26 March 2019

The Brighton Pier Group PLC

(the "Company" or the "Group")

Interim results for the 26 weeks ended 30 December 2018

The Brighton Pier Group PLC today announces its unaudited results for the 26 week period ended 30 December 2018 (comparative figures are shown for the 26 week period ended 24 December 2017).

Financial Highlights	**26 weeks ended 30 December 2018**	**26 weeks ended 24 December 2017**
	£m	**£m**
Revenue	**16.5**	**16.0**
Group EBITDA before highlighted items	**2.9**	**3.2**
Group EBITDA after highlighted items	**2.6**	**2.8**
Operating profit before highlighted items	**2.0**	**2.5**
Operating profit after highlighted items	**1.7**	**2.1**
Profit before taxation and highlighted items	**1.7**	**2.3**
Profit before taxation after highlighted items	**1.4**	**1.9**
Net debt at the end of the period	**13.5**	**13.4**
Basic earnings per share (with highlighted items added back)	**4.3p**	**6.2p**
Basic earnings per share	**3.5p**	**4.9p**
Diluted earnings per share (with highlighted items added back)	**4.3p**	**6.0p**
Diluted earnings per share	**3.4p**	**4.8p**

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

"Paradise Island Adventure Golf continues to trade in line with expectations at the time of the acquisition. We are looking forward to our first new site opening (since the purchase of the business) at Rushden Lakes in April 2019.

The refit of our Putney bar to 'Le Fez' has transformed this site with its improved layout and functionality. I am excited by the potential for growth as we rollout new nights over the coming months.

The sale of the Derby bar freehold for £0.8 million nearly completes the site rationalisation process within the Bars division.

Rail network disruptions to and from Brighton continues to affect the pier, which is disappointing; however once the engineering works are complete they will be of great benefit to future visitors travelling to the city and consequently to our Brighton businesses.

The Company's Pier, Bars and Golf businesses remain well invested, strongly cash generative and well positioned for future growth."

All Company announcements and news are available at www.brightonpiergroup.com
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This announcement contains inside information.

About The Brighton Pier Group PLC

The Brighton Pier Group PLC (the 'Group') owns and trades Brighton Palace Pier, as well as twelve premium bars nationwide and six indoor mini-golf sites.

Brighton Palace Pier, which has once again been recognised as the fourth most visited free tourist attraction in the country, offers a wide range of attractions including two arcades and eighteen funfair rides, together with a variety of on-site hospitality and catering facilities. The attractions, product offering and layout of the pier are focused on creating a family-friendly atmosphere that aims to draw a wide demographic of visitors. The pier is free to enter, with revenue generated from the pay-as-you-go purchase of products from the fairground rides, arcades, hospitality facilities and retail catering kiosks.

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

The Golf division (Paradise Island Adventure Golf) operates six indoor mini-golf sites at high footfall retail and leisure centres. The business capitalises on the increasing convergence between retail and leisure, offering an accessible and traditional activity for the whole family. The first unit was opened in Glasgow in 2006, after which followed Manchester (2008), Sheffield (2012), Livingston (2012), Cheshire Oaks (2015) and Derby (2017). Each site offers two unique 18-hole mini-golf courses.

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

Business review

The business review covers the trading results for the 26 weeks ended 30 December 2018 (2017: 26 weeks ended 24 December 2017).

The Group acquired the Golf division on 8 December 2017 and, as a result, the 2017 comparative period consists of only three weeks of trade from this division.

Half year results

The Group reports continuing profitability during a challenging trading period, with profit before tax and highlighted items of £1.7 million (2017: £2.3 million).

Total Group revenue for the period was up £0.5 million for the period, benefitting from the acquisition of Paradise Island Adventure Golf, which has contributed £2.1 million of sales in the 26 weeks of trading (2017: £0.2 million). We are pleased to report the Golf business continues to trade in line with expectations at the time of purchase.

Revenue for the Pier division was £7.9 million (2017: £7.8 million), up on the prior period by £0.1 million. The newly fitted bars and catering facilities combined have out-performed the prior year, with sales for Palm Court and Horatio's Bar up 22%, partly due to growth in the functions business and partly due to the closure of Horatio's Bar for its refit during the prior period. Sales across the rest of the pier (primarily from rides and arcades) was down 4% versus the like period, hindered by poor weather and reduced numbers of visitors to Brighton resulting from weekend closures of the mainline railway from London. Given that the pier's rides and arcades have higher margin than the bars and catering, the loss of revenue (excluding bars and catering) has negatively impacted EBITDA and earnings.

Revenue for the Bars division was £6.6 million (2017: £8.0 million), down £1.4 million. £0.4 million of this decrease related to the planned closure of Putney Fez for its refit, and £0.2 million from the closure of Reading Coalition. As reported in the Group's January 2019 trading update, Christmas trading across the bars was broadly flat year-on-year but conditions have otherwise been challenging in parts of the estate; these issues have impacted sales by £0.8 million versus the 2017 period.

Group gross margin for the period has increased by 120 basis points in comparison with the 2017 period, reflecting the high-margin nature of the acquired Golf division, together with a continued focus on pricing in order to mitigate pressure from rising input costs across the rest of the Group.

Highlighted costs totalling £0.3 million were incurred during the period, of which £0.2 million related to occupation and other pre-opening expenses incurred during the redevelopment of 'Le Fez' in Putney, as well as a further £0.1 million relating to costs incurred from the closure of Reading Coalition in June 2018.

In summary, for the 26 weeks ended 30 December 2018 (compared to the equivalent 26-week period ended 24 December 2017):

Revenue:	£16.5 million	(2017: £16.0 million)
Group EBITDA before highlighted items:	£2.9 million	(2017: £3.2 million)
Group EBITDA after highlighted items:	£2.6 million	(2017: £2.8 million)
Operating profit before highlighted items:	£2.0 million	(2017: £2.5 million)
Operating profit after highlighted items:	£1.7 million	(2017: £2.1 million)
Profit before tax and highlighted items:	£1.7 million	(2017: £2.3 million)
Profit before tax and after highlighted items:	£1.4 million	(2017: £1.9 million)
Net debt at the end of the period:	£13.5 million	(2017: £13.4 million)
Basic earnings per share (with highlighted items added back):	4.3p	(2017: 6.2p)
Basic earnings per share:	3.5p	(2017: 4.9p)
Diluted earnings per share (with highlighted items added back):	4.3p	(2017: 6.0p)
Diluted earnings per share:	3.4p	(2017: 4.8p)

Principal developments during the period and outlook

As previously reported, the Group's Pier and Bars divisions have experienced challenging trading conditions during the period.

- ***Pier division*** – the trading performance during the period was negatively impacted by disappointing weather over the August bank holiday weekend that continued into the following months. Additionally, weekend railway services to and from Brighton have been disrupted by a major programme of engineering works, resulting in recurrent line closures (with replacement bus services) on the mainline from London between the stations at Three Bridges and Brighton. This has significantly impacted the number of visitors into Brighton and onto the pier.

EBITDA for the combined Palm Court restaurant and Horatio's Bar increased by £0.1m to £0.6m versus the like period, and for the rest of the pier EBITDA was down £0.5m to £1.2m, reflecting the impact of weather and line closures.

The Pier division EBITDA for the period was £1.8 million (2017: £2.4 million).

- ***Bars division*** – the Company's Fez bar in Putney was closed for a full refit at the end of July 2018. The refurbishment works were prolonged due to unexpected structural issues at the venue which was re-launched at the beginning of December, having been transformed into a new-look 'Le Fez'. Performance since the re-launch has been in line with management's expectations.

  Christmas trading across the Bars division during the period was broadly flat year-on-year, although trading conditions remain challenging in parts of the estate outside of key event dates such as Christmas and Halloween.

  Bars division EBITDA for the period was £0.7 million (2017: £1.2 million). £0.2 million of this decrease relates to lost EBITDA from the temporary closure of the venue in Putney.

- ***Golf division*** continues to trade in-line with expectations, generating EBITDA of £0.7 million, with only three weeks comparative in the like period (2017: £0.04 million). During the period work has started on the fit-out of our new site in Rushden and the roll out to all our Golf locations of a new augmented reality application for smartphones.

Results for the half year show that the Group continues to be cash-generative, with EBITDA before highlighted items of £2.9 million (2017: £3.2 million) and EBITDA after highlighted items of £2.6 million (2017: £2.8 million).

Group operating profit before highlighted items was £2.0 million (2017: £2.5 million) and Group operating profit for the period after highlighted items was £1.7 million (2017: £2.1 million).

Cash flow and balance sheet

Net cash flow generated from operations and available for investment (after interest and tax payments) was £1.0 million (2017: £1.5 million). Tax of £0.3 million was paid this period, with no comparative in the like period.

£1.0 million has been invested in capital expenditure (2017: £1.8 million), the majority of which has been spent on the transformation of Putney 'Le Fez' and annual upgrades of arcade machines on the pier.

In December 2018, £0.6 million of deferred consideration was paid to the previous shareholders of Lethington Leisure Limited for the acquisition of Paradise Island Adventure Golf; the balance of £0.3 million is due for re-payment on 30 June 2019.

During the period, the Group made net debt repayments of £1.2 million (2017: net draw down of £4.9 million).

Total bank debt at the end of the period was £15.5 million (2017: £16.2 million), made up of £2.3 million drawn on the revolving credit facility and £13.2 million of term debt.

The Group continues to comply with all its covenants.

On 23 November 2018, the Group's Chairman, Luke Johnson, fully exercised warrants issued on 30 July 2015 to subscribe to 1,622,274 Ordinary Shares of 25p each at a subscription price of 60p per Ordinary Share, resulting in cash proceeds of £1.0 million.

At the period end, cash and cash equivalents were £2.0 million (2017: £2.8 million).

Net debt at the period end stood at £13.5 million (2017: £13.4 million). The Directors continue to take a cautious approach to net debt levels for the Group.

Outlook

The Group is trading in line with the full year FY 2019 expectations that were rebased at the time of the trading update of 10 January 2019.

As expected, closures of the mainline railway from London to Brighton have continued into the second half of the current financial year, including a complete closure over the nine days of the February half term and further closures in March. The Group has been informed that these closures will continue into April and May (the start of the pier's peak trading period).

However, once the railway upgrades have been completed, the Group expects that the improved railway service, with fewer interruptions, will benefit businesses across Brighton and the trading performance of the pier. The Board remains confident that normalised train services to and from Brighton (expected to resume towards the middle of May) and trading from the refurbished Putney venue following its refit will underpin the Company's performance in the second half of the 2019 financial year and in the following financial year.

A new Golf site is due to open at Rushden Lakes in April 2019, bringing the total estate in the Golf division to seven locations. A further site is planned to open during the following financial year at Drake's Circus in Plymouth and work will start on this later in the second half.

After the period end, the Group disposed of its freehold interest in Derby. Proceeds of £0.8 million were received in February 2019.

Whilst the focus of the current year is to maximise opportunities in the Group's current businesses, the longer-term strategy of the Group continues to be the creation of a growth company that operates across a diverse portfolio of 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 businesses, thus enhancing its portfolio and ability to realise synergies by leveraging scale.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Unaudited 26 weeks to 30 December 2018 £'000	Unaudited 26 weeks to 24 December 2017 £'000	Audited 53 weeks to 1 July 2018 £'000
Revenue		16,534	16,003	31,682
Cost of sales		(2,728)	(2,829)	(5,424)
Gross profit		**13,806**	**13,174**	**26,258**
Operating expenses - excluding highlighted items		(11,829)	(10,690)	(22,656)
Operating expenses - highlighted items	5	(303)	(418)	(947)
Total operating expenses		**(12,132)**	**(11,108)**	**(23,603)**
Operating profit - before highlighted items		1,977	2,484	3,602
Highlighted items - operating expenses	5	(303)	(418)	(947)
Operating profit		**1,674**	**2,066**	**2,655**
Finance cost		(236)	(148)	(387)
Profit before tax and highlighted items		1,741	2,336	3,215
Highlighted items	5	(303)	(418)	(947)
Profit on ordinary activities before taxation		**1,438**	**1,918**	**2,268**
Taxation	6	(193)	(332)	(507)
Profit and total comprehensive income for the period		**1,245**	**1,586**	**1,761**
Earnings per share – basic	7	3.5p	4.9p	5.2p
Adjusted* earnings per share – basic	7	4.3p	6.2p	7.8p
Earnings per share – diluted	7	3.4p	4.8p	5.0p
Adjusted* earnings per share – diluted	7	4.3p	6.0p	7.6p

*adjusted basic and diluted earnings per share are calculated using the profit for the period adjusted for highlighted items (note 5).

No other comprehensive income was earned during the current or prior periods.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at 30 December 2018	*Unaudited As at 24 December 2017*	*Audited As at 1 July 2018*
	£'000	*£'000*	*£'000*
ASSETS			
Non-current assets			
Intangible assets	12,678	11,804	12,669
Property, plant & equipment	26,901	26,102	26,634
	39,579	37,906	39,303
Current assets			
Assets held for sale	293	293	293
Inventories	609	595	599
Trade and other receivables	1,803	1,700	1,791
Cash and cash equivalents	2,033	2,796	2,812
	4,738	5,384	5,495
TOTAL ASSETS	44,317	43,290	44,798
EQUITY			
Issued share capital	9,322	8,896	8,916
Share premium	16,457	15,798	15,890
Merger reserve	(1,575)	(1,575)	(1,575)
Other reserve	383	366	362
Retained deficit	(1,165)	(2,585)	(2,410)
Equity attributable to equity shareholders of the parent	23,422	20,900	21,183
TOTAL EQUITY	23,422	20,900	21,183
LIABILITIES			
Current liabilities			
Trade and other payables	4,273	5,083	5,732
Other financial liabilities	2,003	2,680	1,696
Income tax payable	817	858	840
Provisions	50	284	59
	7,143	8,905	8,327
Non-current liabilities			
Other financial liabilities	13,512	13,485	14,988
Deferred tax liability	240	-	300
	13,752	13,485	15,288
TOTAL LIABILITIES	20,895	22,390	23,615
TOTAL EQUITY AND LIABILITIES	44,317	43,290	44,798

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share premium	Merger reserve	Other reserves	Retained deficit	Total shareholders' equity
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
At 25 June 2017	7,941	13,229	(1,575)	321	(4,171)	15,745
Profit and total comprehensive income for the period	-	-	-	-	1,586	1,586
Transactions with owners:						
Issue of share capital	955	2,675	-	-	-	3,630
Share issue costs taken to equity	-	(106)	-	-	-	(106)
Share-based payments charge	-	-	-	45	-	45
At 24 December 2017	**8,896**	**15,798**	**(1,575)**	**366**	**(2,585)**	**20,900**

	Issued share capital	Share premium	Merger reserve	Other reserves	Retained deficit	Total shareholders' equity
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
At 2 July 2018	8,916	15,890	(1,575)	362	(2,410)	21,183
Profit and total comprehensive income for the period	-	-	-	-	1,245	1,245
Transactions with owners:						
Issue of share capital	406	567	-	-	-	973
Share-based payments charge	-	-	-	21	-	21
At 30 December 2018	**9,322**	**16,457**	**(1,575)**	**383**	**(1,165)**	**23,422**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 26 weeks to 30 December 2018 £'000	Unaudited 26 weeks to 24 December 2017 £'000	Audited 53 weeks to 1 July 2018 £'000
Operating activities			
Profit after tax	1,245	1,586	1,761
Taxation	193	332	507
Net finance costs	236	148	387
Amortisation of intangible assets	30	13	39
Depreciation of property, plant and equipment	907	668	1,432
Write-off of property plant and equipment at closed sites	-	56	178
Share-based payment expense	21	45	102
(Increase)/decrease in inventories	(10)	(48)	(47)
(Increase)/decrease in trade and other receivables	(12)	(566)	(221)
(Decrease) in trade and other payables	(1,070)	(361)	(817)
Decrease in provisions	(9)	(207)	(432)
Interest paid	(225)	(148)	(358)
Income tax paid	(277)	-	(65)
Net cash flow from operating activities	**1,029**	**1,518**	**2,466**
Investing activities			
Purchase of property, plant and equipment, and intangible assets	(1,028)	(1,762)	(3,336)
Acquisition of business net of cash acquired	-	(8,667)	(8,688)
Settlement of deferred consideration	(591)	-	-
Proceeds from disposal of property, plant and equipment	17	-	13
Net cash flows used in investing activities	**(1,602)**	**(10,429)**	**(12,011)**
Financing activities			
Proceeds from borrowings	1,300	6,058	6,800
Repayment of borrowings	(2,479)	(1,200)	(1,450)
Proceeds from issue of shares	973	2,894	3,051
Share issue costs recognised directly in equity	-	(106)	(106)
Capital element on finance lease rental payments	-	(12)	(11)
Net cash flows generated (used in)/from financing activities	**(206)**	**7,634**	**8,284**
Net decrease in cash and cash equivalents	**(779)**	**(1,277)**	**(1,261)**
Cash and cash equivalents at beginning of period	2,812	4,073	4,073
Cash and cash equivalents at period end date	**2,033**	**2,796**	**2,812**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Brighton Pier Group PLC owns and operates Brighton Palace Pier, one of the leading tourist attractions in the UK. The Group is also a leading operator of 12 premium bars, and the operator of 6 indoor adventure golf facilities trading in major towns and cities across the UK.

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

2. ACCOUNTING POLICIES

The financial information for the six months ended 30 December 2018 and 24 December 2017 does not constitute statutory accounts for the purposes of section 435 of the Companies Act 2006 and has not been audited. The Group's latest statutory financial statements were for the 53 weeks ended 1 July 2018 and these have been filed with the Registrar of Companies.

Information that has been extracted from the July 2018 accounts is from the audited accounts included in the annual report, published in November 2018, on which the auditor gave an unmodified opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. A copy of these accounts can be found on the Group's website, www.brightonpiergroup.com.

The interim condensed consolidated financial statements for the 26 weeks ended 30 December 2018 have been prepared in accordance with the AIM Rules issued by the London Stock Exchange. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 1 July 2018, which were prepared in accordance with IFRS as adopted by the European Union.

New accounting standards effective for the period ended 30 December 2018 and adopted by the Group are IFRS 9: Financial Instruments and IFRS 15: Revenue from Contracts with Customers. IFRS 9 replaces the existing classification and measurement requirements in IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 15 provides a single point of reference for revenue recognition, including guidance in relation to identification of the contract and licensing arrangements. The adoption of these new standards has had no impact on the financial statements of the Group.

All other accounting policies used in preparation of the financial information for the six months ended 30 December 2018 are the same accounting policies applied to the Group's financial statements for the 53 weeks ended 1 July 2018. These policies were disclosed in the 2018 Annual Report and are in accordance with IFRS as adopted by the European Union.

3. GOING CONCERN

After reviewing the Group's performance, future forecasted performance and cash flows, as well as its ability to draw down on its facilities and the covenant requirements of those facilities, and after considering the key risks and uncertainties set out on pages 12-13 of the 2018 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

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") comprising the Board of Directors. During the 26 week period ended 30 December 2018, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss. The acquisition of Lethington Leisure on 8 December 2017 created a new Golf division of the Group which was determined as being a separate reportable operating segment of the business.

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

26 week period ended 30 December 2018	Owned bars (26 weeks) £'000	Brighton Palace Pier (26 weeks) £'000	Golf (26 weeks) £'000	Total segments £'000	Overhead £'000	December 2018 consolidated total £'000
Revenue	6,627	7,854	2,053	16,534	-	16,534
Cost of sales	(1,427)	(1,281)	(20)	(2,728)	-	(2,728)
Gross profit	**5,200**	**6,573**	**2,033**	**13,806**	**-**	**13,806**
Gross profit %	78%	84%	99%	83.5%	-	83.5%
Administrative expenses (excluding depreciation and amortisation)	(4,459)	(4,737)	(1,363)	(10,559)	(333)	(10,892)
Highlighted items					(303)	(303)
Depreciation and amortisation					(937)	(937)
Net finance cost					(236)	(236)
Profit/(loss) before tax	**741**	**1,836**	**670**	**3,247**	**(1,809)**	**1,438**
Income tax					(193)	(193)
Profit/(loss) after tax	**741**	**1,836**	**670**	**3,247**	**(2,002)**	**1,245**
EBITDA (before highlighted items)	741	1,836	670	3,247	(312)	2,935
EBITDA (after highlighted items)	741	1,836	670	3,247	(616)	2,632

4. SEGMENTAL INFORMATION (continued)

26 week period ended 24 December 2017	Owned bars (26 weeks) £'000	Brighton Palace Pier (26 weeks) £'000	Golf (3 weeks) £'000	Total segments £'000	Overhead £'000	December 2017 consolidated total £'000
Revenue	7,984	7,807	212	16,003	-	16,003
Cost of sales	(1,675)	(1,153)	(1)	(2,829)	-	(2,829)
Gross profit	**6,309**	**6,654**	**211**	**13,174**	**-**	**13,174**
Gross profit %	79%	85%	100%	82.3%		82.3%
Administrative expenses (excluding depreciation and amortisation)	(5,091)	(4,293)	(171)	(9,555)	(454)	(10,009)
Highlighted items					(418)	(418)
Depreciation and amortisation					(681)	(681)
Net finance cost					(148)	(148)
Profit/(loss) before tax	**1,218**	**2,361**	**40**	**3,619**	**(1,701)**	**1,918**
Income tax	-	-	-	-	(332)	(332)
Profit/(loss) after tax	**1,218**	**2,361**	**40**	**3,619**	**(2,033)**	**1,586**
EBITDA (before highlighted items)	1,218	2,361	40	3,619	(409)	3,210
EBITDA (after highlighted items)	1,218	2,361	40	3,619	(827)	2,792

5. HIGHLIGHTED ITEMS

	26 weeks ended 30 December 2018 £'000	*26 weeks ended 24 December 2017 £'000*	*53 weeks ended 1 July 2018 £'000*
Acquisition, pre-opening and restructuring costs			
Acquisition costs	-	273	312
Site pre-opening costs	168	145	338
	168	**418**	**650**
Restructuring, closure and legal costs			
Other closure costs and legal costs	135	-	297
	135	**-**	**297**
Total	**303**	**418**	**947**

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

Site pre-opening costs incurred during the period ended 30 December 2018 relate to expenses incurred during the redevelopment of ‘Le Fez’ in Putney.

Other closure and legal costs incurred during the period ended 30 December 2018 arose due to the closure of the Reading Coalition site in June 2018.

6. TAXATION

The tax charge has been calculated by reference to the expected effective current and deferred tax rates for the full financial year to 1 July 2018 applied against the profit before tax for the period ended 30 December 2018. The full year effective tax charge on the underlying trading profit is estimated to be 19%.

7. EARNINGS PER SHARE

The weighted average number of shares in the period was:

	26 weeks to 30 December 2018	*26 weeks to 24 December 2017*	*53 weeks to 1 July 2018*
	Thousands of shares	Thousands of shares	Thousands of shares
Ordinary shares	**37,286**	35,583	35,664
Weighted average number of shares - basic	**35,996**	32,100	33,915
Dilutive effect on ordinary shares from share options	**292**	1,125	1,000
Weighted average number of shares - diluted	**36,288**	33,225	34,915

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.

On 23 November 2018, the Group's Chairman, Luke Johnson, fully exercised warrants issued on 30 July 2015 to subscribe to 1,622,274 Ordinary Shares of 25p each at a subscription price of 60p per Ordinary Share.

	26 weeks to 30 December 2018	*26 weeks to 24 December 2017*	*53 weeks to 1 July 2018*
Earnings per share from profit for the period			
Basic (pence)	3.5	4.9	5.2
Diluted (pence)	3.4	4.8	5.0
Adjusted earnings per share from profit for the period			
Basic (pence)	4.3	6.2	7.8
Diluted (pence)	4.3	6.0	7.6

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. RECONCILIATION TO EBITDA

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

	26 weeks to 30 December 2018	*26 weeks to 24 December 2017*	*53 weeks to 1 July 2018*
	£'000	*£'000*	*£'000*
Profit before tax for the year	1,438	1,918	2,268
Add back depreciation	907	668	1,432
Add back amortisation	30	13	39
Add back net interest paid	236	148	387
Add back share-based payment charge	21	45	102
Add back highlighted items	303	418	947
Group EBITDA before highlighted items	**2,935**	**3,210**	**5,175**
Remove highlighted items included in EBITDA*	(303)	(418)	(771)
Group EBITDA after highlighted items	**2,632**	**2,792**	**4,404**

***** Group EBITDA after highlighted items excludes those highlighted items that do not impact EBITDA. During the period ended 1 July 2018 the write-off of property, plant and equipment at closed and refurbished sites of £176,000 was therefore excluded.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. BUSINESS COMBINATIONS

On 8 December 2017 the Group acquired 100% of the issued share capital of Lethington Leisure Limited, an unlisted company based 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 8 December 2017
	£000s
Assets	
Property, plant and equipment	2,561
Inventory	5
Cash and cash equivalents	571
Trade and other receivables	436
Liabilities	
Trade and other payables	(999)
Income tax payable	(236)
Deferred tax liability	(300)
Total identifiable net assets at fair value	**2,038**
Goodwill	8,796
Purchase consideration transferred	**10,834**
Purchase consideration	
Amount settled in cash	9,259
Deferred cash consideration at fair value	945
Equity instruments (663,158 ordinary shares at 95p each)	630
Total purchase consideration	**10,834**
Consideration transferred settled in cash	9,259
Cash and cash equivalents acquired	(571)
Net cash outflow on acquisition	**8,688**

Acquisition-related costs amounting to £312,000 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of comprehensive income, as part of highlighted items (see Note 5).

As at 30 December 2018, £354,000 of the £945,000 deferred cash consideration remained payable. This is due to be settled in full on 30 June 2019.

10. SUBSEQUENT EVENTS

On 20 February 2019, the Group completed the sale of its freehold site in Derby. This site is included as an asset held for sale on the 30 December 2018 balance sheet.