INTERIM STATEMENT – DECEMBER 2014

25 March 2015

Eclectic Bar Group Plc

("Eclectic", the "Company" or the "Group")

Interim results for the half year to 28 December 2014

Half Year Highlights

Trading for the first half was in line with the updates given to the market on 25 November 2014 and 30 January 2015.

- Sales on continuing operations were up 11% at £12.3 million (2013: £11.0 million)
- Site EBITDA on continuing operations was in line with last year at £2.6 million (2013: £2.6 million)
- Company EBITDA on continuing operations before adjusting items was at £1.1 million (2013: £1.3 million)
- Coalition and Manchester Lola Lo both completed their first anniversary during this period with combined cash on cash return for the first 12 months in excess of 50%
- Embargo Republica on the Kings Road re-opened in August and is trading ahead of expectations
- Reduced trading levels experienced towards the end of the first half and over recent weeks are likely to continue during the remainder of the financial year.

Commenting on the results, Reuben Harley, Chief Executive Officer said:

"Eclectic has some of the best locations and premium brands in the UK. Whilst this has been a challenging period for the Company, I am confident that the actions we have taken have made Eclectic a stronger company which will continue to build value for our shareholders over the medium term.

Our team have continued to work hard in a difficult trading environment and I'd like to take the opportunity to thank them for their continued hard work and dedication"

All Company announcements and news can be found on www.eclecticbars.co.uk.

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INTERIM STATEMENT – DECEMBER 2014

Chairman's Statement

As reported in our trading update on the 25 November 2014, trading for the Company's first quarter of this period was in line with expectations. The second quarter, which includes the important October period when students return to university, proved more difficult. Reduced numbers of students, more competition being seen across a number of our sessions and venues, disappointing early trading for two of our new openings (Lola Lo in Derby and Dirty Blonde in Brighton) and poor trading at Bournemouth, have impacted on the current period results.

Mitigating actions have been taken to address the above issues. These include developing our food offer, focussing on profitable trading nights augmented by feedback from various focus groups, a review of head office costs and a review of the estate.

Notwithstanding the challenging environment, this period has seen a number of achievements. These include;

- The impressive refit of Embargo Republica on the Kings Road which opened at the end of August
- Coalition and Manchester Lola Lo (which both opened in the same period last year) achieving combined cash on cash returns in excess of 50% for their first 12 months of trading
- Lowlander continuing to trade well, and
- The renegotiation of our major drinks supply agreements in February.

The team at Eclectic have achieved some notable successes and I am confident that they have the skills and talent to address the trading and competitive issues currently being faced. The Company has some of the best locations in the UK, with premium brands and excellent people.

As discussed at the time of the 25 November trading update, the Board does not propose an interim dividend but will review the position at the time of the announcement of the full year results later in 2015.

Lastly, I would like to welcome Leigh Nicolson to the Board as an executive director and Chief Operating Officer as at the end of July 2014. Leigh joined the Group in 2006 as area manager for the London area. His role developed to become national operations manager, and he was appointed operations director for Eclectic in 2010. Leigh has been hugely instrumental in the development and growth of the Group and will further strengthen the Board in his new role

Jim Fallon

Chairman

25th March 2015

INTERIM STATEMENT – DECEMBER 2014

Chief Executive's Review

Eclectic Bar Group Plc, the leading operator of 20 premium bars located in major towns and cities across the UK, announces its half year results for the 26 weeks to 28 December 2014. The Company's principal strategy is to grow the business through a combination of new site acquisitions and development opportunities within its existing estate.

Eclectic trades across its estate under a variety of premium brands, which predominantly target a customer base of sophisticated students midweek and stylish over 21's and young professionals at the weekend. The Group focusses on delivering an experience and value for its customers, with premium product ranges, high quality music and entertainment and a commitment to high service standards.

Eclectic's estate has national geographic spread and is primarily in university towns which provide a vibrant night time economy and the demographics to support premium bars.

Half Year Results

Trading for the first half was in line with the trading update given to the market on the 25 November 2014 with EBITDA of £1.1million.

The Company has experienced four main challenges which have negatively affected its results for this period:

- University undergraduates nationwide have been less active across the marketplace during the fresher's weeks and have been less predictable during the student year
- There has been increased and intense competition in a number of specific locations
- Additionally, two of our new openings, Lola Lo in Derby and Dirty Blonde in Brighton, have not performed as forecast

The management team have undertaken various mitigating actions;

- Working on the implementation of more food offerings in a number of our venues with street level frontage
- Undertaken student focus groups across a number of venues – the feedback from these sessions are being used to formulate our student plans for the remainder of the year
- Undertaken a review of the head office cost base – this will start bringing benefits later on in this financial year
- Focussing our activity on profitable trading nights and saving costs by closing non profitable sessions
- Undertaken a review of our estate - consideration is being given to the sale of some of the smaller albeit profitable sites
- Renegotiation of our principal supply contracts at the end of February 2015 which will bring not just additional revenue and margin but also logistics benefits with one single wet supplier

In summary, for the 26 week period ended 28 December 2014:

- Sales on continuing operations: £12.3 million (2013: £11.0 million)
- Site EBITDA on continuing operations: £2.6 million (2013: £2.7 million)
- Company EBITDA on continuing operations before adjusting items: £1.1 million (2013: £1.3 million)
- Company EBITDA on continuing operations after adjusting items: £0.53 million (2013:£0.66 million).
- Head office expenses: £1.5 million (2013: £1.3 million)
- Profit before tax and highlighted items on continuing operations: £0.05 million (2013: £0.41 million)
- Loss before tax and after highlighted items on continuing operations: £0.52 million (2013: £0.25 million)

At the end of July 2012, Eclectic entered into a management contract to operate 33 restaurants, bars and nightclubs on behalf of PBR Leisure Limited. This 14 month contract ended on the 20 October 2013, after PBR successfully disposed of The Living Room business and a number of other sites. The total revenue on discontinued operations was £0.329 million in the same period in 2013.

Development of the Estate

Embargo Republica on the Kings Road

After a four week closure the venue re-opened in the last week of August. The rebrand from Embargo 59 has given more emphasis to its Cuban spirit and created additional space with the move of the back office functions to the area vacated by the Head Office, which in turn, has been relocated above Lowlander on Drury Lane. An extended outside terrace, a new stage for live acts and a cigar shop at the entrance are all part of the bar's Cuban backdrop giving a distinctive colonial atmosphere. Trading since the re-opening is ahead of expectations.

Bristol Lola Lo

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

Coalition and Manchester Lola Lo

Both venues completed their first anniversary during this period. The combined cash on cash return for the first 12 months is in excess of 50%. The Company is delighted with trading at both these units.

Bournemouth Sakura

As reported in the January trading statement, despite its refit to Sakura during the period and every effort to stimulate increased trade, this venue continued to underperform. The announcement of plans by the landlord to develop residential accommodation above this unit left the Company with limited options. At the end of January the decision was taken to close the business. We are currently in negotiations to dispose of this unit.

Lowlander on Drury Lane

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

Derby Lola Lo and Brighton Dirty Blonde

The venues have both underperformed on expectations. Derby was not initially successful in breaking into the student market, a crucial part of trade in this City; although since the period end progress has been made with the initiatives put into place to attract returning students in February. Dirty Blonde continues to have one of the most successful Saturdays in the estate but midweek trading has been more difficult. Some modifications have taken place to make the bar more visible to the street and we are working on steps to simplify the food offering and to reduce the cost base.

Sheffield and Liverpool

Sheffield is scheduled for opening to coincide with the start of the new student year in late September 2015. Timing of the development and opening of Liverpool is currently under review. No further unit acquisitions are planned for this financial year.

Balance Sheet

The Company's debt facilities are with Barclays Bank Plc. At the period end the company had;

- A term facility of: £0.6 million (2013: £1.1 million): final repayment due in September 2015,
- Revolving Credit Facility of £5.0 million with £3.5 million drawn (2013: £0.8 million),
- Overdraft facility of £0.6 million undrawn at the period end (2013: £nil), and
- Cash balances of £1.2 million (2013: £2.5 million).

As at the period end the net debt leverage was at 1.24 times EBITDA. The Company continues to take a prudent view on leverage levels.

Outlook

Eclectic will, for the remainder of the financial year continue to be focussed on addressing the issues it is currently facing.

Trading over the Christmas period was encouraging and the Company continues to see good results from occasion-led calendar events. However, outside these periods trading has become difficult. In addition we have seen specific site led competition at a number of our locations which will impact on our trading for the remainder of the year.

With the return of students in late January and early February there has been no return in mid-week sales and it is expected that this will become the new base status for the foreseeable future.

In light of this outcome, the Company anticipates that the trading levels experienced towards the end of the first half and over recent weeks are likely to continue over the remainder of the financial year.

We remain confident in our premium brands, excellent locations, and strong management team and look forward to delivering progress over the next few months and a return to growth in the future.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited 26 weeks to *28th Dec 2014*	Unaudited 26 weeks to *29th Dec 2013 Restated**	Audited *53 weeks to 29th Jun 2014*
		£'000	*£'000*	*£'000*
Revenue		12,279	11,039	22,958
Cost of sales		(2,746)	(2,344)	(5,011)
Gross profit		**9,533**	**8,695**	**17,947**
Operating expenses - excluding highlighted items		(9,391)	(7,952)	(16,828)
Operating expenses - highlighted items	*6*	(572)	(669)	(1,225)
Total operating expenses		**(9,963)**	**(8,621)**	**(18,053)**
Operating profit - before highlighted items		142	743	1,119
Highlighted items - operating expenses	*6*	(572)	(669)	(1,225)
Operating (loss)/profit		**(430)**	**74**	**(106)**
Finance revenue		-	-	3
Finance cost		(95)	(328)	(407)
Profit before tax and highlighted items		47	415	715
Highlighted items	*6*	(572)	(669)	(1,225)
(Loss) on ordinary activities before taxation		**(525)**	**(254)**	**(510)**
Taxation on continuing operations	*9*	13	(131)	(15)
Loss for the year from continuing operations		**(512)**	**(385)**	**(525)**
Profit after tax from discontinued operations	*7*	-	255	255
Loss for the year		**(512)**	**(130)**	**(270)**
Loss per share – Basic	*8*	(4.0)p	(5.2)p	(5.2)p
Adjusted** earnings per share – Basic	*8*	0.5p	3.8p	6.9p
Loss per share – Diluted	*8*	(4.0)p	(5.2)p	(5.2)p
Adjusted** earnings per share - Diluted	*8*	0.5p	3.8p	6.9p

*see prior period restatement note 5.

**adjusted basic and diluted earnings per share are calculated using the profit for the period adjusted for highlighted items (note 6).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 29 December 2014	*Unaudited As at 29 December 2013 Restated**	*Audited As at 29 June 2014*
	£'000	*£'000*	*£'000*
Non current assets			
Intangible assets	5,465	4,728	5,464
Property, plant & equipment	8,697	6,635	8,270
Deferred tax assets	203	31	92
	14,365	11,394	13,826
Current assets			
Inventories	556	473	455
Trade and other receivables	1,995	1,730	1,650
Income tax receivable	-	-	9
Cash and cash equivalents	1,209	2,512	461
	3,760	4,715	2,575
TOTAL ASSETS	18,125	16,109	16,401
EQUITY			
Issued share capital	3,231	3,216	3,231
Share Premium	8,093	8,009	8,093
Merger reserve	(1,575)	(1,575)	(1,575)
Other reserve	112	11	76
Retained earnings	(689)	286	146
Equity attributable to equity shareholders of the parent	9,172	9,947	9,971
TOTAL EQUITY	9,172	9,947	9,971
LIABILITIES			
Current liabilities			
Trade and other payables	4,261	3,469	3,189
Other financial liabilities	671	673	671
Income tax payable	-	103	-
Provisions	45	175	201
	4,977	4,420	4,061
Non-Current liabilities			
Deferred tax liability	659	517	568
Other financial liabilities	3,317	1,225	1,801
	3,976	1,742	2,369
TOTAL LIABILITIES	8,953	6,162	6,430
TOTAL EQUITY AND LIABILITIES	18,125	16,109	16,401

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share Premium	Other reserves	Merger reserve	Retained earnings/ (deficit)	Total shareholders' equity
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
At 29 June 2014	3,231	8,093	76	(1,575)	146	9,971
Share based payments charge	-	-	36	-	-	36
Loss for the period	-	-	-	-	(512)	(512)
Dividends paid	-	-	-	-	(323)	(323)
At 28th December 2014	**3,231**	**8,093**	**112**	**(1,575)**	**(689)**	**9,172**

	Issued share capital	Share Premium	Other reserves	Merger reserve	Retained earnings/ (deficit)	Total shareholders' equity
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
At 30 June 2013 (restated)	-	-	-	-	416	416
Issue of shares	3,216	8,859	-	(1,575)	-	10,500
Share based payments charge	-	-	11	-	-	11
Directly attributable IPO costs taken to equity	-	(850)	-	-	-	(850)
Loss for the period	-	-	-	-	(130)	(130)
At 29th December 2013 (restated)	**3,216**	**8,009**	**11**	**(1,575)**	**286**	**9,947**

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited 26 weeks to 28th Dec 2014	Unaudited 26 weeks to 29th Dec 2013 *restated	Audited 53 weeks to 29th Jun 2014
	£'000	*£'000*	*£'000*
Operating activities			
Loss before tax from continuing operations	(525)	(254)	(510)
Profit before tax from discontinued operations	-	329	329
Net finance costs	95	328	404
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	962	610	1,448
Loss on disposal of property, plant and equipment	239	-	(9)
Share based payment expense	36	11	76
Working capital adjustments:			
(Increase) in inventories (excluding inventory acquired)	(101)	(168)	(108)
(Increase) in trade and other receivables	(345)	(434)	(302)
Increase in trade and other payables	970	1,029	668
Interest received	-	-	3
Interest paid	(102)	(324)	(416)
Income tax paid	-	-	(84)
Net cash flow from operating activities	**1,229**	**1,127**	**1,499**
Investing activities (from continuing operations)			
Purchase of property, plant & equipment and intangible assets	(1,657)	(889)	(3,210)
Acquisition of business net of cash	-	(1,050)	(1,767)
Proceeds from disposal of property, plant & equipment	30	8	9
Net cash flows used in investing activities	**(1,627)**	**(1,931)**	**(4,968)**
Financing activities (from continuing operations)			
Proceeds from borrowings	1,800	750	2,450
Repayment of borrowings	(325)	(7,628)	(8,703)
Proceeds from IPO	-	10,500	10,500
IPO costs recognised directly in equity	-	(850)	(851)
Dividends paid	(323)	-	-
Capital element on finance lease rental payments	(6)	(14)	(24)
Net cash flows used in financing activities	**1,146**	**2,758**	**3,372**
Net increase/(decrease) in cash and cash equivalents	**748**	**1,954**	**(97)**
Cash and cash equivalents at beginning of period	461	558	558
Cash and cash equivalents at period end date	**1,209**	**2,512**	**461**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Eclectic Bar Group Plc (the 'Group') is a public limited company incorporated and domiciled in England and Wales. The registered office of the Group is 36 Drury Lane, London, WC2B 5RR. The registered company number is 08687172.

The Group's principal activity is the management and operation of late night bars and restaurants across the United Kingdom. The Group carries out business under the trade names of Embargo Republica, Lola Lo, Sakura, Coalition, Lowlander, PoNaNa and Fez Club.

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

2. ACCOUNTING POLICIES

The financial information for the 6 months ended 28 December 2014 and 29 December 2013 does not constitute statutory accounts for the purposes of S435 of the Companies Act 2006 and has not been audited.

Information that has been extracted from the June 2014 accounts is that from the audited accounts included in the annual report, published in November 2014 on which auditors gave an unmodified opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. A copy of these accounts can be found on the Group's website, www.electicbars.co.uk.

The interim condensed consolidated financial statements for the 6 months ended 28 December have been prepare din accordance with the AIM Rules issued by the London Stock Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 29 June 2014 which were prepared in accordance with IFRS as adopted by the European Union.

The accounting policies used in the preparation of the financial information for the 6 months ended 28 December 2014 are the accounting policies as applied to the Group's financial statements for the year ended 29 June 2014, as disclosed in the 2014 annual report and are in accordance with International Financial Reporting Standards as adopted by the European Union.

The following amendments to existing standards and interpretations were effective for the period, but either they were not applicable to or did not have a material impact on the Group:

	Effective dates*
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IAS 27 Separate Financial Statements	1 January 2013
IAS 28 Investments in Associates and Joint Ventures	1 January 2013
IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)	1 January 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)	1 January 2014
IAS 39 Financial Instruments: Recognition and Measurement– Novation of Derivatives and Continuation of Hedge Accounting (Amendments)	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
IFRIC 21 Levies	1 January 2014
IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions (Amendments)	1 July 2014
Annual Improvements to IFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to IFRSs 2011–2013 Cycle	1 July 2014

* IFRS 10, IFRS 11, IFRS 12 and IAS 27 and IAS 28 have been adopted by the EU with an effective date of 1 January 2014

3. GOING CONCERN

After reviewing the Group's performance, future forecasted performance and cash flows, and its ability to draw down on its facilities and the covenant requirements of those facilities, and after considering the key risks and uncertainties set out on pages 8-9 of the annual report, the Directors consider that the Group has sufficient resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

4. SEGMENTAL INFORMATION

During the period to 28 December 2014, the Group consisted of one segment. The following table presents revenue and loss and certain asset and liability information regarding the Group's business segments for the periods ended 29 June 2014 and 29 December 2013. The contract operation of bars represented a discontinued operation during these periods.

	Period ended 29 June 2014			*Period ended 29 December 2013 Restated*		
	Owned bars	*Contract operation of bars*	*Total*	*Owned bars*	*Contract operation of bars*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Revenue						
Sales to external customers	22,958	371	23,329	11,039	371	11,410
Group operating (loss)/profit	(106)	329	223	74	329	403
Net finance cost	(404)	-	(404)	(328)	-	(328)
(Loss)/profit before taxation	(510)	329	(181)	(254)	329	75
Assets and liabilities						
Segment assets	16,401	-	16,401	16,109	-	16,109
Segment liabilities	6,430	-	6,430	6,162	-	6,162

5. PRIOR PERIOD RESTATEMENT

During 2014, the Company discovered that the first set of IFRS financial statements produced in 2013 did not include an adjustment related to rent free periods on operating leases where the Company is the lessor. Under IFRS (SIC 15), lease incentives (such as rent free periods) are treated as a reduction of the rental expense that is spread evenly over the lease term on a straight-line basis. In contrast, UK GAAP (which the Group formerly produced accounts in accordance with) requires the incentive to be spread over the shorter of the lease term and the period to the first rent review to market rates (UITF 28).

The period to the first rent review to market rates is 5 years. The Group's accounts have therefore been restated to reflect the significantly longer period of time over which the lease incentive is spread. These lease terms are typically between 15-25 years in length.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. PRIOR PERIOD RESTATEMENT (CONTINUED)

The impact of this restatement can be summarised as follows:

	Reported	**Rent free adjustment**	**Restated**
	£'000	*£'000*	*£'000*
As at 29 December 2013			
Balance sheet			
Deferred tax asset	-	31	31
Retained (losses)/earnings	394	(108)	286
Trade and other payables	3,329	140	3,469
As at 29 December 2013			
Income statement:			
Operating expenses from continuing operations	(8,598)	(23)	(8,621)
Operating profit from continuing operations	97	(23)	74
Taxation charge on ordinary activities	(209)	4	(205)
(Loss) and total comprehensive income for the period	**(111)**	**(19)**	**(130)**

Also, the prior year balance sheet has been restated so that amounts accrued in relation to rent reviews are shown separately as provisions rather accruals as per IAS 37 *Provisions, contingent liabilities and contingent assets.* For the period ended 29 December 2013, £175,000 was separated from accruals (held within *Trade and other payables* on the balance sheet) and disclosed separately as provisions on the face of the balance sheet. Due to this reclassification, Trade and other payables has decreased from £3,644,000 to £3,469,000 as of 29 December 2013. The Provisions balance as of 29 December 2013 has therefore increased by £175,000.

6. HIGHLIGHTED ITEMS

	26 weeks ended 28 December 2014	*26 weeks ended 29 December 2013*	*52 weeks ended 29 June 2014*
	£'000	*£'000*	*£'000*
Acquisition, pre-opening and restructuring costs			
Acquisition costs	-	68	159
Site pre-opening costs	439	-	174
Restructuring costs	98	-	-
	537	**68**	**333**
Costs associated with the listing			
Restructuring costs associated with IPO	-	157	175
Share issue costs	-	399	399
Listing costs	-	33	33
IFRS 2 Share based payment charge	35	12	76
Listing bonus payments	-	-	209
	35	**601**	**892**
Total	**572**	**669**	**1,225**

During the period ended 29 December 2013, additional costs of £853,000 relating to the issuing of new equity were allocated against reserves in accordance with IFRS.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. DISCONTINUED OPERATIONS

On 20th October 2013, the Group ended its contract to manage the day to day operations of thirty three sites owned by Premium Bars and Restaurants Limited ('PBR'). This contract had been in place since August 2012. The PBR contract was included in the 'Contract Operation of Bars' segment until 20th October 2013. The revenue, costs and cash flows attributable to this contract are outlined on p34 of the 2014 annual report.

8. EARNINGS PER SHARE

The weighted average number of shares in the period was:

	26 weeks to 28th Dec 2014	*26 weeks to 29th Dec 2013 restated**	*53 weeks to 29th Jun 2014*
	Thousands of shares	Thousands of shares**	Thousands of shares**
Ordinary shares	**12,923**	7,454	10,173
Basic shares	**12,923**	7,454	10,173
Dilutive ordinary shares from share options	**60**	5	25
Diluted shares	**12,983**	7,459	10,198

*The basic and diluted number of shares for the period ended 29 December 2013 have been restated from the accounts presented in the 2013 interim report. This was due to a restatement of the original calculation presented in the 2013 interim report to take into account the weighted average number of shares for the period ended 29 December 2013.

**all figures relate to continuing operations only.

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

	26 weeks to 28th Dec 2014	*26 weeks to 29th Dec 2013 restated**	*53 weeks to 29th Jun 2014*
Loss per share from profit for the period from continuing operations			
Basic (pence)	(4.0)	(5.2)	(5.2)
Diluted (pence)	(4.0)	(5.2)	(5.2)
Earnings per share from profit for the period from discontinued operations			
Basic (pence)	-	3.4	2.5
Diluted (pence)	-	3.4	2.5
Adjusted earnings per share from profit for the period from continuing operations			
Basic (pence)	0.5	3.8	6.9
Diluted (pence)	0.5	3.8	6.9

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. TAX

The effective tax rate for the six month period is 2.5% (six months ended 29 December 2013: 212.3%) which is lower (six months ended 29 December 2013: higher) than the blended average rate for the year of 20.75% (2013: 22.5%). The difference between the expected rate and actual rate for the period is primarily due to expenditure that is disallowable for tax purposes, adjustments in respect of the prior year tax charge and the derecognition of certain deferred tax assets.

10. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Eclectic Bar Group Plc (incorporated in the United Kingdom). The Group has a related party relationship with Directors and executive officers. There were no material related party transactions other than the remuneration of key management personnel.

Prior to the restructuring of the Group in November 2013, the Group had a related party relationship with Avanti Capital Plc. During the six month period to December 2013, the Group fully repaid all outstanding loan debt owed to Avanti Capital Plc. Since the date of listing Avanti Capital PLC is no longer a shareholder of the Group.

11. POST BALANCE SHEET EVENTS

On 30 January 2015, management took the decision to close the Bournemouth Sakura site. The landlord of this venue has indicated his intention to develop the space above the premises for residential accommodation, which will ultimately affect the viability of running a late night bar at this location in the future.

This site had been acquired in 2011 following the purchase of the entire issued share capital of HSB Clubs Limited. Goodwill of £296,000 arose on this acquisition. Management intends to dispose of the Bournemouth Sakura site over the coming months at which stage a goodwill impairment charge and property, plant and equipment write-down will be calculated and charged to the Group's income statement. Whilst trading, the site was generating sufficient cash flows that indicate an impairment of the carrying value of goodwill was not required. Therefore no adjustment has been made to reflect this amount in the financial statements as at 28 December 2014.

12. RECONCILIATION TO EBITDA

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

	26 weeks to *28th Dec 2014* *£'000*	26 weeks to *29th Dec 2013* **restated* *£'000*	*53 weeks to 29th Jun 2014* *£'000*
Loss before tax for the year	(525)	(254)	(510)
Add back depreciation	962	610	1,448
Add back net interest	95	328	404
Add back highlighted items	572	669	1,225
Group EBITDA before highlighted items and discontinued operations	**1,104**	**1,353**	**2,567**
Discontinued operations	-	329	329
Group EBITDA before highlighted items	**1,104**	**1,682**	**2,896**