29 March 2021

The Brighton Pier Group PLC

(the "Company" or the "Group")

Interim results for the 26 weeks ended 27 December 2020

The Brighton Pier Group PLC today announces its unaudited results for the 26-week period ended 27 December 2020.

Financial Highlights	**26 weeks ended 27 December 2020**	26 weeks ended 29 December 2019
	£m	£m
Revenue	**8.2**	17.3
Group EBITDA before highlighted items	**2.6**	4.2
Group EBITDA after highlighted items	**4.4**	4.1
Operating profit before highlighted items	**1.3**	2.5
Operating profit after highlighted items	**3.1**	2.4
Profit before taxation and highlighted items	**0.8**	2.0
Profit before taxation after highlighted items	**2.7**	1.8
Net debt at the end of the period	**12.5**	11.0
Basic earnings per share (with highlighted items added back)	**2.1**	4.1p
Basic earnings per share	**7.1**	3.9p
Diluted earnings per share (with highlighted items added back)	**2.1**	4.1p
Diluted earnings per share	**7.1**	3.9p

*Highlighted items are detailed in note 5 to the financial statements and relate to gains arising on the extinguishment of lease liabilities following site disposals (less costs) in the current period and site pre-opening costs in the prior period.

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

"We look forward to the reopening of all of our businesses, following what has been a traumatic time for the whole industry. We are encouraged by our performance during the relatively short times when we have been permitted to operate and have full confidence that the Group is well placed to take advantage of the opportunities that the anticipated staycation boom will present, along with the expected pent-up retail spend.

We are pleased to note that the combination of the strong summer trading in the Pier and Golf coupled with the receipt of interim business interruption payments have resulted in earnings before tax 44% ahead of the same period last year."

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

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Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

About The Brighton Pier Group PLC

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

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

Brighton Palace Pier offers a wide range of attractions including two arcades (with over 300 machines) and eighteen funfair rides, together with a variety of on-site hospitality and catering facilities. The attractions, product offering and layout of the pier are focused on creating a family-friendly atmosphere that aims to draw a wide demographic of visitors. The pier is free to enter, with revenue generated from the pay-as-you-go purchase of products from the fairground rides, arcades, hospitality facilities and retail catering kiosks. According to Visit Britain, it is the fifth most popular free attraction in the UK, with over 4.9 million visitors in 2019, making it the UK's most visited landmark outside of London.

The Group's Bars division comprises of nine sites trading under a variety of concepts including Embargo Republica, Lola Lo, Le Fez, Lowlander, and Coalition. This division predominantly targets a customer base of sophisticated students' midweek and stylish over-21s and professionals at the weekend. This division focuses on delivering added value to its customers through premium product ranges, high quality music and entertainment, as well as a commitment to exceptional service standards.

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

Business review

This business review covers the trading results for the 26 weeks ended 27 December 2020 (2019: 26 weeks ended 29 December 2019).

Overview

The results for the half year were dominated by challenges presented to the Group following the outbreak of the COVID-19 pandemic in early 2020.

This trading period began during the first national lockdown, with nearly all of the Group's businesses closed. In July 2020, the restrictions of the first lockdown were eased such that the Group was able to partially reopen certain of its businesses. The key challenge in terms of re-opening was to resume its usual business activities, having regard on the one hand for the newly-imposed government restrictions in order to provide a safe environment for all staff and customers, whilst on the other hand continuing to entertain visitors in a way that was as familiar and enjoyable as previously.

The Group was delighted when Brighton Palace Pier, six of the golf sites and two of the bars reopened on 4 July 2020, with the remaining two golf sites and soft play on the pier reopening on 24 August 2020. This allowed the Group to trade for most of the summer period when footfall on the pier is at its peak. This crucial earnings period for the Group benefited from the warm summer weather as well as additional support from the government's 'Eat Out to Help Out' scheme and a reduction in VAT.

Whilst most of the late night bars remained closed, trading for two open bars, the Pier and Golf divisions continued until the end of September. Trading for open sites exceeded the Group's expectations at the time of re-opening, with like-for-like sales at 81% of those during the same 13 weeks in 2019. Splitting this down by division, the pier traded at 83%, the Golf division at 87% and the Bars division at 65% compared to the same weeks in the prior year.

September brought positive news with the High Court judgment that the Group's 'Marsh resilience' insurance policies in the Bars and Golf divisions were capable of responding to COVID-19 business interruption claims. Furthermore, the Group's advisers have indicated that the Supreme Court ruling on 15 January 2021 does not change the fundamental principle that these policies can respond to claims, subject to appropriate discussion and agreement over the quantum of the arising losses and any applicable policy caps. At the end of the period, the Group had received from its insurers interim payments totalling £1.4 million in respect of these losses and these amounts have been recognised in the current period in other operating income. Whilst these payments do not satisfy the entirety of the Group's claims, they nevertheless support the Group's overall liquidity, which continues to be strong and have contributed to the half-year results. Further payments are expected as closures continue into the second half of the financial year. The Group's policies have a maximum indemnity period of 24 months and are capped at £5 million for any one claim, split equally between the Bars and Golf division.

By the end of September 2020, rising COVID-19 infections resulted in further restrictions, most notably a 10p.m. 'curfew', full table service only and mandatory mask wearing. This was then followed by the introduction of the regional 'Tier' system in October 2020, which resulted in the closure of both Scottish golf sites, together with sites in Manchester, Sheffield and Cheshire Oaks. The 10p.m. terminal hour ensured that the doors of all the Group's late night bars remained firmly shut, with only Lowlander in the Bars division still able to trade. The second national lockdown was then imposed on 5 November for four weeks, with a brief reopening before Christmas but without the much anticipated relaxation of restrictions during the Christmas period itself (this having been withdrawn at the last moment by the government).

The Bars division disposed of three marginal sites during the period: Smash in Wimbledon and PoNaNa in Bath were both disposed of, and a third lease for Fez in Cambridge expiring in late December 2020 was not renewed.

Half year results

Despite the challenges to trading, the Group is pleased to report *profit after highlighted items and before tax* up 44% at £2.7 million (2019: £1.8 million), benefiting from the income from business interruption insurance, summer trading (especially at the pier and golf sites), government support by way of furlough, grants, rates and VAT reductions, as well as the one-off extinguishment of lease liabilities from the disposal of three bar sites.

Group profit before tax and highlighted items was down 59% at £0.8 million (2019: £2 million). This excludes the £1.9 million of one-off gains arising from disposal of the bar sites. The year-on-year reduction reflects the impact of COVID-19 closures across all divisions, mitigated by additional income described above

Total Group revenue for the period was down 53% at £8.2 million (2019: £17.3 million).

Revenue for the Pier division was at 73% of the prior period at £5.8 million (2019: £7.9 million), trading especially well given the impact of closures, loss of overseas tourists and only 19 weeks when all the pier's attractions were able to be open. Gross margin and spend per head were both up, which went some way to mitigate the impact of COVID-19. With like-for-like sales for the 13-week period to the end of the summer at 81%, the Group is confident that the pier's trading will return strongly when trading resumes once again this coming summer.

Revenue for the Bars division was at 11% of the prior period at £0.7 million (2019: £6.6 million). With nearly all the Bars estate closed throughout the period, these sales came from the two food-led operations. Lowlander in Covent Garden was impacted by the closure of theatres and non-essential retail, together with the loss of foreign tourists and many office staff working from home. However, launches of a take-away offer and a 'Supper Club' were well received at Lowlander and both initiatives will return once re-opening is possible in the second half. July 2020 saw the launch of the new 'La Plage' restaurant on the beach terrace of Coalition in Brighton, which proved to be a great success throughout the summer, and this too will be opening again as soon as possible in the second half.

Revenue for the Golf division was at 59% of the prior period at £1.7 million (2019: £2.8 million) despite only five clear weeks when all its sites were open. Different opening rules in Scotland, together with Tier rules in the Midlands and North West, all resulted in many sites being closed. Sales were boosted by the new site at Plymouth Drake's Circus, which opened for the first time at the end of October 2019 in the prior year. With like-for-likes sales on open sites for the 13-week period to the end of the summer at 87% of the same period last year, the Group is confident the golf sites will also re-open strongly when able to do so.

Group gross margin for the period increased by 230 basis points to 86.7% (2019: 84.4%) reflecting the high-margin nature of the growing Golf division, as well as focus on the pier to improve margin during the summer trading as a mitigation against reduced volume, all of which was offset by the continued closure of the better margin, wet-led late night bars.

Highlighted items totalling £1.9 million of gains (2019: £0.1 million of expenses) were recognised during the period. These gains arise on the extinguishment of lease liabilities following disposal of three sites in the Bars division: PoNa Na in Bath, Fez in Cambridge and Smash in Wimbledon. The disposal of these marginal sites will, in the long run, reduce overhead costs and improve the profitability of the Bars division.

In summary, for the 26 weeks ended 27 December 2020 (compared to the equivalent 26-week period ended 29 December 2019):

• Revenue:	£8.2 million	(2019: £17.3 million)
• Group EBITDA before highlighted items:	£2.6 million	(2019: £4.2 million)
• Group EBITDA after highlighted items:	£4.4 million	(2019: £4.1 million)
• Operating profit before highlighted items:	£1.3 million	(2019: £2.5 million)
• Operating profit after highlighted items:	£3.1 million	(2019: £2.4 million)
• Profit before tax and highlighted items:	£0.8 million	(2019: £2.0 million)
• Profit before tax and after highlighted items:	£2.7 million	(2019: £1.8 million)
• Net debt at the end of the period:	£12.5 million	(2019: £11.0 million)
• Basic earnings per share (with highlighted items added back):	2.1p	(2019: 4.1p)
• Basic earnings per share:	7.1p	(2019: 3.9p)
• Diluted earnings per share (with highlighted items added back):	2.1p	(2019: 4.1p)
• Diluted earnings per share:	7.1p	(2019: 3.9p)

Principal developments during the period

The Group's key performance indicators are focused on the continued expansion of the Group to drive revenues, EBITDA and earnings growth. The impact of closures from COVID-19 were mitigated by summer trading in the Pier and Golf divisions, as well as interim business interruption insurance payments received during the period amounting to £0.5 million in the Bars division and £0.9 million in the Golf division.

Group EBITDA after highlighted items is up 8% at £4.4 million (2019: £4.1 million).

Basic earnings per share after highlighted items is up 3.2p at 7.1p (2019: 3.2p)

- ***Pier division*** – EBITDA for the 26 weeks is down £1.0 million versus the prior period at £0.8 million (2019: £1.8 million), benefiting from summer trading, the 'Eat Out to Help Out' scheme and VAT reductions.
- ***Bars division*** **–** Bars EBITDA for the 26 weeks is down £0.8 million versus the prior period at £0.5 million (2019: £1.3 million), with most of the Bars estate unable to trade, offset by the receipt during this period of £0.5 million of interim business interruption insurance payments.
- ***Golf division*** **–** EBITDA for the 26 weeks is up £0.2 million versus the prior period at £1.6 million (2019: £1.4 million), benefiting from summer trading and the receipt during this period of £0.9 million of interim business interruption insurance payments.

Group operating profit before highlighted items was £1.3 million (2019: £2.5 million) and Group operating profit for the period after highlighted items was £3.1 million (2019: £2.4 million).

Results for the half year show that the Group continued to be cash-generative with an increase of £1.6 million (2019: a reduction of £0.5 million) during the period in cash and cash equivalents.

On 14 August 2020, with the majority of the late night bars still closed, the Group completed a process to serve notice on all but essential staff in the Bars division, with most of these redundancies completed by the end of September 2020. The Group was forced to take this action because, at that time, the Government had yet to commit to extending the Coronavirus Job Retention Scheme beyond its original end date of 31 October.

Cash flow and balance sheet

Net cash flow generated from operations and available for investment (after interest and tax payments) was £2 million (2019: £3.5 million).

In order to conserve cash during the period, there has been minimal capital expenditure across the Group (2019: £1.3 million).

During the period, the Group made net debt repayments of £0.1 million (2019: £1.6 million).

Total bank debt at the end of the period was £16.7 million (2019: £13.2 million), comprising of a £11.8 million term loan and two Coronavirus Business Interruption Loans totalling £4.9 million.

At the period end, cash and cash equivalents were £4.2 million (2019: £2.2 million).

Net debt at the period end stood at £12.5 million (2019: £11.0 million). The Directors continue to take a cautious approach to net debt levels for the Group.

During the period, the net debt of the business has reduced by £1.7million from £14.1 million as at 28 June 2020 to £12.4 million as at 27 December 2020.

The Group currently has an undrawn RCF facility of £1.75 million, giving cash availability to the Group of £6 million as at the period end.

Outlook

Short to medium term strategy

The closure of all the Group's businesses on Boxing Day will impact the full year to the end of June 2021 and potentially into the first half of the next financial year whilst the Bars division returns to normal.

In the short to medium term, the key aim for the business is to focus on reopening as soon as the Group is able, in accordance with the recently announced roadmap, and to return all three divisions to pre-COVID-19 levels of trade. Planning for this is already well advanced.

Whilst there may be some significant opportunities over the summer, with customers who have accumulated savings during the lockdown periods also expected to take 'staycations' rather than travel internationally, such opportunities may be tempered by the pace of reopening if infections start to surge.

Pier division

The Group now expects the outside areas of the pier to reopen for trade on 12 April 2021. The pier's large outside spaces make it possible to provide plenty of space for tables serviced from the restaurant, bars and take-away venues.

Bars division

'Coalition' in Brighton is expected to reopen on 12 April 2021 for take-away, with the external 'La Plage' outside beach terrace restarting from 17 May 2021.

'Lowlander' in Covent Garden will reopen its doors from 17 May 2021 .

Finally, the remainder of the late night bars are expected to reopen on 21 June 2021, some 15 months after they closed for the first lockdown.

New government support for the hospitality and leisure sector, outlined in the March 2021 budget, will provide much-needed financial assistance to help the reopening process, with reductions in VAT, extended rates relief and extended furlough combining with the existing grants system and new restart grants.

Golf division

The Golf sites are all expected to reopen from 17 May 2021 (it is expected the Scottish sites will also reopen around this time but formal confirmation is still pending). The online booking system introduced last year will continue to assist us with queue management and customer data collection.

Longer term: new acquisitions and developments

The longer-term strategy of the Group continues to be to capitalise on its skills to create a growth company operating 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 leisure and entertainment destinations (many of which have been significantly impacted by the pandemic) that could enhance the Group's portfolio, realising synergies by leveraging scale. It is the Board's longer-term strategy to position the Group as a consolidator within this sector.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	*Unaudited* **26 weeks ended 27 December 2020** **£'000**	*Unaudited* **26 weeks ended 29 December 2019** **£'000**	*Audited* **52 weeks ended 28 June 2020** *£'000*
Revenue		8,199	17,331	22,621
Cost of sales		(1,092)	(2,713)	(3,329)
Gross profit		**7,107**	**14,618**	**19,292**
Operating expenses - excluding highlighted items		(7,244)	(12,127)	(20,329)
Highlighted items	*5*	1,856	(110)	(8,117)
Total operating expenses		**(5,388)**	**(12,237)**	(28,446)
Other operating income	*6*	1,400	-	-
Operating profit/(loss) - before highlighted items		1,263	2,491	(1,037)
Highlighted items	*5*	1,856	(110)	(8,117)
Operating profit/(loss)		**3,119**	**2,381**	**(9,154)**
Finance income		16	-	18
Finance cost		(479)	(535)	(1,071)
Profit/(loss) before tax and highlighted items		**800**	**1,956**	**(2,090)**
Highlighted items	*5*	1,856	(110)	(8,117)
Profit/(loss) on ordinary activities before taxation		**2,656**	**1,846**	**(10,207)**
Taxation on ordinary activities	*7*	-	(389)	714
Profit/(loss) for the period		**2,656**	**1,457**	**(9,493)**
Earnings/(loss) per share – Basic*	*8*	7.1	3.9	(25.5)
Adjusted earnings/(loss) per share – Basic**	*8*	2.1	4.1	(5.3)
Earnings/(loss) per share - Diluted	*8*	7.1	3.9	(25.5)
Adjusted earnings/(loss) per share - Diluted	*8*	2.1	4.1	(5.3)

* 2020 basic weighted average number of shares in issue was 37.29m (Dec 2019: 37.29m)

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

No other comprehensive income was earned during the period (2019: £nil).

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	As at 27 December 2020 £'000	*As at 29 December 2019 £'000*	*As at 28 June 2020 £'000*
Non current assets			
Intangible assets	9,428	12,665	9,467
Property, plant & equipment	25,161	27,753	25,763
Right-of-use assets	16,682	21,402	17,283
Net investment in finance leases	698	-	689
Other receivables due in more than one year	276	367	367
	52,245	**62,187**	**53,569**
Current assets			
Inventories	520	648	562
Trade and other receivables	1,587	793	1,926
Cash and cash equivalents	4,246	2,212	2,649
	6,353	**3,653**	**5,137**
TOTAL ASSETS	**58,598**	**65,840**	**58,706**
EQUITY			
Issued share capital	9,322	9,322	9,322
Share Premium	15,993	15,993	15,993
Merger reserve	(1,111)	(1,111)	(1,111)
Other reserve	452	428	452
Retained (deficit)/earnings	(7,004)	1,290	(9,660)
Equity attributable to equity shareholders of the parent	**17,652**	**25,922**	**14,996**
TOTAL EQUITY	**17,652**	**25,922**	**14,996**
LIABILITIES			
Current liabilities			
Trade and other payables	3,716	3,734	3,945
Other financial liabilities - current	2,214	2,823	-
Lease liabilities - current	2,105	1,632	2,250
Income tax payable	-	712	35
Provisions	-	9	-
	8,035	**8,910**	**6,230**
Non-Current liabilities			
Other financial liabilities - non-current	14,490	10,342	16,797
Lease liabilities - non-current	18,421	20,240	20,683
Deferred tax liability	-	426	-
	32,911	**31,008**	**37,480**
TOTAL LIABILITIES	**40,946**	**39,918**	**43,710**
TOTAL EQUITY AND LIABILITIES	**58,598**	**65,840**	**58,706**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Share Premium	Other reserves	Merger reserve	Retained (deficit)/earnings	Total shareholders' equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 29 June 2020	9,322	15,993	452	(1,111)	(9,660)	14,996
Profit for the period	-	-	-	-	2,656	2,656
As at 27 December 2020	9,322	15,993	-	(1,111)	(7,004)	17,652

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 26 weeks to 27 December 2020 £'000	Unaudited 26 weeks to 29 December 2019 £'000	Audited 52 weeks to 28 June 2020 £'000
Operating activities			
Profit/(loss) before tax	2,656	1,846	(10,207)
Net finance costs	463	535	1,053
Amortisation of intangible assets	39	67	84
Impairment of goodwill	-	-	3,209
Depreciation of property, plant and equipment	625	710	1,528
Impairment of property, plant and equipment	-	-	1,408
Depreciation of right-of-use assets	625	901	1,860
Impairment of right-of-use assets	-	-	3,463
Gain on recognition of sub-leased property	-	-	(40)
Gain on extinguishment of lease liabilities	(1,896)	-	-
Gain on waiver of lease liabilities	(565)		
(Profit)/loss on disposal of property, plant and equipment and assets held for sale	(1)	-	10
Share-based payment expense	-	21	45
Decrease in provisions and deferred tax	-	(70)	(54)
Decrease/(increase) in inventories	42	(24)	62
Decrease/(increase) in trade and other receivables	447	277	(819)
(Decrease) in trade and other payables	(253)	(309)	58
Interest paid on borrowings	(150)	(134)	(398)
Interest paid on lease liabilities	(28)	(331)	(673)
Interest received	7	-	1
Income tax paid	(52)	(29)	(28)
Net cash flow from operating activities	**1,959**	**3,460**	**562**
Investing activities			
Purchase of property, plant and equipment, and intangible assets	(36)	(1,312)	(1,585)
Interest received on finance lease receivables	-	-	18
Capital element received on finance leases	-	-	50
Settlement of deferred consideration	-	(354)	(354)
Proceeds from disposal of property, plant and equipment	11	-	-
Net cash flows used in investing activities	**(25)**	**(1,666)**	**(1,871)**
Financing activities			
Proceeds from borrowings	-	1,400	6,750
Repayment of borrowings	(85)	(3,035)	(4,785)
Principal paid on lease liabilities	(252)	(672)	(732)
Net cash flows generated used in financing activities	**(337)**	**(2,307)**	**1,233**
Net decrease in cash and cash equivalents	**1,597**	**(513)**	**(76)**
Cash and cash equivalents at beginning of period	2,649	2,725	2,725
Cash and cash equivalents at period end date	**4,246**	**2,212**	**2,649**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Brighton Pier Group PLC owns and operates Brighton Palace Pier, one of the leading tourist attractions in the UK. The Group is also a leading operator of 9 premium bars, and the operator of 8 indoor adventure golf facilities trading in major towns and cities across the UK.

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

2. ACCOUNTING POLICIES

The financial information for the six months ended 27 December 2020 and 29 December 2019 does not constitute statutory accounts for the purposes of section 435 of the Companies Act 2006 and has not been audited. The Group's latest statutory financial statements were for the 52 weeks ended 28 June 2020 and these have been filed with the Registrar of Companies.

Information that has been extracted from the June 2020 accounts is from the audited accounts included in the annual report, published in November 2020, 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 27 December 2020 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 28 June 2020, which were prepared in accordance with IFRS as adopted by the European Union.

The accounting policies used in preparation of the financial information for the six months ended 27 December 2020 are the same accounting policies applied to the Group's financial statements for the 52 weeks ended 28 June 2020. These policies were disclosed in the 2020 Annual Report and are in accordance with IFRS as adopted by the European Union.

3. GOING CONCERN

Whilst the COVID-19 restrictions and closures impacted the Group's operations in the 26 week period ended 27 December 2020, the cash impact of these restrictions have been mitigated by positive trading during the summer months in the Golf and Pier divisions and from business interruption payments totalling £1.4 million.

Further closures during the second half of FY2021 have already taken place. Based on The Prime Minister's 'roadmap' for reopening, announced on 22 February 2021 , these closures are expected to continue until 12 April 2021 after which staged relaxations of restrictions predict some return to normality by the middle of June 2021. After this date, a very large proportion of the UK population will have been vaccinated and most restrictions are planned to be lifted. These restrictions will therefore impact trading in the second half of FY2021 and will impact the Group's remaining late night bars until they have fully reopened, which is expected to happen during the first half of FY2022. Further business interruption insurance payments are expected to offset some of these impacts.

Despite the closures, the Group generated positive earnings before interest, tax, depreciation and amortisation ("EBITDA") for the 26-week period ended December 2020, improving earnings on the same period last year. The Group has benefited from interim business interruption insurance payments and one-off gains arising from the extinguishment of lease liabilities on sites disposed during the period. The cash available to fund the Group increased by £1.6 million during the period.

The Group's experience from lockdown last summer suggests that trade in the Pier and Golf divisions may pick up quickly as they reopen. Reopening of these divisions is expected to take place in April and May 2021 respectively. The Directors consider that this busy trading period, albeit below normal levels, together with existing cash reserves currently held by the business of £4.2 million, the availability of the currently undrawn Revolving Credit Facility of £1.75 million and further business interruption insurance payments will adequately meet the Group's cash requirements for the next 12 months.

The Directors and management of the business have reviewed the Group's detailed forecast cash flows for the forthcoming twelve months from the date of publishing this announcement. The Directors believe the Group will have sufficient cash resources available to meet its liabilities as they fall due. These cash flow forecasts and reforecasts are prepared regularly as part of the business planning process. These have been analysed in the light of the closures since Christmas, subjected to stress testing, scenario modelling and sensitivity analysis, which the Directors consider sufficiently robust.

As part of this assessment, the Directors performed a "stress test" in order to model a scenario to identify the adequacy of the Group's cash resources as a whole to fund all of the various parts of the Group for the next twelve months. This scenario modelled the Pier and Golf divisions reopening in May 2021 and most of Bars division not re-opening until August 2021 (with the exception of the two food-led businesses, Lowlander in Covent Garden and Coalition in Brighton, which are modelled to reopen earlier). This scenario included other critical assumptions specifically in relation to the Group including:

That the Pier and Golf divisions;

- remain closed to the end of April 2021, missing out on the Easter trading period,
- gradually reopen in May 2021, trading at 85% of normal sales to the end of June 2021 and then returning to pre-COVID levels from July 2021 onwards and remaining fully open thereafter,
- keep most staff on furlough until the end of April 2021 during the period of lockdown except for security and essential maintenance, with continuing support from the Coronavirus Job Retention Scheme,
- receive further business interruption insurance payments in the Golf division, and
- benefit from no other mitigations to further reduce direct operational costs or other fixed overheads once reopened.

That the Bars division;

- late night bars remain closed to the end of July 2021, reopening in August 2021 at 40% of pre-COVID sales which gradually return to pre-COVID levels over the following five months to the end of December 2021,
- Lowlander reopens in May 2021, trading at 50% through the summer and thereafter gradually returning to pre-COVID sales levels by December 2021,
- Coalition reopens in April 2021 – trading the terrace and providing takeaway at 50% of pre-COVID sales in April, 50% in May, 60% in June, then 80% through July to September before dropping back to 60% for the post-summer season and trading in line with the remaining estate thereafter,
- retains only essential management who remain on furlough to the end of July 2021, with continuing support from the Coronavirus Job Retention Scheme,
- receives further business interruption insurance payments, and
- benefits from no further mitigations to further reduce direct operational costs or other fixed overheads once reopened.

Recent announcements in the budget on the extended rates relief holiday for hospitality and leisure, continuing VAT reductions to 5% on food and admission income to the end of September 2021, increasing to 12.5% until the end of March 2022, together with restart grants will further improve the Group’s position over the coming months.

This stress test shows that the Group as a whole has adequate resources to continue to trade, despite these extended closures. Furthermore, until the December 2021 quarter, the Group’s bank has waived all existing covenant tests, and introduced a new monthly minimum liquidity test that is triggered when the Group’s cash resources fall below £1.75 million. Even under the stress test scenario, the Group’s forecast shows significant headroom on the liquidity test throughout the forecast period to the end of June 2022 and full compliance with all covenants that are currently scheduled to restart from December 2021 onwards.

These tests, prepared at the time of two new CBIL’s in September 2020, assume that all the Group’s trading operations will have been open for the prior twelve months. However, if closures in the Bars division were to extend beyond the stress test assumptions into September 2021 or if stages in the roadmap are extended resulting in delays to the re-opening of the Pier or the Golf, then given the sensitivity of these covenant tests, it is possible that a breach could occur in December 2021 if the tests were applied with no modifications. Even with extended closure of the Bars or delays in the re-opening roadmap to the end of July 2021, the liquidity test would not be breached.

Nevertheless, the Directors believe that given the low levels of leverage, the asset-backed nature of the debt and the level of cash that is forecast to be available at the end of summer 2021, renegotiated covenant levels could be agreed with the bank to take into account the loss of cash flow during the forced extended closures.

Whilst stress testing the business is important given the unprecedented nature of the events surrounding COVID-19, the Directors expect the Group to continue to meet its day-to-day working capital requirements from the cash flows generated by its trading activities, loan facilities with its bank as well as cash resources available to it throughout the three divisions should they be required. Accordingly, these financial statements have been prepared on the going concern basis.

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 27 December 2020, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

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

26 week period ended 27 December 2020	Bars	Brighton Pier	Golf	Total segments	Overhead	December 2020 consolidated total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	728	5,811	1,660	8,199	-	8,199
Cost of sales	(229)	(852)	(11)	(1,092)	-	(1,092)
Gross profit	**499**	**4,959**	**1,649**	**7,107**	**-**	**7,107**
Gross profit %	68%	85%	99%	87%	-	87%
Operating expenses (excluding depreciation and amortisation)	(526)	(4,141)	(904)	(5,571)	(383)	(5,954)
Other income	500	-	900	1,400	-	1,400
Highlighted items					1,856	1,856
Depreciation and amortisation (excluding right-of-use assets)					(664)	(664)
Depreciation of right of use assets					(625)	(625)
Net finance cost (excluding interest on lease liabilities)					(135)	(135)
Net finance cost arising on lease liabilities					(329)	(329)
Profit/(loss) before tax	**473**	**818**	**1,645**	**2,936**	**(280)**	**2,656**
Income tax	-	-	-	-	-	-
Profit/(loss) after tax	**473**	**818**	**1,645**	**2,936**	**(280)**	**2,655**
EBITDA (before highlighted items)	473	818	1,645	2,936	(383)	2,553
EBITDA (after highlighted items)	473	818	1,645	2,936	1,473	4,409

4. SEGMENTAL INFORMATION (continued)

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

5. HIGHLIGHTED ITEMS

	26 weeks ended 27 December 2020	*26 weeks ended 29 December 2019*	*52 weeks ended 28 June 2020*
	£'000	*£'000*	*£'000*
Acquisition and pre-opening costs			
Site pre-opening costs	-	110	37
Impairment, closure and legal costs			
Impairment of goodwill	-	-	3,209
Impairment of property, plant and equipment	-	-	1,408
Impairment of right-of-use assets	-	-	3,463
Gains arising on extinguishment of lease liabilities following disposal of site (note 9)	(1,896)	-	-
Other disposal costs	40	-	-
Total	**(1,856)**	**110**	**8,117**

5. **HIGHLIGHTED ITEMS** Continued

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

For the period ended 27 December 2020, gains of £1,896,000 arising on extinguishment of lease liabilities relate to the disposal of sites in the Bars division at Wimbledon, Bath and Cambridge. The right-of-use assets relating to these sites were impaired to £nil during the period ended 28 June 2020 and are included in highlighted items for that period. Other disposal costs of £40,000 relate to the site in Bath.

6. OTHER INCOME

The High Court Judgement on 15 September 2020 found that the Group's 'Marsh resilience' insurance policies in the Bars and Golf divisions were capable of responding to COVID-19 business interruption claims. Furthermore, the Group's advisers have indicated that the Supreme Court ruling on 15 January 2021 does not change the fundamental principle that these policies can respond to claims, subject to appropriate discussion and agreement over the quantum of the arising losses and any applicable policy caps.

As at the end of the period the Group has received from its insurers initial interim payments totalling £1.4 million in respect of these losses. Whilst these payments do not satisfy the entirety of the Group's claims, they nevertheless support the Group's overall liquidity. Further payments are expected as closures continue into the second half, however the timing and amounts of these remain uncertain.

The Group's policies have a maximum indemnity period of 24 months and are capped at £5 million split equally between the Bars and Golf division for any one claim.

Since the period end (March 2021) the Group has received a second tranche of payments on account from its insurers of £1.55 million in relation to its COVID-19 business interruption claims in the Group's Bars and Golf divisions.

During the period the Group received income of £1.0 million from the Government furlough scheme. This has been offset against staff costs within Operating Expenses in the Statement of Comprehensive Income.

7. TAXATION

The tax charge has been calculated by reference to the expected effective current and deferred tax rates for the 52 week period to the 27 June 2021 applied against the profit before tax for the period ended 27 December 2020. The full year effective tax charge on the underlying trading profit is estimated to be £nil (2019: £0.4 million)

8. EARNINGS PER SHARE

The weighted average number of shares in the period was:

	26 weeks to 27 December 2020	*26 weeks to 29 December 2019*	*52 weeks to 28 June 2020*
	Thousands of shares	Thousands of shares	Thousands of shares
Ordinary shares	**37,286**	37,286	37,286
Weighted average number of shares - basic	**37,286**	37,286	37,286
Dilutive effect on ordinary shares from share options	**-**	-	-
Weighted average number of shares - diluted	**37,286**	37,286	37,286

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.

8. EARNINGS PER SHARE continued

	26 weeks to 27 December 2020	*26 weeks to 29 December 2019*	*52 weeks to 28 June 2020*
Earnings per share from profit for the period			
Basic (pence)	7.1	3.9	(25.5)
Diluted (pence)	7.1	3.9	(25.5)
Adjusted earnings per share from profit for the period			
Basic (pence)	2.1	4.1	(5.3)
Diluted (pence)	2.1	4.1	(5.3)

9. LEASE LIABILITIES

The onset of the COVID-19 pandemic prompted the IASB to issue a practical expedient to provide relief for lessees from lease modification accounting for rent concessions related to COVID-19. The practical expedient allows entities to recognise the value of any agreed rent concessions in the Statement of Comprehensive Income rather than adjusting the underlying right-of-use asset and lease liability. The Group has recognised total credits of £152,000 within operating expenses in the Statement of Comprehensive Income for the period ended 27 December 2020.

The practical expedient can only be used for rent concessions covering the period to 30 June 2021. In some instances, the Group has agreed temporary lease variations that extend beyond this date. These variations amount, in substance, to forgiveness of rent payable without materially changing the present value of total cash outflows over the life of the lease. In such circumstances, the Group de-recognises the appropriate portion of its total liability in accordance with the provisions of IFRS 9: Financial Instruments. The value of these extended waivers is recognised in the Statement of Comprehensive Income. The Group has recognised total credits of £413,000 within operating expenses in the Statement of Comprehensive Income during the period ended 27 December 2020.

Lease liabilities of £1,896,000 were extinguished during the period as a result of the disposal of sites in Bath, Cambridge and Wimbledon.

10. RECONCILIATION TO EBITDA

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

EBITDA Reconciliation	***26 weeks to 27 December 2020***	*26 weeks to 29 December 2019*	*52 weeks to 28 June 2020*
Profit before tax for the year	2,656	1,846	(10,207)
Add back depreciation (property plant and equipment)	625	710	1,528
Add back depreciation (right-of-use-assets)	625	901	1,860
Add back amortisation	39	67	84
Add back finance costs of lease liabilities	329	331	-
Add back other finance costs	135	204	1,071
Add back share based payment charge	-	21	45
Add back highlighted items	(1,856)	110	8,117
Group EBITDA before highlighted items	**2,553**	**4,190**	**2,498**
Remove highlighted items	1,856	(110)	(8,117)
Add back impairments of:			
Goodwill	-	-	3,209
Property, plant and equipment	-	-	1,408
Right-of-use assets	-	-	3,463
Group EBITDA after highlighted items	**4,409**	**4,080**	**2,461**

11. EVENTS AFTER THE REPORTING PERIOD

In March 2021, the Group received a second tranche of payments on account from its insurers of £1.55 million in relation to its COVID-19 business interruption claims. These receipts also relate to claims made in the Group's Bars and Golf divisions.