastest of Brighton Palace Pier's rides, featuring two drops and a loop-the-loop; Air Race - a thrill ride replicating the experiences of an acrobatic aeroplane flight; The Booster - a 130 feet tall maximum thrill ride which rotates the customer 360 degrees while hurtling through the air; Twister - which rotates at 12 revolutions per minute; Galaxia - a high speed carousel; Wild River - a wooden log flume, and Crazy Mouse - a rollercoaster with spinning cars.

Brighton Palace Pier also hosts a number of traditional fairground rides including: a carousel - a traditional family seaside ride; the Horror Hotel - a haunted house rollercoaster ride; dodgems - a popular bumper car ride; waltzers - a classic spinning fairground ride; trampolines, and a helter skelter.

Catering and hospitality

Brighton Palace Pier has a large mix of catering and hospitality options throughout the Pier, including restaurants, bars, fast food and snack kiosks as well as a range of concession kiosks.

Palm Court is a family-friendly fish and chip restaurant located midway along the Pier. Visitors can order meals either to eat in or take away. The restaurant is fully licensed to sell alcohol, serving a large selection of cold and hot drinks.

Victoria's Bar is a public house located next to Palm Court, offering cold and hot drinks, a shortened menu of Palm Court food to eat-in, and afternoon tea.

Horatio's Bar is a public house on the Pier head covering approximately 5,000 square feet, with a large beer garden adjoined to it and sea views out to the east of the Pier.

Both Victoria's Bar and Horatio's Bar shows live sports, and Horatio's Bar can also host live music and entertainment as well as private parties, extending the offering into late night hours.

Currently, 25 fast food and snack kiosks operate on the Pier by way of either concession or 'in-house'. These include fast food kiosks (Wokstar noodles & rice, burgers, hot dogs, savoury crêpes), snack kiosks (ice creams, doughnuts, sweet crêpes, and smoothies) and retail outlets. These are placed throughout the Pier, with a number specifically repeated to allow visitors to have multiple opportunities to purchase on their customer journey.

These spaces offer several private and function hire options for a range of events. An individual restaurant or bar may be hired, and it is possible for customers to hire the entire Pier for exclusive use, including all of its attractions. Parts of the Pier are also licensed to conduct marriages.

Key developments in the Pier division over the period

The Group took over Brighton Palace Pier at the start of the busy summer trading period and focus for the following 9 weeks was on maximising revenues from all of the current attractions. There have, however, been some small but useful developments during the period:

Glitter Bar

The Glitter Bar has historically had limited success, trading historically as a karaoke bar connected to the back of Horatio's. Management felt there was an opportunity to convert this space into an indoor children's soft play area and improve revenues. The additional attraction has enabled the Pier to increase the purchase price of a child's wristband by £2 thus driving additional spend across all of the children's rides. The Company believes a bigger opportunity exists to develop a larger play area and café space for parents in The Dome during the coming year.

New takeaway fish and chip shop

During very busy days on the Pier, queues can develop at the Palm Court restaurant. A new takeaway fish and chip shop has therefore been created, located at the Pier head in close proximity to the rides in order to provide another opportunity to purchase. The shop has driven good incremental revenue and is expected to pay back its investment in one year.

New website

A completely new website was launched in July (just after the period end). This new site improves mobile functionality and provides a significant enhancement to the online shop, offering sales in advance of products such as electronic wristbands. It also connects the Pier with other social media, broadening its reach into a wider audience and creating a much-improved marketing tool to encourage new visitors to the Pier.

Five-yearly dive report and annual structural report

As at the time of production of the Group financial statements, both surveys have been completed and no significant issues have emerged to indicate anything other than normal levels of annual maintenance are required.

Strategy of the combined Group and outlook for the coming year

In the short to medium term, the Group sees development opportunities for the Pier business including the potential to improve its catering and hospitality offering. In addition, we continue to review possible capital enhancement opportunities that have previously delivered strong EBITDA uplifts for the Pier, including the development of more family-friendly attractions such as a soft play area in the Dome and the bringing in-house of certain food kiosk concessions from vendors.

In terms of the Bars division, the Group will continue to focus on providing quality service and delivery in respect of the Group's existing sites whilst also continuing to rationalise the estate, dispose of underperforming sites, and target developments and acquisitions when opportunities arise.

In the coming year, the combined Group's EBITDA will reflect the full 12 month impact of the acquisition of Brighton Palace Pier and synergies arising from the combined business including staffing and purchasing benefits. Trading for the summer period has been in line with management expectations.

The long-term strategy of the enlarged Group is to capitalise on the skills of both the Bars and the Pier divisions to create a growth company operating across a diverse portfolio of experiential leisure and entertainment assets in the UK. The Group will achieve this objective by way of organic revenue growth across the whole estate, together with the active pursuit of future potential strategic acquisitions of experiential leisure and entertainment destinations, enhancing the Group's portfolio to realise synergies by leveraging scale. It is the Board's longer-term strategy to position the Company as a consolidator within this sector.

Significant events that have taken place since the year end

There have been no significant events arising between the end of the financial year and the date of signing of the financial statements to report.

Financial highlights

The Group remains strongly cash generative and profitable: The key financial highlights are:

- revenue for the period was £22.6 million (2015: £22.3 million)
- Group EBITDA before highlighted items was £2.3 million (2015: £1.8 million)
- Group EBITDA after highlighted items was £1.4 million (2015: £0.7 million)
- profit before tax and highlighted items was £0.9 million (2015: loss £0.5 million)
- profit before tax and after highlighted items was £47,000 (2015: loss of £6.2 million)
- adjusted earnings per share (basic) was 4.2 pence (2015: loss per share of 0.3 pence)
- adjusted earnings per share (diluted) was 4.1 pence (2015: loss per share of 0.3 pence)
- loss after tax and highlighted items was £0.1 million (2015: loss of £5.8 million)
- loss per share (basic and diluted) was 0.5 pence (2015: loss of 44.7p)

Balance Sheet

Fixed assets

During the period ended 26 June 2016, through the acquisition of 100% of the issued share capital of Brighton Marine and Palace Pier Company, the Group acquired tangible assets with a net book value of £18.4 million. These assets represent the Pier and associated assets. A gain of £0.3 million arose from the acquisition of the Pier and this has been recognised in the statement of comprehensive income as a highlighted item (see Note 3).

Assets with a net book value of £0.3 million were written down during the period, being the loss on fixed assets disposed of as part of the refurbishment of the ground floor of the Reading Sakura site to the new Smash concept. This cost appears in highlighted items (see Note 5).

Bank debt

On 27 April 2016, the Group agreed new banking facilities with Barclays Bank to fund the acquisition of Brighton Marine and Palace Pier Company:

- a new 5 year £12 million term loan facility, with a 10 year repayment profile of £1.2 million per annum. The first repayment of £0.6 million was paid in September 2016, with the second payment due in July 2017 and then annually thereafter in September and June;
- a new 3 year revolving credit facility (RCF) of £1 million, available for new acquisitions, refit projects and general working capital requirements. At the end of June 2016, £0.5 million was outstanding on the RCF – this was fully repaid in July 2016;
- the cancellation of the overdraft facility of £0.6 million.

At the period end, the Group had:

- an outstanding term facility of £12 million (2015: £0.2 million), with repayments of £1.2 million due to be repaid within the next 12 months (2015: £0.2 million). This previous term loan facility was fully repaid by the end of September 2015;
- an RCF facility of £1.0 million with £0.5 million drawn at the year-end (2015: £3.5 million). This balance was repaid in July 2016; and
- cash balances of £3.1 million (2015: £1.0 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.

New acquisitions and developments

The long-term strategy of the enlarged Group continues to capitalise on the skills of the Group to create a growth company operating across a diverse portfolio of experiential leisure and entertainment assets in the UK. The Group will achieve this objective by way of organic revenue growth across the whole estate, together with the active pursuit of future potential strategic acquisitions of experiential leisure and entertainment destinations that could enhance the Group's portfolio to realise synergies by leveraging scale. It is the Board's longer-term strategy to position the Group as a consolidator within this sector.

- The successful acquisition during the period of Brighton Marine and Palace Pier Company is the first example of this strategy. The Board considers that the cash flow expected to be generated by the Pier will be transformative to the existing Group, bringing substantial additional revenues and free cash flow for potential utilisation by the enlarged Group. This could include the possible funding of further acquisitions across the leisure and entertainment sector.
- We continue to focus on the long-term quality of acquisitions.

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 increase revenues from a broader mix of activities. The Group will continue to review its operations and, where appropriate, dispose of less profitable businesses. This will impact sales in the short term but improve profitability in the longer term.

- Revenue on continuing operations was up 1.4% at £22.6 million (2015: £22.3 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 EBITDA growth through new acquisitions, developments and organic growth.

- Group EBITDA before highlighted items was up 28% at £2.3 million (2015: £1.8 million).
- Group EBITDA after highlighted items was up 114% at £1.4 million (2015: £0.7 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 acquire new businesses, to operate these businesses on a profitable basis and to integrate these operations into the Group is a major part of the future success of the Group. Failure to acquire or develop new businesses would financially impact the future earnings growth of the Group.	During the year the Group has: • successfully acquired and integrated The Brighton Marine and Palace Pier Company into the organisation. This was a substantial transaction involving a reverse take-over under the AIM rules. This Company is expected to deliver transformational increases in revenues and EBITDA in the coming financial year; • continued to undertake regular reviews of the Group's estate, disposing of Sheffield during the period.
Business and resulting financial risk Increased competition and changing consumer habits	The experiential leisure and entertainment 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; • the mystery shopper programme, to ensure each activity gives the experience our customers have come to expect; • staff development and training to improve delivery at the point of sale across all operations; • refining our concepts and activities to broaden our appeal to a wider audience, demonstrated by the successful launch of Smash, our new 'ping pong' business in Reading; • 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 launch this year of the new website for Brighton Palace Pier has helped to communicate the wide variety of activities available on the Pier and to drive online sales of wristbands and other offers.
Business risk Failure to recruit the best management for our venues	The market for the best people is fiercely competitive.	The Group continues to focus on its training programmes across all its businesses, covering management development, stock administration, marketing and health and safety training together with the 'Pier Proud' and 'Bar Academy' programmes. These are all examples of training being essential to the Group's campaign to attract and retain new staff. Competitive remuneration, profit sharing and share option schemes for staff.

Key Risks	Risk description	Mitigating actions and achievements during the year
Regulatory Risk Failure to comply with the complex regulatory frameworks in place in the UK	The Group's operations are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, premises and personal licenses, maintenance of the pleasure rides, gambling 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.
Brexit risk The process to leave the European Union will, over the coming years, present risks to the UK and its economy	The risk that the Group's business could be adversely effected by Brexit.	Current uncertainty over the timing and outcome of Brexit negotiations makes longer term planning for this risk difficult. In the short to medium term, we will continue to monitor developments, in particular in relation to staff and supply chain. Given that all the Group's operations are based in the UK, the major risk will be the impact the separation will ultimately have on the economy of the United Kingdom. It is encouraging to see exchange rates and stock exchanges returning to levels that are more normal after the initial shock of the vote. Furthermore, continued high employment and forecasts for growth in the coming year are all positive.
Specific risks related to the operations of the Brighton Palace Pier The Group's financial performance is very dependent on a number of very specific risks related to the Pier, the UK and its economy	The risk of: • catastrophic events; • structural integrity of the pier.	The Group spends significant amounts of money each year to ensure the structural integrity of the Pier is maintained to a high standard. An annual full survey of the substructure is performed and every 5 to 6 years there is a further survey using divers to inspect the areas below the water line. As at the time of the production of this report, both surveys have been completed and no significant issues have emerged that indicate anything other than normal levels of annual maintenance are required. In addition, significant investment has taken place in recent years on one-off projects to protect the Pier from catastrophic events such as fire. Over £4 million has been spent to upgrade a number of areas of the Pier's structure, including improvements to fire and safety with the introduction of high-pressure pumps and deluge systems, as well as improved electric and water supplies. Cathodic protection has also been introduced to the steel piles under the main rides area of the Pier, to reduce the impact of seawater corrosion.

By order of the Board
John Smith
Company Secretary and Director

30 September 2016

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the 52 week period ended 26 June 2016.

Principal activities
The Brighton Pier Group PLC consists of two divisions:

The Brighton Marine Palace and Pier Company owns and operates Brighton Palace Pier, an iconic landmark and leisure attraction in Brighton, which was acquired on 27 April 2016. The pier spans 1,722 feet, offering a wide variety of seaside entertainment options in a nostalgic and safe environment, with unparalleled views of Brighton and the English Channel. Attractions include amusement rides, arcades, bars, food and retail kiosks and a restaurant. Entry to Brighton Palace Pier is free of charge, attracting a wide demographic of customers, including both national and international tourists and local residents. According to Visit Britain, it is the fifth most popular attraction in the UK, with over 4.6 million visitors in 2015, making it the UK's most visited landmark outside of London, and;

Eclectic Bars Limited, a leading operator of 18 (2015: 19) premium bars trading 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 to its customers, with premium product ranges, high quality music and entertainment and a commitment to exceptional service standards.

Business review and future developments
A review of the business and its future developments, including principal risks and uncertainties, is presented within the Strategic Report, the Chairman's Statement on page 4 and within the Business Review on pages 5 to 11.

Dividends
The Directors do not propose to pay any dividends for the current year (2015: £323,000).

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. Accordingly, 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 The Brighton Pier Group PLC in June 2015 as Executive Chairman and has been involved in nightclub, bar and restaurant businesses since the age of 18. He was Chairman of Pizza Express 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 £50 million in 2013. He also served on the Board of My Kinda Town and 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.

Luke is Chairman of the Remuneration and Nominations Committee.

James (Jim) Fallon (Non-Executive Director)
Since 1994 Jim has worked almost exclusively within the leisure sector as a lender, adviser, owner, operator and, business consultant. Jim worked for Imperial Chemical Industries in electrical engineering for eight years, prior to joining HSBC (formerly Midland Bank) in 1991. He remained at HSBC for 11 years, latterly leading the leisure team, before leaving to set up a 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 a member of the Remuneration and Nominations Committee and a member of the Audit Committee.

Paul Viner (Non-Executive Director)
Paul is a Chartered Accountant, having worked predominantly in the leisure sector. He was previously Finance Director at Tottenham Hotspur Plc. Paul subsequently moved to Riva Gaming Group, where he was involved 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 services, 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 arts and culture and bingo sectors.

Paul is Chairman of the Audit Committee.

Joe Tager (Non-Executive Director – appointed 27 April 2016)
Joe began his career at PricewaterhouseCoopers in the Business Restructuring Group, qualifying as an accountant in 2006. His main responsibility at PwC was to assist on large corporate insolvencies (including Enron and Sea Containers) and independent reviews on distressed businesses and public bodies. Joe also spent six months seconded to PwC New York, working for transaction services across the US, with a focus on private equity transactions for Apollo Group. He later joined Bread Limited and Gail's bakery chain in 2007, identifying acquisition and retail opportunities and running new businesses for the company. In 2010, Joe moved on to become a Partner on Luke Johnson's personal investment portfolio, focusing primarily on the leisure and hospitality industry. Investments on which Joe advises (and holds Board positions) include Feng Sushi Restaurants, 3Sixty Restaurants, Genuine Dining Contract Caterers, Draft House Pubs, Grand Union Bars and Majestic Bingo Clubs.

Joe is a member of the Nominations and Remuneration Committee

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. Starting out as 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 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 at The Nightclub Company, created via the purchase of 22 nightclubs from the receiver of First Leisure. John has been the Chief Financial Officer of the Group since June 2006.

Leigh Nicolson (Managing Director – Bars division)
Leigh has held 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 Fuller, Smith & Turner Plc in London, with responsibility across their high street branded bars business. He then 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 Cantaloupe bar brand and a year later joined Eclectic Bars Limited as Area Manager for London. His role developed into that of National Operations Manager and he was subsequently appointed Operations Director for Eclectic Group in 2010. Leigh has served on the Board of Brighton Pier Group PLC since June 2014.

Anne Martin (Managing Director, Piers division – appointed 26 April 2016)
Anne has been the General Manager of The Brighton Marine Palace and Pier Company for over 12 years. Prior to this, she was Operations Director for Bourne Leisure Limited, a group of holiday parks, where she was responsible for all park entertainment programmes and retail shops across a 57-site estate. Anne was previously the first female Area Director at Welcome Break, a position she held for over four years, managing a large service area and coordinating national training initiatives during periods of the company's expansion. In April 2016, she was appointed to the Board of The Brighton Pier Group PLC as Managing Director of Brighton Palace Pier.

Reuben Harley – resigned on 26 April 2016.

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.

James (Jim) Fallon
Jim Fallon is a Director and shareholder of Graybridge Solutions Limited. 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 £NIL. (2015: £51,800).

Leigh Nicolson
Leigh Nicolson had a loan balance of £5,087 (2015:£10,029) payable to the Group at the period end. This loan is repayable at £400 per month plus interest of 3.25%. The loan expires in May 2017.

Joe Tager
Joe Tager is a Director and shareholder of Twin Capital Limited. During the period, Joe provided support and assistance in relation to potential acquisitions and corporate restructuring projects to the Group; the amount paid during the year for these services amounts to £25,000 (2015: £NIL).

Financial instruments
The Group's financial risk management objectives and policies, together with details of the Group's exposure to price risk, credit risk, liquidity risk and cash flow risk, are outlined in Note 13.

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 handbook and through their direct Line Manager. Management meetings take place quarterly, at which information relevant to the 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 in 2013, the Group introduced a Share Option Scheme in which long-serving managers were awarded with options over shares in the Group's parent company and all management teams and head office staff participate in profit sharing schemes, which reward performance in excess of budgets.

Directors' remuneration
The remuneration of the Directors for the year ended 26 June 2016 is as follows:

	Basic salary & fees £'000	Bonus £'000	Benefits £'000	2016 Total £'000	2015 Total £'000
Reuben Harley (resigned 26 April 2016	**325**	**-**	**39**	**364**	217
John Smith	**115**	**-**	**33**	**148**	188
Leigh Nicolson	**89**	**-**	**12**	**101**	104
Jim Fallon	**30**	**-**	**-**	**30**	59
Joe Tager (appointed 27 April 2016)	**30**	**-**	**-**	**30**	-
Paul Viner	**22**	**-**	**-**	**22**	-
Anne Martin (appointed 26 April 2016)	**21**	**-**	**3**	**24**	-
Clive Watson (resigned 30 April 2015)	**-**	**-**	**-**	**-**	27
Richard Kleiner (resigned 15 June 2015)	**-**	**-**	**-**	**-**	29
Total	**632**	**-**	**87**	**719**	624

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.

Luke Johnson (Chairman) does not take any remuneration from the Group.

Payments totalling £1,090 (2015: £1,540) 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 deduction for a period of 12 months of the following amounts: John Smith £40,000 and Leigh Nicolson £10,000.

Directors' interests in the share capital of the Company
At the date of publication 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
Luke Johnson	23.82%	7,545,455	(i)
John Smith	3.96%	1,253,719	(ii)
Leigh Nicolson	0.46%	144,750	(iii)
Jim Fallon	1.33%	422,116	
Paul Viner	0.17%	54,000	(iv)
Joe Tager	0.23%	72,727	(v)
Anne Martin	-	-	(vi)

Note

(i) Luke Johnson	Holds warrants to subscribe for 1,622,274 ordinary shares at 60 pence per ordinary share These can be exercised in two tranches, but must be exercised by 30 June 2019, after which these warrants lapse. These are not included in the above table.
(ii) John Smith	1,179,031 shares are held by his pension scheme 40,625 share options in the Company Share Option Scheme not included in the table
(iii) Leigh Nicolson	190,000 share options in the Company Share Option Scheme not included in the table
(iv) Paul Viner	40,625 non-approved share options not included in the table
(v) Joe Tager	40,625 non-approved share options not included in the table
(vi) Anne Martin	227,273 non-approved share options not included in the table

Further information regarding share option schemes can be found in Note 18 to the consolidated financial statements.

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 Group's issued ordinary share capital as at 26 June 2016 comprised a single class of £0.25 ordinary shares of which 31,677,287 shares were in issue and listed on AIM (2015: 12,922,741 £0.25 ordinary shares).

Options over a further 1,290,350 shares (2015: 624,183 shares) exist within the Employee Share Option Scheme (see Note 18 to the financial statements), as well as 1,622,274 exercisable warrants held by Luke Johnson.

Non-approved options over a further 308,523 ordinary shares have been granted to members of the Board (2015: NIL).

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

Details of movements in the issued share capital can be found in Note 17 to the financial statements.

Each share carries the right to one vote at general meetings of the Group.

Interests in voting rights
As at the date of publication 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
Hargreave Hale	15.20%	4,815,189
Helium Special Situations Fund	11.70%	3,707,265
Schroder Investment Management	9.52%	3,016,797
Legal & General Investment Management	8.92%	2,824,405
Blackrock Investment Management	4.60%	1,458,155
Miton Asset Management	4.60%	1,458,155
Soros Fund Management	4.60%	1,458,155

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.

Auditor
Grant Thornton UK LLP was appointed auditor of the Group during the period and has expressed its willingness to continue in office as auditor of the Group. Its reappointment will be put to shareholders at the AGM.

Disclosure of information to auditor
Having made the requisite enquiries, as 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 Group'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 Group's auditor is aware of that information.

By order of the Board
John Smith
Company Secretary and Director
30 September 2016

DIRECTORS' RESPONSIBILITY STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and the Parent Company financial statements in accordance with FRS 101 Reduced Disclosure Framework. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs and United Kingdom Accounting Standards in respect of the Group and Parent Company financial statements respectively, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 The Brighton Pier Group PLC

We have audited the financial statements of The Brighton Pier Group PLC for the year ended 26 June 2016 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, the Parent Company balance sheet, the Parent Company statement of changes in equity and the related notes. 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) including FRS 101 "Reduced Disclosure Framework".

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
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 26 June 2016 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;
- the Parent Company financial statements have been properly prepared in accordance with Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"); 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.

David Newstead
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountant
Milton Keynes
30 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 week period ended 26 June 2016

	Notes	**52 weeks ended 26 June 2016** £'000	52 weeks ended 28 June 2015 £'000
Revenue		22,592	22,282
Cost of sales		(4,365)	(4,589)
Gross profit		18,227	17,693
Operating expenses - excluding highlighted items	7	(17,151)	(18,026)
Operating expenses - highlighted items	5	(873)	(5,732)
Total operating expenses		(18,024)	(23,758)
Operating (loss)/profit - before highlighted items		1,076	(333)
Highlighted items - operating expenses	5	(873)	(5,732)
Operating profit/(loss)		203	(6,065)
Finance cost	7	(156)	(178)
Profit/(loss) before tax and highlighted items		920	(511)
Highlighted items	5	(873)	(5,732)
Profit/(loss) on ordinary activities before taxation		47	(6,243)
Taxation on ordinary activities	8	(143)	470
Loss and total comprehensive income for the year		(96)	(5,773)
Loss per share – basic**	9	(0.5)	(44.7)
Adjusted* earnings/(loss) per share – basic**	9	4.2	(0.3)
Loss per share - diluted	9	(0.5)	(44.7)
Adjusted earnings/(loss) per share - diluted	9	4.1	(0.3)

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

** 2016 basic weighted average number of shares in issue is 18.50 million (2015: 12.92 million).

No other comprehensive income was earned during the year (2015: NIL).

CONSOLIDATED BALANCE SHEET

As at 26 June 2016

	Notes	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Non-current assets			
Intangible assets	10	**4,375**	4,308
Property, plant & equipment	11	**22,796**	4,537
		27,171	8,845
Current assets			
Inventories	14	**666**	395
Trade and other receivables	15	**1,879**	1,204
Cash and cash equivalents	16	**3,064**	976
		5,609	2,575
TOTAL ASSETS		**32,780**	11,420
EQUITY			
Issued share capital	17	**7,920**	3,231
Share premium	17	**13,187**	8,093
Merger reserve	17	**(1,575)**	(1,575)
Other reserve	17	**180**	130
Retained deficit		**(6,046)**	(5,950)
Equity attributable to equity shareholders of the Parent		**13,666**	3,929
TOTAL EQUITY		**13,666**	3,929
LIABILITIES			
Current liabilities			
Trade and other payables	20	**6,129**	3,101
Other financial liabilities	13	**1,200**	163
Income tax payable	8	**143**	-
Provisions	21	**448**	374
		7,920	3,638
Non-current liabilities			
Other financial liabilities	13	**11,184**	3,468
Other payables	20	**10**	21
Provisions	21	**-**	364
		11,194	3,853
TOTAL LIABILITIES		**19,114**	7,491
TOTAL EQUITY AND LIABILITIES		**32,780**	11,420

Deferred tax balances as at 26 June 2016 have been presented on a net basis.

These consolidated financial statements have been approved by the Board of Directors and signed on its behalf by:

J.A. Smith, Director

30 September 2016

Registered Company number: 08687172

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 26 June 2016

	Notes	52 weeks to 26 June 2016 £'000	52 weeks to 28 June 2015 £'000
Operating activities			
Profit/(loss) before tax		**47**	(6,243)
Finance costs	7	**156**	178
Depreciation of property, plant and equipment	11	**1,178**	1,868
Impairment of intangible assets	12	**-**	1,156
Impairment of tangible fixed assets	12	**-**	2,854
Write-down of tangible fixed assets	12	**-**	221
Loss on disposal of property, plant and equipment	5, 7	**259**	566
Gain on bargain purchase	3	**(312)**	-
Share-based payment expense	18	**50**	54
Movements in provisions	21	**(290)**	-
Decrease in inventories	14	**26**	60
Decrease in trade and other receivables	15	**394**	446
Increase in trade and other payables	20	**456**	508
Interest received		**-**	-
Interest paid		**(87)**	(192)
Income tax paid		**-**	-
Net cash flow from operating activities		**1,877**	1,476
Investing activities			
Purchase of property, plant & equipment and intangible assets		**(1,237)**	(1,935)
Acquisition of business	3	**(17,038)**	-
Proceeds from disposal of property, plant & equipment		**-**	174
Net cash flows used in investing activities		**(18,275)**	(1,761)
Financing activities			
Proceeds from borrowings		**11,880**	1,800
Repayment of borrowings		**(3,163)**	(650)
Proceeds from issue of ordinary shares		**10,150**	-
Share issue costs recognised directly in equity	17	**(367)**	-
Dividends paid	19	**-**	(323)
Capital element on finance lease rental payments		**(14)**	(27)
Net cash flows from financing activities		**18,486**	800
Net increase in cash and cash equivalents		**2,088**	515
Cash and cash equivalents at beginning of period	16	**976**	461
Cash and cash equivalents at year end date		**3,064**	976

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 26 June 2016

	Notes	Issued share capital £'000	Share premium £'000	Other reserves £'000	Merger reserve £'000	Retained earnings/ (deficit) £'000	Total share holders' equity £'000
At 29 June 2014		3,231	8,093	76	(1,575)	146	9,971
Loss for the period		-	-	-	-	(5,773)	(5,773)
Transactions with owners:							
Share-based payments charge	18	-	-	54	-	-	54
Dividends paid	19	-	-	-	-	(323)	(323)
At 29 June 2015		3,231	8,093	130	(1,575)	(5,950)	3,929
Loss for the period		-	-	-	-	(96)	(96)
Transactions with owners:							
Issue of shares	17	4,689	5,461	-	-	-	10,150
Share issue costs taken to equity	17	-	(367)	-	-	-	(367)
Share-based payments charge	18	-	-	50	-	-	50
At 26 June 2016		**7,920**	**13,187**	**180**	**(1,575)**	**(6,046)**	**13,666**

Financials

1. Accounting policies

The Brighton Pier Group PLC (formerly 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 The Brighton Pier Group PLC. The Brighton Pier Group PLC owns and operates Brighton Pier, one of the leading tourist attractions in the UK. The Group is also a leading operator of 18 premium bars trading 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 26 June 2016 and 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 26 June 2016. 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 (2016: 52 week year ended 26 June 2016; 2015: 52 week year ended 28 June 2015). The notes to the consolidated financial statements are on this basis.

Going concern

As at 26 June 2016, the Group had net current liabilities of £2,311,000 (2015: net current liabilities of £1,063,000). The Group meets its day-to-day working capital requirements through its bank facilities. The Group's principal sources of funding are:

- a three year Revolving Loan Facility of £1,000,000 which was entered into in April 2016 and is available for the refit of existing units and for new acquisitions. As at the period end, £500,000 had been drawn down from this facility, which was fully repaid after the year end in July 2016;
- a five year term loan of £12,000,000 which was entered into in April 2016. As at the period end, £11,884,000 (net of deferred costs) remained due on this facility. Loan repayments of £1,200,000 are payable over the next twelve months;
- issue of ordinary share capital in the Parent Company on the Alternative Investment Market.

As at the period ended 26 June 2016, the Group had cash and cash equivalents of £3,064,000 (2015: £976,000) available to meet short term needs.

Quarterly covenant tests are in place over these bank facilities and the Group was fully compliant as at 26 June 2016. There is significant headroom on these covenant tests. Based on current and forecasted performance, the Directors expect there will 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 The Brighton Pier 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, 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 Principle (UK GAAP) using the FRS 101 Reduced Disclosure Framework.

Property, plant and equipment

Property, plant and equipment are 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 statement of comprehensive income 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 - 10 years
IT equipment	3 years
Motor vehicles	4 - 5 years

Brighton Palace Pier, (the structure, including the landing stage and deck) is not depreciated. It is the Group's policy to maintain the pier, landing stage and deck building in good condition by carrying out repairs annually. An annual review is performed to assess the state of repair of the pier, supplemented by comprehensive structural surveys at regular intervals. The pier must be maintained in good condition in order for the business to operate, and therefore the Group undertakes the repair work identified by these regular reviews as part of a rolling maintenance programme. As a consequence, the residual value of the pier is deemed to be equal to the fair value as assessed on acquisition in April 2016. See Note 2 for further details.

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income 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 statement of comprehensive income as a highlighted item in the period in which they are incurred.

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.

Intangible assets
Intangible assets acquired separately from a business combination are initially capitalised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The initial cost recognised is the aggregate amount paid plus the fair value of any other consideration given to acquire the asset.

Amortisation is calculated to write-off the cost or fair value at acquisition (as the case may be) of each asset over their estimated useful lives shown below, and is recorded in administrative costs in the statement of comprehensive income. Amortisation is calculated on a straight-line basis over the useful life of the asset as follows:

Computer software & websites – 3 to 7 years

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 profit or loss 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 and other 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 profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Fair value measurement
Fair value disclosures for financial instruments are provided in Note 13 (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 based on the nature, characteristics and risks of the inputs into the valuations 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 to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the statement of comprehensive income.

Lessee:
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 profit or loss on a straight line basis over the term of the lease.

Lessor:
Rental income from concessions on Brighton Palace Pier is recognised as income on a straight-line basis over the lease term.

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;
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 or the refurbishment of an existing site into a new concept. For the reasons outlined above, these costs have also been highlighted in order to aid comparability with prior periods.

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.

Concession income from the Pier is recognised on a straight-line basis over the lease term.

Marketing and sponsorship income is recognised when the Group has fulfilled its contractual requirements.

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. This represents 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 statement of comprehensive income, 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 statement of comprehensive income 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 statement of comprehensive income.

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 or other comprehensive income is recognised in equity and not in the statement of comprehensive income.

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 have no material impact on the Group, with the exception of IFRS 16 Leases, which will result in future operating lease liabilities being recognised in the balance sheet.

New/Revised International EU Potential impact Financial Reporting Standards		Effective Date: Annual periods beginning on or after:	EU adopted	Potential impact on Group
IAS 1	Disclosure Initiative – Amendments	1 January 2016	Yes	Disclosures
IAS 7	Disclosure Initiative – Amendments	1 January 2017	No	Disclosures
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018	No	Classification and measurement of financial instruments
IFRS 15	Revenue from Contracts with Customers	1 January 2018	No	Recognition of revenue
IFRS 16	Leases	1 January 2019	No	Recognition and measurement of leases
	Annual Improvements to IFRSs			
	2010-2012 Cycle	1 January 2015	No	Minor changes to recognition and disclosures
	2011-2013 Cycle	1 February 2015	No	
	2012–2014 Cycle	1 January 2016	No	

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 of 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 12.

Fair value of Brighton Palace Pier

IFRS 3: Business Combinations requires all assets and liabilities purchased as part of a business combination to be recorded at fair value. As part of the acquisition, an independent assessment of the market value of the pier was carried out by GVA Bilfinger on behalf of Barclays. This assessment concluded that the value of the pier, landing deck, stage and assets was greater than the net book value attributed to it immediately prior to the acquisition. Management has used the market value calculated in this report, which is deemed consistent with the determination of fair value under IFRS 13 and IFRS 3, to be materially equal to the fair value of the business.

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 evaluate the terms and conditions of the arrangements. In particular, 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.

Useful economic life and residual value of Brighton Palace Pier (the structure, including the landing deck and stage)

Management judge that the residual value of the pier is equal to the fair value at acquisition. This is because the value of Brighton Palace Pier as a viable business is entirely dependent on the pier structure being maintained in good order, at least equivalent to that at the date of acquisition. This judgment means that the pier structure is not subject to depreciation, as such amounts would be insignificant. Management reassess this judgement on an annual basis.

Deferred tax on revalued asset

IAS 12 'Income Taxes' requires that deferred tax is recognised where a difference between the tax base of an asset and its carrying value arises after initial recognition. The measurement of the deferred tax liability should reflect the tax consequences of the expected manner of recovering the carrying amount of the Pier. As the residual value of the pier has been judged to be equivalent to the book value, the expected method of recovery will principally be through sale and no deferred tax liability arises when calculated on this basis.

3. Business combinations
On 27 April the Group acquired 100% of the issued share capital of Brighton Marine and Palace Pier Company (The) (BMPPC), an unlisted Company based in the UK. The acquired Company owns Brighton Palace Pier, one of the most iconic and instantly recognisable attractions in the UK. The Group acquired this Company in order to expand and diversify its business.

Fair value of assets acquired and liabilities assumed	Fair value recognised at 27 April 2016 £'000
Assets	
Tangible assets	**18,394**
Inventories	**297**
Cash	**473**
Trade and other receivables	**772**
Liabilities	
Trade and other payables	**(3,086)**
Total identifiable net assets at fair value	**16,850**
Gain arising on acquisition	**(312)**
Purchase consideration	
Cash	**16,538**
Total purchase consideration	**16,538**

The gain on acquisition of £312,000 has been recognised as a highlighted item in the statement of comprehensive income. The gain arose as a result of an independent assessment of the market value of the Pier by GVA Bilfinger on behalf of Barclays. This assessment concluded that the value of the pier landing deck, stage and assets was greater than the net book value attributed to it immediately prior to the acquisition.

Brighton Marine Palace Pier Company contributed £2,841,000 to revenue and £537,000 to net profit during the period from acquisition (27 April 2016) to 26 June 2016. If the combination had taken place at the start of the year, the consolidated income statement for the period ended 26 June 2016 would show pro-forma Group revenue of £33,435,000 and the profit for period would have been £772,000.

On 27 April 2016 the Group also acquired assets situated on Brighton Palace Pier with a net book value of £705,000 from Repset Limited. The fair value of these assets was deemed equal to their net book value.

The combined cash consideration of the above business combinations was £17,243,000.

4. Segmental information

The following tables present revenue, profit and loss and certain asset and liability information regarding the Group's business segments for the period ended 26 June 2016.

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 with the exception of Brighton Palace Pier (acquired on 27 April 2016) should be aggregated into the segment 'Owned Bars'. As Brighton Palace Pier exceeds the quantitative thresholds for aggregation, it has been presented as a separate operating segment. This meets the requirements of IFRS 8 and is consistent with the core principle of the standard.

The segmental information is split on the basis of information provided to the CODM. The CODM does not review discrete balance sheets for each operating segment and therefore no balance sheet information is provided on a segmental basis in the following table:

	Owned Bars (52 weeks) £'000	Brighton Palace Pier (9 weeks) £'000	Total segments £'000	Overhead £'000	2016 consolidated total £'000	2015 consolidated total £'000
Revenue	19,751	2,841	22,592	-	22,592	22,282
Cost of sales	(3,927)	(438)	(4,365)	-	(4,365)	(4,589)
Gross profit	**15,824**	**2,403**	**18,227**	**-**	**18,227**	**17,693**
Gross profit %	80%	85%	81%	-	81%	79%
Administrative expenses (excluding depreciation)	(13,595)	(1,723)	(15,318)	(655)	(15,973)	(16,158)
Highlighted items	-	-	-	(873)	(873)	(5,732)
Depreciation	-	-	-	(1,178)	(1,178)	(1,868)
Net finance cost	-	-	-	(156)	(156)	(178)
Profit/(loss) before tax	**2,229**	**680**	**2,909**	**(2,862)**	**47**	**(6,243)**
Income tax	-	(143)	(143)	-	(143)	470
Profit/(loss) after tax	**2,229**	**537**	**2,766**	**(2,862)**	**(96)**	**(5,773)**
EBITDA (before highlighted items)	2,277	680	2,957	(653)	2,304	1,810
EBITDA (after highlighted items)	2,277	680	2,957	(1,526)	1,431	(657)

All segment assets and liabilities are located within the United Kingdom and all revenues arose in the United Kingdom.

Segment revenues are generated from external customers. There were no inter-segment sales in the years presented. No single customer contributed more than 10% of the Group's revenues.

The accounting policies of the reportable segments have been consistently applied. During the period ended 28 June 2015, the Group consisted of just one reportable operating segment. For the period ended 26 June 2016, overheads have been separated out in order to better reflect how management reviews the discrete financial information and uses it to allocate resources.

5. Highlighted items

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Acquisition and pre-opening costs		
Acquisition costs	**900**	-
Gain on bargain purchase	**(312)**	-
Site pre-opening costs	**285**	166
	873	166
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
Total	**873**	5,732

The above items have been highlighted to give a better understanding of non-comparable costs included in the consolidated statement of comprehensive income for this period.

Acquisition costs of £900,000 and the gain on bargain purchase of £312,000 relate to the Group's purchase of Brighton Palace Pier (for further details see Note 3).

Site pre-opening costs of £285,000 relate to the one-off opening costs of the new Smash site in Reading. This includes an amount of £259,000 being the loss on fixed assets disposed of as part of the refurbishment of the site to the new Smash concept.

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

6. Employee costs

Employee benefits expense

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Included in other operating costs		
Wages and salaries	**5,652**	5,377
Social security costs	**288**	342
	5,940	5,719

Average number of people employed

	2016 FTE	2015 FTE
Number of full time equivalent (FTE) employees	**246**	225
Average number of people (including executive directors) employed:		
Operational	**228**	204
Administration	**18**	21
Total average headcount	**246**	225

Directors

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Aggregate remuneration in respect of qualifying services	**719**	624
Aggregate remuneration in respect of the highest paid director	**364**	217

An analysis of Directors' remuneration is set out in the Directors' Report on page 14. Payments totalling £1,090 (2015: £1,540) were made on behalf of Directors into the Group's auto-enrolment 'People's Pension Scheme'. Payments totalling £25,691 were made during the period on behalf of all other employees in respect of this scheme (2015: £4,125).

7. Other income and expenditure

Finance costs

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Interest on debts, borrowings and finance leases	**156**	178

Finance income

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Bank interest	**–**	-

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

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Included in operating expenses		
Depreciation of owned property, plant & equipment	**1,158**	1,848
Depreciation of assets held under finance leases	**20**	20
Loss on disposal of property, plant & equipment	**(259)**	(3)
Write down of property, plant & equipment	**-**	221
Operating lease rentals – land and buildings	**1,612**	1,636
Staff costs (see Note 6)	**5,940**	5,719
Contract security costs	**1,506**	1,661
Other operating expenses	**7,174**	6,924
	17,151	18,026

Financials

8. Income tax

a) Tax on profit on ordinary activities

The tax is made up as follows:

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 restated £'000
Current tax:		
UK Corporation tax (credit)/ charge on the (loss)/profit for the period	**143**	-
Adjustment in respect of prior periods	**-**	6
Total current tax	**143**	6
Deferred tax:		
Origination and reversal of temporary differences	**-**	(476)
Total tax charge for the year	**143**	(470)

(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% (2015: 20.75%). The differences are explained below:

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Profit/(loss) on ordinary activities before tax	**47**	(6,243)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	**9**	(1,295)
Effects of:		
Expenses not deductible for tax purposes	**214**	498
Tax losses not recognised as deferred tax asset	**-**	289
Non qualifying depreciation	**(80)**	–
Chargeable gains	**-**	19
Impact of tax rate change	**-**	13
Adjustment in respect of prior periods	**-**	6
Total tax charge for the period	**143**	(470)

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 to 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% (2015: 20%), comprises the following:

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Assets		
Capital allowances in arrears of depreciation	**549**	469
Taxable losses carried forward	**28**	66
Other temporary differences	**-**	42
	577	577
Recognised in the balance sheet:		
Included in (payables)/ receivables		
Liabilities		
Goodwill	**(577)**	(577)
Total deferred tax liability	**–**	-

Deferred tax balances as at 26 June 2016 have been presented on a net basis.

An explanation of the deferred tax treatment of Brighton Palace Pier can be found in Note 2: Significant judgements and estimates – deferred tax on revalued assets.

In 2016, deferred tax assets totalling £328,000 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. Earnings per share

Basic earnings per share amounts are calculated by dividing net income for the period attributable to ordinary shareholders of The Brighton Pier 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 loss per share	**Period ended 26 June 2016**	Period ended 28 June 2015
Loss for the period (£'000)	**(96)**	(5,773)
Basic weighted number of shares (number)	**18,495,393**	12,922,741
Loss per share (pence) - Basic (pence)	**(0.5)**	(44.7)

Basic adjusted earnings per share	**Period ended 26 June 2016**	Period ended 28 June 2015
Profit/(loss) for the period before highlighted items (£'000)	**777**	(41)
Basic weighted number of shares (number)	**18,495,393**	12,922,741
Adjusted earnings/(loss) per share - Basic (pence)	**4.2**	(0.3)

Diluted basic earnings per share	**Period ended 26 June 2016**	Period ended 28 June 2015
Loss for the period (£'000)	**(96)**	(5,773)
Diluted weighted number of shares (number)	**18,754,990**	12,922,741
Loss per share (pence) - Diluted (pence)	**(0.5)**	(44.7)

Adjusted diluted earnings per share	**Period ended 26 June 2016**	Period ended 28 June 2015
Profit/(loss) for the period (£'000)	**777**	(41)
Diluted weighted number of shares (number)	**18,754,990**	12,922,741
Adjusted earnings/(loss) per share (pence) - Diluted (pence)	**4.1**	(0.3)

Diluted basic earnings per share

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

	2016 Number	2015 Number
Weighted average number of shares for Basic EPS	**18,495,393**	12,922,741
Dilutive effect of share options	**259,597**	-
Weighted average number of share for Diluted EPS	**18,754,990**	12,922,741

During the prior period, 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.

10. Intangible assets

	Group Goodwill £'000	Computer software and websites £'000	Total £'000
Cost			
At 29 June 2014	8,055	-	8,055
At 28 June 2015	8,055	-	8,055
Additions	-	67	67
At 26 June 2016	**8,055**	**67**	**8,122**
Amortisation & impairments:			
At 29 June 2014	2,591	-	2,591
Impairment (Note 12)	1,156	-	1,156
At 28 June 2015	3,747	-	3,747
At 26 June 2016	**3,747**	**-**	**3,747**
Net book value			
At 29 June 2014	5,464	-	5,464
At 28 June 2015	4,308	-	4,308
At 26 June 2016	**4,308**	**67**	**4,375**

Computer software and website additions relate to the creation of new revenue-generating website platforms. As these assets were in development during the period they have not been amortised.

The brought-forward goodwill balance 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.

Goodwill arising from subsequent acquisitions has been allocated on an individual basis against each site acquired.

The Group only has two operating segments, 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, no impairment was identified in the current financial year (2015: £1,156,000).

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 12 for further information on the impairment review.

11. Property, plant and equipment

	Computers £'000	Motor vehicles £'000	Fixtures, fittings & equipment £'000	Leasehold improvement £'000	Pier, landing stage and deck £'000	Buildings improvement £'000	Assets under construction £'000	Total £'000
Cost								
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
Additions	2	-	261	75	-	-	208	546
Acquired	-	-	1,809	-	17,344	-	-	19,153
Disposals	(13)	-	(298)	(498)	-	-	-	(809)
At 26 June 2016	**330**	**63**	**9,379**	**4,376**	**17,344**	**428**	**208**	**32,128**
Depreciation								
At 29 June 2014	177	53	3,718	1,344	-	3	-	5,295
Charge for the year	86	20	1,408	286	-	68	-	1,868
Disposals	(54)	(53)	(917)	(292)	-	-	-	(1,316)
Impairments	39	-	1,543	1,208	-	64	-	2,854
At 28 June 2015	248	20	5,752	2,546	-	135	-	8,701
Charge for the year	41	13	839	285	-	-	-	1,178
Disposals	(10)	-	(263)	(274)	-	-	-	(547)
Impairments	-	-	-	-	-	-	-	-
At 26 June 2016	**279**	**33**	**6,328**	**2,557**	**-**	**135**	**-**	**9,332**
Net book value								
26 June 2016	**51**	**30**	**3,051**	**1,819**	**17,344**	**293**	**208**	**22,796**
Net book value								
28 June 2015	93	43	1,855	2,253	-	293		4,537

Assets acquired relate to assets acquired as part of business combinations. As at the period ended 26 June 2016, the net book value of assets held under finance leases was £27,000 (2015: £35,000) and the gross carrying amount of fully depreciated property, plant and equipment that is still in use was £6,359,000 (2015: £5,139,000).

The value of the property, plant and equipment 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 fixed assets. Based on the operating performance of the CGUs, no impairment was identified in the current financial year (2015: £2,854,000).

Property, plant and equipment with a net book value of £259,000 were disposed of for nil consideration during the period, resulting in a loss on disposal of £259,000.

12. Impairment review

The Group performed its annual impairment test in June 2016 and 2015. The Group considers the relationship between the trading performance of each CGU and their book value when reviewing for indicators of impairment. As at 26 June 2016, there were no indicators of impairment.

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 the period to June 2018.

Cash flows for each CGU beyond June 2021 are extrapolated, assuming a terminal growth of 1.5% (2015: 1.5%) that reflects the expected growth based on market research. The pre-tax discount rate applied to cash flow projections is 12.57% (2015: 12%). 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 statement of comprehensive income.

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

As a result of this analysis, management deemed that no impairment was required.
Amounts impaired in the prior period are detailed in the table below:

	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 ended 28 June 2015, resulting in a loss on disposal of £569,000. This is included in highlighted items in the statement of comprehensive income.

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 – the Group'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 12% or an increase in the WACC to 30% 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 20% of forecasted EBITDA or an increase in the WACC to greater than 30% would be required before an impairment would be needed. The exceptions to this are Cambridge Fez and Lowlander where a decrease in forecast EBITDA of 1% or an increase in the WACC to 15% would trigger an impairment.

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13. Other financial assets and liabilities

Financial assets

Group	**As at 26 June 2016 Loans and receivables £'000**	As at 28 June 2015 Loans and receivables £'000
Current assets as per balance sheet		
Trade and other receivables excluding prepayments	**946**	827
Cash and cash equivalents	**3,064**	976
	4,010	1,803

There were no non-current financial assets as at 26 June 2016 (2015: 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 26 June 2016 Other financial liabilities at amortised cost £'000	As at 28 June 2015 Other financial liabilities at amortised cost £'000
Liabilities as per balance sheet				
Current				
Other loans:				
£1.950m bank loans (2015 - £1.950m)	LIBOR + 3.25%	Sep 2015	**-**	163
£12m bank loans (2015 - NIL)	LIBOR + 2.25%	Apr 2021	**1,200**	-
			1,200	163
Non-current				
Other loans:				
£1.950m bank loans (2015 - £1.950m)	LIBOR + 3.25%	Sep 2015	**-**	-
£12m bank loans	LIBOR + 2.25%	Apr 2021	**10,684**	-
£5m revolving credit facility	LIBOR + 3.25%	Mar 2017	**-**	3,468
£1m revolving credit facility	LIBOR + 2.25%	Apr 2019	**500**	-
			11,184	3,468

£1.95m bank loan
This is a term loan arranged in September 2012. This loan was repaid in full on 27 April 2016.

£12 million bank loan
This term loan commenced on 27 April 2016. The purpose of the loan was to facilitate the acquisition of Brighton Palace Pier. The amount outstanding at the period end was £11,884,000 net of unamortised arrangement fees. The loan is due for repayment in April 2021.

£5 million revolving credit facility
This revolving credit facility was repaid in full on 27 April 2016.

£1 million revolving credit facility
This revolving credit facility commenced on 27 April 2016 and replaced the £5 million facility described above. The purpose of this facility is to fund capital expenditure and new site acquisitions. The amount drawn down on the facility as at 26 June 2016 was £500,000.

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 26 June 2016		As at 28 June 2015	
	Carrying Value £'000	Fair Value £'000	Carrying Value £'000	Fair Value £'000
Interest-bearing loans and borrowings	12,384	12,598	3,468	3,492
Obligations under finance leases	20	19	34	31

Management assessed that the fair values of 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 26 June 2016 was assessed to be insignificant.

All loans are classed as Level 2 in the fair value hierarchy. There were no Level 3 inputs during the period.

Trade and other payables
Other financial liabilities

Group	Maturity	2016 £'000	2015 £'000
Trade payables	Payable within 1 year	**2,378**	1,456
Other payables, accruals and provisions	Payable within 1 year	**4,189**	2,371
		6,567	3,827

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):

2016	Increase /decrease in basis points	Effect on profit before tax £'000
Sterling	+ 100	(119)
Sterling	- 100	119
2015		
Sterling	+ 100	(35)
Sterling	**-** 100	35

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 26 June 2016 and 28 June 2015 based on contractual (undiscounted) payments and interest.

Year ended 26 June 2016	**Total £'000**	**On demand £'000**	**Up to 1 year £'000**	**1-2 years £'000**	**2-5 years £'000**
Interest-bearing loans and borrowings	**13,369**	**–**	**1,497**	**1,497**	**10,375**
Revolving credit facility	**500**	**–**	**500**	**-**	**-**
Trade payables	**2,378**	**–**	**2,378**	**-**	**-**
Finance leases	**20**	**–**	**10**	**10**	**-**

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

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.

Each business unit manages customer credit risk. Risk management of customer credit is subject to the Group's established policies, procedures and controls. Outstanding customer receivables are regularly monitored and 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 adjusts it in the 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:

	2016 £'000	2015 £'000
Increase in cash and cash equivalents	**2,088**	515
Increase in other borrowings	**(8,717)**	(1,150)
Increase in debt resulting from cash flows	**(6,629)**	(635)
Other non-cash movements	**(21)**	(44)
Decrease in net debt in the period	**(6,650)**	(679)
Net debt at start of period	**(2,690)**	(2,011)
Net debt at end of period	**(9,340)**	(2,690)

Composition of net debt

Net debt is made up as follows:

	2016 £'000	2015 £'000
Cash and cash equivalents	**3,064**	976
Short-term borrowings	**(1,200)**	(163)
Long-term borrowings	**(11,184)**	(3,469)
Finance lease payables	**(20)**	(34)
Total net debt	**(9,340)**	(2,690)

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
Brighton Palace Pier (Holdings) Limited	Ordinary shares	100%	Holding Company
Brighton Marine Palace & Pier Company (The)****	Ordinary shares	100%	Operation of Brighton Palace Pier
Brighton Palace Pier (Assets) Limited****	Ordinary shares	100%	Operation of Brighton Palace Pier
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
**** held indirectly by Brighton Pier Holdings Limited

For the period ended 26 June 2016, 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

14. Inventories

	As at 26 June 2016 £000	As at 28 June 2015 £000
Goods for re-sale	**666**	395
	666	395

The cost of inventories recognised as an expense and included in cost of sales amounted to £4,365,000 (2015: £4,589,000).

15. Trade and other receivables

	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Trade receivables	**239**	198
Other receivables	**707**	629
Prepayments and accrued income	**933**	377
	1,879	1,204

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

As at 26 June 2016 and 28 June 2015, the ageing analysis of trade receivables is as follows:

			Past due but not impaired				
	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
2016	239	-	186	53	-	-	-
2015	198	112	2	-	-	37	47

See Note 13 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.

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16. Cash and cash equivalents

	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Cash at bank and at hand	**3,064**	976
Cash and cash equivalents	**3,064**	976

At 26 June 2016, the Group had available £500,000 (2015: £3,287,000) of undrawn committed borrowing facilities.

17. Issued capital and reserves

Ordinary shares called up and fully paid

	Period ended 26 June 2016		Period ended 28 June 2015	
Ordinary shares issued and fully paid	**Thousands**	**£'000**	Thousands	£'000
Ordinary shares at £0.25 each	**31,677**	**7,920**	12,923	3,231

On 30 July 2015, the Group issued 3,000,000 new 25p ordinary shares, which were subscribed to by Luke Johnson at a price of 50p per share. In addition, the Self Invested Pension Plans of Reuben Harley, the Group's Chief Executive Officer (resigned 27 April 2016), and John Smith, the Group's Chief Financial Officer, subscribed to 150,000 new 25p ordinary shares (300,000 new ordinary shares in total) at the subscription price of 50p per share.

On the same date, the Group issued warrants to subscribe for up to 1,622,274 ordinary shares at a price of 60p per ordinary share to Luke Johnson, who was appointed Chairman of the Group on 15 June 2015. These warrants can be exercised in up to two tranches, but must be exercised by 30 June 2019, after which time they will lapse. The authority to issue shares and to dis-apply pre-emption rights was also presented and approved by the shareholders at the General Meeting on 30 July 2015.

The above matters 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.

On 27 April 2016, the Group issued a further 15,454,546 ordinary shares at 55p each. The purpose of this issue was to help fund the Group's acquisition of Brighton Palace Pier (see Note 3).

Share premium

	£'000
At 30 June 2014	**8,093**
At 28 June 2015	**8,093**
Increase on 30 July 2015	825
Increase on 27 April 2016	4,636
Directly attributable share issue costs taken to equity	(367)
At 26 June 2016	**13,187**

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 The Brighton Pier 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.

18. 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 2015. A further 25% of the options vest on 30 June 2016, 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 Scholes 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 26 June 2016 £'000	Period ended 28 June 2015 £'000
Total expense arising from share-based payment transactions	**50**	54

Movements in the year

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

	No.	WAEP (£)
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**
Granted during the year	**919,583**	0.55
Forfeited during the year	(253,416)	**0.62**
Exercised during the year	**-**	**-**
Expired during the year	**-**	**-**
Outstanding at 26 June 2016	**1,290,350**	**0.60**
Exercisable at 26 June 2016	**235,528**	**0.64**

The weighted average remaining contractual life for the share options outstanding as at 26 June 2016 is four years (2015: four years). The weighted average fair value of options granted during the prior year was £0.36 (2015: £0.30).

On 6 October 2015 all outstanding vested and unvested share options with an exercise price of between £1.60 and £1.70 were revalued to £0.635. This has been accounted for as a modification to the existing share options and the incremental change in fair value recognised in the share based payment charge in the statement of comprehensive income. Management took this decision in light of the decline in the Group's share price during the year ended 28 June 2015 and the desire to maintain the effectiveness of the Group's share option scheme as an incentive to its employees. The weighted average exercise price for all options outstanding at the end of the year was £0.64 (2015: £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	0.635	114
2013-15	2019	0.635	114
2013-16	2020	0.635	114
2013-17	2021	0.635	114
2014-14	2018	0.635	3
2014-15	2019	0.635	3
2014-16	2020	0.635	3
2014-17	2021	0.635	3
2016-16	2022	0.635	72
2016-17	2023	0.635	72
2016-18	2024	0.635	72
2016-19	2025	0.635	72
2016-16	2022	0.55	133
2016-17	2023	0.55	133
2016-18	2024	0.55	133
2016-19	2025	0.55	135
			1,290

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

The fair value of options granted during the period ended 26 June 2016 determined using the Black-Scholes valuation model was as follows:

Variable	Oct 2015 1yr Scheme	Oct 2015 2yr Scheme	Oct 2015 3yr Scheme	Oct 2015 4yr Scheme	April 2016 1yr Scheme	April 2016 2yr Scheme	April 2016 3yr Scheme	April 2016 4yr Scheme
Stock Price	£0.60	£0.60	£0.60	£0.60	£0.59	£0.59	£0.59	£0.59
Exercise Price	£0.635	£0.635	£0.635	£0.635	£0.55	£0.55	£0.55	£0.55
Dividend Yield	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Option Term (years)	2.37	2.87	3.37	3.87	2.12	2.62	3.12	3.62
Risk-less rate	0.99%	0.99%	0.99%	0.99%	0.75%	0.75%	0.75%	0.75%
Volatility	50%	75%	100%	125%	100%	125%	150%	200%
Fair value	**0.161**	**0.264**	**0.361**	**0.441**	**0.314**	**0.397**	**0.445**	**0.531**

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.

19. Dividends paid and proposed

No dividends were paid or proposed during the period ended 26 June 2016.

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 ended 28 June 2015 was £323,000.

20. Trade and other payables

	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Trade payables	**2,378**	1,456
Other payable	**666**	35
Accruals	**1,881**	615
Deferred income	**21**	-
Other taxes and social security costs	**1,183**	995
	6,129	3,101

Non-current other payables of £10,000 (2015: £21,000) relate to amounts payable under finance leases.

21. 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 makes estimates based on 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.

Onerous lease provision

In respect of onerous leases, provision is made for onerous lease contracts on sites either that have 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 twelve months.

	Rent review provision £'000	Onerous Lease provision £'000	Total £'000
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**
Additional provision charged to the statement of comprehensive income	**51**	**9**	**60**
Amounts utilised or reversed during the period	**-**	**(350)**	**(350)**
Balance at 26 June 2016	**79**	**369**	**448**
Current	**79**	**369**	**448**
Non-current	**-**	**-**	**-**

22. Related party transactions

Group

The Parent Company and ultimate controlling entity of the Group is The Brighton Pier Group PLC. Note 13 and 27 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:

	2016 £'000	2015 £'000
Short-term employee benefits	**545**	703
Post-employment pension and medical benefits	**5**	1
Termination benefits	**197**	-
Share-based payment transactions	**24**	19
Total compensation paid to key management personnel	**771**	723

Amounts paid to Directors as part of short term employee benefits including employers national insurance contributions was £771,000 during the period (2015: £723,000).

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

Jim Fallon is a Director and shareholder of Graybridge Solutions Limited. During the prior year, Graybridge provided advice and assistance in relation to potential acquisitions and corporate restructuring projects. The amount paid during the year for these services amounts to £NIL. (2015: £51,800). No amounts were outstanding at the period end.

Joe Tager is a Non-Executive Director of the Group. During the period ended 26 June 2016, Twin Capital Ltd, a Company owned and controlled by Mr Tager, provided corporate finance services to the Group in relation to the acquisition of Brighton Palace Pier. The amount paid during the year for these services was £25,000 (2015: £NIL). No amounts were outstanding at the period end.

Leigh Nicolson had a loan balance of £5,087 (2015: £10,029) 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 15 in the Directors' Report.

23. Commitments

Operating lease commitments

Total minimum lease payments under non-cancellable operating leases are as follows:

Lessee	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Operating leases payment due:		
Within one year	**1,485**	1,860
In two to five years	**6,024**	7,248
In over five years	**14,127**	15,767
	21,636	24,875

All operating lease commitments relate to non-cancellable leases on the Group's portfolio of trading sites. As at the period ended 26 June 2016, 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.

Lessor	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Minimum lease payments:		
Within one year	**156**	-
	156	-

Operating lease income relates to the rental of concession stalls to tenants on a twelve month contract.

Finance lease commitments
As at 26 June 2016, the Group had total minimum commitments under finance leases as set out below:

	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Amount payable:		
Within one year	**10**	13
In two to five years	**10**	21
	20	34
Future interest	**(1)**	(3)
Present value of finance lease liabilities	**19**	31

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

24. Events after the reporting period

There have been no significant events arising between the end of the financial year and the date of signing of the financial statements to report.

25. Auditor remuneration

	Period ended 26 June 2016 £'000	Period ended 28 June 2015 £'000
Fees payable to the Company's auditor and its associates for the audit of the parent company and consolidated financial statements	**40**	108
Fees payable to the Company's auditor and its associates for other services:		
Audit-related assurance services - audit of subsidiaries	**24**	-
Tax compliance services	**13**	3
Other assurance related services - Reporting accountants on acquisition of Brighton Palace Pier	**120**	-
Other services - Group restructuring work	**-**	39
	197	150

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. The amounts paid to the current auditor for other assurance services in 2016 were incurred prior to their appointment.

26. Reconciliation to EBITDA

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

2016 EBITDA Reconciliation	2016	2015
Profit/(loss) before tax for the year	**47**	(6,243)
Add back depreciation	**1,178**	1,868
Add back net interest paid	**156**	178
Add back fixed asset write-downs not in highlighted items	**-**	221
Add back share-based payment charge	**50**	54
Add back highlighted items	**873**	5,732
Group EBITDA before highlighted items	**2,304**	1,810

27. Group arrangements

The Group consists of seven main entities, each of which perform a specific role in the business as a whole.

On 24 March 2016 two new companies were formed – Brighton Palace Pier (Holdings) Limited and Brighton Palace Pier (Assets) Limited. Both companies were 100% subsidiaries of The Brighton Pier Group PLC (formerly Eclectic Bar Group Plc).

On 27 April 2016, Brighton Palace Pier (Holdings) Limited acquired the entire issued share capital of Brighton Marine Palace & Pier Company (The). On the same date, Brighton Palace Pier (Assets) Limited purchased assets relating to Brighton Palace Pier from Repset Limited.

In a Share Sale and Purchase Agreement dated 27 April 2016, The Brighton Pier Group PLC agreed to transfer 100% of its holding in Brighton Palace Pier (Assets) Limited to Brighton Marine and Palace Pier Company.

Trading cash in respect of the Bars division is controlled by Eclectic Bars Limited, the former Parent entity of the Group. Eclectic Bars Limited is 100% owned by Eclectic Icon Limited. All trading and operating leases of the Bar division are managed by Barclub Trading Limited, the principal trading entity of the Bar division. All cash and trading in relation to Brighton Palace Pier is managed by Brighton Marine and Palace Pier Company.

The Group also contains a number of dormant subsidiaries, which hold operating leases. The risks, rewards and expenses relating to all bar and club operating leases are borne by Barclub Trading Limited.

PARENT COMPANY ACCOUNTS

For the period ended 26 June 2016

Parent Company balance sheet
As at 26 June 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investments	1	**10,794**	10,794
Current assets			
Trade and other receivables	2	**11,066**	1,403
Cash and cash equivalents		**1**	-
Total assets		**21,861**	12,197
Equity			
Share capital	3	**7,920**	3,231
Share premium		**13,187**	8,093
Other reserve		**180**	130
Retained earnings		**574**	743
Total equity		**21,861**	12,197
Total equity and liabilities		**21,861**	12,197

The financial statements were approved by the Board of Directors, authorised for issue on 30 September 2016 and were signed on its behalf by:

J A Smith
Director
Company registration number: 08687172

Parent Company statement of changes in equity

As at 26 June 2016

	Share capital £'000	Share premium £'000	Other reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 June 2014	3,231	8,093	76	(432)	10,968
Profit for the year	-	-	-	1,498	1,498
Total comprehensive income	-	-	-	1,498	1,498
Share-based payments charge	-	-	54	-	54
Dividends paid	-	-	-	(323)	(323)
Balance at 28 June 2015	**3,231**	**8,093**	**130**	**743**	**12,197**
Loss for the year	-	-	-	(169)	(169)
Total comprehensive income	-	-	-	(169)	(169)
Share-based payments charge	-	-	50	-	50
Shares issued	4,689	5,461	-	-	10,150
Share issue costs taken to equity	-	(367)	-	-	(367)
Balance at 26 June 2016	**7,920**	**13,187**	**180**	**574**	**21,861**

The accompanying notes form an integral part of these Company financial statements.

NOTES TO THE PARENT COMPANY ACCOUNTS

For the period ended 26 June 2016

1. Accounting policies

Basis of preparation

The annual financial statements of The Brighton Pier Group PLC (formerly Eclectic Bar Group plc, the Parent Company financial statements) have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

These financial statements have been prepared for the 52 week period to 26 June 2016. The comparative information has been prepared for the period from 30 June 2014 to 28 June 2015.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with the Company's wholly owned subsidiaries.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's Consolidated Financial Statements. These financial statements do not include certain disclosures in respect of:

- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

First time application of FRS 100 and 101

In the current year the Company has adopted FRS 100 and FRS 101 for the first time. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with EU-endorsed IFRS. There have been no other material amendments to the disclosure requirements previously applied in accordance with EU endorsed IFRS.

As permitted by section 408 of Companies Act 2006, a separate statement of comprehensive income for the Company has not been included in these financial statements. The Company's loss for the period ended 26 June 2016 was £169,000 (2015: profit of £1,498,000).

The principal accounting policies adopted in the preparation of the financial statements as set out below have been consistently applied to all periods presented.

Going concern

The Company's principal business activity is to hold the investment in Eclectic Icon Limited and Brighton Palace Pier (Holdings) Limited. The Company receives dividends from Eclectic Icon Limited, which funds its own distributions to shareholders.

As at 26 June 2016, the Company had net current assets of £11.1 million (2015: £1.4 million). This consists of intercompany loans receivable from other Group companies.

The Company has two principal 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 in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment.

Foreign currency

The presentation currency for the Company's financial statements is Sterling. Foreign currency transactions are recorded in their functional currencies at the exchange rate at the date of the transaction. Monetary assets and liabilities have been translated at rates in effect at the balance sheet date, with any exchange adjustments being charged or credited to the Statement of comprehensive income, within 'administrative expenses'.

The Parent Company's functional currency is Sterling.

Current taxation
Current taxation for the Company is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred taxation
Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. No deferred tax is recognised on initial recognition of goodwill or on investment in subsidiaries. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full and are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of Comprehensive Income, except where they relate to items that are charged or credited directly to equity, in which case the related deferred tax is also charged or credited directly to equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Equity
Equity comprises the following:

- “share capital” represents the nominal value of equity shares issued;
- “share premium” represents amounts subscribed for share capital, net of issue costs, in excess of nominal value;
- “retained earnings” represents the accumulated profits and losses attributable to equity shareholders;
- “other reserve” relates to the employee benefit trust.

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 Company 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 Company 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 profit or loss 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 and other 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 Company 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.

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 profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1. Investments

	As at 26 June 2016 £'000	As at 28 June 2015 £'000
Investment in Eclectic Icon Limited	**9,900**	9,900
Investment in Newman Bars Limited	**894**	894
	10,794	10,794

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
Brighton Palace Pier (Holdings) Limited	Ordinary shares	100%	Holding Company
Brighton Marine Palace & Pier Company (The) ****	Ordinary shares	100%	Operation of Brighton Palace Pier
Brighton Palace Pier (Assets) Limited ****	Ordinary shares	100%	Operation of Brighton Palace Pier
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

**** held indirectly by Brighton Palace Pier (Holdings) Limited
* indirectly by Eclectic Bars Ltd
** held indirectly by Barclub Trading Ltd
*** indirectly by Eclectic Icon Ltd
^ held indirectly by Newman Bars Ltd

2. Receivables

	2016 £	2015 £
Due within one year	-	-
Amounts due from group undertakings	**11,066**	1,403

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

3. Share capital

Ordinary shares called up and fully paid

	Period ended 26 June 2016		Period ended 28 June 2015	
	Thousands	**£**	Thousands	£
Ordinary shares at £0.25 each	**31,677**	**7,920**	12,923	3,231

On 30 July 2015, the Company issued 3,000,000 new 25p ordinary shares, which were subscribed to by Luke Johnson at a price of 50p per share. In addition, the Self Invested Pension Plans of Reuben Harley, the Group's Chief Executive Officer (resigned 27 April 2016), and John Smith, the Group's Chief Financial Officer, subscribed to 150,000 new 25p ordinary shares (300,000 new ordinary shares in total) at the subscription price of 50p per share.

On the same date, the Company issued warrants to subscribe for up to 1,622,274 ordinary shares at a price of 60p per ordinary share to Luke Johnson, who was appointed Chairman of the Company on 15 June 2015. These warrants can be exercised in up to two tranches, but must be exercised by 30 June 2019, after which time they will lapse. The authority to issue shares and to dis-apply pre-emption rights was also presented and approved by the shareholders at the General Meeting on 30 July 2015.

The above matters 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.

On 27 April 2016, the Company issued a further 15,454,546 ordinary shares at 55p each. The purpose of this issue was to help fund the Group's acquisition of Brighton Palace Pier (see Note 3 of consolidated Group accounts).

Share premium

	£'000
At 30 June 2014	**8,093**
At 28 June 2015	8,093
Increase on 30 July 2015	825
Increase on 27 April 2015	4,636
Directly attributable share issue costs taken to equity	(367)
At 26 June 2016	**13,187**

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 The Brighton Pier 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.

4. Related Parties and Directors' Transactions

There are no employees of the Company other than the Directors. Directors are remunerated by subsidiary entities.

As at 26 June 2016, a loan of £5,015,000 (2015: £1,403,000) is due from Eclectic Bars Limited and £6,050,000 is due from Brighton Palace Pier (Holdings) Limited. Both loans are interest bearing and repayable on demand.

5. First time adoption of FRS 101 Reduced Disclosure Framework

This is the first time that the Company has adopted FRS 101 having previously applied applicable UK accounting standards. The date of transition to FRS 101 was 30 June 2014. In applying FRS 101 for the first time, the Company has made the following elections:

- to retain the carrying amount of investment in subsidiaries at the date of transition to FRS 101 at the carrying amount at that date in accordance with applicable UK accounting standards.

There are no changes to the Company's equity and total comprehensive income as a result of applying FRS 101 for the first time.

NOTES

The Brighton pier Group plc
36 Drury Lane
London WC2B 5RR

Tel: 020 7376 6300
Fax: 020 7823 3756

www.brightonpiergroup.com