

2023

THE  
**BRIGHTON PIER**  
GROUP PLC



**Annual Report  
and Accounts**

For the 12 month period ended 24 December 2023



## Directors, officers and advisers

<b>Directors</b>	<b>Luke Johnson</b> <b>Anne Ackord</b> <b>John Smith</b> <b>Paul Viner</b>	<b>Non-Executive Chairman</b> <b>Chief Executive Officer</b> <b>Chief Financial Officer</b> <b>Non-Executive Director</b>
<b>Company Secretary</b>	<b>John Smith</b>	
<b>Registered Office</b>	<b>36 Drury Lane</b> <b>London</b> <b>WC2B 5RR</b>	
<b>Financial Adviser, Nominated Adviser and Broker</b>	<b>Cavendish Capital Markets Limited</b> One Bartholomew Close London EC1A 7BL	
<b>Auditor</b>	<b>BDO LLP</b> 55 Baker Street London W1U 7EU	
<b>Lawyers to the Group</b>	<b>Browne Jacobson LLP</b> 6 Bevis Marks London EC3A 7BA	
<b>Bankers</b>	<b>Barclays Bank</b> 1 Churchill Place London E14 5HP	
<b>Registrars</b>	<b>EQ Limited</b> Aspect House Spencer Road Lancing West Sussex BN99 6DA	

# Table of contents

---

## Brighton Pier Group PLC

---

### Strategic Report

- 02 Chairman's statement
- 04 Our business model
- 06 Chief Executive Officer's report
- 10 Divisional review
- 14 Financial review
- 18 Principal risks and uncertainties
- 21 Section 172 statement
- 24 ESG statement

---

### Governance

- 31 The Board
- 32 Corporate governance statement
- 42 Audit Committee report
- 44 Remuneration and Nominations Committee report
- 46 Risk and ESG Committee report
- 47 Directors' report
- 50 Independent auditor's report to the members of  
The Brighton Pier Group PLC

---

### Financial Statements

- 60 Consolidated statement of comprehensive income
- 61 Consolidated balance sheet
- 62 Consolidated statement of cash flows
- 63 Consolidated statement of changes in equity
- 64 Notes to the consolidated financial statements

---

### Parent Company Accounts

- 102 Parent Company balance sheet
  - 103 Parent Company statement of changes in equity
  - 104 Notes to the Parent Company financial statements
-



This report covers the 12 months ended 24 December 2023, with comparisons to 2022 financial performance being for the 18 months ended 25 December 2022, following the change to the Company's accounting reference date on 20 June 2022. Throughout this document, references to like-for-like trading compare the 12 months ended 24 December 2023 with the 12 months ended 25 December 2022. In future periods, comparison of the Group's performance will be on a 12 month basis.

Group revenue for the 12 month period was at £34.8 million (2022: 18 month period at £58.9 million), EBITDA for the 12 month period was £4.2 million (2022: 18 month period at £13.9 million) and losses per share, excluding highlighted items for the 12 months were (1.7) pence (2022: 18 month period earnings per share of 16.4 pence).

Inflationary pressures persisted throughout the trading period, restricting the disposable incomes of the Group's target markets and affecting footfall and revenue across the majority of the estate. These pressures have also led to significant cost increases, which, despite best efforts, could not be fully recovered from our customers. The most significant cost increases were related to food & beverage, wages and insurance. Despite these challenges, all four divisions have remained resilient and continue to generate positive EBITDA.

The general fragility in the consumer discretionary market was exacerbated further by exceptionally poor weather across the key summer trading months, and the disruption caused by unpredictable weather patterns continues to be a challenge for us all.

In addition, rolling train strikes and a fire at the Royal Albion Hotel (which restricted access to the Pier during peak season) combined to reduce footfall onto the Pier by 18% during the key summer months. In spite of this, the Pier held like-for-like sales to just 3% lower versus 2022, a positive reflection of the enduring appeal of this historic attraction. As these strikes continue into 2024, I am surely not alone in urging a swift resolution to the disputes between union members and the respective rail operators.

Despite the shift in customer preferences away from larger shopping centres, trading in the Golf division has remained robust. Like-for-like sales are broadly in line with 2022 (1% down), and the combination of competitive pricing and wide demographic appeal should ensure that this division continues to hold up well in the future.

I was also pleased to see like-for-like sales at Lightwater Valley up by 7% on comparable months in 2022, as the Group experimented with a more dynamic pricing structure to target its customer base more effectively. Overall trading remained challenging during 2023, and the impairment charges recognised during the period reflect a more cautious outlook going forward. A number of operational efficiencies were implemented during the Park's closure in the winter months of 2023 and early trading during 2024 has been promising.

The Bars division has been the most significantly disrupted by economic and social pressures experienced during 2023, with weak trading across the majority of the eight sites. In late 2023, the Group took the decision to dispose of three sites, all of which were loss-making. The disposal of these three sites is expected to deliver a more consistent trading result for the remainder of the division. The impairment charges recognised during the period reflect the write-down of property, plant and equipment and right-of-use assets associated with these three sites. It should be noted that in the next reporting period, these charges will be broadly offset by a corresponding non-cash gain from the reversal of the lease liabilities for these sites, improving earnings in 2024. The disposal of the three sites is expected to deliver a more consistent trading result for the remainder of the division, although the outlook remains one of caution in the late-night sector.

On 20 December 2023, the Group completed the second stage refinancing of its borrowing facilities, replacing its £10.9 million term loan and £1.0 million revolving credit facility with a larger £5.0 million revolving credit facility and a reduced term loan of £6.9 million. These new facilities provide the Group with additional operational flexibility and will provide the opportunity to reduce its interest costs going forward. The new facilities expire on 31 December 2027. The Group also made a final repayment on its Coronavirus Business Interruption Loans during 2023, with £5.0 million of loans received having now been repaid in full. As at 24 December 2023, the Group had total cash and cash equivalents of £4.0 million (2022: £4.2 million).

Trading has been subdued for the first 18 weeks of 2024 at 5% below the comparable period in 2023, as household disposable incomes remain under pressure. Unhelpful weather conditions have also persisted in the early months of the year. However, there is scope over the summer to recover this position, especially when coupled with the savings from the disposed bars, the proposed introduction of a £1 admission charge for the Pier for all non-residents of Brighton and the encouraging early trading from Lightwater Valley in 2024. We therefore believe that we will be able to manage the challenges of this current market, with the Group in a stronger position than at the start of 2022. However, we need the economic headwinds from high inflation and interest rates to abate, in order to move from a conservative to a more positive outlook for the Group.

The Board does not propose to pay any dividend in respect of the 2023 reporting period (2022: nil).

**Luke Johnson**

**Non-Executive Chairman**

7 May 2024



## Our business model

### The Brighton Pier Group PLC (the 'Group') owns and trades Brighton Palace Pier, as well as five premium bars nationwide, eight indoor mini-golf sites and the Lightwater Valley Family Adventure Park in North Yorkshire.

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

Brighton Palace Pier welcomes over four million visitors per year and offers a wide range of attractions including two arcades (with over 300 machines) and nineteen 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. Revenue is generated from the pay-as-you-go purchase of products from the fairground rides, arcades, hospitality facilities and retail catering kiosks.

The Golf division (which trades as 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 sites are located in various towns and cities across the UK, each one offering two unique 18 hole mini-golf courses.

The bars trade as Embargo República, Lola Lo, Le Fez and Lowlander. The Bars division targets a customer base of students midweek and over-21s at the weekend. The Bars focus on delivering added value to customers through premium product ranges, high quality music and

entertainment, as well as a commitment to exceptional service standards. The sites are based in London, Bristol and Reading, providing a vibrant night-time economy and the demographics to support premium bars.

Lightwater Valley Attractions Limited owns and operates the Lightwater Valley Family Adventure Park, a leading North Yorkshire attraction, which is focused on family days out and set in 175 acres of landscaped parkland. The Park offers a variety of attractions including rides, amusements, crazy golf, entertainment shows and children's outdoor and indoor play, alongside numerous food, drink and retail outlets. Popular seasonal events such as at Halloween (Frightwater Valley) are also organised by the Park.

The strategy of the Group is to leverage the capabilities of the four existing divisions, creating 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 throughout the whole estate, together with the active pursuit of future potential strategic acquisitions of entertainment destinations, thus enhancing the Group's portfolio and realising synergies by leveraging scale. It is the Board's longer-term strategy to position the Company as a consolidator within this sector.

#### Lola Lo



#### Lightwater Valley



#### Paradise Island







## Chief Executive Officer's report

---

This business review covers the trading results for the 12 months ended 24 December 2023 (2022: 18 months ended 25 December 2022), following the change to the Company's accounting reference date on 20 June 2022.



## Full-year results for the 12 months to 24 December 2023

Unless otherwise stated, comparisons to 2022 financial performance below are for the 18 months ended 25 December 2022.

**Revenue** for the period was £34.8 million (2022: £58.9 million). This primarily reflects the shorter period of account. On a like-for-like basis (comparing with the 12 months ending 25 December 2022), Group revenue was down 4%, primarily due to softer trading in the Bars division, but also as a result of weekend train strikes, poor weather and the hotel fire impacting footfall to the Pier over the key summer months.

### Revenue split by division:

#### Pier division

2023	£15.6m
2022	£25.3m

#### Golf division

2023	£6.2m
2022	£10.0m

#### Bars division

2023	£8.4m
2022	£15.5m

#### Lightwater Valley

2023	£4.6m
2022	£8.1m

On a divisional basis and comparing with the like-for-like period in 2022:

- Brighton Palace Pier like-for-like sales were down 3% on 2022;
- Golf division like-for-like sales were down 1% on 2022;
- Lightwater Valley like-for-like sales were up 7% on 2022; and
- Bars division like-for-like sales were down 12% on 2022.

**Group gross margin** for the period was 86% (2022: 87%), with inflationary pressures primarily in relation to food & beverage continuing to affect the Group.



# Chief Executive Officer's report

Continued

**Group adjusted EBITDA** (see Notes 3 and 28) for the period was £4.3 million (2022: £13.8 million).

Adjusted EBITDA split by division:

## Pier division

<b>2023</b>	<b>£1.7m</b>
2022	£4.7m

## Golf division

<b>2023</b>	<b>£2.8m</b>
2022	£5.5m

## Bars division

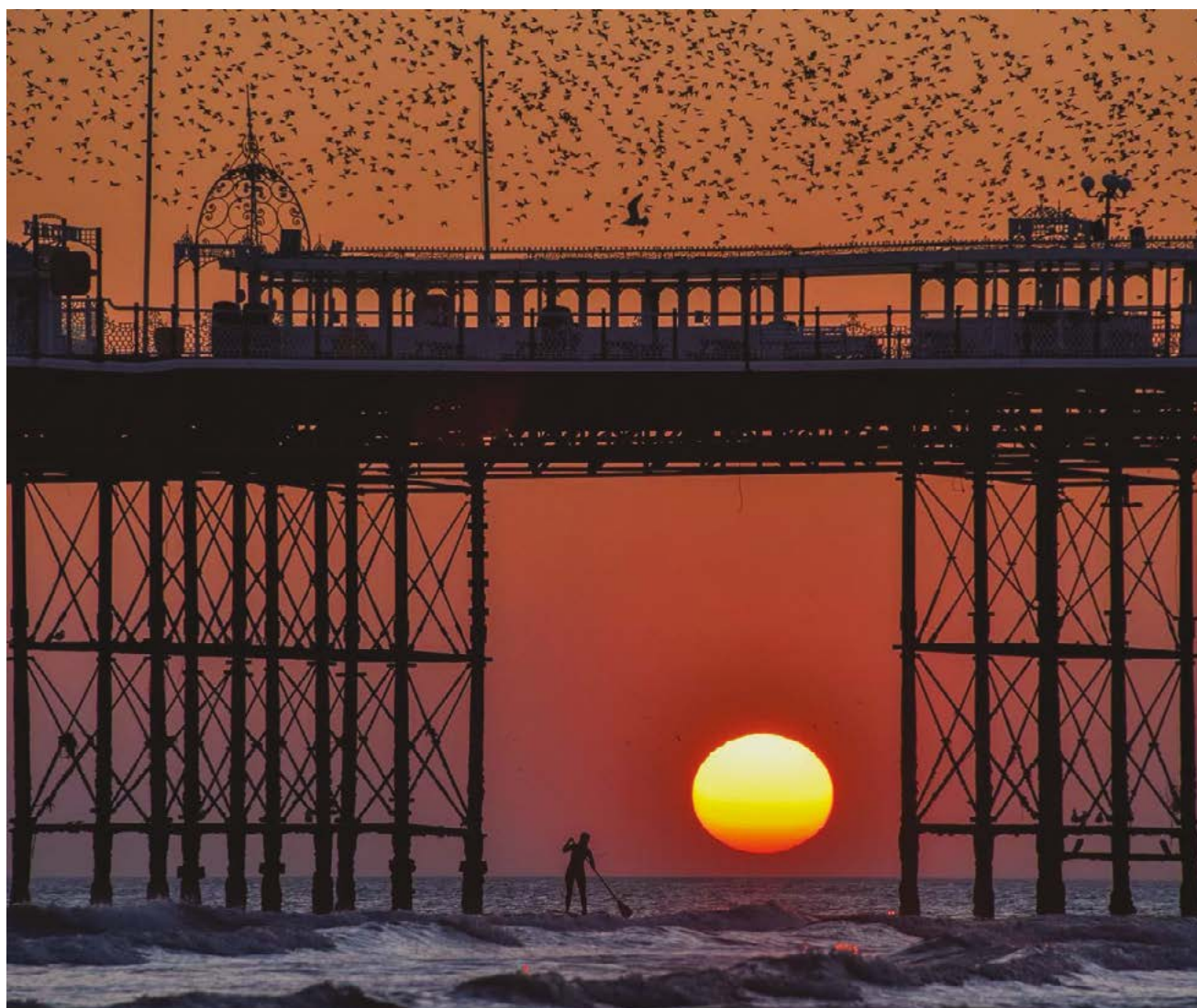
<b>2023</b>	<b>£0.7m</b>
2022	£3.5m

## Lightwater Valley

<b>2023</b>	<b>£0.4m</b>
2022	1.9m

## Group overhead

<b>2023</b>	<b>£(1.3)m</b>
2022	£(1.8)m





**Group EBITDA** (see Notes 3 and 28) for the period was £4.2 million (2022: £13.9 million).

**Highlighted items** consist of non-cash charges of £8.2 million (2022: £0.5 million of net gains) which were recognised during the period - see Note 4 for further details. These arose from:

- £(3.0) million – impairment charges to right-of-use assets;
- £(3.0) million – impairment charges to assets held for sale;
- £(1.3) million – impairment charges to goodwill;
- £(1.0) million – impairment charges to property, plant and equipment; and
- £0.1 million – release of provision in relation to an ongoing legal claim.

**Net finance costs** (see Note 6) of £1.7 million (2022: £1.8 million), made up of:

- £0.8 million (2022: £0.7 million) – Interest on borrowings;
- £0.7 million (2022: £1.1 million) – Interest on leases; and
- £0.2 million (2022: £nil) – Loan fee amortisation.

**Operating loss** was £(7.1) million (2022: £9.4 million profit).

**Loss before tax (excluding highlighted items)** was £(0.6) million (2022: £7.2 million profit). See Notes 4 and 12 for further details.

**Loss before tax** was £(8.8) million (2022: £7.6 million profit), primarily due to £(8.3) million of impairment charges recognised within highlighted items in the current period. See Notes 4 and 12 for further details.

**Taxation on ordinary activities** totalling credits of £(1.3) million (2022: tax charges of £1.3 million) - see Note 7 for further details.

**Loss after tax** was £(7.5) million (2022: £6.4 million profit).

**Basic losses per share (excluding highlighted items)** were (1.7) pence (2022: 16.4 pence earnings per share) – see Note 8 for further details.

**Basic losses per share** were (20.2) pence (2022: 17.1 pence earnings per share) – see Note 8 for further details.







### Pier division

- **Revenue** – for the 12 month period was £15.6 million (2022: 18 month period at £25.3 million)
- **Like-for-like sales** – down 3% on the 12 month period ending 25 December 2022
- **Gross margin** – down 2% at 83% (2022: 85%), from a combination of sales mix (with lower footfall impacting the high margin rides business) and significant inflationary pressures (in particular in relation to food & beverage operations).
- **EBITDA** – for the 12 month period was £1.7 million (2022: 18 month period at £4.7 million)

The trading performance of the Pier was negatively impacted by exceptionally poor weather during the key summer months, with periods of high winds and sustained heavy rain. This was further worsened by significant disruption caused by both ongoing train strikes and a major fire at the hotel opposite the Pier's entrance in July 2023. These factors combined negatively impacted the number of visitors to the Pier, with summer footfall down 18% on the equivalent like-for-like period in 2022, although like-for-like sales were down only 3% for the full year.

Despite disappointing weather over the summer months the Pier continues to diversify its offering. The Easter promotional activity and themed events for the King Charles III Coronation weekend brought high footfall to the Pier. The fifth annual 'PierFest' - a music, theatre and film festival hosted entirely on the Pier - was the best attended yet, assisted by an unusually warm September 2023. We have made significant inroads in building our local residents database and, mainly through word-of-mouth recommendations, have increased our events and functions business which we believe will continue to grow. We are actively focusing on additional opportunities in this field over the coming months.

The Pier added a 'Rockin' Tug' children's ride to the fairground to complement its existing offering. The Rides continue to provide a unique offering to visitors and, when weather conditions permit, they significantly bolster the trading performance for the division as a whole.

Shareholders will be aware that each year we undertake a substructure survey which forms the basis for the annual maintenance plan by grading all the steelwork supporting the deck. This is also complemented every five to six years by a dive survey, which inspects the structure of the Pier below the water line. The dive survey was last completed during 2023 and we can report that no additional maintenance requirements in excess of those normally budgeted have arisen from either survey. The next dive survey is scheduled to take place in 2028.

### Golf division

- **Revenue** – for the 12 month period at £6.2 million (2022: 18 month period at £10.0 million)
- **Like-for-like sales** – down 1% on the 12 month period ending 25 December 2022
- **Gross margin** – down 1% at 98% (2022: 99%)
- **EBITDA** – for the 12 month period at £2.8 million (2022: 18 month period at £5.5 million)

The Golf division delivered another robust performance during 2023, with sales broadly in line with 2022 on a like-for-like basis. As in all of the Group's divisions, inflationary increases have applied pressure to operating margins, with increased food offerings in the Plymouth site being the main driver behind the 1% reduction in gross margin to 98% (2022: 99%).

### Bars division

- **Revenue** – for the 12 month period at £8.4 million (2022: 18 month period at £15.5 million)
- **Like-for-like sales** – down 12% on the 12 month period ending 25 December 2022
- **Gross margin** – in line with last year at 82% (2022: 82%)
- **EBITDA** – for the 12 month period at £0.6 million (2022: 18 month period at £3.5 million)

Trading conditions in the Bars division continue to be challenging, with the contraction in disposable consumer income having a severe impact on the younger target demographic, particularly in the late-night-focused sites. The 12% decline versus 2022 on a like-for-like basis was driven in part by a challenging comparative, with early 2022 still experiencing exceptional post-pandemic demand.

Lowlander Grand Café experienced stronger trading, particularly in the second half of the year, with the venue's unique offering of Belgian craft beers and a regularly evolving brasserie menu driving a 9% like-for-like sales increase. Trading is continuing well in the early months of 2024.

In December 2023, the Group took the decision to dispose of three loss-making sites: Manchester, Cambridge and Brighton, with a view to delivering a more consistent and profitable trading result for the remainder of the division.

# Divisional review

Continued

## Lightwater Valley

- **Revenue** – for the 12 month period at £4.6 million (2022: 18 month period at £8.1 million)
- **Like-for-like sales** – up 7% on the 12 month period ending 25 December 2022
- **Gross margin** – down 1% at 86% (2022: 87%)
- **EBITDA** – for the 12 month period at £0.4 million (2022: 18 month period at £1.9 million)

Whilst trading was impacted by wet weather during July and August 2023, the Park’s peak trading period, it was nevertheless encouraging to see sales, EBITDA and visitor numbers ahead of 2022 on a like-for-like basis. We have introduced a number of improvements to the catering operation during the Park’s winter closure, with the intention of driving additional spend per head in the summer of 2024. This has been coupled with a comprehensive review of staff allocations during peak times, which is expected to lead to more efficient rota planning.

The Park continued to host themed calendar events, with special seasonal offerings at Easter and Halloween being well-received by customers. This year saw the introduction of a number of dinosaur-themed attractions, with Rex the Valleysaurus joining Ebor the Dragon as the second Park mascot. Lightwater Valley also broke a record for weekend visitors during the Coronation of King Charles III in May 2023 with over 6,000 visitors on one day.

The development of 20 pod-type units for rental has continued during the year, with planning variations approved in the second half of the year.

## Coronation Cocktail Horatio’s Bar



## Paradise Island



## Embargo República













Unless otherwise stated, comparisons to 2022 financial performance are for the 18 months ended 25 December 2022.

### Cash flow

Cash flow generated from operations (after interest and tax payments) available for investment was £1.8 million (2022: £10.7 million). This decrease was principally driven by the lower profit before tax in the current period.

### Property, plant and equipment and software

The Group invested £0.8 million in capital expenditure during the period (2022: £1.3 million):

- £0.4 million was spent on the Pier division, £0.3 million of which related to various IT infrastructure upgrades, with the balance relating to minor expenditure;
- £0.2 million was spent in the Bars division on ERP software upgrades alongside other minor refurbishments across the trading sites;
- £0.1 million was spent at Lightwater Valley in relation to ride upgrades and the lodges development plan;
- £0.03 million was spent in the Golf division on minor course improvements across the estate; and
- £0.1 million was spent on Group IT infrastructure.

### Current bank debt and cash

On 20 December 2023, the Group completed the second stage refinancing of its borrowing facilities, replacing its £10.9 million term loan and £1.0 million revolving credit facility with a larger £5.0 million revolving credit facility and a reduced term loan of £6.9 million. These new facilities will provide the Group with additional operational flexibility and reduce its interest costs going forwards. The new facilities expire on 31 December 2027.

At the period end the Group had total bank debt of £11.4 million (2022: £11.3 million net of loan amortisation fees), and net debt (total bank debt less cash and cash equivalents) of £7.4 million (2022: £7.1 million), broken down as follows:

- An outstanding principal term facility of £6.9 million (2022: £10.9 million):
  - £3.9 million debt repayment was made in the period (2022: £0.9 million), using the new £5.0 million RCF facility available to the Group
  - £0.7 million is due within the next twelve months to the end of December 2024

- RCF facility drawdowns of £4.5 million (2022: £nil):
  - Current facility is £5.0 million (2022: £1.0 million)
  - Facility was initially drawn down at £4.5 million to facilitate repayment of the term loan.
- CBILS 2 facility of £nil (2022: £0.5 million):
  - Final repayment of £0.5 million made at the end of March 2023.
- Cash balances of £4.0 million (2022: £4.2 million).

During the 12 month period, the Group made net drawdowns of £0.1 million (2022: net repayments of £9.1 million), made up of:

- £4.5 million drawdown of the RCF (2022: £3.6 million repayment);
- £(3.9) million repayment of the principal term facility (2022: £0.9 million repayment);
- £(0.5) million repayment of the CBILS 2 facility (2022: £2.7 million repayment); and
- £nil repayment of the CBILS 1 facility (2022: £1.8 million repayment).

### Key performance indicators ('KPIs')

The Group's KPIs remain focused on the continued growth of the Group to drive revenues, EBITDA (see Note 28) and earnings growth.

The like-for-like period is defined as the 12 month period ending 25 December 2022. Total Group revenue for the period was £34.8 million (2022: £58.9 million), down 4% on the like-for-like period in 2022 (2022: £36.1 million).

#### Revenue split by division:

##### Pier division

2023	£15.6m
2022	£25.3m

##### Golf division

2023	£6.2m
2022	£10.0m

# Financial review

Continued

## Bars division

<b>2023</b>	<b>£8.4m</b>
2022	£15.5m

## Lightwater Valley

<b>2023</b>	<b>£4.6m</b>
2022	£8.1m

On a divisional basis and comparing with the like-for-like period in 2022:

- Brighton Palace Pier like-for-like sales were down 3% on 2022;
- Golf division like-for-like sales were down 1% on 2022;
- Lightwater Valley like-for-like sales were up 7% on 2022; and
- Bars division like-for-like sales were down 12% on 2022.

## EBITDA split by division:

### Pier division

<b>2023</b>	<b>£1.7m</b>
2022	£4.7m

### Golf division

<b>2023</b>	<b>£2.8m</b>
2022	£5.5m

### Bars division

<b>2023</b>	<b>£0.6m</b>
2022	£3.5m

### Lightwater Valley

<b>2023</b>	<b>£0.4m</b>
2022	£1.9m

### Group overhead

<b>2023</b>	<b>£(1.3)m</b>
2022	£(1.7)m

Group loss on ordinary activities before taxation, excluding highlighted items, was at £(0.6) million (2022: £7.2 million profit).

Group loss on ordinary activities after taxation was at £(7.5) million (2022: £6.4 million profit).

## Significant events that have taken place since the year end

In December 2023, the Group took the decision to dispose of three loss-making sites in the Bars division: Manchester, Cambridge and Brighton. The assets relating to these sites were fully impaired during the 12 month period ended 24 December 2023, resulting in total charges recognised within highlighted items of £4.9 million (see Note 12 for details). The associated lease liabilities, which will be derecognised upon the completion of the disposal of the sites, were recognised as held for sale as at 24 December 2023. The resulting gains are expected to be approximately £4.6 million, broadly offsetting the impairment charges recognised during the 12 months ending 24 December 2023 and improving expected earnings for 2024. As of the date of this report, the disposal of Cambridge and Brighton has been completed.

On 22 April 2024, the Group signed an amendment to its loan facility. This amendment altered the quarterly covenants that the Group tests on a quarterly basis. The other principal terms of the loan facility were unchanged from that agreed on 20 December 2023.

## Strategy of the Group, current trading and outlook for the coming period

### Short-to-medium term strategy and outlook

Whilst the rate of inflation has eased over the previous year, high interest rates and living costs continue to weigh on consumer discretionary spend. Coupled with disappointing weather in the early months of 2024, footfall was affected across the Group's trading estate.

Despite these challenges, all four divisions have remained resilient and continue to generate positive EBITDA.

Furthermore, the Group continues to execute a number of actions that will impact positively on earnings for the current year.



In the Bars division, the disposal of three loss-making sites at the beginning of the year (namely Brighton, Cambridge and Manchester), together with savings in overhead, will improve the profitability of the division going forward.

On the Pier, the Group intends to charge for admission during peak trading periods in the summer. This fee, which will not apply to local residents, will allow us to continue to invest in the structure of the Pier and additionally to contribute to its ever-increasing operating costs. Brighton Palace Pier is an iconic landmark in Brighton which attracts tourists from all over the world and these visitors also contribute significant revenue to the city as a whole.

Lightwater Valley has undergone a number of improvements over the closed winter period, and early trading in 2024 has been promising. Planning variations have recently been approved for a mixed-use development for lodges, pods and camping areas in the grounds of the Park. The Group looks forward to realising this exciting additional revenue stream in the years ahead.

Finally, the Golf division continues to trade well and we believe there is further potential to expand this division with new sites when suitable opportunities arise.

#### **Current trading**

Current Group like-for-like sales for the first 18 weeks of 2024 were down £(0.5) million or 5% below the equivalent period in 2023.

The notable highlight so far has been Lightwater Valley, which at total sales of £0.8 million is £0.3m ahead of last year. The division benefited from the sunny weather across the Easter holiday period.

The Bars division continues to experience challenging trading conditions, with total sales of £1.8m, down £(0.2) million against 2023.

The Golf division has benefited from the poor weather with sales for the 18 week period in line with last year at £2.4 million.

By contrast, the Pier was hampered by poor weather in the early months of 2024, with Brighton experiencing record levels of rainfall in February. Total sales of £3.4m were £(0.6) million lower than the equivalent weeks in 2023.

Whilst trading was slightly below the prior year equivalent in the first 18 weeks of 2024, there remain opportunities from the busy summer trading period ahead. Furthermore, when coupled with savings from the disposed bars, admission charging on the Pier and encouraging early sales in Lightwater Valley, we believe the shortfall from the first 18 weeks can be recovered.

#### **Longer term developments**

The Group will continue exploring further opportunities for organic revenue growth that, combined with ongoing optimisation of operations across all four divisions, will yield a resilient trading performance. There are early signs that macroeconomic headwinds are easing and, while the Group remains cautious in the immediate term, it is also keen to identify further growth opportunities as conditions improve.

# Principal risks and uncertainties

Key risks	Risk description	Mitigating actions during the period
<p><b>Business and resulting financial risk:</b></p> <p>Failure to acquire and / or develop new acquisitions and sites, or exit marginal / loss-making sites</p> <p><b>Change to risk level:</b></p> <p>→</p>	<p>The Group's ability to acquire new businesses, to operate these businesses on a profitable basis and to integrate these operations into the Group is a major part of the future success of the Group.</p> <p>Failure to acquire or develop new businesses would financially impact the future earnings growth of the Group.</p>	<ul style="list-style-type: none"> <li>● The Board of Directors meet at least ten times a year to review the trading performance of all of the Group sites at both a revenue, EBITDA and earnings level, with remedial action plans introduced as required;</li> <li>● The Group has continued to grow its conference / private hire offering on the Pier with some success;</li> <li>● The Group intends to introduce a £1 admission charge for the Pier for all non-Brighton residents during the summer;</li> <li>● The Group disposed of three marginal / loss-making sites in the Bars division during the current period;</li> <li>● Targeted price increases in the Golf division were successfully introduced during the period, resulting in stable operating margins; and</li> <li>● Development of circa 20 pod-style units at Lightwater Valley continues to progress, with planning variations approved during the current period.</li> </ul>
<p><b>Business and resulting financial risk:</b></p> <p>Increased competition and changing consumer habits</p> <p><b>Change to risk level:</b></p> <p>→</p>	<p>The experiential leisure and entertainment market in the UK is vibrant, exciting and continuously changing.</p> <p>There is no certainty that the Group will continue to achieve the market penetration it seeks.</p> <p>There is no certainty that the Group will be able to respond to changes in consumer habits.</p> <p>Failure to respond to changing market conditions and consumer habits could impact the future earnings of the Group.</p>	<ul style="list-style-type: none"> <li>● The Board of Directors meet regularly to discuss the ongoing strategy of the Group, concerning both development of existing sites and approval of acquisitions, enabling significant strategic changes to be controlled;</li> <li>● The Group constantly monitors consumer feedback through online reviews, surveys and focus groups, enabling it to respond to changes in behaviour over time. The use of <a href="http://www.reputation.com">www.reputation.com</a> across the Group enables us to monitor and measure social media across many channels. It is good to note that all our venues score ahead of their industry average;</li> <li>● Ongoing staff training is undertaken to ensure a positive consumer experience at the point of sale across all operations; and</li> <li>● The Group regularly seeks to improve the variety and quality of products sold, particularly in relation to food and beverage offerings.</li> </ul>
<p><b>Business and resulting financial risk:</b></p> <p>Failure to recruit the best management for our businesses</p> <p>Impact on the Group at a national level from staff shortages</p> <p>Impact on the Group of cost inflationary pressures</p> <p><b>Change to risk level:</b></p> <p>→</p>	<p>The market for the best people is fiercely competitive.</p> <p>High levels of inflation have continued into 2023, leading to significant wage, energy and other direct input cost pressures. Mitigating these cost increases is challenging.</p>	<ul style="list-style-type: none"> <li>● The Group continues to focus on its training programmes across all its businesses, covering management development, stock administration, marketing and health &amp; safety training;</li> <li>● The Group offers competitive remuneration, which also includes profit sharing and share option schemes for staff;</li> <li>● The Group works to mitigate increased statutory employment costs by efficient management of rotas and staffing levels across all areas of the business; and</li> <li>● The Group performs succession planning to ensure that transition of key roles occurs effectively.</li> </ul>



Key risks	Risk description	Mitigating actions during the period
<p><b>Regulatory risk:</b></p> <p>Failure to comply with the complex regulatory frameworks in place in the UK</p> <p><b>Change to risk level:</b></p> <p>→</p>	<p>The Group's operations are subject to laws and regulations that affect their operations, including those in relation to employment, minimum wages, premises and personal licenses, maintenance of the pleasure rides, gambling licenses, alcoholic drinks control, entertainment licences, competition, health &amp; safety, sanitation and data protection.</p>	<p>The focus over the year continues to be the regular and ad-hoc visits across all of our businesses, as follows:</p> <ul style="list-style-type: none"> <li>• regular control visits, together with follow-ups to ensure training and compliance at a local level;</li> <li>• annual health &amp; safety checks from outside agencies to ensure each venue we trade complies with current regulations; and</li> <li>• regular audits and training on fire and safety for all our staff, as well as an online reporting system to gather important information daily that relates to incidents or regulatory visits.</li> </ul> <p>The Group's focus on operational 'rituals and routines' helps to protect the business in this highly regulated marketplace.</p>
<p><b>IT risk:</b></p> <p>Threat of cyber attack</p> <p>Loss of system and website availability</p> <p><b>Change to risk level:</b></p> <p>→</p>	<p>The threat of cyber-attack is ever present in the UK.</p> <p>Such an event could have a significant impact on the Group's systems and websites.</p>	<p>The Group has extensive preventative measures and controls in place to reduce this risk. These include:</p> <ul style="list-style-type: none"> <li>• a robust disaster recovery plan with servers located in third-party off-site data centres. This includes regular back-up routines for the security of all our data, which is hosted by third party hosting specialists;</li> <li>• fully outsourced IT management;</li> <li>• extensive planned improvements as a continuing activity to ensure all of the Group's hardware and operating systems are fully supported with regular operating updates as required;</li> <li>• implementation of multi-factor authentication across all the Group's central servers and email accounts;</li> <li>• a comprehensive upgrade of the Group's IT infrastructure, to ensure it is capable of safeguarding for current and potential future cyber security threats. The Group's Microsoft 365 Secure Score at the end of May 2023 was 85%, up from 47%. The average for organisations of a similar size is 45%; and</li> </ul> <p>With the ever-increasing prevalence of cyber attacks, the Group's insurance renewal in 2024 will include quotes for cyber insurance cover.</p>
<p><b>Climate risk:</b></p> <p>Risk of damage to Group sites from climate-change induced weather events</p> <p>Impact of more extreme weather conditions on consumer behaviour</p> <p>Changing legislative requirements</p> <p><b>Change to risk level:</b></p> <p>New risk</p>	<p>The Group's trading performance is closely tied to weather conditions, particularly at the outdoor-focused sites (Brighton Palace Pier and Lightwater Valley). There is a risk that more extreme weather conditions could reduce footfall to these sites.</p> <p>There is a reputational and financial risk to the Group from potential climate-related changes to legislative policy.</p>	<p>During the current period, the Group has:</p> <ul style="list-style-type: none"> <li>• reported in line with the UK Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 for the first time;</li> <li>• set a number of climate-related targets in relation to the ongoing development of its ESG strategy (see ESG statement on pages 26 to 29 for further details);</li> <li>• continued to explore emission-savings opportunities throughout the operation of the Group's four operating divisions; and</li> <li>• brought forward its Net Zero target from 2050 to 2040, aligning with the UK Hospitality roadmap.</li> </ul>

# Principal risks and uncertainties

Continued

Key risks	Risk description	Mitigating actions during the period
<p><b>Specific risks relating to the operations of Brighton Marine Palace &amp; Pier Company:</b></p> <p>The Group's financial performance is dependent on a number of specific risks relating to the Pier</p> <p><b>Change to risk level:</b> →</p>	<p>The risk of:</p> <ul style="list-style-type: none"> <li>● catastrophic events (including those caused by climate change); and</li> <li>● structural integrity of the Pier.</li> </ul>	<p>The Group invests significantly each year to ensure that the structural integrity of the Pier is maintained to a high standard. A full survey of the substructure is performed annually and every five to six years there is a further survey using divers to inspect the areas below the water line.</p> <p>The Group holds comprehensive Insurance policies, including property, money and business interruption insurance for all four trading divisions.</p> <p>The dive survey was completed during 2023, alongside the annual survey of the Pier substructure. The 2023 surveys did not uncover any issues beyond normal levels of annual maintenance being required.</p> <p>The Pier has high-pressured pumps and deluge systems installed to mitigate risk of fire, as well as improved electric and water supplies.</p> <p>Cathodic protection has been applied to the 60 steel piles under the main rides area of the Pier as an anti-corrosion measure. This added protection significantly enhance the life span of each pile.</p>
<p><b>Specific risk related to business disruption caused by 'black swan' events</b></p> <p><b>Change to risk level:</b> →</p>	<p>Business disruptions may occur where the Group is unable to open to the public or to trade at full capacity, for example the recent COVID-19 pandemic.</p> <p>This could come in the form of reduced customer demand, disruption caused by closures and the wider impact to the economy as a whole.</p> <p>There is a risk that the extended closure or significant reduction in trade could result in the Group no longer being able to trade as a going concern.</p>	<p>The Group has a number of measures to mitigate the effect of this risk to the greatest possible extent, including but not limited to:</p> <ul style="list-style-type: none"> <li>● strong cost control measures and minimising capital expenditure to protect cash flow;</li> <li>● regular Board review of latest developments, including risk assessment and preventative measures;</li> <li>● bolstering the Group's liquidity position; and</li> <li>● monitoring the impact on business operations, such as the Group's supply chain, credit risk events and business interruptions, implementing prompt interventions when necessary.</li> </ul> <p>The Directors are confident that the measures introduced will mitigate the impact of a catastrophic event to the greatest extent possible.</p>



## Section 172 statement

Under Section 172(1) of the Companies Act 2006, a Director of a Company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequence of any decision in the long-term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

### Key Stakeholders

The Board considers its key stakeholders to be its employees, customers, suppliers, the community and environment in which it operates and its shareholders.

Stakeholder Group	Why we engage	Decisions we make with stakeholders in mind
<b>Employees</b>	<p>The Group's long-term future and success depends on the commitment of our people to the purpose and vision of the Company.</p> <p>The Group is committed to engaging with our staff at every level of the business, to ensure that we are nurturing an environment within which each employee can grow, succeed and prosper.</p> <p>Our workforce is our advantage, helping us meet the growing demands of the competitive sector within which we trade.</p> <p>We believe it is of critical importance to have an inclusive employment policy that does not discriminate. Diversity reflects the customers we work with every day.</p>	<p>The Directors recognise that a highly motivated and skilled workforce is critical for the success of the business in achieving its strategic ambitions.</p> <p>Management from each of the Group's four divisions regularly hold strategic meetings. These meetings are held across the Group estate, which enable collaboration and sharing of best practice, and continue to reinforce the strategic vision of the Group:</p> <p><i>The aim of our diverse businesses is to entertain our customers.</i></p> <p><i>Supported by our values of passion, integrity, knowledge, and inclusivity, our vision is to work together to build a thriving, growing business where our customers leave with wonderful memories that last a lifetime.</i></p> <p>Management use these meetings as an opportunity for communications and to gather feedback from the wider workforce.</p> <p>The Directors recognise that a highly motivated and skilled workforce is critical for the success of the business in achieving its strategic ambitions. Pay benefits and other support provisions are kept under regular review by the Directors to ensure employees have the support they need from the Company.</p> <p>Staff have access to various role-specific training initiatives, allowing them to cultivate the essential skills required to succeed in their roles.</p>

## Section 172 statement

Continued

Stakeholder Group	Why we engage	Decisions we make with stakeholders in mind
<b>Customers</b>	<p>The Group's engagement with its customers is fundamental to our success.</p> <p>We want every customer to leave with wonderful memories that last a lifetime.</p> <p>Satisfied customers are the best promoters for our businesses.</p>	<p>Measuring our customers' satisfaction is an essential metric of how well we run our business.</p> <p>We continue to use <a href="http://www.reputation.com">www.reputation.com</a> across all our divisions. This enables each individual venue to measure its interactions with our customers in the following ways:</p> <ul style="list-style-type: none"> <li>● enabling them to communicate better by ensuring we rank higher and accurately in all local searches, maps and directories;</li> <li>● monitoring all of our social media in order to help us understand our customers and how they rate us, as well as ensuring that if things go wrong, we can easily communicate and put things right;</li> <li>● improving our star rating across all the top sites;</li> <li>● building and analysing social engagement in our online communities; and</li> <li>● gaining actionable insight and competitive analysis with meaningful scores, to monitor and measure progress.</li> </ul>
<b>Suppliers</b>	<p>The Group depends on its suppliers to deliver the right products, at the right price and the best quality.</p> <p>We also depend on a variety of highly skilled outsourced services such as insurance, marketing, legal, property, investment and other advisory services.</p> <p>We believe in long-term trading relationships and are proud to have built up strong collaborations over many years with large numbers of our suppliers.</p>	<p>All key strategic supplier relationships are reviewed and approved at Board level on an ongoing basis.</p> <p>The Group maintains open and transparent relationships with its key suppliers, and communication is regularly maintained. A dedicated procurement team provides the following functions:</p> <ul style="list-style-type: none"> <li>● analysis, selection and marketing of products that will satisfy changes in consumer preferences and needs;</li> <li>● cost analysis and supplier negotiations; and</li> <li>● innovation in food &amp; beverage offerings across the Group estate.</li> </ul> <p>The Group aims to source locally wherever possible and works with a number of local suppliers, particularly in Brighton and Yorkshire, helping to support the communities in which we are situated.</p> <p>The Group also ensures that biodegradable packaging is used wherever possible and intends to eliminate the use of single-use plastics entirely by 2030 at the latest.</p>



Stakeholder Group	Why we engage	Decisions we make with stakeholders in mind
<p><b>Our communities and the environment within which we operate</b></p> <p><b>Our commitment to a sustainable future</b></p>	<p>Brighton Palace Pier is an iconic structure that represents the heart and soul of Brighton, attracting millions of visitors each year.</p> <p>Our Bars are in communities across England. The impact of operating late at night requires careful consideration of the communities in which we operate.</p> <p>Our Golf venues are in shopping centres throughout the United Kingdom.</p> <p>Lightwater Valley is home to a family adventure park set in 175 acres of North Yorkshire.</p> <p>All our venues need to comply with local and national regulations such as licensing, planning, health and safety and environmental laws.</p>	<p>Regular consideration is given to compliance with local health and safety, licensing, planning and similar regulations, and updates are reported directly to the Board at every meeting.</p> <p>The Risk and ESG Committee considers the following areas in relation to the Group's environment:</p> <ul style="list-style-type: none"> <li>● compliance with latest ESG-related regulations;</li> <li>● measures to reduce the Group's environmental footprint wherever possible; and</li> <li>● ongoing development of the Group's ESG strategy.</li> </ul> <p>Green energy tariffs are used wherever possible across the Group. Green energy tariffs provided 98% of the Group's electricity requirements during 2023.</p> <p>In addition, solar farms installed in adjacent fields provide up to 40% of the electricity needs of Lightwater Valley. Lightwater Valley also uses eco-friendly biomass heating systems to heat many parts of the Park through the burning of wood-pellets.</p>
<b>Shareholders</b>	<p>Our engagement with our shareholders sets out to obtain investor buy-in to our strategic objectives and to explain the work we do to further them.</p> <p>Our listing on AIM provides the Group with access to capital which is of vital importance to the longer-term objectives and success of the Group.</p> <p>Creating shareholder value by generating strong and sustainable earnings ensures we have investors that are interested in longer-term investment.</p>	<p>The Board communicates with shareholders through its Annual Report and Accounts, full and half-yearly announcements, the AGM and one-to-one meetings with existing and potential new shareholders. Feedback from these meetings is communicated to the full Board.</p> <p>Furthermore, a wide variety of other corporate information, including all Regulatory News Service announcements and presentations, are available to shareholders, investors and the public on the Brighton Pier Group's investor website at: <a href="http://www.brightonpiergroup.com">www.brightonpiergroup.com</a>.</p>

By order of the Board

**J.A. Smith**

Company Secretary and Director  
7 May 2024

# ESG statement

The Group presents its first ESG statement for the 12 months ending 24 December 2023. Operating sustainably and making responsible business decisions that benefit all stakeholders is a key priority for the Group, and it recognises that successful delivery of its ESG strategy will be an essential component of the long-term success of the business.

The Group believes that it can make a meaningful difference to all of its stakeholders in a number of different areas. Climate change is a threat to us all, and the Group is committed to playing its part in limiting the impact of rising global temperatures by developing a robust strategy to reduce, and ultimately eliminate, its carbon emissions. To underline the Group's dedication to this goal, it has brought forward its aim to reach Net Zero emissions from 2050 to 2040 at the latest and intends to achieve carbon neutrality (Scope 1 & 2 emissions) by no later than 2030.

For the first time in 2023, the Group has reported in line with the UK Companies (Strategic Report) (Climate-Related Financial Disclosures) Regulation 2022, which broadly mirror the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD'). A summary of the key issues noted within the report are included on the following pages. The full report is available on the Group's website at: [www.brightonpiergroup.com](http://www.brightonpiergroup.com).

The Risk and ESG Committee has also developed a climate-specific risk register, which will be reviewed and updated alongside the main Group risk register as required at each meeting held by the Committee.

The Group has assessed the areas of key importance to stakeholders, comprising carbon emissions, water usage, handling of waste, wellbeing and development of employees (including diversity and inclusion), customers and the local communities within which we trade. The Group has initiated processes to collect data to better understand its impact across each of these areas, as a first step towards understanding how it can have the greatest impact in the future. The table below provides a summary of each of these key areas:

Area of focus	Current progress
<b>Carbon emissions (Scope 1 &amp; 2)</b>	The Group has calculated its Scope 1 & 2 emissions for the second time in 2023 – see page 25. As the prior period (18 months ending 25 December 2022) will not be directly comparable to current and future 12 month reporting periods, the Group intends to use its 2023 emissions as a baseline against which future periods can be compared.
<b>Carbon emissions (Scope 3)</b>	The Group has set a target to calculate its Scope 3 emissions for the first time in 2024.
<b>Water usage and waste</b>	The Group has set a target to calculate its water usage and waste produced for the first time in 2024. Collecting this data will provide the Group with a better understanding of where it can make the greatest impact in setting reduction targets. The Group ultimately aims to send zero waste to landfill.
<b>Wellbeing &amp; development of employees</b>	The Group has collated data on diversity of its workforce for the first time in 2023 – see page 28. The Group has also established a new series of KPIs, that will enable it to improve employee engagement and wellbeing over time; these are summarised on page 19.
<b>Customers</b>	Further information is provided on page 29.
<b>Local communities within which we trade</b>	Further information is provided on page 29.

## Governance

While the Board assumes overall responsibility for the Group's ESG strategy, the development of this strategy is primarily undertaken by the Risk and ESG Committee, which was separately established in 2021. In the current absence of a Senior Independent Non-Executive Director, the Risk and ESG Committee consists of Anne Ackord (Chief Executive Officer), who temporarily chairs the committee, and John Smith (Chief Financial Officer).

The Risk and ESG Committee's primary responsibilities with respect to ESG are in the continued compliance with current and future ESG regulations, development of a carbon reduction transition plan for the Group, excellence in the diversity, equity and inclusion practices for our workforce, and transparent disclosure of data that underpin the Group's commitments.

Management of the ESG strategy developed by the Risk and ESG Committee is delegated to senior leadership, who assume overall responsibility for their respective divisions, including climate-related controls and initiatives. Progress against these initiatives and implementation of the Group's ESG strategy is regularly reported directly to members of the Risk and ESG Committee. Senior leaders also take responsibility for ensuring their staff are equipped with the necessary skills & knowledge to implement the initiatives being set.

## Environmental

### Carbon emissions

The Group recognises the vital role that it can play in the ongoing efforts to minimise the current and future harm caused to the planet by the impact of climate change by reducing carbon emissions. 98% of the Group's electricity was provided under green tariffs during 2023 (2022: 100%), ensuring that the Group's energy supply is procured from renewable sources. In addition to these green tariffs, Lightwater Valley is situated adjacent to third-party operated solar arrays, which directly provide up to 40% of the electricity needs of the park. The Group quantified its Scope 1 and 2 emissions for the first time during 2022. The current reporting period (12 months ending 24 December 2023) is not directly comparable with that of the prior reporting period (18 months ending 25 December 2022). As such, the Group intends to use the 2023 emissions data as its baseline, against which future reporting periods can be directly compared.

All emissions are calculated in line with both the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the UK Streamlined Energy & Carbon Reporting ('SECR') as implemented by the Companies (Directors' Report) and the Limited Liability Partnerships (Energy and Carbon Report) Regulations.

	mWh 12 months to 24 December 2023	tCO <sub>2</sub> e 12 months to 24 December 2023	mWh 18 months to 25 December 2022	tCO <sub>2</sub> e 18 months to 25 December 2022
Total Scope 1 emissions	1,034.1	195.1	1,465.3	276.4
Total Scope 2 emissions (location-based)	3,681.2	754.5	5,662.2	1,082.7
<b>Total emissions (Scope 1 &amp; Scope 2 location-based)</b>	<b>4,715.3</b>	<b>949.6</b>	<b>7,127.5</b>	<b>1,359.1</b>
Total Scope 2 emissions (market-based)	63.0	12.9	–	–
<b>Total emissions (Scope 1 &amp; Scope 2 market-based)</b>	<b>1,097.1</b>	<b>208.0</b>	<b>1,465.3</b>	<b>276.4</b>

	12 months to 24 December 2023	18 months to 25 December 2022
Total Scope 1 & Scope 2 (location-based) emissions (tCO <sub>2</sub> e)	949.6	1,359.1
Total revenue (£m)	34.8	58.9
<b>Emissions intensity (tCO<sub>2</sub>e/£m)</b>	<b>27.3</b>	<b>23.1</b>



# ESG statement

Continued

## Net Zero

The Group has established the following targets:

- Carbon neutral (Scope 1 & 2 emissions only) by 2030; and
- Net Zero (Scope 1, 2 and 3 emissions) by 2040.

Scope 1 emissions are primarily created by gas combustion, which is used to provide heating across the sites operated by the Group. To reduce these emissions, the Group intends to explore alternative means of provision. For example, during 2023, a boiler that was used to heat the Palace of Fun at the Pier was replaced with electric heaters, which can instead be powered by renewable electricity tariffs. In addition to this, indoor heating at Lightwater Valley is provided by a 400kW biomass heating system; this carbon-neutral heating alternative uses sustainable wood pellets rather than fossil fuel combustion.

98% of the Group's electricity tariffs are green, meaning that the Group has nearly met its target of Net Zero in Scope 2 emissions. The Group acknowledges, however, that reduction of gross emissions (for example, through the purchase of more energy-efficient equipment and by shaping employee behaviour) is best practice, and the Group will continue to explore these methods over the coming years. The Group is yet to quantify its Scope 3 emissions and intends to do so for the first time in 2024, in addition to the collection process now established for Scope 1 & 2. It is probable that the Group's Scope 3 emissions, which will include all indirectly produced emissions, will comprise the majority of its carbon footprint. Establishing the key areas in which Scope 3 emissions are produced will enable the Group to create a credible Net Zero transition plan that can focus on the areas of greatest significance first. It is likely that emissions will not be able to be fully eliminated, which will require an offsetting plan to achieve the Group's long-term Net Zero ambition.

## TCFD reporting

The Task Force on Climate-Related Financial Disclosures ('TCFD') has published a framework that intends to assist organisations with providing climate-specific financial risk disclosures to its stakeholders. This framework is comprised of 11 recommendations that span four thematic areas: Governance, Strategy, Risk Management and KPIs and Targets.

For the first time in 2023, the Group has reported against these recommendations. The table below references where further detail regarding the Group's response to each of these recommendations can be found.

Theme	Recommendation	Group response	Further reference
<b>Governance</b>	<i>A. Disclose the Board's oversight of climate-related risks and opportunities.</i>	The Board of Directors is responsible for the Group's sustainability strategy, including climate-related risks and opportunities.	TCFD Report pages 15 to 16
	<i>B. Describe management's role in assessing and managing climate-related risks and opportunities.</i>	Implementation of the Group's ESG strategy, including in relation to climate-related risks and opportunities, is delegated to management across the Group, who regularly provide feedback on progress to members of the Risk and ESG Committee.	TCFD Report page 17
<b>Strategy</b>	<i>A. Describe the climate-related risks and opportunities an organisation has identified over the short, medium, and long term.</i>	The Group has identified the following climate-related physical risk areas: extreme weather, flooding, rising temperatures, rising sea levels, water scarcity and wildfires. Transition risks identified were carbon pricing, consumer habits, cost of energy, legislation and policy, stakeholder sentiment and technology. The Group has identified the following climate-related risk opportunities: warmer weather, increased energy efficiencies and changing consumer preferences. Physical risks and opportunities were generally deemed to be relevant over a longer timeframe (10+ years), while transition risks and opportunities were generally considered to be relevant to the Group in a shorter timeframe (within 10 years).	TCFD Report pages 23 to 30

Theme	Recommendation	Group response	Further reference
<b>Strategy</b> Continued	<i>B. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</i>	Many of the most significant risks identified are expected to have an increasing impact over a longer timeframe, and as such, evaluating the impact of these risks carries a high degree of uncertainty. The Group hopes to provide greater certainty in forthcoming years as its climate strategy is developed further.	TCFD Report page 19
	<i>C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</i>	The Group considered a range of outcomes across three potential climate-related scenarios: 2°C or lower ('orderly transition'), between 2°C and 3°C ('disorderly transition') and above 3°C ('hot house world'). These scenarios are in line with those considered by the Network for Greening the Financial System ('NGFS'). The Group considered that it would generally remain resilient in each of the envisaged scenarios, but the scale and speed of emissions reductions varied widely between the scenarios, and in the hot house world scenario, would likely lead to material financial impact on the operations of the Group. The risk of the hot house world scenario is still considered remote.	TCFD Report page 20
<b>Risk Management</b>	<i>A. Describe the organisation's processes for identifying and assessing climate-related risks.</i>	The Group maintains a climate-specific risk register that is regularly reviewed by the Risk and ESG Committee, who evaluate the impact of ongoing climate-related developments.	TCFD Report page 22
	<i>B. Describe the organisation's processes for managing climate-related risks.</i>	Where a climate-related risk is assessed to have a likely material, financial or other negative impact to the business, a detailed action plan is established to implement mitigating processes/controls.	TCFD Report page 22
	<i>C. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.</i>	Climate-related risks are assessed based on the expected impact to the business, and whether this will most likely occur in the short, medium, or longer term. Mitigating factors to insulate the Group against the identified risks are also disclosed.	TCFD Report pages 23 to 30
<b>KPIs and Targets</b>	<i>A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</i>	Meter readings across the Group estate are used to quantify energy usage in the relevant reporting period. Estimates based on past usage are input where readings are not yet available.	TCFD Report pages 32 to 33
	<i>B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</i>	Scope 1 and Scope 2 emissions are disclosed on page 25. Disclosure of Scope 3 emissions is a work in progress, with further details intended to be shared next year.	Page 25
	<i>C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</i>	The Group's targets are disclosed on page 26.	Page 26

# ESG statement

Continued

## Social

### Employees

The Group's long-term future and success depends on the commitment of our people to the purpose and vision of the Company. The Group is committed to engaging with our staff at every level of the business, to ensure that we are nurturing an environment within which each employee can grow, succeed and prosper.

Remuneration and other reward schemes are kept under regular review across the Group. The Group offers a variety of additional benefits to selected staff including, but not limited to, performance-related bonus schemes, private medical, life insurance and other interruption insurance together with access to Company share option schemes.

Staff also have access to various role-specific training initiatives, allowing them to cultivate the essential skills required to succeed in their roles.

For the first time in 2023, the Group surveyed its entire workforce in order to better understand the diversity of its workforce. A summary of these results is presented below:

#### Gender

	All employees %	Senior management %	Board %
Male	47	78	75
Female	53	22	25
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Age	All employees %	Division	All employees %	Ethnicity	All employees %
16-24	80	Pier	64	White	69
25-34	13	Lightwater Valley	21	Mixed or multiple ethnic groups	11
35-49	5	Bars	12	Black, Black British, Caribbean or African	8
50+	2	Golf	3	Asian or Asian British	8
				Other	4
<b>Total</b>	<b>100</b>	<b>Total</b>	<b>100</b>	<b>Total</b>	<b>100</b>

The Group has in 2023 set several KPIs that it will use to assess the wellbeing and diversity of its staff on an ongoing basis. These are summarised below:

KPI	Plan for 2024
<b>Employee engagement</b>	The Group will invite all employees to participate in an employee engagement survey in 2024. This will enable us to better understand the wants and needs of our staff, what the Group does well and where there are areas of improvement. The engagement score will be used as a benchmark for future surveys issued.
<b>Employee turnover</b>	The Group measured its employee turnover rate for 2023 at 32%. Going forward, it will ensure that it continues to closely monitor pay and benefits to ensure that these remain competitive. Gathering regular feedback from staff, particularly from joiners and leavers, will enable the Group to understand what is important from the perspective of its workforce, enabling it to implement targeted improvements in response to its findings.
<b>Women in senior management</b>	Continue to monitor and report on percentage of women in senior leadership roles, and further expand networks to ensure that the current ratio is maintained or improved over time.



## Customers

Customers are of critical importance to the Group. The Group's mission statement is to create wonderful memories that last a lifetime for all of its customers.

The Group continually monitors customer feedback using reputation.com, monitoring of various social media channels and other surveying tools. This enables it to gather feedback, both positive and negative, and use the key themes established to better tailor the visitor experience over time.

Customer health & safety is also a priority for the Group and staff receive regular training to maintain the highest possible standards. First aiders are available at all times across the sites operated by the Group. Incident logs are maintained and reported to the Board on a regular basis.

The Group strives to create a welcome environment for all types of customers and provides disabled access to its venues wherever possible.

Food & beverage offerings are diverse and include a number of offerings to offer the broadest possible range to customers, including vegetarian/vegan and lower calorie offerings, and low/non-alcoholic beverages. This enables customers of all lifestyles to make choices that suit their needs.

### Local communities within which we trade

Each year the Group collaborates with various community groups within the localities in which it operates. The focus in 2023 was on loneliness in the community with the team at Brighton Place Pier working with Together Co, a local charity that supports those within the community who are frequently alone with no support or regular company. The Pier hosted two evening meals to raise funds in support of Together Co, and collection boxes are located at till points across the site. A number of our team members have now been trained to be supporters and will carry out visits to those in need of company. In June 2024 we will be hosting a day with the 1990's exercise guru Mr Motivator, again in aid of Together Co, when he will take over an area on the Pier to bring people together to exercise and meet new people.

The Group works with local service providers who help support young and vulnerable people into work, such as Job Centre plus, Team Dominica and Youth Employment Hub. To support our commitment to a diverse and inclusive workforce we are currently making a documentary in conjunction with a Brighton-based TV station, Latest TV, about the experiences of trans and non-binary employees in the workplace. The goal is to raise greater awareness about the hopes and expectations of these groups of potential employees within the community.

At Lightwater Valley, we have strong links with the military community and offer discounts and special days out for the families of serving personnel.

Each summer season we participate in beach cleans and graffiti removal around the Pier to enhance the environment for both locals and visitors alike.





## The Board

**The Company is controlled by the Board of Directors and is constituted by the Chairman, two Executive and two Non-Executive Directors.**

**The Board is chaired by Chairman Luke Johnson who is responsible for the running of the Board and liaison with the Company's shareholders; the Chief Executive Anne Ackord has Executive responsibility for running the Group's business and implementing the strategy of the Group.**

The Board meets at least ten times a year and has a formal schedule of matters reserved to it; this includes the strategy and direction of the Group, approval of annual and interim reporting, dividend policy and Board structure. The Board also sets the annual budgets for each of the four divisions and monitors the performance against those budgets, together with approving capital expenditure. It also monitors the Group's exposure to the key business risks set out in detail in the annual published accounts.

### Luke Johnson – Non-Executive Chairman

Luke joined The Brighton Pier Group PLC in June 2015 and has been involved in nightclub, bar and restaurant businesses since the age of 18. He was Chairman of Pizza Express plc during the 1990s, co-founded the Strada restaurant chain and was Chairman of Giraffe for nine years until it was sold to Tesco for £50 million in 2013. He also served on the Board of My Kinda Town and currently chairs Bread Limited, the owner of the artisan bakery chain, Gail's.

*Luke joined the Board as Chairman in June 2015; he is also Chairman of the Remuneration and Nominations Committee.*

*In addition, whilst the Board recruits a new Senior Independent Non-Executive Director, he is also a temporary member of the Audit Committee.*

### Anne Ackord – Chief Executive Officer

Anne was Operations Director of The Brighton Marine Palace and Pier Company and associated businesses for over twelve years. Prior to this she was Operations Director for Bourne Leisure Limited, a leading holiday park operator where she was responsible for all on-park entertainment and the coordination of on-site activities, managing a team of over 1,000 entertainers. She also was Director-in-Charge of retail across a 57-park estate. Anne was previously the first female Area Director at Welcome Break, a position she held for over four years, managing large motorway service areas and coordinating national training initiatives during periods of the company's expansion. She has also served as an Independent Governor in FE colleges where she was Chair of the HR and Remuneration Committee and a member of the Audit and Risk Committee.

*Anne was appointed to the Board as Chief Executive Officer of the Group in April 2017.*

*In addition, whilst the Board recruits a new Senior Independent Non – Executive Director, she is the temporary Chair of the Risk and ESG committee.*

### John Smith – Chief Financial Officer

Since qualifying as a Chartered Accountant (ACA) with Touche Ross & Co in 1985, John has held a variety of senior finance roles, including Head of Finance at International Currency Exchange plc after which he became Group Finance Director at Vision Express until it was sold to Grand Vision in 1997. After two years as Joint UK Managing Director of Vision Express, post the acquisition, John became Finance Director of First Leisure Corporation plc in 1999, before taking over as Chief Executive in 2003. He then took on the role of Chief Executive of The Nightclub Company, which was created through the purchase of 22 nightclubs from the receiver of First Leisure. John became Finance Director of Eclectic Bars Limited in June 2006.

*John became the Chief Financial Officer when the Group listed in November 2013.*

*In addition, he is also a member of the Risk and ESG committee.*

### Paul Viner – Non-Executive Director

Paul is a Chartered Accountant, having worked predominantly in the leisure sector. He was previously Finance Director at Tottenham Hotspur plc. Paul subsequently moved to Riva Gaming Group, where he was involved in both an MBI and later an MBO. He then spent several years in the property sector before being appointed CFO of Giraffe Concepts Limited in March 2009. Paul was a key part of the management team that sold Giraffe to Tesco plc for £50 million. Paul left Giraffe in late 2014 to set up his own business, Intelligent Goat Limited, which, amongst other services, provides mentoring advice for Finance Directors and CEOs. He was also CEO of Feng Sushi, leaving in 2017 after its sale and is currently the global CFO of Xstrahl, a life sciences and medical systems business. Paul's experience as a Non-Executive Director extends to positions in the arts, culture and bingo sectors.

*Paul became a member of the Board in July 2015; he is an Independent Director in which capacity he chairs the Audit Committee.*

*In addition, whilst the Board recruits a new Senior Independent Non-Executive Director, he is also a temporary member of the Remuneration and Nominations Committee.*

### Senior Independent Non-Executive Director

The Group is in the final stages of recruiting a replacement for the Senior Independent Non Executive Director. In the short term, the role of Chair of the Risk and ESG Committee is held temporarily by Anne Ackord, membership of the Nominations Committee is being held temporarily by Paul Viner and the second member of the Audit Committee is being held by Luke Johnson, pending the new appointment.

# Corporate governance statement

## Chairman's introduction to governance

**The Directors of the Brighton Pier Group PLC are strongly committed to upholding the values of good corporate governance and in our accountability to all of the Brighton Pier Group stakeholders including shareholders, staff, suppliers and customers.**

At the time the Group was first admitted to AIM in November 2013, it took the decision to adopt the Quoted Companies Alliance's (QCA) Corporate Governance Code (the 'QCA Code'). The AIM Rules for Companies require that all companies admitted to AIM apply a corporate code and set out how the company complies with that code.

The QCA Code is a pragmatic and practical corporate governance tool. It continues to adopt a proportionate, principles-based approach, enhancing the users' ability to explain their application of the principles and their corporate governance arrangements. The QCA Code is designed to be the means through which companies can earn and keep the confidence of shareholders and other stakeholders as they develop and mature (extract from the QCA Governance Code published April 2018).

The Brighton Pier Group PLC continues to apply the QCA's Corporate Governance Code and will report, where appropriate, any departures from its guidance.

To see how the Brighton Pier Group PLC applies the ten governance principles defined in the QCA Code please refer to the below table.

The Board understands that good corporate governance creates shareholder value by improving performance, whilst reducing or mitigating the risks that a company faces as it seeks to create sustainable growth over the medium to long term.

### Luke Johnson

Chairman





QCA Principles	Application	How the principle of the code is applied
<b>DELIVER GROWTH</b>		
<b>1. Establish a strategy and business model which promotes long-term value for shareholders</b>	<p>The Board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.</p>	<p>The Brighton Pier Group's strategy is explained fully within our Strategic Report on pages 2 to 29.</p> <p>The Group's strategy in the short to medium term is currently focussed on the continued development of its four divisions, namely the Pier, Bars, Golf and Lightwater Valley, to drive revenue, EBITDA and earnings growth. This will be complemented by the active pursuit of future strategic acquisitions in the leisure and entertainment sector as they arise.</p> <p>In the medium to longer term the Group intends to continue to leverage the capabilities of the four existing divisions, creating a growth company that operates across a diverse portfolio of leisure and entertainment assets in the UK. It is the Board's longer-term strategy to position the Company as a consolidator within this sector.</p> <p>The key challenges to the business and how these are mitigated are detailed on pages 18 to 20.</p>
<b>2. Seek to understand and meet shareholder needs and expectations</b>	<p>Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.</p> <p>The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.</p>	<p>Members of the Board meet both institutional and private shareholders at least twice every year following the publication of the half-year and full-year results.</p> <p>The Board recognises that the AGM is also an important opportunity to meet shareholders. The AGM is led by the Chairman, Luke Johnson, and the Board attends in full so that its members can answer questions as part of the formal proceedings or listen to the views of shareholders informally immediately following the AGM.</p> <p>Matters for consideration at AGMs have historically been passed unopposed at previous AGMs. However, if voting decisions at the AGM were not in line with the Company's expectation, the Board would actively engage with shareholders on these matters.</p> <p>The Group website at: <a href="http://www.brightonpiergroup.com">www.brightonpiergroup.com</a> documents all historical Annual Reports, notices of AGMs, constitutional documents and share price information, together with all RNS announcements made since the Group was admitted to AIM in November 2013.</p> <p>Shareholder feedback is discussed at Board meetings.</p> <p>Any shareholder who needs to contact the Company can do so via the Company Secretary who is available to deal with any questions. The Company Secretary can also, if necessary and appropriate, put shareholders in touch with other relevant Board members.</p> <p>Please use the following email address to contact the Company Secretary: <a href="mailto:CoySec@BrightonPierGroup.com">CoySec@BrightonPierGroup.com</a></p>

# Corporate governance statement

Continued

QCA Principles	Application	How the principle of the code is applied
<p><b>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</b></p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups, both internal (workforce) and external (suppliers, customers, regulators, and others). The Board needs to identify the Company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the Group's impact on society, the communities within which it operates or the environment have the potential to affect the Company's ability to deliver shareholder value over the medium to long term, then those matters must be integrated into the Company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<p>The Brighton Pier Group recognises that long-term success relies upon good relations being fostered with a range of stakeholders, both internally and externally.</p> <p>Feedback as to how we perform as a Group is important, and we strive to continue to improve and develop these relationships as the Company grows.</p> <p>The Group recognises the following stakeholders in the Group, namely:</p> <ul style="list-style-type: none"> <li>● shareholders;</li> <li>● employees;</li> <li>● customers;</li> <li>● suppliers;</li> <li>● regulators; and</li> <li>● the local community within which we operate.</li> </ul> <p>The Board depends on a variety of reports, systems and controls to manage and further the interests of the Group's stakeholders. These include regular meetings and focus groups with customers and staff, a commitment to training at all levels of the business, licensing, control visits to venues to ensure compliance at local level, meetings and events with the local community, and regular engagement with suppliers.</p> <p>The Risk and ESG Committee meets under the leadership of the Senior Independent Non-Executive Director with the intention of ensuring that the Group operates as a responsible, sustainable business. Further details can be seen on page 46.</p> <p>Many of the other considerations and actions we take are detailed in the Section 172 statement on pages 21 to 23.</p>
<p><b>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</b></p>	<p>The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p> <p>Setting strategy includes determining the extent of exposure to the identified risks that the Company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>The Board and Senior Managers are responsible for reviewing and evaluating the risks in the business.</p> <p>These risks were originally published in the Admission document dated 20 November 2013 (pages 22 to 29) and again in the Admission document dated 8 April 2016 (pages 30 to 38). These risks are regularly reviewed by the Board of Directors and considered at Board meetings. Risk management is under the remit of the Risk and ESG Committee, which reports on its work to the Board of Directors on a bi-annual basis.</p> <p>Executive Directors have at least one meeting per month with their teams, with the objective of reviewing ongoing trading performance, discussing budgets, forecasts and any new risks associated with ongoing trading.</p> <p>The other key identified risks to the business and how these are mitigated are detailed on pages 18 to 20.</p>

QCA Principles	Application	How the principle of the code is applied
<b>MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK</b>		
<b>5. Maintain the Board as a well-functioning, balanced team led by the Chair</b>	<p>The Board members have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chair of the Board.</p> <p>The Board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p> <p>The Board should have an appropriate balance between Executive and Non-Executive Directors and should have at least two independent Non-Executive Directors. Independence is a Board judgement.</p> <p>The Board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>	<p>The Board of Directors control the Group.</p> <p>Luke Johnson, Non-Executive Chairman, is responsible for the running of the Board.</p> <p>Anne Ackord, the Group's Chief Executive, has executive responsibility for running the Group's business and implementing Group strategy.</p> <p>Luke Johnson has a beneficial interest in 27% of the issued share capital of the Group, and therefore is not considered to be independent. The Board believes that his role as Chairman is in the interests of the Group, its shareholders and other stakeholders.</p> <p>The Chairman is responsible for ensuring that Directors receive accurate, sufficient and timely information. The Company Secretary compiles the Board and Committee papers which are then circulated to the Directors in a timely manner ahead of meetings. The Company Secretary provides minutes of each meeting and each Director is aware of their right to have any concerns minuted.</p> <p>The Board comprises the Chairman, two Executive Directors and one Non-Executive Director.</p> <p>The Board acknowledges that, following the death of Jim Fallon, Independent Non-Executive Director, the Board currently has only one Independent Non-Executive Director and departs from Rule 5 of the Code in this regard. The Board are in discussions to appoint an additional Non-Executive Director and a further announcement will be made in due course. In the meantime, the Board considers that its current composition brings requisite independent judgement.</p> <p>Non-Executive Directors communicate directly with Executive Directors and senior management between formal Board meetings.</p> <p>The Board meets at least ten times during every year. Directors are expected to attend all meetings of the Board, and of the Committees on which they sit, and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors.</p> <p>During the financial period ending 24 December 2023 there was 100% attendance by serving Directors at all Board and Committee meetings.</p> <p>In the event that Directors are unable to attend a meeting, their comments on papers to be considered at the meeting will be discussed in advance with the Chairman, so that their contribution can be taken into consideration by the Board.</p> <p>The Audit, Remuneration and Nominations and Risk and ESG Committees support the Board. All of the terms of reference of these Committees are in the section dealing with Principle 9.</p>



# Corporate governance statement

Continued

QCA Principles	Application	How the principle of the code is applied
<p><b>5. Maintain the Board as a well-functioning, balanced team led by the Chair</b></p> <p>Continued</p>		<p><b>The Audit Committee</b></p> <p>Paul Viner is Chairman of the Audit Committee and its other member is the Senior Independent Non-Executive Director.</p> <p>Paul is a Chartered Accountant with experience as Finance Director in both multi-site retail operations and quoted companies.</p> <p>Whilst the recruitment for a Senior Independent Non-Executive Director is underway, membership of this Committee is being temporarily held by Luke Johnson.</p> <p>It is important that the experience and skills of the Non-Executive Directors are relevant to the business conducted by the Audit Committee.</p> <p>Although both Directors currently have a financial interest in the Group, the Board is of the view that the size of these investments will not compromise the Committee's independence once a new Senior Independent Non-Executive Director is recruited.</p> <p><b>Remuneration and Nominations Committee</b></p> <p>Luke Johnson is the Chairman of the Remuneration and Nominations Committee and its other member is the Senior Independent Non-Executive Director.</p> <p>The Remuneration and Nominations Committee advises and assists the Board in relation to new appointments.</p> <p><b>Risk and ESG Committee</b></p> <p>The Senior Independent Non-Executive Director will be the Chair of the Risk and ESG Committee, supported by the Chief Executive Officer and the Chief Finance Officer. It also draws on specialist external expertise where required.</p> <p>The Committee regularly reviews the Group's risk register and advises the Board on the Group's plans for Environmental, Social and Governance strategy.</p>
<p><b>6. Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities</b></p>	<p>The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition.</p> <p>The Board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a Board.</p>	<p>The Board is satisfied that, between the Directors, it has an effective and proportionate balance of skills and experience relating to the leisure and hospitality business. The blend of relevant experience, skills, personal qualities and capabilities enable the Board to successfully execute its strategy. Details of the Board's experience are set out on page 31.</p> <p>The current Board has significant sector, operational, financial and listed public company experience.</p> <p>Directors are expected to consider their skills in relation to the responsibilities and roles within the Board. It is important that they keep up to date with changing legislation and allocate the necessary time to undertake continuing and relevant professional development.</p> <p>The Chairman of the Board in his role as Chairman of the Remuneration and Nominations Committee oversees the process of new appointments. The Committee makes recommendations to the Board on all new Board appointments.</p>

QCA Principles	Application	How the principle of the code is applied
<p><b>6. Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities</b></p>	<p>As companies evolve, the mix of skills and experience required on the Board will change, and Board composition will need to evolve to reflect this change.</p>	<p>Where new Board appointments are considered, the search for candidates is conducted and appointments are made on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender. The Remuneration and Nominations Committee also considers succession planning.</p>
Continued		
<p><b>7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement</b></p>	<p>The Board should regularly review the effectiveness of its performance as a unit, as well as that of its Committees and the individual Directors.</p> <p>The Board performance review may be conducted internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual Directors or the wider senior management team.</p> <p>It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for Boards. No member of the Board should become indispensable.</p>	<p>Luke Johnson has been Chairman of Brighton Pier Group since June 2015.</p> <p>Individual assessments of all members of the Board of Brighton Pier Group are ongoing to ensure that:</p> <ul style="list-style-type: none"> <li>● they are committed to the progress and long-term success of the Group;</li> <li>● their contribution is meaningful and effective;</li> <li>● they are progressing within their role and benefiting the Group;</li> <li>● they maintain the high standards of ethics and compliance within the regulatory framework expected of a Board member in a quoted company; and</li> <li>● the independent Directors of the Group maintain their independence and challenge the Board where the situation demands it.</li> </ul> <p>The size and nature of the Board at The Brighton Pier Group means that assessment of each Director is done on an ongoing and ad-hoc basis.</p> <p>There is at present no formal process for identifying development or mentoring needs for individuals. Regular meetings do, however, take place between the Chairman and the members of the Board where training or other needs can be discussed and actioned.</p> <p>The Articles of Association of the Brighton Pier Group PLC require every new Director appointed in the period since the last AGM to resign and to be put up for re-election at the next AGM. The Articles of Association also require every Director in office at the previous two AGMs to resign at the third AGM and put themselves up for re-election by members.</p>
<p><b>8. Promote a corporate culture that is based on ethical values and behaviours</b></p>	<p>The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p>	<p>The Board sets and approves its strategy annually. This includes decisions on potential acquisitions, future investment, major capital projects and other plans. The Board also agrees its common goals for each of the divisions within the Group.</p> <p>These plans are communicated by the Chief Executive Officer to the management teams in each division.</p> <p>As the Group consolidates its new acquisitions, work will be ongoing to further promote and communicate a common corporate culture into all aspects of life at each of the divisions.</p>

# Corporate governance statement

Continued

QCA Principles	Application	How the principle of the code is applied
<p><b>8. Promote a corporate culture that is based on ethical values and behaviours</b></p> <p>Continued</p>	<p>The policy set by the Board should be visible in the actions and decisions of the Chief Executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Group.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training, and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the Annual Report, website and any other statements issued by the Company.</p>	<p>The Group regularly holds strategy meetings, where managers from each of the four divisions are able to meet together and, through the creation and ongoing development of an action-orientated business plan for their respective divisions, collaboratively contribute towards the strategic vision of the Group.</p> <p>The Group's mission statement is as follows:</p> <p style="text-align: center;"><i>Entertainment is our Business.</i></p> <p style="text-align: center;"><i>Our vision is to work together to build a thriving, growing business where our customers leave with wonderful memories that last a lifetime.</i></p> <p>Supported by our values of:</p> <p style="text-align: center;"><i>Passion, Integrity, Knowledge, and Inclusivity.</i></p>
<p><b>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board</b></p>	<p>The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> <li>● size and complexity; and</li> <li>● capacity, appetite and tolerance for risk.</li> </ul> <p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Company.</p>	<p>The Board provides strategic leadership for the Group and operates within the scope of its corporate governance framework. Its purpose is to ensure the delivery of long-term shareholder value, which involves guiding the culture, values and practices that operate throughout the business, and defining the strategic goals that the Group implements in its business plans.</p> <p>The Board provides direction for the Group through its regular meetings. The Board meets at least ten times in any given year. Prior to the start of each calendar year, a schedule of dates for Board meetings for the following twelve months is compiled, aligning with the Group's financial and trading calendars, whilst also ensuring an appropriate spread of meetings across the financial year. This schedule may be supplemented by additional meetings on an ad-hoc basis, as and when required.</p> <p><b>Audit Committee</b></p> <p>The Audit Committee meets at least three times a year and is responsible for ensuring that the financial performance of the Group is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies.</p> <p>The Committee makes recommendations to the Board on the appointment of the external auditor and oversees the external audit process.</p>



QCA Principles	Application	How the principle of the code is applied
<p><b>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board</b></p>	<p>Continued</p>	<p><b>Remuneration and Nominations Committee</b></p> <p>The Remuneration and Nominations Committee meets at least once a year. The Remuneration and Nominations Committee has responsibility for determining, within agreed terms of reference, the Group’s policy on the remuneration of Senior Executives (this includes specific remuneration packages for Executive Directors, including pension rights, compensation payments and bonus schemes), and making recommendations for grants of options under the Group’s Share Option Plan. The Committee furthermore evaluates and keeps under review the size, structure and composition of the Board, making recommendations on any proposed changes and considering the challenges and opportunities facing the Group, as well as the skills, knowledge and experience required.</p> <p>The remuneration of Non-Executive Directors is a matter for the Board.</p> <p>Directors are not permitted to be involved in any discussions as to their own remuneration.</p> <p><b>Risk and ESG Committee</b></p> <p>The Risk and ESG Committee meets at least twice a year.</p> <p>The Committee has responsibility for the regular review of the Group’s Risk Register. It also advises the Board on the Group’s plans for ESG strategy.</p> <p>The Committee advises the Board on the Group’s:</p> <ul style="list-style-type: none"> <li>● environmental policies, focusing on measuring the company’s stewardship of scarce resources, environmental impact and its contribution to sustainability;</li> <li>● social criteria which focus on the quality of relationships with employees, suppliers, customers and the communities where we operate; and</li> <li>● governance framework which oversees the Group’s leadership, succession planning, executive pay, external audit, internal controls, licencing, health &amp; safety, and shareholder rights.</li> </ul> <p>The Committee is also charged with implementing strong oversight of the Group’s IT infrastructure to ensure security over data and compliance with GDPR.</p> <p>Finally, the Committee advises the Board on crisis management.</p>

# Corporate governance statement

Continued

QCA Principles	Application	How the principle of the code is applied
<b>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board</b>		<p><b>The Role of the Board, Chairman, Chief Executive Officer, Chief Financial Officer and Company Secretary</b></p> <p><b>The Board</b> is responsible for the long-term success of the Group. There is a formal schedule of matters reserved to the Board which includes overall Group strategy, approval of major investments, approval of annual and interim results, annual budgets, dividend policy and Board structure. The Board also monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, along with their annual budgets and performance. Additionally, it has overall responsibility for maintaining internal control systems to safeguard the investment of shareholders and the assets of the Group.</p> <p><b>The Chairman</b> has overall responsibility for corporate governance and promoting high standards throughout the Group. Leading and chairing the Board is another key responsibility, through ensuring that the Committees are properly structured, quorate and have the appropriate information and resources with which to perform their functions. The Chairman is instrumental in developing strategy and setting objectives for the Group, as well as overseeing communication between the Group and its shareholders.</p> <p><b>The Chief Executive Officer</b> provides leadership and management to the Group. The CEO pushes the development of objectives, strategies and performance standards whilst also overseeing and managing key risks that may be present. The CEO also keeps the Board updated on employee and other key stakeholder matters. Investor relations play a key role in ensuring that communications between the Group and its existing shareholders and financial institutions is maintained.</p> <p><b>The Chief Financial Officer</b> is responsible for implementing and delivering strategy, together with the operational and financial decisions agreed by the Board, incorporating them as required into the day-to-day operation of the Group.</p> <p><b>The Company Secretary</b> is responsible for providing a clear and timely information flow to the Board and its Committees, as well as supporting the Board on matters of corporate governance and risk.</p> <p>The Board approved the adoption of the QCA Code as its governance framework in November 2013. It continues to monitor the suitability of this code on a regular basis and revise its governance framework whenever appropriate, as the Group and the code continue to evolve.</p>

Continued

QCA Principles	Application	How the principle of the code is applied
<b>BUILD TRUST</b>		
<b>10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</b>	<p>A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Company.</p> <p>In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base.</p> <p>This will assist:</p> <ul style="list-style-type: none"> <li>● the communication of shareholders' views to the Board; and</li> <li>● the shareholders' understanding of the unique circumstances and constraints faced by the company.</li> </ul> <p>It should be clear where these communication practices are described (Annual Report or website).</p>	<p>The Company communicates with shareholders through the Annual Report and Accounts, full and half-yearly announcements, the AGM and one-to-one meetings with existing and potential new shareholders.</p> <p>Furthermore, a large range of corporate information, including all Regulatory News Service announcements and presentations, are available to shareholders, investors and the public on the Brighton Pier Group's investor website at: <a href="http://www.brightonpiergroup.com">www.brightonpiergroup.com</a></p> <p>The company meets on a regular basis with the Company's brokers and other professional advisors who keep management up to date with market information.</p>



# Audit Committee report

**On behalf of the Board, I am pleased to present the Audit Committee Report for the 12 month period ended 24 December 2023.**

## Members of the Audit Committee

The Group is currently recruiting a replacement for the Senior Independent Non-Executive Director. In the short term, membership of the Audit Committee is being held temporarily by Luke Johnson and is chaired by me. I am a chartered accountant with experience as Finance Director in both multi-site retail operations and quoted companies.

The Committee held three scheduled meetings during the period and both members of the Committee attended all meetings. The Committee's terms of reference are available on the Group's website. Its principal responsibilities are monitoring the integrity of financial reporting, internal controls and the external audit process.

## Duties

During the year, the Audit Committee discharged its responsibilities in the following ways:

- approving the external auditor's plan for the audit of the Group's annual financial statements, including key audit matters, key risks, confirmation of auditor independence and terms of engagement, including audit fees;
- reviewing the Group's draft financial statements and interim results statements and reviewing the external auditor's detailed reports, including their analysis of key audit matters and risks;
- meeting the external auditor and their team three times during a normal year to review the audit plan, timetables, specific matters relating to the audit work and any issues arising;
- meeting the external auditor without management to discuss the performance of the CFO and the divisional finance teams;
- reviewing the performance of the external auditor;
- considering accounting standards and their implications for the Group;
- reviewing the impact of Group impairment reviews of fixed assets, and, where appropriate, challenging management on their critical accounting judgments and key accounting estimates;
- reviewing the financial modelling and stress testing scenarios used for the going concern assessment;
- reviewing the Group's risk management processes, risk registers and risk mitigations; and
- this year for the first time reviewing the ESG report and UK Companies (Strategic Report) (Climate-Related Financial Disclosures) Regulation 2022 disclosures.

## Role of the external auditor

The Audit Committee monitors the relationship with the external auditor, BDO LLP, to ensure that the auditor's independence and objectivity are maintained. BDO LLP is not currently engaged to perform any non-audit services. A summary of remuneration paid to the external auditor is provided in Note 26 of the financial statements. Having reviewed the auditor's independence and performance, the Committee has concluded that these are effective and recommends that BDO LLP be reappointed as the Group's auditor at the next AGM.

The auditor prepares an audit plan for the review of the current year financial statements. The audit plan sets out the scope of the audit, areas to be targeted and audit timetable. This plan is reviewed and agreed in advance by the Audit Committee. Following the audit, the auditor presented its audit findings to the Committee for discussion. The findings were discussed in some detail and no major areas of concern were highlighted by the auditor during the year. However, areas of significant risk and other matters of audit relevance are regularly communicated.

## Internal control

The Board has responsibility for maintaining sound internal control procedures to safeguard the investment of shareholders and the assets of the group. The procedures and controls in place are reviewed by the Board. The Audit Committee provides advice to the Board on these procedures and controls as to their suitability to provide protection for the Group against material misstatement or loss.

The key features of the internal control systems are:

- group organisational structure with clear lines of responsibility from divisional to Group level;
- comprehensive business planning process, including annual preparation of detailed budgets for the year ahead and projections for future years;
- comprehensive monthly financial reporting system, highlighting variances to budget and regularly updated forecasts to monitor performance in the four divisions, thus enabling prompt reporting of matters of importance and enabling good decision making throughout the businesses;
- day-to-day control over cash and other assets of the Group; and
- targeted, risk-focused internal reviews by the finance function.

**Anti-bribery**

The Group has in place an anti-bribery and anti-corruption policy which sets out its zero-tolerance position and provides information both to senior staff and guidance to those working on a day-to-day basis in our various locations. This information is to help our staff recognise and deal with bribery and corruption issues and to inform staff of the procedures to report any concerns that they may have.

**Whistleblowing**

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence, raise concerns about possible improprieties within the Group in relation to financial, regulatory, workplace or other matters where behaviour has fallen short of the high standards expected of our staff.

**Paul Viner**

**Chairman of the Audit Committee**

7 May 2024

# Remuneration and Nominations Committee report

**On behalf of the Board, I am pleased to present this remuneration and nominations report, which sets out the remuneration policy and the remuneration paid to the Directors for the period.**

This report also deals with information on Board changes during the period and considerations made in relation to appointments to the Board.

## **Members of the Remuneration and Nominations Committee**

The Group is currently close to finalising the recruitment of a replacement for the Senior Independent Non-Executive Director. In the short term, membership of the Nominations Committee is being held temporarily by Paul Viner and is chaired by me.

## **Duties**

The Committee is responsible for reviewing all Senior Executive appointments and determining the Group's policy in respect of the terms of employment, including remuneration packages of Executive Directors.

The Remuneration and Nominations Committee has responsibility for determining, within agreed terms of reference, the Group's policy on the remuneration of Senior Executives (this includes specific remuneration packages for Executive Directors, including pension rights, compensation payments and bonus schemes), making recommendations for grants of options under the Group's Share Option Plan, and finally to evaluate and keep under review the size, structure and composition of the Board and make recommendations to the Board on any proposed changes, taking into account the challenges and opportunities facing the Group and the skills, knowledge and experience required.

The Committee held one meeting during the period.

## **Remuneration policy and Group strategy**

It is recognised that the market for quality senior Executives is competitive and therefore the remuneration policy of the Group is to offer a market-level base salary with benefits, alongside a discretionary bonus set against certain Group targets. An appropriate market level is determined by reviewing the skills and experience of the Executive against similar Executives elsewhere, aided by professional advice where necessary.

## **Non-Executive Directors**

Non-Executive Directors have signed letters of appointment (renewable by agreement at the end of every three-year term) with the Group for the provision of Non-Executive Directors' services, which may be terminated by either party giving three months' written notice.

The remuneration of the Non-Executive Directors is determined by the Remuneration and Nominations Committee.

## **Nominations**

There have been no new appointments in the 12 month period ending 24 December 2023.



### Directors' remuneration and share options

The following table summarises the total gross remuneration and share options of the Directors who served during the 12 month period ending 24 December 2023 (2022: 18 month period ending 25 December 2022):

Directors' remuneration	Basic salary & fees £'000	Bonus £'000	Benefits £'000	2023 Total 12 months £'000	2022 Total 18 months £'000
Anne Ackord	164	—	37	201	294
John Smith	159	—	34	193	287
Paul Viner	35	—	—	35	53
Jim Fallon	—	—	—	—	60
Luke Johnson	20	—	—	20	30
<b>Total</b>	<b>378</b>	<b>—</b>	<b>71</b>	<b>449</b>	<b>724</b>

Anne Ackord's basic salary was increased to £168,000 effective from 1 July 2023 (2022: £160,000). No other Director received a pay increase in the 12 months ending 24 December 2023.

Payments totalling £1,315 (2022: £1,981) were paid on behalf of Directors into the Group's auto-enrolment scheme with the 'People's Pension Scheme'.

### Directors' interests in the share capital of the Company

As at 24 December 2023, the Directors held the following beneficial interests in the share capital of the Company.

Director	Percentage of share capital	Number of ordinary shares	Note
Luke Johnson	27.0%	10,062,466	
Anne Ackord	—	—	(i)
John Smith	3.3%	1,244,619	(ii)
Paul Viner	0.1%	54,000	(iii)

(i) Anne Ackord has 227,273 non-approved share options not included in the table.

(ii) John Smith has 1,169,931 shares held by his pension scheme and 40,625 share options in the Company Share Option Scheme (not included in the table).

(iii) Paul Viner has 40,625 non-approved share options not included in the table.

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

## Luke Johnson

### Chairman of the Remuneration and Nominations Committee

7 May 2024

# Risk and ESG Committee report

**On behalf of the Board, I am pleased to present the Risk and ESG report for the 12 month period ended 24 December 2023.**

## **Members of the Risk and ESG committee**

In the current absence of a Senior Independent Non-Executive Director, the Risk and ESG Committee consists of Anne Ackord (Chief Executive Officer), who temporarily chairs the Committee, and John Smith (Chief Financial Officer). Other relevant members of the Group will join the Committee meetings as required to provide specific input and expertise.

The Committee's terms of reference are available on the Group's website. Its principal responsibilities are as follows:

### **Duties associated with general risks**

- maintain and regularly update the Group's risk register;
- ensure health and safety procedures are rigorously evaluated and that audit is in place to check compliance;
- ensure planning and training is in place to deal with major incidents;
- oversee IT operations including cyber security and data protection;
- ensure planning and training is in place for dealing with crisis situations;
- ensure regular review of the Group's Financial Position and Prospects Procedures (FPPP);
- review succession planning for key roles in the Group;
- ensure compliance with regulatory frameworks; and
- monitor resources and liquidity.

### **Duties associated with ESG**

- continued compliance with current and future ESG regulations;
- measures to mitigate the effects of severe climate events on the Group's operations and reduce the Group's environmental footprint wherever possible;
- a transition plan for the Group to achieve Net Zero carbon emissions by 2040;
- excellence in the diversity, equity and inclusion practices for our workforce; and
- transparent disclosure of data that underpin our commitments.

In the current period, the Group has quantified its Scope 1 and Scope 2 carbon emissions in accordance with Greenhouse Gas (GHG) Protocol for the second time (see page 25 for details). The Group has also reported against the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) for the first time in 2023. A summary of the Group's reporting against these recommendations is provided on pages 26 to 27.

The full report is available on the Group's website, [www.brightonpiergroup.com](http://www.brightonpiergroup.com). The Group has also prepared a separate ESG statement (see pages 24 to 29 for details) to demonstrate the work performed in this important area. These reports will be updated annually, enabling the Group to demonstrate its progress against its targets over time.

Our internal commitment to a sustainable future is guided by the following key principles:

- ESG is an important element of our business;
- the decisions we take must not undermine the business;
- ESG must enhance our business;
- we must think carefully and act swiftly;
- decisions must be grounded in commerciality; and
- we are committed to the long term and this will remain work in progress.

The Risk and ESG Committee reports regularly to the Board to ensure it is fully aware of all initiatives and any areas requiring further action.

## **Anne Ackord**

**On behalf of the Risk and ESG Committee**

7 May 2024

# Directors' report

## The Directors present their report and the audited financial statements for the 12 month period ending 24 December 2023.

### Principal activities, business review, principal risks and how we mitigate them and future developments

The principal activities of the business and a review of the business and its future developments, including principal risks and uncertainties, are presented within the Strategic Report on pages 2 to 29.

### Dividends

The Directors do not propose to pay a dividend for the current period (2022: £nil).

### Going concern

As at 24 December 2023, the Group had net current liabilities of £4,857,000 (2022: £11,216,000). The Group also had cash and cash equivalents of £3,952,000 (2022: £4,208,000) available to meet short-term needs.

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's principal sources of funding are:

- a term loan of £6,900,000, which was initially entered into in April 2016. The term loan was extended for a period of 4 years on 20 December 2023 and is due for final repayment on 31 December 2027. As a consequence, loan repayments of £690,000 are payable over the next 12 months;
- a revolving credit facility of £5,000,000, which was initially entered into in April 2016. This facility was increased from £1,000,000 on 20 December 2023 and was also extended for a period of 4 years, with a final repayment date of 31 December 2027. As at 24 December 2023, this facility was £4,500,000 drawn (2022: undrawn); and
- the Group also made a final repayment of £457,000 at the end of March 2023 in relation to its Coronavirus Business Interruption Loans (CBILs). No further amounts are due.

Quarterly covenant tests are in place over the bank facilities. These tests were revised on 22 April 2024, and the Group is now subject to a Minimum EBITDA (on a pre-IFRS 16 basis) and Minimum Liquidity test in June 2024, with Net Leverage, Interest Cover and Debt Service Cover tests commencing in September 2024. The loan to value test was unchanged. The Group was compliant with all applicable covenant tests as of both 24 December 2023 and 24 March 2024.

The Directors and management of the business have used Board-approved forecast cash flows covering the period through to December 2025 as a base case. In this scenario, no covenant breaches are forecast.

These forecasts have been subjected to scenario modelling and sensitivity analysis which the Directors consider to be sufficiently robust. Based on this information, the Directors expect the following:

- that in a reasonably possible downturn in expected trading performance, no covenant breaches will occur;

- that in the event that trading performance were to fall below current expectations, the Group would have the ability to take mitigating actions to respond as necessary, for example by reducing discretionary spend for larger capex projects;
- that in a reverse stress test scenario, which measures the point at which covenant breaches occur, the Group's EBITDA for the 12 months ending 31 December 2024 would need to be 46% lower than the Board-approved budget, updated for actual trading through to the end of February 2024;
- that the Group will 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 existing cash resources available to it; and
- that the Group will have sufficient cash resources available to meet all of its liabilities as they fall due.

Accordingly, management do not consider that there is a material uncertainty in relation to going concern and consequently, these financial statements have been prepared on a going concern basis.

### Events after the reporting period

In December 2023, the Group took the decision to dispose of three sites in the Bars division: Manchester, Cambridge and Brighton. The assets relating to these sites were fully impaired during the current period, resulting in total charges recognised within highlighted items of £4,901,000 (see Note 12 for details). The associated lease liabilities, which will be derecognised upon the completion of the disposal of the sites, were recognised as held for sale as at 24 December 2023. The resulting non-cash gains are expected to be approximately £4,600,000, broadly offsetting the impairment charges recognised in the current reporting period. As of the date of this report, the disposals of Cambridge and Brighton were completed.

On 22 April 2024, the Group signed an amendment to its loan facility. This amendment altered the quarterly covenants that the Group tests for on a quarterly basis. The Group is now subject to a Minimum EBITDA (on a pre-IFRS 16 basis) and Minimum Liquidity test in June 2024, with Net Leverage, Interest Cover and Debt Service Cover tests commencing in September 2024. The other principal terms of the loan facility were unchanged from that agreed on 20 December 2023.

### Board of Directors

#### Non-Executive Directors

Luke Johnson (Chairman) – Chair of the Remuneration and Nominations Committee

Senior Independent Non-Executive Director – Chair of the Risk and ESG Committee, member of the Remuneration and Nominations Committee and Audit Committee.

Paul Viner (Independent Director) – Chair of the Audit Committee



# Directors' report

Continued

The Group is currently recruiting a replacement for the Senior Independent Non-Executive Director. In the short term, membership of the Audit Committee is being held temporarily by Luke Johnson and membership of the Remuneration and Nominations Committee is being held temporarily by Paul Viner.

## Executive Directors

Anne Ackord (Chief Executive Officer)

John Smith (Chief Financial Officer)

Details of the Group's Directors, their roles and backgrounds can be found on page 31.

## Directors and related party transactions

Internal controls are in place to ensure that any related party transactions involving Directors or other connected persons are carried out on an arm's length basis and are properly recorded by the Group.

No amounts were paid in relation to other services provided by Directors during the period ended 24 December 2023 (2022: £nil).

## Financial instruments

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

## Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Group's policy to provide continuing employment, wherever practical, in the same or an alternative position and to provide appropriate training to achieve this aim.

## Employee engagement and involvement

The Directors are fully aware that the Group's long-term future and success depends on the commitment of our people to the purpose and vision of the Group. The Directors and senior management are committed to engaging with our staff at every level of the business to ensure that it provides a nurturing environment within which each employee can grow, succeed and prosper. For further details, refer to the Section 172 statement on pages 21 to 23.

The Group operates a framework for employee information and consultation that complies with the requirements of the Information and Consultation of Employees Regulation 2005.

Information for all employees under a contract of service with the Group is available via the Group's intranet, employee handbook and through their direct line manager.

Management meetings take place regularly, at which information relevant to the Group's financial performance across all four divisions is communicated.

The Group offers competitive remuneration, which also includes profit sharing, share options schemes, healthcare insurance, life insurance and loss of earnings support in the event of long term incapacity to work.

## Relationships with suppliers, customers and other stakeholders

The Directors appreciate the importance to the Group of fostering and maintaining strong business relationships with suppliers, customers and other stakeholders. Further details of how the Directors engage with suppliers, customers and other stakeholders can be found in the Section 172 statement on pages 21 to 23.

## Directors' remuneration

Details of the remuneration of Directors and their interests in the Company can be found in the Remuneration and Nominations Committee report on page 45.

## Qualifying third party indemnity provisions

The Group has not granted any indemnity to any of its Directors against liability in respect of proceedings by third parties. The Group has in place Directors' and Officers' liability insurance.

## Political and charitable donations

The Group made no political or charitable donations during the period (2022: £nil).

## Share capital

The Group's issued ordinary share capital as at 24 December 2023 comprised a single class of £0.25 ordinary shares, of which 37,286,284 shares were in issue and listed on AIM (2022: 37,286,284 £0.25 ordinary shares).

Options over a further 819,348 ordinary shares (2022: 833,682 shares) exist within the Employee Share Option Scheme (see Note 18 to the financial statements). Of these, 267,898 non-approved options (2022: 267,898) and further 40,625 share options in the Employee Share Option Scheme (2022: 40,625) are held by members of the Board (further details of these options can be found in the Remuneration and Nominations Committee report on page 45).

Of the issued share capital, no shares were held in treasury (2022: no shares).

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

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

## Interests in voting rights

As at 24 December 2023, the Company was aware of the following significant holdings of voting rights (3% or more) in its shares:

Major shareholders	Percentage of share capital	Number of ordinary shares
HPB Pension Trust	29.1%	10,838,995
Luke Johnson (Chairman)	27.0%	10,062,466
SFM UK Management *	13.7%	5,104,522
John Smith (Director)	3.3%	1,244,619
Helium Rising Stars Fund	3.1%	1,161,000

\* These shares are held as follows: 4,498,327 by Quantum Partners LP, 367,058 by Palindrome Master Fund LP, and 239,137 by Soros Capital LP.

### Annual General Meeting

The notice convening the Annual General Meeting is contained in a circular sent to shareholders with this report and includes full details of the resolutions proposed.

### Auditor

The Group's auditor, BDO LLP, has expressed its willingness to continue in office as auditor of the Group. Its reappointment will be put to shareholders at the AGM.

### Disclosure of information to auditor

Having made the requisite enquiries, as far as the Directors are aware, there is no relevant audit information (as defined by Section 418(3) of the Companies Act 2006) of which the Group's auditor is unaware and each Director has taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

### Directors' responsibility statement

The Directors are responsible for preparing the strategic report, Directors' report, annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group financial statements in accordance with UK-adopted International Accounting Standards ('IASs') in conformity with the requirements of the Companies Act 2006. The consolidated financial statements also comply fully with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'). Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors confirm that:

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

### Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board

**J.A.Smith**

**Company Secretary and Director**

7 May 2024

# Independent auditor's report to the members of The Brighton Pier Group PLC

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 24 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Brighton Pier Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 24 December 2023 which comprise the Consolidated statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- reviewing the forecasts prepared by management through to December 2025 and challenging the key assumptions against current trading, historic trading, management's historical forecasting accuracy and our knowledge of the business;
- considering the appropriateness of the Group's reasonable downside and stressed scenarios and challenging management to confirm that they have suitably addressed the inputs that are most susceptible to change;
- reviewing the internal forecasting process to confirm the projections are prepared by appropriate personnel with a knowledge of the entity's markets, strategy and customer base profile;
- obtaining an understanding of the Group's financing facilities, including the nature of facilities, repayment terms and financial covenants; and
- reviewing forecast liquidity headroom and forecast covenant compliance based on the covenant reset in April 2024.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.



## Overview

<b>Coverage</b>	98% (2022: 99%) of Group profit before tax 100% (2022: 100%) of Group revenue 100% (2022: 98%) of Group total assets		
<b>Key audit matters</b>		<b>2023</b>	2022
	Impairment of goodwill and other non-current assets	√	√
<b>Materiality</b>	Group financial statements as a whole: £346,000 (2022: £385,000) based on 1% of the Group's revenue (2022: 5% of the Group's profit before tax).		

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's systems of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's accounting process is structured around a Group finance function at its head office in Drury Lane, London with local teams in London, Brighton and Ripon for its divisional finance operations. All four of the Group's operating segments were considered to be significant components subject to a full audit to component materialities. Although not all of the Group's entities were identified as significant components, full scope audits of these entities were performed by the group audit team as they are individually subject to a statutory audit.

All work was undertaken by the group audit team.

#### Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- review of the minutes of Board and Audit Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitments as set out in the ESG statement on pages 24 to 29 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and in management's judgements and estimates in relation to impairment of goodwill and other non-current assets.

We also assessed the consistency of management's disclosures included as 'Other Information' on pages 2 to 49 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

# Independent auditor's report to the members of The Brighton Pier Group PLC

Continued

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Impairment of goodwill and other non-current assets</b></p> <p><i>References:</i></p> <p><b>Note 1:</b> Accounting policies – 'Impairment of non-financial assets'</p> <p><b>Note 2:</b> Critical accounting judgments and key sources of estimation uncertainty – 'Impairment of non-financial assets'</p> <p><b>Note 12:</b> Impairment review</p>	<p>The Directors perform an annual impairment review of goodwill together with other non-current assets if there is an indication of impairment, which include the carrying value of other intangible assets, property, plant and equipment, right-of-use assets and assets held for sale. The impairment review relies on significant estimation in the selection of the key inputs, which can have a significant impact of the calculated value in use for each Cash Generating Unit ("CGU").</p> <p>There is a risk that the estimates used in the impairment review for each CGU, which include inputs such as forecast cash flows, discount rates and growth rates are inappropriate and that an impairment charge may be required.</p> <p>For these reasons we considered the impairment of goodwill and other non-current assets to be a key audit matter.</p> <p>Our audit procedures included detailed testing of the Directors' impairment testing model for each CGU at the period end as follows:</p> <ul style="list-style-type: none"> <li>for each of the key inputs to the impairment model we reviewed management's assumptions with reference to Board-approved budgets, current and historic trading and external market forecasts;</li> <li>we challenged management on the various inputs into the model, including their assumptions of the forecast revenue and EBITDA for each individual CGU; and</li> <li>in conjunction with input from our internal valuations specialist team, we assessed the appropriateness of the discount rates and long term growth rates applied.</li> </ul> <p>We evaluated the adequacy of the Group's disclosures in respect of the impairment testing, the inputs used and the sensitivity of the outcomes of the assessment to changes in key assumptions to validate that these adequately reflected the inherent risk and sensitivity of the impairments.</p> <p><b>Key observations:</b></p> <p>Based on the procedures performed we consider management's assumptions and the related impairments recorded and sensitivity disclosures to be appropriate.</p>

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2023	2022	2023	2022
<b>Materiality</b>	£346,000	£385,000	£311,000	£347,000
<b>Basis for determining materiality</b>	1% of the Group's 12 month revenue	5% of the Group's 18 month profit before tax, adjusted for the add-back of highlighted items as outlined in Note 4 to the financial statements.	90% of Group materiality	90% of Group materiality
<b>Rationale for the benchmark applied</b>	The group's loss before tax (excluding highlighted items) declined significantly during the year.  Revenue is considered to be the most appropriate benchmark, given the volatility of profits over recent years and given that the group is loss-making in FY23.	Profit before tax (excluding highlighted items) is a key performance indicator of the Group and considered to be an important metric to stakeholders of the business. As the impact of COVID-19 abates, we judged the most recent financial information to be of greatest relevance to the users of the financial statements and as such have used the FY22 value to determine our materiality level.  We have also added back the highlighted items as outlined in Note 4 to the financial statements to use underlying profitability for our determination.	The Parent Company has no underlying trading and therefore we have used an asset basis for our determination of materiality; however, we cap the parent company materiality level at 90% of the Group materiality level to mitigate the risk of aggregated misstatements under materiality becoming material for the wider group.	The Parent Company has no underlying trading and therefore we have used an asset basis for our determination of materiality; however, we cap the parent company materiality level at 90% of the Group materiality level to mitigate the risk of aggregated misstatements under materiality becoming material for the wider group.

# Independent auditor's report to the members of The Brighton Pier Group PLC

Continued

	Group financial statements		Parent company financial statements	
	2023	2022	2023	2022
<b>Performance materiality</b>	£242,000	£270,000	£233,000	£260,000
<b>Basis for determining performance materiality</b>	70% of group materiality	70% of group materiality	75% of entity materiality	75% of entity materiality
<b>Rationale for the percentage applied for performance materiality</b>	70% of group materiality based on our assessment of a number of factors including the expected total number and value of uncorrected misstatements based on our past experience with the audit, our knowledge of the Group's internal control environment and management's attitude to our proposed adjustments.		75% of group materiality based on our assessment of a number of factors including the expected total number and value of uncorrected misstatements based on our past experience with the audit, our knowledge of the group's internal control environment and management's attitude to our proposed adjustments.	

## Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group apart from the Parent Company whose materiality is set out above, based on a percentage of between 26% and 89% (2022: 27% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £91,000 to £309,000 (2022: £103,000 to £347,000). In the audit of each component, we further applied performance materiality levels of 70% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

## Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £17,000 (2022: £15,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<p><b>Strategic report and Directors' report</b></p>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> <li>• the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and</li> <li>• the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li> </ul> <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.</p>
<p><b>Matters on which we are required to report by exception</b></p>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> <li>• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or</li> <li>• the Parent Company financial statements are not in agreement with the accounting records and returns; or</li> <li>• certain disclosures of Directors' remuneration specified by law are not made; or</li> <li>• we have not received all the information and explanations we require for our audit.</li> </ul>

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

# Independent auditor's report to the members of The Brighton Pier Group PLC

Continued

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### *Non-compliance with laws and regulations*

Based on:

- our understanding of the Group and the industry in which it operates;
- discussion with management and those charged with governance; and
- obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting frameworks, the Companies Act 2006, AIM listing rules and employment and taxation laws and regulations in the UK.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be licences regarding the selling of alcoholic beverages, the General Data Protection Regulation and The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreement of other information to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management's capability to override controls and the appropriateness of revenue recognition (in particular unusual journal combinations which impact revenue).

Our procedures in respect of the above included testing a sample of journal entries throughout the year which met a defined risk criteria, by agreeing to supporting documentation, and assessing significant estimates made by management for bias. This included those set out in the Key Audit Matters section of our report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Emma Jarvis (Senior Statutory Auditor)**

For and on behalf of BDO LLP,  
Statutory Auditor  
London  
7 May 2024

**BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).**









# Consolidated statement of comprehensive income

For the 12 month period ended 24 December 2023

	Notes	12 months ended 24 December 2023 £'000	18 months ended 25 December 2022 £'000
Revenue		34,761	58,905
Cost of sales		(4,907)	(7,748)
<b>Gross profit</b>		<b>29,854</b>	51,157
Operating expenses - excluding highlighted items	6	(28,822)	(42,373)
Highlighted items	4	(8,222)	451
<b>Total operating expenses</b>		<b>(37,044)</b>	(41,922)
Other income	6	44	197
Operating profit - excluding highlighted items		1,076	8,981
Highlighted items	4	(8,222)	451
<b>Operating (loss)/profit</b>		<b>(7,146)</b>	9,432
Finance income	6	80	24
Finance cost	6	(1,752)	(1,817)
(Loss)/profit before tax - excluding highlighted items		(596)	7,188
Highlighted items	4	(8,222)	451
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(8,818)</b>	7,639
Taxation on ordinary activities	7	1,282	(1,266)
<b>(Loss)/profit and total comprehensive (expense)/income for the period</b>		<b>(7,536)</b>	6,373
(Losses)/earnings per share – basic* (pence)	8	(20.2)	17.1
Adjusted (losses)/earnings per share – basic* (pence)	8	(1.7)	16.4

\* 2023 basic weighted average number of shares in issue is 37.29 million (2022: 37.29 million).

No other comprehensive income was earned during the period (2022: nil).

# Consolidated balance sheet

As at 24 December 2023

	Notes	As at 24 December 2023 £'000	As at 25 December 2022 £'000
<b>Non-current assets</b>			
Intangible assets	9	8,222	9,545
Property, plant and equipment	10	26,083	28,139
Right-of-use assets	11	18,761	25,223
Deferred tax asset	7	1,016	—
		<b>54,082</b>	<b>62,907</b>
<b>Current assets</b>			
Inventories	14	868	815
Trade and other receivables	15	1,783	1,835
Income tax receivable		42	—
Cash and cash equivalents	16	3,952	4,208
		<b>6,645</b>	<b>6,858</b>
<b>TOTAL ASSETS</b>		<b>60,727</b>	<b>69,765</b>
<b>EQUITY</b>			
Issued share capital	17	9,322	9,322
Share premium	17	15,993	15,993
Merger reserve	17	(1,111)	(1,111)
Other reserve	17	452	452
Retained (deficit)/earnings		(6,639)	897
<b>Equity attributable to equity shareholders of the Parent</b>		<b>18,017</b>	<b>25,553</b>
<b>TOTAL EQUITY</b>		<b>18,017</b>	<b>25,553</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	20	4,419	3,833
Other financial liabilities	13	690	11,327
Lease liabilities	11	1,793	1,808
Income tax payable		—	987
Provisions	21	—	119
Liabilities held for sale	22	4,600	—
		<b>11,502</b>	<b>18,074</b>
<b>Non-current liabilities</b>			
Other financial liabilities	13	10,710	—
Lease liabilities	11	20,288	25,365
Deferred tax liability	7	—	512
Other payables due in more than one year	20	210	261
		<b>31,208</b>	<b>26,138</b>
<b>TOTAL LIABILITIES</b>		<b>42,710</b>	<b>44,212</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,727</b>	<b>69,765</b>

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

J.A.Smith, Director  
7 May 2024

Registered Company number: 08687172



# Consolidated statement of cash flows

For the 12 month period ended 24 December 2023

	Notes	12 months ended 24 December 2023 £'000	18 months ended 25 December 2022 £'000
<b>Operating activities</b>			
(Loss)/profit before tax		(8,818)	7,639
Net finance costs	6	1,672	1,793
Amortisation of intangible assets	6, 9	83	126
Impairment of goodwill	4, 9	1,326	985
Impairment/(reversal of impairment) of property, plant and equipment	4, 10	957	(424)
Impairment/(reversal of impairment) of right-of-use assets	4, 11	3,044	(489)
Impairment of assets held for sale	4, 22	3,014	—
Depreciation of property, plant and equipment	6, 10	1,380	2,372
Depreciation of right-of-use assets	11	1,674	2,453
Gain on disposal of property, plant and equipment		(107)	—
Gain on derecognition of lease liabilities due to disposal	11	—	(688)
Gain on derecognition of lease liabilities due to waivers & concessions	4, 11	(6)	(402)
Charge on recognition of in-substance fixed rent	11	—	268
(Decrease)/increase in provisions		(119)	119
Increase in inventories		(53)	(84)
Decrease in trade and other receivables		52	2,381
Increase/(decrease) in trade and other payables		462	(3,539)
Interest paid on borrowings		(816)	(712)
Interest paid on lease liabilities	11	(735)	(1,105)
Interest received		80	24
Income tax paid		(1,275)	(32)
<b>Net cash flow generated from operating activities</b>		<b>1,815</b>	<b>10,685</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment and intangible assets	9, 10	(829)	(1,296)
Proceeds from disposal of property, plant and equipment		107	18
Payment of deferred and contingent consideration to former Lightwater Valley Attractions Limited shareholders		—	(1,000)
<b>Net cash flows used in investing activities</b>		<b>(722)</b>	<b>(2,278)</b>
<b>Financing activities</b>			
Proceeds from borrowings		4,500	—
Repayment of borrowings		(4,467)	(9,063)
Arrangement fees paid		(116)	—
Principal paid on lease liabilities	11	(1,266)	(2,216)
<b>Net cash flows used in financing activities</b>		<b>(1,349)</b>	<b>(11,279)</b>
Net decrease in cash and cash equivalents		(256)	(2,872)
Cash and cash equivalents at beginning of period		4,208	7,080
<b>Cash and cash equivalents at end of period</b>	16	<b>3,952</b>	<b>4,208</b>



## Consolidated statement of changes in equity

For the 12 month period ended 24 December 2023

	Issued share capital £'000	Share premium £'000	Merger reserve £'000	Other reserve £'000	Retained (deficit)/ earnings £'000	Total shareholders' equity £'000
As at 27 June 2021	9,322	15,993	(1,111)	452	(5,476)	19,180
Profit and total comprehensive income for the period	—	—	—	—	6,373	6,373
As at 25 December 2022	9,322	15,993	(1,111)	452	897	25,553
Loss and total comprehensive expense for the period	—	—	—	—	(7,536)	(7,536)
<b>As at 24 December 2023</b>	<b>9,322</b>	<b>15,993</b>	<b>(1,111)</b>	<b>452</b>	<b>(6,639)</b>	<b>18,017</b>

# Notes to the consolidated financial statements

For the period ended 24 December 2023

## 1. Accounting policies

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. Both the immediate and ultimate parent of the Group is The Brighton Pier Group PLC. The Brighton Pier Group PLC owns and operates Brighton Pier, one of the leading tourist attractions in the UK. As at 24 December 2023, the Group also operated eight premium bars (2022: eight) and eight (2022: eight) indoor adventure golf facilities trading in major towns and cities across the UK, as well as operating Lightwater Valley Family Adventure Park, situated in North Yorkshire.

### Basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IASs') in conformity with the requirements of the Companies Act 2006. The consolidated financial statements also comply fully with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'). The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 24 December 2023. These accounting policies were consistently applied for all the periods presented.

The financial statements are presented in sterling under the historical cost convention except where explicitly noted. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

On 20 June 2022, the Group changed its accounting reference date (and financial year end) from 30 June to 31 December. As a result, the prior period financial results are presented on an 18 month basis to 25 December 2022, and will not be directly comparable to current year financial information, which is presented on a 12 month basis to 24 December 2023.

### Going concern

As at 24 December 2023, the Group had net current liabilities of £4,857,000 (2022: £11,216,000). The Group also had cash and cash equivalents of £3,952,000 (2022: £4,208,000) available to meet short-term needs.

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's principal sources of funding are:

- a term loan of £6,900,000, which was initially entered into in April 2016. The term loan was extended for a period of 4 years on 20 December 2023 and is now due for final repayment on 31 December 2027. As a consequence, loan repayments of £690,000 are payable over the next 12 months;

- a revolving credit facility of £5,000,000, which was initially entered into in April 2016. This facility was increased from £1,000,000 on 20 December 2023 and was also extended for a period of 4 years, with a final repayment date of 31 December 2027. As at 24 December 2023, this facility was £4,500,000 drawn (2022: undrawn); and
- the Group also made a final repayment of £457,000 at the end of March 2023 in relation to its Coronavirus Business Interruption Loans (CBILs). No further amounts are due.

Quarterly covenant tests are in place over the bank facilities. These tests were revised on 22 April 2024, and the Group is now subject to a Minimum EBITDA (on a pre-IFRS 16 basis) and Minimum Liquidity test in June 2024, with Net Leverage, Interest Cover and Debt Service Cover tests commencing in September 2024. The loan to value test was unchanged. The Group was compliant with all applicable covenant tests as of both 24 December 2023 and 24 March 2024.

The Directors and management of the business have used Board-approved forecast cash flows covering the period through to December 2025 as a base case. In this scenario, no covenant breaches are forecast.

These forecasts have been subjected to scenario modelling and sensitivity analysis which the Directors consider to be sufficiently robust. Based on this information, the Directors expect the following:

- that in a reasonably possible downturn in expected trading performance, no covenant breaches will occur;
- that in the event that trading performance were to fall below current expectations, the Group would have the ability to take mitigating actions to respond as necessary, for example by reducing discretionary spend for larger capex projects;
- that in a reverse stress test scenario, which measures the point at which covenant breaches occur, the Group's EBITDA for the 12 months ending 31 December 2024 would need to be 46% lower than the Board-approved budget, updated for actual trading through to the end of February 2024;
- that the Group will 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 existing cash resources available to it; and
- that the Group will have sufficient cash resources available to meet all of its liabilities as they fall due.

Accordingly, management do not consider that there is a material uncertainty in relation to going concern and consequently, these financial statements have been prepared on a going concern basis.

**Basis of consolidation**

The consolidated financial statements include the financial statements of The Brighton Pier Group PLC and the entities it controls (its subsidiaries) for the periods reported.

For the purposes of preparing these consolidated financial statements, subsidiaries are those entities controlled by the Group. The Group (as investor) controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries, which are prepared for the same reporting period, are included in the consolidated financial statements from the date that control commences until the date control ceases. All intra-group balances, income, expenses and unrealised gains and losses resulting from the intra-group transactions are eliminated in full.

Subsidiary entity accounts are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) using the FRS 101 Reduced Disclosure Framework.

**Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Such cost includes the cost of replacing part of the property, plant and equipment when the cost is incurred, if the recognition criteria are met, in which case the carrying value of the replaced part is written off. All major repairs and maintenance costs are recognised in the Consolidated statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Leasehold and freehold improvements	15–20 years or the term of the lease where this is shorter*
Fixtures, fittings & equipment	3–10 years
IT equipment	3 years
Motor vehicles	4–5 years

\* Leasehold improvements - where the contractual term of the property lease is shorter than the allocated asset life in the fixed assets register; the asset is depreciated based on the number of years remaining on the lease.

No depreciation charge has been recorded in respect of the Pier as the amount of depreciation is immaterial. Readers should refer to the critical accounting judgments and key sources of estimation uncertainty (see Note 2) for further detail.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying

amount of the asset) is included in the Consolidated statement of comprehensive income in the year the asset is de-recognised.

The asset’s residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. The assets are reviewed for impairment if events or circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred.

**Business combinations and goodwill**

For each business combination, management makes an assessment of whether any intangible assets have been acquired, and how much goodwill arose as a result of the acquisition. Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group’s share in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash generating units (‘CGUs’) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

The Group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually and when circumstances indicate that the carrying amount may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGUs to which goodwill relates. Where the recoverable amount of the CGUs is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods. The Group performs its annual impairment test of goodwill based on the final day of the reporting period.

Cash flows in relation to deferred and contingent consideration, such as those settled in the prior period in relation to the acquisition of Lightwater Valley Attractions Limited, are recognised as investing activities in the Consolidated statement of cash flows.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 1. Accounting policies (continued)

### Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. For further information, see Note 2.

Impairment losses of continuing operations are recognised in the Statement of Comprehensive Income as a highlighted item in the period in which they are incurred.

Goodwill is tested for impairment annually at the period end date and when circumstances indicate that the carrying value may be impaired. In the current period, the Group performed two impairment assessments in December 2023 and June 2023 (2022: two assessments, one in December 2022 and one in June 2022).

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Where an impairment loss recognised in a prior period is assessed to have decreased or no longer exist, and the recoverable amount of the relevant asset (excluding goodwill) is assessed to be greater than its impaired carrying value, the impairment loss is reversed to increase the carrying amount of the relevant asset to its recoverable amount.

### Intangible assets

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

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

---

Computer software and websites – 3 to 7 years

---

### Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and includes all cost incurred in bringing each product to its present location and condition.

### Financial assets

Financial assets within the scope of IFRS 9 are classified as fair value through profit or loss, fair value through other comprehensive income or at amortised cost.

The Group currently holds no financial assets held at fair value through profit or loss or fair value through other comprehensive income.

The Group determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

### Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the Consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For other receivables, at each period end, the Group assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for financial assets at an amount equal to the 12 month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Group measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses.



The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated balance sheet.

Cash and short-term deposits in the Consolidated balance sheet comprise cash at bank and short-term deposits with a maturity of three months or less. For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash excludes amounts that have been recognised as revenue but yet to be received into the Group's bank accounts as at the close of business on the period end date (for example undeposited revenue from credit card sales). Any amounts not yet received are included within trade receivables.

### Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as fair value through profit or loss or amortised cost.

The Group's accounting policy for each category is as follows:

#### Amortised cost

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated balance sheet. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

#### Fair value measurement

Fair value disclosures for financial instruments are provided in Note 13 - *other financial assets and liabilities – financial risk management objectives and policies*.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1 quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the inputs into the valuations and the level of the fair value hierarchy as explained above.

### Leases

The majority of the Group's accounting policies for leases are set out in Note 11.

#### As lessee:

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) there is an identified asset;
- (b) the Group obtains substantially all the economic benefits from use of the asset; and
- (c) the Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from the use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

#### As lessor:

Leases in which the Group is the lessor are classified as either operating or finance leases. Leases where a significant portion of the risks and rewards of ownership are retained by the Group are classified as operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 1. Accounting policies (continued)

### Leases (continued)

Rent receivable is recognised over the lease term in based on a pattern that reflects a constant periodic rate of return on the net investment in the lease. Where an incentive (such as a rent-free period) is given to a tenant, the carrying value of the net investment in the finance lease excludes any amount reported as a separate asset as a result of recognising rental income on this basis.

The Group does not make any provisions in respect of property dilapidations on the basis that its lease agreements do not contain clauses that create a material obligation to meet the costs of repairing property dilapidations or the costs of restoring the properties to their initial condition.

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation to make a probable transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the Group's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date. Provisions are discounted if the effect of the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

### Highlighted items

Further information regarding highlighted items recognised by the Group is set out in Note 4.

Highlighted items are treated as such if the matters are material and fall within one of the categories below:

- a) acquisition costs and pre-opening costs relating to new and refit sites; or
- b) impairment charges and reversals, lease adjustments, site closure and other legal costs.

Acquisition and pre-opening costs are highlighted because they are costs that are unique to each development. The Group only acquires new sites or businesses when appropriate opportunities arise. Therefore, in any given period, acquisition costs can vary significantly depending on the number of new sites acquired and the level of investment required to bring the site into use, and so do not reflect the costs of the day-to-day operations of the business. These are therefore split out in order to aid comparability with prior periods. Similarly, pre-opening costs are incurred after the acquisition of a new site or the refurbishment of an existing site. For the reasons outlined above, these costs have also been highlighted in order to aid comparability with prior periods.

Charges/credits relating to impairments, lease adjustments, site closures and other legal costs are similarly highlighted

as these are non-recurring transactions that distort comparability of the underlying operating performance of the Group between periods.

### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and Value Added Taxes. Revenue from sale of goods is recognised when control of the goods has passed to the buyer, usually on consumption. Revenue from services is recognised on delivery of service, apart from revenue arising from the sale of annual passes at Lightwater Valley and concession income on the Pier, which are recognised over time in accordance with the satisfaction of the relevant performance obligation.

### Government grants

During the period ended 25 December 2022, the Group received grants from the UK Government in relation to the Coronavirus Job Retention Scheme and from local authorities as a result of coronavirus restrictions imposed. Where possible, the income from these grants has been offset against the expense to which they relate (for example, amounts received through the Coronavirus Job Retention Scheme have been offset against staff costs). Where it was not possible to allocate the income to a specific expense it was included within Other income in the Consolidated statement of comprehensive income.

### Insurance income

Amounts received in respect of insurance income is recognised as other income in the Consolidated statement of comprehensive income (see Note 6).

### Share-based payments

#### Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date of grant and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined using the Black-Scholes pricing model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting) conditions, other than performance conditions linked to the price of the shares of the Company (market conditions). Any other conditions which are required to be met in order for the employee to become fully entitled to an award are considered non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the grant date fair value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition or a non-vesting condition, which are treated as vesting irrespective of whether or not the market vesting condition or non-vesting condition is satisfied, provided that all service and non-market vesting conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated. This represents the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of service and non-market vesting conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition or a non-vesting condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the Consolidated statement of comprehensive income, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the terms of the original award continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is not met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over the fair value of the settled award being treated as an expense in the Consolidated statement of comprehensive income.

The Group does not currently award cash-settled share options to employees.

### Post-employment defined contribution plans

The Group pays fixed contributions into independent entities in relation to several state plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

## Taxes

### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Consolidated balance sheet date.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity and not in the Consolidated statement of comprehensive income.

### Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the Consolidated balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary difference associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 1. Accounting policies (continued)

### Taxes (continued)

The carrying amount of deferred tax assets is reviewed at each Consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each Consolidated balance sheet date and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

### New standards and interpretations not yet adopted

The Group is currently assessing the impact of the following accounting standards and amendments:

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12);
- Disclosure of Accounting Policies (Amendments to IAS 1 & IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12).
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Lack of Exchangeability (Amendments to IAS 21); and
- Presentation and Disclosure in Financial Statements (IFRS 18).

## 2. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities at the Consolidated balance sheet date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could create a significant risk of material adjustments to the carrying amounts of assets and liabilities within the next financial period.

In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the financial statements:

### Estimates and assumptions

#### Impairment of non-financial assets

The acquisition growth strategy of the Group has led to material goodwill being recognised on the Consolidated balance sheet. This goodwill, which is allocated across CGUs, is tested at least annually to determine whether there is any indication of impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The key inputs used to determine the recoverable amount of each CGU require significant management estimate, including those used to derive the expected future cash flows, discount rates, long term growth rates and period of cash flows. Actual performance may differ from management's expectations. Additionally, property, plant and equipment and right-of-use assets which have been allocated to CGUs are reviewed at least annually for indicators of impairment and if an indicator of impairment exists, similar recoverability testing is performed. Further information regarding these assumptions is disclosed in Note 12.

#### Residual value of Brighton Palace Pier

The Directors have estimated that the residual value of Brighton Palace Pier is materially equivalent to its current carrying value. As a consequence, depreciation in respect of the Pier structure (which includes everything below the deck of the Pier) is considered to be immaterial. In estimating the residual value of the Pier, the Directors have taken into account their commitment to maintain the structure in the longer term. The residual value would need to have been assessed to be £5,000,000 lower than the current carrying value of £17,344,000 (assuming a useful economic life of 20 years) to have created a depreciation charge in excess of £250,000 in the current reporting period.

#### Deferred tax arising on Brighton Palace Pier

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



## Critical accounting judgements

### Right-of-use assets and lease liabilities

The Group is required to estimate the appropriate discount rate and lease term used to calculate the initial measurement of lease liabilities. The estimate made by the Group directly impacts the value of the right-of-use asset and lease liability initially recognised in the Consolidated balance sheet. The discount rate is determined using the incremental borrowing rate, as the interest rate implicit in the lease cannot be readily determined across the Group's leasing activities. The incremental borrowing rate is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset in a similar economic environment with similar terms and conditions.

### Assets and liabilities held for sale

The Group has classified certain assets and liabilities as held for sale in the current reporting period. IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' requires the Group to exercise judgement in assessing the likelihood of the sale of the relevant assets and liabilities completing within 12 months of the reporting date, being 24 December 2023. As these sites were not considered a separate major line of business for the Group, their trading results have not been presented separately as discontinued operations. See Note 22 for further details.

## 3. Segmental information

The following tables present revenue, profit and loss information regarding the Group's operating segments for the period ended 24 December 2023. IFRS 8 'Operating Segments' applies the so-called 'management approach' to segment reporting and requires the Group to report financial and descriptive information about its reportable segments. Such reportable segments are operating segments or aggregations of operating segments that meet specified criteria.

Operating segments are components of an entity which engage in business activities from which they may earn revenues and incur expenses about which discrete financial information is available that is regularly evaluated by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance. The Group is required to report separate financial information about each operating segment that:

- has been identified as described above or results from aggregating two or more of those segments if they exhibit similar long-term financial performance and have similar economic characteristics; and
- exceeds certain quantitative thresholds.

The Group identified the Board of Directors as its CODM and has defined the operating segments based on the information provided to the Board of Directors. The Board reviews discrete financial information for each site and uses this information to allocate resources. Each unique site that is traded by the Group is considered a separate operating segment. Each of the Eclectic bar sites have been aggregated into the reporting segment 'Bars' and each of the Paradise Island Adventure Golf sites have been aggregated into the reporting segment 'Golf', as these sites have similar economic characteristics and long-term financial performance (using, for example, operating profit margin, gross margin and comparable site sales development as quantitative benchmarks). Conversely, the Brighton Palace Pier and Lightwater Valley operating segments are presented as separate reporting segments.

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

Segment revenues are generated from the sale of goods to external customers on a point in time basis, with the exception of concession income on the Pier, and annual passes at Lightwater Valley.

There were no inter-segment sales in the years presented.

No single customer contributed more than 10% of the Group's revenues.

The accounting policies of the operating segments have been consistently applied.

Overheads have been separated out to reflect how management reviews the discrete financial information and uses it to allocate resources.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 3. Segmental information (continued)

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

12 month period ended 24 December 2023	Brighton Palace Pier £'000	Golf £'000	Bars £'000	Lightwater Valley £'000	Total segments £'000	Head office costs £'000	2023 consolidated total £'000
Revenue from contracts with customers:							
Food & beverage	6,602	163	7,201	977	14,943	—	14,943
Admissions	—	5,991	885	2,973	9,849	—	9,849
Rides and other attractions	8,822	68	—	97	8,987	—	8,987
Other	177	4	261	540	982	—	982
<b>Total revenue</b>	15,601	6,226	8,347	4,587	34,761	—	34,761
Cost of sales	(2,630)	(100)	(1,518)	(659)	(4,907)	—	(4,907)
<b>Gross profit</b>	12,971	6,126	6,829	3,928	29,854	—	29,854
Gross profit %	83%	98%	82%	86%	86%		86%
Administrative expenses:							
Other administrative expenses (excluding depreciation and amortisation)	(11,212)	(3,334)	(6,300)	(3,543)	(24,389)	(1,296)	(25,685)
Other income:							
Insurance income	—	17	—	—	17	—	17
Other income	—	—	27	—	27	—	27
<b>EBITDA</b>	1,759	2,809	556	385	5,509	(1,296)	4,213
Depreciation and amortisation (excluding depreciation of right-of-use assets)	(403)	(384)	(353)	(323)	(1,463)	—	(1,463)
Depreciation of right-of-use assets	(4)	(861)	(705)	(104)	(1,674)	—	(1,674)
<b>Operating profit/(loss) (excluding highlighted items)</b>	1,352	1,564	(502)	(42)	2,372	(1,296)	1,076
Highlighted items	—	(256)	(5,205)	(2,761)	(8,222)	—	(8,222)
Net finance cost (excluding interest on lease liabilities)	—	—	—	—	—	(937)	(937)
Net finance costs arising on lease liabilities	(1)	(271)	(282)	(181)	(735)	—	(735)
<b>Profit/(loss) before tax</b>	1,351	1,037	(5,989)	(2,984)	(6,585)	(2,233)	(8,818)
Income tax	—	—	—	—	—	1,282	1,282
<b>Profit/(loss) after tax</b>	1,351	1,037	(5,989)	(2,984)	(6,585)	(951)	(7,536)
EBITDA	1,759	2,809	556	385	5,509	(1,296)	4,213
Adjusted EBITDA	1,759	2,809	675	385	5,628	(1,296)	4,332

18 month period ended 25 December 2022	Brighton Palace Pier £'000	Golf £'000	Bars £'000	Lightwater Valley £'000	Total segments £'000	Head office costs £'000	2022 consolidated total £'000
Revenue from contracts with customers:							
Food & beverage	9,897	263	13,429	1,483	25,072	—	25,072
Admissions	—	9,713	1,738	5,266	16,717	—	16,717
Rides and other attractions	14,916	31	—	721	15,668	—	15,668
Other	436	7	350	655	1,448	—	1,448
<b>Total revenue</b>	<b>25,249</b>	<b>10,014</b>	<b>15,517</b>	<b>8,125</b>	<b>58,905</b>	<b>—</b>	<b>58,905</b>
Cost of sales	(3,782)	(140)	(2,750)	(1,076)	(7,748)	—	(7,748)
<b>Gross profit</b>	<b>21,467</b>	<b>9,874</b>	<b>12,767</b>	<b>7,049</b>	<b>51,157</b>	<b>—</b>	<b>51,157</b>
Gross profit %	85%	99%	82%	87%	87%		87%
Administrative expenses:							
Other administrative expenses (excluding depreciation and amortisation)	(16,823)	(4,463)	(9,335)	(5,146)	(35,767)	(1,655)	(37,422)
Other income:							
Insurance income	100	10	—	—	110	—	110
Local authority grant income	—	35	46	—	81	—	81
Other income	—	—	6	—	6	—	6
<b>EBITDA</b>	<b>4,744</b>	<b>5,456</b>	<b>3,484</b>	<b>1,903</b>	<b>15,587</b>	<b>(1,655)</b>	<b>13,932</b>
Depreciation and amortisation (excluding depreciation of right-of-use assets)	(751)	(604)	(604)	(539)	(2,498)	—	(2,498)
Depreciation of right-of-use assets	(13)	(1,263)	(1,039)	(138)	(2,453)	—	(2,453)
<b>Operating profit/(loss) (excluding highlighted items)</b>	<b>3,980</b>	<b>3,589</b>	<b>1,841</b>	<b>1,226</b>	<b>10,636</b>	<b>(1,655)</b>	<b>8,981</b>
Highlighted items	—	(307)	758	—	451	—	451
Net finance cost (excluding interest on lease liabilities)	—	—	—	—	—	(688)	(688)
Net finance costs arising on lease liabilities	(3)	(446)	(413)	(243)	(1,105)	—	(1,105)
<b>Profit/(loss) before tax</b>	<b>3,977</b>	<b>2,836</b>	<b>2,186</b>	<b>983</b>	<b>9,982</b>	<b>(2,343)</b>	<b>7,639</b>
Income tax	—	—	—	—	—	(1,266)	(1,266)
<b>Profit/(loss) after tax</b>	<b>3,977</b>	<b>2,836</b>	<b>2,186</b>	<b>983</b>	<b>9,982</b>	<b>(3,609)</b>	<b>6,373</b>
EBITDA	4,744	5,456	3,484	1,903	15,587	(1,655)	13,932
Adjusted EBITDA	4,744	5,456	3,484	1,903	15,587	(1,774)	13,813

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 4. Highlighted items

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Impairment of goodwill	1,326	985
Impairment/(reversal of impairment) of property, plant and equipment	957	(424)
Impairment/(reversal of impairment) of right-of-use assets	3,044	(489)
Impairment of assets held for sale	3,014	—
Charge on recognition of in-substance fixed rent	—	430
Gain on derecognition of lease liabilities for continuing sites using:		
- IFRS 9 derecognition criteria	—	(337)
- IFRS 16 practical expedient	—	(65)
Gain on derecognition of lease liabilities for disposed sites	—	(670)
Other closure costs & legal costs	(119)	119
<b>Total</b>	<b>8,222</b>	<b>(451)</b>

The above items have been highlighted in order to provide users of the financial statements visibility of non-comparable costs included in the Consolidated Statement of Comprehensive Income for this period. See Note 28 for a reconciliation of non-GAAP measures.

### 12 month period ended 24 December 2023

The Group performed two impairment tests in the current period, in December 2023 and in June 2023. The Group considers the relationship between the trading performance of each CGU and their carrying value when reviewing for indicators of impairment. Based on management's review of the expected performance of the core estate, impairments totalling £8,341,000 were identified, split between goodwill (£1,326,000), property, plant and equipment (£957,000), right-of-use assets (£3,044,000) and assets held for sale (£3,014,000). The Group expects to complete the disposal of three trading sites in the Bars division during 2024. The completion of this process will result in a gain in the Consolidated statement of comprehensive income of £4,600,000, broadly offsetting impairment charges of £4,901,000 recognised in the current reporting period in relation to these three sites. Further details are provided in Note 12.

During the current period, the Group released provisions totalling £119,000 in relation to an ongoing legal claim from a former trading site in the Bars division.

### 18 month period ended 25 December 2022

The Group performed two impairment tests in the prior period, in December 2022 and in June 2022. Impairments to goodwill of £985,000 were identified, split between the Rushden (£693,000) and Glasgow (£292,000) sites in the Golf division. Conversely, with the removal of the final remaining COVID restrictions in the period, the trading outlook in other sites was more favourable than in prior reviews, resulting in a reversal of impairments applied to property, plant and equipment of £424,000 and right-of-use assets of £489,000. These reversed impairments that were applied as part of management's 2020 impairment review.

During the COVID-19 pandemic, the Group reached agreements with many of its landlords to temporarily replace fixed rents repayable with a combination of fixed rents and variable turnover rents, with the turnover element benchmarked to pre-pandemic trading. At the time the agreements were made, there was considerable uncertainty about whether the sites, particularly in the Bars division, would be able to reopen and recover to pre-pandemic trading levels. In line with accounting standards, lease liabilities were adjusted to reflect only the fixed rent element of the lease agreements. Amounts derecognised were included within highlighted items.



During the prior period, management regularly reviewed the lease arrangements in place across the Group in conjunction with the forecast performance at each leased site. With most sites once again trading at or above pre-pandemic levels, in June 2022 management assessed that the payment of turnover rent at some sites in the Bars division was sufficiently certain as to make them in-substance fixed lease payments in accordance with IFRS 16.B42. At this point, future payments totalling £268,000 were recognised as additional lease liabilities (see Note 11). Prior to the assessment having been made, turnover rent payments totalling £162,000 were recognised directly in the Consolidated statement of Comprehensive Income. Total turnover rent payments of £430,000 were therefore recognised within highlighted items in the period ended 25 December 2022, ensuring consistency with the treatment of previously derecognised liabilities in prior periods.

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 allowed entities to recognise the value of any agreed rent concessions in the Consolidated statement of comprehensive income rather than adjusting the underlying right-of-use asset and lease liability. The Group recognised total credits of £65,000 within highlighted items in the Consolidated statement of comprehensive income for the period ended 25 December 2022.

The practical expedient could only be used for rent concessions covering the period to 30 June 2022. In some instances, the Group agreed temporary lease variations that extend beyond this date. These variations amounted, 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 derecognised the appropriate portion of its total liability in accordance with the provisions of IFRS 9 'Financial Instruments'. The Group recognised total credits of £337,000 within highlighted items in the Consolidated statement of comprehensive income during the period ended 25 December 2022.

Lease liabilities of £688,000 (see Note 11) were extinguished during the period as a result of the disposal of the Reading Smash site. Additional costs of £18,000 were incurred in relation to the disposal, which were offset against the corresponding gain within highlighted items.

Legal costs of £119,000 arose as a result of an ongoing claim made in relation to a former trading site in the Bars division.

## 5. Employee costs

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
<b>Employee benefits expense included in other operating costs</b>		
Wages and salaries	12,501	18,010
Social security costs	762	1,246
Pensions – defined contribution plans	98	129
	<b>13,361</b>	19,385

Wages and salaries expense for the 18 month period ended 25 December 2022 is shown net of £34,000 received from the UK Government in relation to the Coronavirus Job Retention Scheme.

### Average number of people employed (including Executive Directors)

	2023	2022
Number of employees	684	681
<b>Split between:</b>		
Operational	652	647
Administration	32	34
<b>Total average headcount</b>	<b>684</b>	681

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 5. Employee costs (continued)

### Directors' remuneration

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Aggregate remuneration in respect of qualifying services	449	724
Aggregate remuneration in respect of the highest paid Director	201	294

An analysis of Directors' remuneration is set out in the report of the Remuneration and Nominations Committee on page 45.

Payments totalling £1,315 (2022: £1,981) were made on behalf of one (2022: one) Director into the Group's auto-enrolment 'People's Pension Scheme'.

## 6. Other income and expenditure

### Other income

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Insurance income	17	110
Local authority grant income	—	81
Other income	27	6
	44	197

At the end of the period the Group has recognised insurance income totalling £17,000 (2022: £110,000) as other income in the Consolidated statement of comprehensive income in relation to insurance claims.

During the period, the Group received income of £nil (2022: £81,000) from local authorities in the towns and cities where its trading sites are located. These grants were paid to assist businesses with meeting their day-to-day running costs during COVID-19 related lockdown periods.

The Group also received £nil (2022: £34,000) from the Government furlough scheme during the period. This was offset against staff costs within operating expenses in the Consolidated statement of comprehensive income.

### Other government assistance arising from the COVID-19 pandemic

During the period ended 24 December 2023 the Group benefitted from other government assistance via the following schemes:

Scheme	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
VAT reduction for hospitality businesses	—	1,570
Business rates relief	—	666
	—	2,236

### Finance income

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Interest on cash and cash equivalents	80	24

**Finance costs**

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Interest on borrowings	816	712
Amortisation of loan interest fees	201	—
Interest on leases	735	1,105
	<b>1,752</b>	<b>1,817</b>

**Total operating expenses excluding highlighted items**

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Depreciation of property, plant and equipment	1,380	2,372
Depreciation of right-of-use assets	1,674	2,453
Amortisation of intangible assets	83	126
(Profit)/loss on disposal of property, plant and equipment	(107)	2
Rates and service charge	2,187	2,763
Insurance and licenses	2,052	2,927
Property costs	2,442	4,420
Staff costs (see Note 5)	13,361	19,385
Contract security costs	671	1,258
Other operating expenses	5,079	6,667
	<b>28,822</b>	<b>42,373</b>

**7. Income tax****(a) Tax on (loss)/profit on ordinary activities**

The tax is made up as follows:

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
<i>Current tax:</i>		
UK corporation tax charge on the (loss)/profit for the period	—	1,011
Adjustments in respect of prior periods	246	(19)
Total current tax	246	992
<i>Deferred tax:</i>		
Changes in tax rates	—	198
Origination and reversal of temporary differences	(1,473)	(92)
Adjustments in respect of prior periods	(55)	168
Total deferred tax	(1,528)	274
<b>Total tax (credit)/charge for the period</b>	<b>(1,282)</b>	<b>1,266</b>

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 7. Income tax (continued)

### (b) Factors affecting the tax (credit)/charge for the period

The tax (credit)/charge for the current period was £(1.3) million (2022: charge of £1.3 million). The tax (credit)/charge for the current year is lower than (2022: higher than) the expected 23.42% (2022: 19.00%) tax charge due to the following:

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
(Loss)/profit on ordinary activities before tax	(8,818)	7,639
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.42% (2022:19%)	(2,065)	1,451
<i>Effects of:</i>		
Expenses not deductible for tax purposes and non-taxable income	290	(173)
Changes in tax rates	(96)	198
Fixed asset differences	260	(267)
Adjustments in respect of prior periods	191	(111)
Movement in deferred tax not recognised	51	—
Other deferred tax movements	87	168
<b>Total tax (credit)/charge for the period</b>	<b>(1,282)</b>	<b>1,266</b>

### (c) Deferred tax

Deferred taxation has been calculated using a tax rate of 25% (2022: 25%) following the increase to the main rate of corporation effective from 1 April 2023. The net deferred taxation asset comprises the following:

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
<b>Assets</b>		
Other timing differences	30	34
Taxable losses carried forward	1,576	14
	<b>1,606</b>	<b>48</b>
<b>Liabilities</b>		
Capital allowances in advance of depreciation	(444)	(414)
Goodwill	(146)	(146)
	<b>(590)</b>	<b>(560)</b>
<b>Total deferred tax asset/(liability) recognised in the balance sheet</b>	<b>1,016</b>	<b>(512)</b>

Deferred tax balances as at 24 December 2023 and 25 December 2022 have been presented on a net basis.

An explanation of the deferred tax treatment of Brighton Palace Pier can be found in Note 2 – *Deferred tax arising on Brighton Palace Pier* on page 70.

In 2023, there were unrecognised deferred tax assets totalling £0.1 million (2022: £0.1 million) arising in relation to carried forward losses.



## 8. Earnings per share

Basic earnings per share amounts are calculated by dividing profit/(loss) for the period attributable to ordinary shareholders of The Brighton Pier Group PLC by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Adjusted basic and diluted earnings per share are calculated based on the profit/(loss) for the period adjusted for highlighted items and their related tax effects.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

### Basic earnings per share

	12 month period ended 24 December 2023	18 month period ended 25 December 2022
(Loss)/profit for the period (£'000)	(7,536)	6,373
Basic weighted number of shares (number)	37,286,284	37,286,284
<b>(Losses)/earnings per share – basic (pence)</b>	<b>(20.2)</b>	17.1

### Adjusted basic earnings per share

	12 month period ended 24 December 2023	18 month period ended 25 December 2022
(Loss)/profit for the period excluding highlighted items (£'000)	(626)	6,126
Basic weighted number of shares (number)	37,286,284	37,286,284
<b>Adjusted (losses)/earnings per share – basic (pence)</b>	<b>(1.7)</b>	16.4

### Diluted basic earnings per share

	12 month period ended 24 December 2023	18 month period ended 25 December 2022
(Loss)/profit for the period (£'000)	(7,536)	6,373
Diluted weighted number of shares (number)	37,286,284	37,802,824
<b>(Losses)/earnings per share – diluted (pence)</b>	<b>(20.2)</b>	16.9

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 8. Earnings per share (continued)

### Adjusted diluted earnings per share

	12 month period ended 24 December 2023	18 month period ended 25 December 2022
(Loss)/profit for the period excluding highlighted items (£'000)	(626)	6,126
Diluted weighted number of shares (number)	37,286,284	37,802,824
<b>Adjusted (losses)/earnings per share – diluted (pence)</b>	<b>(1.7)</b>	16.2

### Reconciliation of adjusted (loss)/profit for the period

Adjusted (loss)/profit is calculated as follows:

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
(Loss)/profit for the period (£'000)	(7,536)	6,373
Highlighted items (£'000)	8,222	(451)
Tax (charge)/credit arising on highlighted items (£'000)	(1,312)	204
<b>Adjusted (loss)/profit for the period</b>	<b>(626)</b>	6,126

The tax charge arising on highlighted items of £1,312,000 (2022: credit of £204,000) reflects the amount of current tax at the enacted rate of 23.42% (2022: 19.00%) that arises on those highlighted items that are disallowable for tax purposes.

### Dilutive shares

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

	24 December 2023 Number	25 December 2022 Number
Weighted average number of shares for basic (LPS)/ EPS	37,286,284	37,286,284
Dilutive effect of share options and warrants	—	516,540
<b>Weighted average number of shares for diluted (LPS)/EPS</b>	<b>37,286,284</b>	37,802,824

Share options with exercise prices of 55p, 63.5p and 111p as noted in Note 18 were not included in the calculation of weighted average number of shares for diluted earnings per share as these options were anti-dilutive in the current period (2022: share options with exercise prices of 111p).

## 9. Intangible assets

	Goodwill	Computer software & websites	Total
	£'000	£'000	£'000
<b>Cost:</b>			
As at 27 June 2021	17,955	472	18,427
Additions	—	199	199
As at 25 December 2022	17,955	671	18,626
Additions	—	86	86
<b>As at 24 December 2023</b>	<b>17,955</b>	<b>757</b>	<b>18,712</b>
<b>Amortisation &amp; impairments:</b>			
As at 27 June 2021	7,698	272	7,970
Charge for the period	—	126	126
Impairment charges	985	—	985
As at 25 December 2022	8,683	398	9,081
Charge for the period	—	83	83
Impairment charges	1,326	—	1,326
<b>As at 24 December 2023</b>	<b>10,009</b>	<b>481</b>	<b>10,490</b>
<b>Net book value:</b>			
As at 27 June 2021	10,257	200	10,457
As at 25 December 2022	9,272	273	9,545
<b>As at 24 December 2023</b>	<b>7,946</b>	<b>276</b>	<b>8,222</b>

The brought-forward goodwill balance relates to the Group's acquisition of Lethington Leisure Limited (owner of Paradise Island Adventure Golf) on 8 December 2017, Lightwater Valley Attractions Limited (owner of Lightwater Valley) on 17 June 2021, and the Putney Fez site in the Bars division, which was purchased as one of twelve sites in 2006.

The Group has four reporting segments; however, management considers each site to be a separate CGU on the basis that each site generates cash flows which are largely independent of the cash flows generated by other sites.

The value of the goodwill across the Bars, Golf and Lightwater Valley segments (the Pier segment has no goodwill) was tested for impairment during the current financial year by means of comparing the recoverable amount of each CGU with the carrying value of its goodwill. Based on the operating performance of the CGUs, impairments totalling £1,070,000 were identified in the current financial year (2022: £nil) in relation to Lightwater Valley, with a further £256,000 (2022: £985,000) recognised in relation to the Glasgow and Rushden sites in the Golf division.

Refer to Note 12 for further information on the impairment reviews, including certain sensitivities applied and their respective impacts on the Group's goodwill carrying values.

Computer software and website additions relate to the creation of new revenue-generating website platforms.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 10. Property, plant and equipment

	IT Equipment £'000	Motor vehicles £'000	Fixtures fittings & equipment £'000	Leasehold improvements £'000	Pier, landing stage & deck £'000	Assets under construction £'000	Total £'000
<b>Cost:</b>							
As at 27 June 2021	503	21	11,610	11,394	17,344	10	40,882
Transfers	(3)	(1)	4	—	—	—	—
Additions	50	—	769	278	—	—	1,097
Disposals	—	—	(40)	—	—	(10)	(50)
As at 25 December 2022	550	20	12,343	11,672	17,344	—	41,929
Additions	12	—	595	93	—	43	743
Transferred to held for sale	(104)	—	(2,090)	(1,432)	—	—	(3,626)
<b>As at 24 December 2023</b>	<b>458</b>	<b>20</b>	<b>10,848</b>	<b>10,333</b>	<b>17,344</b>	<b>43</b>	<b>39,046</b>
<b>Depreciation &amp; impairments:</b>							
As at 27 June 2021	414	18	7,463	3,979	—	—	11,874
Charge for the period	77	2	1,263	1,030	—	—	2,372
Disposals	—	—	(32)	—	—	—	(32)
Impairment reversals	—	—	(86)	(338)	—	—	(424)
As at 25 December 2022	491	20	8,608	4,671	—	—	13,790
Charge for the period	23	—	795	562	—	—	1,380
Impairments	13	—	306	638	—	—	957
Transferred to held for sale	(90)	—	(1,957)	(1,117)	—	—	(3,164)
<b>As at 24 December 2023</b>	<b>437</b>	<b>20</b>	<b>7,752</b>	<b>4,754</b>	<b>—</b>	<b>—</b>	<b>12,963</b>
<b>Net book value:</b>							
As at 27 June 2021	89	3	4,147	7,415	17,344	10	29,008
As at 25 December 2022	59	—	3,735	7,001	17,344	—	28,139
<b>As at 24 December 2023</b>	<b>21</b>	<b>—</b>	<b>3,096</b>	<b>5,579</b>	<b>17,344</b>	<b>43</b>	<b>26,083</b>

The gross cost of fully depreciated property, plant and equipment that is still in use was £10,824,000 (2022: £13,499,000).

The value of the property, plant and equipment was tested for impairment during the current financial period by means of comparing the recoverable amount of each CGU with the carrying value of its fixed assets. Based on the operating performance of the CGUs, impairments totalling £957,000 (2022: \$nil) were identified in the current financial period. The impairments that were recognised, along with their impact on the carrying value of the Group's CGUs, are detailed in Note 12.



## 11. Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments arising from turnover rent are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease; and
- initial direct costs incurred.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. In this case an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index/rate. The payments in relation to the Lightwater Valley lease are subject to annual increases in proportion with the equivalent increase in the UK Retail Prices Index (RPI). The rent payable on all other leased sites is reset periodically to market rental rates. When the lease liability is remeasured under these circumstances, a corresponding adjustment is made to the right of use asset, and no revision is made to the applicable discount rate.

The value of the right of use assets was tested for impairment during the current period by means of comparing the recoverable amount of each CGU with the carrying value of its fixed assets. Based on the operating performance of the CGUs, impairments totalling £3,044,000 (2022: £nil) were identified in the current financial period. The impairments that were recognised, along with their impact on the carrying value of the Group's CGUs, are detailed in Note 12.

### Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the UK from which it operates late-night bars (operated by the Bars division), indoor adventure golf sites located in shopping centres (operated by the Golf division) and leasehold land with a remaining term of 75 years (operated by Lightwater Valley).

Certain leases within the Group are subject to turnover rent clauses, which result in additional rental payments falling due when pre-determined sales thresholds are exceeded. These turnover rent payments are considered variable lease payments in accordance with IFRS 16.37b) and are recognised in the Consolidated statement of comprehensive income in the period to which they relate. During the period ending 24 December 2023, payments totalling £2,000 were recognised.

The Group also leases certain items of fittings and office equipment, such as photocopiers, telephone systems and bar equipment. These leases comprise only fixed payments over the lease terms.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 11. Leases (continued)

### Right-of-use assets

	Property £'000	Vehicles £'000	Equipment £'000	Total £'000
At 27 June 2021	23,892	17	7	23,916
Additions	2,007	—	—	2,007
Depreciation	(2,436)	(12)	(5)	(2,453)
Reversal of impairment	489	—	—	489
Remeasurement adjustments	1,264	—	—	1,264
At 25 December 2022	25,216	5	2	25,223
Additions	33	19	—	52
Depreciation	(1,666)	(7)	(1)	(1,674)
Impairment	(3,044)	—	—	(3,044)
Remeasurement adjustments	756	—	—	756
Transferred to held for sale	(2,552)	—	—	(2,552)
<b>At 24 December 2023</b>	<b>18,743</b>	<b>17</b>	<b>1</b>	<b>18,761</b>

### Lease liabilities

	Property £'000	Vehicles £'000	Equipment £'000	Total £'000
At 27 June 2021	27,570	17	6	27,593
Additions	1,989	—	—	1,989
Disposals	(1,323)	—	—	(1,323)
Concessions received from landlords and recognised using:		—	—	
IFRS 16 practical expedient	(65)	—	—	(65)
IFRS 9 derecognition criteria	(337)	—	—	(337)
Interest expense	1,102	1	2	1,105
Payments	(3,300)	(13)	(8)	(3,321)
Recognition of in-substance fixed rent	268	—	—	268
Remeasurement adjustments	1,264	—	—	1,264
At 25 December 2022	27,168	5	—	27,173
Additions	—	19	—	19
Concessions received from landlords and recognised using:		—	—	
IFRS 9 derecognition criteria	(6)	—	—	(6)
Interest expense	735	—	—	735
Payments	(1,992)	(9)	—	(2,001)
Remeasurement adjustments	761	—	—	761
Transferred to held for sale	(4,600)	—	—	(4,600)
<b>At 24 December 2023</b>	<b>22,066</b>	<b>15</b>	<b>—</b>	<b>22,081</b>

The maturity analysis of amounts payable under finance leases is provided below:

	Total £'000	Up to 1 year £'000	1-2 years £'000	2-5 years £'000	5-10 years £'000	10-20 years £'000	20+ years £'000
<b>As at 24 December 2023</b>							
Undiscounted amounts payable	33,356	2,368	1,963	4,776	6,836	5,039	12,374
Interest	(11,275)	(575)	(529)	(1,369)	(1,639)	(1,906)	(5,257)
<b>Total amounts payable on finance leases</b>	<b>22,081</b>	<b>1,793</b>	<b>1,434</b>	<b>3,407</b>	<b>5,197</b>	<b>3,133</b>	<b>7,117</b>
		Up to 1	1-2	2-5	5-10	10-20	20+
As at 25 December 2022	Total £'000	year £'000	years £'000	years £'000	years £'000	years £'000	years £'000
Undiscounted amounts payable	39,413	2,529	2,293	6,228	8,930	7,868	11,565
Interest	(12,240)	(721)	(673)	(1,741)	(2,083)	(2,046)	(4,976)
Total amounts payable on finance leases	27,173	1,808	1,620	4,487	6,847	5,822	6,589

## 12. Impairment review

The Group performed two impairment tests in the current period, in December 2023 and in June 2023 (2022: two tests, one in December 2022 and one in June 2022). The Group considers the relationship between the trading performance of each cash generating unit ('CGU') and their carrying value when reviewing for indicators of impairment. Each of the Group's sites represents a separate CGU, which were assessed individually for impairment. The carrying value of each CGU consists of the net book value of goodwill (where applicable), property plant and equipment and right-of-use assets. Goodwill is allocated to the site on which it arose.

Impairment indicators in the form of continuing inflationary pressures and declining consumer confidence, and the resulting downturn in trading performance, prompted management to perform a full impairment review in June 2023. Impairment to goodwill of £1,070,000 was identified in Lightwater Valley, resulting from a more subdued trading outlook than expected at the time of acquisition in June 2021.

Further impairments to property, plant and equipment of £303,000 and right-of-use assets of £1,584,000 were identified in the Bars division in June 2023, in relation to three sites: Brighton, Manchester and Cambridge.

The contraction in consumers' disposable incomes resulting from the challenging macroeconomic environment has affected the whole of the Bars division, however the effect was the most pronounced in these three sites. By 24 December 2023, management had committed to a plan to either sell or dispose of these three sites. Consequently, the fixed assets in relation to these sites were fully impaired, resulting in further impairment charges to assets held for sale of £3,014,000.

Continued caution in the short-to-medium term outlook has led management to forecast a more conservative trading performance. The resulting impact on the December 2023 led to additional impairments totalling £2,370,000. These were split between goodwill of £256,000, property, plant and equipment of £654,000 and right-of-use assets of £1,460,000, and primarily relates to those sites where the headroom was previously identified as being most limited – in particular, Lightwater Valley, and the Glasgow and Rushden sites in the Golf division.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 12. Impairment review (continued)

The combined impairment charge for the year is shown in the table below:

	Goodwill £'000	Property, plant and equipment £'000	Assets held for sale £'000	Right-of-use assets £'000	Total carrying value of CGUs £'000
Carrying value brought forward as at 26 December 2022	9,272	28,139	—	25,223	62,634
Additions	—	743		52	795
Depreciation	—	(1,380)	—	(1,674)	(3,054)
Transfer to held for sale		(462)	3,014	(2,552)	—
Remeasurement adjustments	—	—	—	756	756
June 2023 impairment charges	(1,070)	(303)	—	(1,584)	(2,957)
December 2023 impairment charges	(256)	(654)	(3,014)	(1,460)	(5,384)
<b>Carrying value carried forward as at 24 December 2023</b>	<b>7,946</b>	<b>26,083</b>	<b>—</b>	<b>18,761</b>	<b>52,790</b>
<b>Total 2023 impairment charges</b>	<b>1,326</b>	<b>957</b>	<b>3,014</b>	<b>3,044</b>	<b>8,341</b>

An analysis of goodwill by CGU is as follows:

	Carrying value prior to impairment review £'000	Impairment £'000	Carrying value post impairment review £'000
<b>Bars</b>			
Putney	888	—	888
<b>Golf</b>			
Glasgow	1,763	(30)	1,733
Manchester	2,997	—	2,997
Livingston	147	—	147
Sheffield	1,012	—	1,012
Cheshire Oaks	814	—	814
Rushden	581	(226)	355
<b>Lightwater Valley</b>	<b>1,070</b>	<b>(1,070)</b>	<b>—</b>
<b>Total goodwill</b>	<b>9,272</b>	<b>(1,326)</b>	<b>7,946</b>

### Methodology

The recoverable amount of each CGU has been determined based on a value in use calculation performed as at 24 December 2023 using cash flow projections from financial budgets as at 24 December 2023, approved by the Board of Directors covering the period to December 2028. Cash flows for each CGU beyond December 2028 are extrapolated, using assumed terminal growth and pre-tax discount rates for each operating segment as follows:

Division	Terminal growth rate	Pre-tax discount rate
Pier	2%	14.0%
Bars	2%	12.7% - 14.8%
Golf	2%	13.2% - 14.5%
Lightwater Valley	2%	13.4%



To assess for impairment, the value in use of the CGU is compared to the carrying value of the assets of that CGU including any attributed goodwill. If the resultant net present value of the discounted cash flows is less than the carrying value of the CGU including goodwill, the difference is written off through the Statement of Comprehensive Income. Impairments are initially applied to the goodwill attributed to the relevant CGU. Where further impairments are required, these are then applied to property, plant and equipment and right-of-use assets and are allocated on a proportional basis based on the carrying value of each category of asset and the impairment required.

The calculation of value in use for all CGUs is most sensitive to the following assumptions:

- revenue growth over the forecast period;
- profit growth over the forecast period;
- discount rates; and
- growth rates used to extrapolate cash flows beyond the forecast period.

**Revenue growth** – the value in use calculations are sensitive to estimated future revenue growth, including customer footfall across the Group estate and expected spend per head.

**Profit growth** – the value in use calculations are also sensitive to the Group's ability to achieve its forecast profit growth, taking into account both the revenue growth referred to above and sufficient cost control measures to maintain expected future profit margins.

**Discount rates** – The discount rate calculation is based on the specific circumstances of each division and is derived from its weighted average cost of capital (WACC) adjusted for various inputs from comparable market participants. The discount rate takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

**Long term growth rates** – Rates are based on market conditions and economic factors such as the changing habits of customers in the towns and cities the Group operates in, as well as competition faced from other businesses in these areas. Management has also considered general consumer confidence, including factors like job prospects, inflation and household disposable income. When determining the appropriate growth rates, management has also considered the regulatory environment.

**Period of cash flows** – the Group considers the period of cash flows over which it expects the future cash generating units to be operational. This can be longer than the current period upon which the sites hold rental agreements and therefore require an element of judgement by the Group. The majority of leasing arrangements are inside the Landlords and Tenants Act 1954 ('the Act'); therefore it can be reasonably assumed that an extension will occur. For leases outside the Act, the Group considers the best available information to determine whether a lease extension is likely, and whether the period of cash flows should be reviewed on a period longer than the current lease agreement. The impairment testing model assumes cash flows for the sites continue in perpetuity beyond the contractual lease terms because the Directors consider that the Group will be able to either extend the existing lease or locate alternative comparable leased premises to enable the CGUs to continue trading. The sites operate in locations where alternative leased premises can be obtained. For those leases outside of the Act, the extension required to the existing lease terms to result in no impairment would be as follows:

Golf site:	Extension required to existing lease to avoid impairment	Impairment required should lease not be extended or alternative trading premises found £'000
Glasgow	5 years	1,463
Manchester	Nil	—
Livingston	1 year	63
		<b>1,526</b>

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 12. Impairment review (continued)

### Sensitivity

The Group has conducted sensitivity analyses on the reasonably possible changes to key assumptions in the impairment test. The Group has assessed the effect on headroom of the following sensitivities:

- a reduction of 2.0% in the estimated long-term growth rate;
- an increase of 2.0% in the estimated WACC underlying the discount rate; and
- a reduction of 20% in EBITDA in 2024 and 2025.

For each analysis, all inputs other than the relevant sensitivity being tested were unchanged from the base case scenario.

The table below summarises the resulting additional impairment to the Group's CGUs:

	Carrying value at 25 December 2022 £'000	Base case impairment £'000	Additional Impairment		
			WACC sensitivity £'000	Long term growth rate sensitivity £'000	EBITDA sensitivity £'000
<b>Bars</b>					
Cambridge	1,229	(1,171)	—	—	—
Brighton	1,324	(1,272)	—	—	—
Manchester	2,547	(2,458)	—	—	—
Lowlander	316	(291)	—	—	—
Embargo	2,159	(131)	(182)	(111)	(100)
Putney Le Fez	2,515	—	(350)	(290)	(308)
<b>Golf</b>					
Rushden	3,424	(226)	(401)	(198)	(244)
Glasgow	2,437	(30)	(311)	(281)	(354)
<b>Pier</b>	19,417	—	(2,593)	(1,675)	(3,196)
<b>Lightwater Valley</b>	12,582	(2,762)	(1,686)	(1,218)	(1,466)
Other sites	14,684	—	—	—	—
<b>Total</b>	<b>62,634</b>	<b>(8,341)</b>	<b>(5,523)</b>	<b>(3,773)</b>	<b>(5,668)</b>

The headroom on other sites in the Bars and Golf divisions were not considered sensitive to reasonably possible changes in key assumptions.

### 13. Other financial assets and liabilities

#### Financial assets

	Note	As at 24 December 2023 Amortised cost £'000	As at 25 December 2022 Amortised cost £'000
<b>Current assets as per balance sheet</b>			
Trade and other receivables excluding prepayments	15	479	482
Cash and cash equivalents	16	3,952	4,208
<b>Total financial assets</b>		<b>4,431</b>	<b>4,690</b>

Financial assets at amortised cost are non-derivative financial assets. The carrying value may be affected by changes in the credit risk of the counterparties.

#### Financial liabilities: trade and other payables, lease liabilities and liabilities held for sale

	Interest rate %	Maturity	As at 24 December 2023 Amortised cost £'000	As at 25 December 2022 Amortised cost £'000
Trade payables	Payable within 1 year	20	2,072	1,205
Other payables, accruals and other taxes and social security costs	Payable within 1 year	20	2,347	2,628
Other payables due in more than one year	Payable in more than 1 year	20	210	261
Lease liabilities	Payable within 1 year	11	1,793	1,808
Lease liabilities	Payable in more than 1 year	11	20,288	25,365
Liabilities held for sale	Payable within 1 year	22	4,600	—
			<b>31,310</b>	<b>31,267</b>

#### Financial liabilities: borrowings

	Interest rate %	Maturity	As at 24 December 2023 Amortised cost £'000	As at 25 December 2022 Amortised cost £'000
<b>Current liabilities:</b>				
£6.9m bank loans (2022: £10.9m)	LIBOR + 2.1%	Dec 2027	690	10,870
£3.2m coronavirus business interruption loan	Base rate + 2.0%	Mar 2023	—	457
			<b>690</b>	<b>11,327</b>
<b>Non-current liabilities:</b>				
£5.0m revolving loan facility (2022: £1.0m)	LIBOR + 2.3%	Dec 2027	4,500	—
£6.9m bank loans (2022: £10.9m)	LIBOR + 2.1%	Dec 2027	6,210	—
			<b>10,710</b>	<b>—</b>

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 13. Other financial assets and liabilities (continued)

### £6.9 million bank loan

On 20 December 2023, the term loan was formally amended from £10.9 million (the amount outstanding on the loan at that time) to £6.9 million, with the final repayment date extended from 5 December 2024 to 31 December 2027, with a one year extension option to 31 December 2028. The amendment was treated as a substantial debt modification in accordance with the provisions of IFRS 9.3.3, resulting in the extinguishment of the existing liability and the recognition of a new liability. Fees incurred in relation to the amendment were recognised within the Consolidated statement of comprehensive income. The settlement of the term loan was made via a drawdown on the Group's new revolving credit facility (see below). The amount outstanding on the term loan as at the period end date was £6.9 million (2022: £10.9 million). The term loan is repayable in equal biannual instalments of £345,000, through to the final repayment date of 31 December 2027.

### £5.0 million revolving credit facility

On 20 December 2023, the revolving credit facility limit was increased from £1.0 million to £5.0 million, with an initial £4.5 million drawn down primarily to fund the partial settlement of the term loan, which was decreased from £10.9 million to £6.9 million. The revolving credit facility has a final maturity date of 31 December 2027.

Barclays Bank plc has a fixed and floating charge, including a negative pledge, over the assets of the Group.

### Banking covenants

The Group's loan arrangements are subject to certain following covenants, which, under normal trading circumstances, are tested on a quarterly basis. The Group must ensure that, on a rolling 12 month basis:

- a) Loan to value (based on third-party valuations) does not at any time exceed 70%
- b) Total cash availability should not fall below £4.0m up to 24 December 2023 and £3.5m up to 24 March 2024
- c) Minimum EBITDA (on a pre-IFRS 16 basis) should not fall below £1.25m up to 24 December 2023 and £1.5m up to 24 March 2024
- d) Debt service cover should not be less than 1.40:1 from 23 June 2024
- e) Interest cover should not fall below 2:1 up to 24 March 2024, 2.25:1 up to 23 June 2024 and 2.50:1 thereafter
- f) Leverage should not exceed 3.50:1 from 23 June 2024 to 22 September 2024, and 2.50:1 thereafter

As at 24 December 2023, the Group was fully compliant with these covenants.

### Financial risk management objectives and policies

The Group's financial instruments comprise cash and cash equivalents, loans and borrowings, as well as various items such as trade receivables and trade payables that arise directly from its operations.

The Group does not enter into derivatives or hedging transactions.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.



The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Group does not have any exposure to foreign currency risk. The Board reviews policies for managing each of these risks, and they are summarised as follows:

### Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's interest-bearing loans and borrowings (through the impact on floating rate borrowings):

	Increase/decrease in basis points	Effect on (loss)/profit before tax £'000
<b>2023</b>		
<b>Sterling</b>	<b>+ 100</b>	<b>(114)</b>
<b>Sterling</b>	<b>- 100</b>	<b>114</b>
2022		
Sterling	+ 100	(113)
Sterling	- 100	113

### Liquidity risk

The Group's policy is to finance its operations and expansion through working capital and, in the case of investing in target companies, to raise an appropriate level of acquisition finance.

The table below summarises the maturity profile of the Group's financial liabilities as at 24 December 2023 and 25 December 2022 based on contractual (undiscounted) payments and interest:

	Total £'000	On demand £'000	Up to 1 year £'000	1-2 years £'000	2-5 years £'000	5+ years £'000
<b>As at 24 December 2023</b>						
Interest-bearing loans and borrowings	11,400	—	690	690	10,020	—
Lease liabilities	33,356	—	2,368	1,963	4,776	24,249
Trade payables	2,072	—	2,072	—	—	—
Other payables	2,557	—	2,347	35	105	70
	<b>49,385</b>	<b>—</b>	<b>7,477</b>	<b>2,688</b>	<b>14,901</b>	<b>24,319</b>
<b>As at 25 December 2022</b>						
Interest-bearing loans and borrowings	11,327	—	11,327	—	—	—
Lease liabilities	39,413	—	2,529	2,293	6,228	28,363
Trade payables	1,205	—	1,205	—	—	—
Other payables	2,889	—	2,628	35	105	121
	<b>54,834</b>	<b>—</b>	<b>17,689</b>	<b>2,328</b>	<b>6,333</b>	<b>28,484</b>

The Group aims to mitigate liquidity risk by managing cash generation by its operations. Investment is carefully controlled, with authorisation limits operating up to Board level and cash payback periods applied as part of the investment appraisal process.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 13. Other financial assets and liabilities (continued)

### Credit risk

Credit risk is the risk that one or more counterparties will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. There are no significant concentrations of credit risk within the Group. The maximum credit risk exposure relating to financial assets is trade receivables, represented by the carrying value as at the balance sheet date.

Each business unit manages customer credit risk. Risk management of customer credit is subject to the Group's established policies, procedures and controls. Outstanding customer receivables are regularly monitored and are approved by management. The Group evaluates the concentration of risk with respect to trade receivables as low, due to the fact that its customers are often also suppliers to the business.

There is no material difference between the fair values and book values of the Group's trade receivables and no concerns relating to credit worthiness.

The Group manages its capital structure and adjusts it in the light of economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. Following the listing of the Group on AIM in November 2013, the Group's primary capital management objectives involved remaining within debt covenants whilst also seeking out suitable acquisition targets.

### Composition of net debt

Net debt is made up as follows:

	2023 £'000	2022 £'000
Cash and cash equivalents	3,952	4,208
Short term borrowings	(690)	(11,327)
Long term borrowings	(10,710)	—
<b>Net debt (excluding lease liabilities)</b>	<b>(7,448)</b>	<b>(7,119)</b>
Lease liabilities	(22,081)	(27,173)
<b>Total net debt</b>	<b>(29,529)</b>	<b>(34,292)</b>

Cash flows from financing activities can be reconciled to the balance sheet movements as follows:

	Current loans and borrowings £'000	Non-current loans and borrowings £'000	Non-current lease liabilities £'000	Current lease liabilities £'000	Total £'000
At 25 December 2022	—	11,327	25,365	1,808	38,500
Cash outflows from financing activities	33	—	—	(1,266)	(1,233)
Non-cash flows:					
Additional arrangement fees	(161)	—	—	—	(161)
Unwinding of unamortised arrangement fees	201	—	—	—	201
Loan repayments becoming current during the period	617	(617)	—	—	—
Transfer to liabilities held for sale	—	—	(4,600)	—	(4,600)
Other non-cash lease liability movements (see Note 11)	—	—	1,316	(542)	774
Lease payments becoming current during the period	—	—	(1,793)	1,793	—
<b>At 24 December 2023</b>	<b>690</b>	<b>10,710</b>	<b>20,288</b>	<b>1,793</b>	<b>33,481</b>

	Current loans and borrowings £'000	Non-current loans and borrowings £'000	Non-current lease liabilities £'000	Current lease liabilities £'000	Total £'000
At 28 June 2021	14,456	5,913	25,534	2,059	47,962
Cash outflows from financing activities	—	(9,063)	—	(2,216)	(11,279)
Repayment of Lightwater Valley debt					
Non-cash flows:					
Additional arrangement fees	(40)	—	—	—	(40)
Unwinding of unamortised arrangement fees	61	—	—	—	61
Loan repayments becoming current during the period	(14,477)	14,477	—	—	—
Non-cash lease liability movements (see Note 11)	—	—	1,639	157	1,796
Lease payments becoming current during the period	—	—	(1,808)	1,808	—
At 25 December 2022	—	11,327	25,365	1,808	38,500

## 14. Inventories

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Goods for re-sale	868	815

The cost of inventories recognised as an expense and included in cost of sales amounted to £4,930,000 (2022: £7,607,000).

## 15. Trade and other receivables

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
<b>Current assets</b>		
Trade receivables	224	284
Other receivables	255	198
Prepayments	1,304	1,353
	<b>1,783</b>	<b>1,835</b>

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

Included within trade receivables are amounts in relation to volume-based sponsorship rebates.

The Group has not attributed any expected credit losses to its receivables based on the Directors' analysis of historical data and the nature of the instruments.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 16. Cash and cash equivalents

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Cash at bank and in hand	3,952	4,208

At 24 December 2023, the Group had £500,000 available (2022: £1,000,000) of undrawn committed borrowing banking facilities.

## 17. Issued capital and reserves

### Ordinary shares called up and fully paid

	As at 24 December 2023		As at 25 December 2022	
	Thousands	£'000	Thousands	£'000
Ordinary shares issued and fully paid				
Ordinary shares of £0.25 each	37,286	9,322	37,286	9,322

There were no movements in share capital during the current or prior period.

Share premium	£'000
As at 27 June 2021, 25 December 2022 and 24 December 2023	15,993

### Number of shares in issue

As at 27 June 2021, 25 December 2022 and 24 December 2023	37,286,284
---	------------

### Merger reserve

This reserve represents the value passed onto the existing shareholders of the former Parent Company of the Group, as part of the share-for-share swap with The Brighton Pier Group PLC, which took place on incorporation of the new Parent entity.

The merger reserve also contains merger relief of £464,210 arising on consideration shares issued on purchase of Lethington Leisure Limited on 8 December 2017, as total equity secured in the target company exceeded 90%. The merger relief reserve is a requirement under the Companies Act 2006.

### Other reserves

This reserve contains the equity value of share-based payments issued to date.

## 18. Share-based payments

### Employee Share Option Plan (ESOP)

Under the Employee Share Option Plan (ESOP), share options of the Parent are granted to employees of the Group with more than twelve months of service. The exercise price of the share options is equal to the market price of the underlying shares on the date of grant. The share options vest in four equal annual instalments provided the employee remains in employment on the vesting date. All share option schemes had fully vested as at 24 December 2023.

There are no performance conditions associated with these options. The fair value of the options was estimated at the grant date using the Black Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. All share option contracts expire on the tenth anniversary of the grant date. There are no cash settlement alternatives.

No expense was recognised for employee services during the year (2022: £nil).



## Movements in the year

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

	Number	WAEP (£)
Outstanding at 27 June 2021 and 25 December 2022	833,682	0.78
Forfeited during the period	(14,332)	(0.64)
<b>Outstanding at 24 December 2023</b>	<b>819,350</b>	<b>0.79</b>
<b>Exercisable at 24 December 2023</b>	<b>819,350</b>	<b>0.79</b>

The weighted average remaining contractual life for the share options outstanding as at 24 December 2023 is 3 years (2022: 4 years).

The weighted average exercise price for all options outstanding at the end of the period was £0.79 (2022: £0.78).

The highest and lowest market price of the Group's shares during the period ended 24 December 2023 was £0.78 and £0.31 respectively.

No options were granted during the periods presented.

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	Expiry year	Exercise price in £ per share options	Share options (thousands)
2013-2014	2025	0.64	35
2013-2015	2025	0.64	35
2013-2016	2025	0.64	35
2013-2017	2025	0.64	48
2015-2016	2026	0.64	10
2015-2017	2026	0.64	16
2015-2018	2026	0.64	19
2015-2019	2026	0.64	19
2016-2016	2026	0.55	60
2016-2017	2026	0.55	72
2016-2018	2026	0.55	79
2016-2019	2026	0.55	79
2016-2017	2026	1.11	78
2017-2018	2027	1.11	78
2017-2019	2027	1.11	78
2017-2020	2027	1.11	78
			<b>819</b>

## 19. Dividends paid and proposed

No dividends were paid or proposed during the period ended 24 December 2023 (2022: £nil).

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 20. Trade and other payables

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
<b>Current liabilities</b>		
Trade payables	2,072	1,205
Other payables	253	251
Accruals and deferred income	1,516	1,669
Other taxes and social security costs	578	708
	<b>4,419</b>	<b>3,833</b>
<b>Non-current liabilities</b>		
Other non-current payables	210	261
	<b>4,629</b>	<b>4,094</b>

Other non-current payables relate to the non-current portion of the fine levied by York Magistrates Court on Lightwater Valley Attractions Limited in December 2020, prior to the Group's acquisition of the business. The fine arose from the former management's breaches of Section 3(1) of the Health and Safety at Work Act 1974. The total fine was £350,000 and is payable in 10 equal annual instalments commencing December 2021.

## 21. Provisions

	Legal claim £'000
Balance at 25 December 2022	119
Released during the period	(119)
<b>Balance at 24 December 2023</b>	<b>—</b>

Legal claims of £119,000 arose as a result of an ongoing claim made in relation to a former trading site in the Bars division. The provision was released in full during the current period.

## 22. Assets and liabilities held for sale

In December 2023, the Group took the decision to dispose of three sites in the Bars division: Manchester, Cambridge and Brighton. The sale of these sites within 12 months of the reporting date (24 December 2023) was deemed highly likely and the Group initiated a programme to actively market these sites to potential buyers prior to this date. Consequently, the assets and liabilities relating to the sites being disposed of were classified as a disposal group held for sale.

Assets totalling £3,014,000, split between right-of-use assets of £2,552,000 and property, plant and equipment of £462,000, were reclassified as held for sale. As part of the Group's impairment review performed in December 2023, these assets were fully impaired, and consequently have a net book value of £nil as of 24 December 2023. See Note 12 for further details.

Associated lease liabilities totalling £4,600,000 were also reclassified as held for sale. The derecognition of these lease liabilities when the sale of the affected sites is completed will result in a gain in the Consolidated statement of comprehensive income, offsetting impairment charges relating to these sites totalling £4,901,000 that were recognised during the 12 month period ended 24 December 2023.

## 23. Related party transactions

The Parent Company and ultimate controlling entity of the Group is The Brighton Pier Group PLC.

Note 29 provides information about the Group's structure, which also includes details of the subsidiaries and the holding Company.

The Group considers its key management personnel to be the Directors of the Parent Company. The compensation of key management personnel is as follows:

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Short-term employee benefits	503	816
Post-employment pension	1	2
<b>Total compensation paid to key management personnel</b>	<b>504</b>	<b>818</b>

Amounts paid to Directors as part of short-term employee benefits including employer's national insurance contributions was £504,000 during the period (2022: £818,000).

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

Adam Wymer is Anne Ackord's son and operates E.A. Decorating Services at Brighton Palace Pier. In the 12 months ended 24 December 2023, E.A. Decorating Services charged the Group £163,000 (2022: £260,000) for maintenance services. No amounts were outstanding at the period end date (2022: £4,000 outstanding).

Neville Ackord is Anne Ackord's spouse and operates Sussex & Kent Farm Produce, which runs a concession stall at Brighton Palace Pier. In the 12 months ended 24 December 2023, Sussex & Kent Farm Produce charged the Group £33,000 (2022: £49,000), of which £6,000 was outstanding at the period end date (2022: £nil outstanding). The Group received £4,000 (2022: £9,000) of rental income from Sussex & Kent Farm Produce for the use of the concession stall.

## 24. Commitments

### Operating lease commitments

#### Lessor:

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Minimum lease payments:		
Within one year	10	15

Operating lease income relates to the rental of concession stalls to tenants on a 12 month contract.

# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 25. Events after the reporting period

In December 2023, the Group took the decision to dispose of three sites in the Bars division: Manchester, Cambridge and Brighton. The assets relating to these sites were fully impaired during the current period, resulting in total charges recognised within highlighted items of £4,901,000 (see Note 12 for details). The associated lease liabilities, which will be derecognised upon the completion of the disposal of the sites, were recognised as held for sale as at 24 December 2023. The resulting non-cash gains are expected to be approximately £4,600,000, broadly offsetting the impairment charges recognised in the current reporting period and improving expected earnings for 2024. As of the date of this report, the disposals of Cambridge and Brighton were completed.

On 22 April 2024, the Group signed an amendment to its loan facility. This amendment altered the quarterly covenants that the Group tests for on a quarterly basis. The Group is now subject to a Minimum EBITDA (on a pre-IFRS 16 basis) and Minimum Liquidity test in June 2024, with the Net Leverage, Interest Cover and Debt Service Cover tests commencing in September 2024. The other principal terms of the loan facility were unchanged from that agreed on 20 December 2023.

## 26. Auditor remuneration

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
Fees payable to the Group's auditor and its associates for the audit of the parent Company and consolidated financial statements:	223	198
Audit of the Group's subsidiaries	50	40
	273	238

## 27. Contingent liabilities

The Group recognised a £119,000 provision in the 18 month period ending 25 December 2022 in relation to an ongoing legal claim from a former trading site in the Bars division. As at 24 December 2023, the Group deemed the likelihood of a settlement arising from this claim sufficiently remote that the provision was derecognised.

## 28. Non-GAAP measures

The Group uses certain alternative performance measures as a means of evaluating the trading performance and cash generation of the underlying business. As these are not defined performance measures in IFRS and are not intended as a substitute for those measures, the Group's definition of alternative performance measures may not be comparable with similarly titled performance measures or disclosures by other entities.

### EBITDA

EBITDA is defined as operating profit/(loss) before interest, tax, depreciation, amortisation, impairments and highlighted items, and is a key metric used by management in order to assess the performance of each division and the Group as a whole.

Adjusted EBITDA is defined as EBITDA, adjusted for income and expenditure included within highlighted items, with the exception of those that relate to interest, tax, depreciation, amortisation and impairments.

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

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
<b>EBITDA Reconciliation</b>		
(Loss)/profit before tax for the year	<b>(8,818)</b>	7,639
Add back depreciation of property, plant and equipment	<b>1,380</b>	2,372
Add back depreciation of right-of-use assets	<b>1,674</b>	2,453
Add back amortisation	<b>83</b>	126
Add back finance costs	<b>1,672</b>	1,793
Add back highlighted items	<b>8,222</b>	(451)
<b>Group EBITDA</b>	<b>4,213</b>	13,932

A reconciliation between EBITDA and adjusted EBITDA is shown below:

	12 month period ended 24 December 2023 £'000	18 month period ended 25 December 2022 £'000
<b>EBITDA</b>	<b>4,213</b>	13,932
Other closure costs & legal costs	<b>119</b>	(119)
<b>Adjusted EBITDA</b>	<b>4,332</b>	13,813

### Like-for-like sales growth

Like-for-like sales growth is a measure of growth in sales, adjusted for new or divested sites or in order to compare similar reporting periods. This is presented in the Strategic Report in order to allow users of the financial statements to compare the current and prior period trading performance of each division on a consistent basis. In the Strategic Report, references to a like-for-like basis are as follows:

- comparisons of 2024 with 2023 trading are the equivalent weeks in each reporting period, adjusted to remove the trading of the three disposed sites in the Bars division; and
- comparisons of 2023 with 2022 trading are the equivalent weeks in each reporting period, being the 12 months ended 24 December 2023 versus the 12 months ended 25 December 2022.

### Gross margin

Gross margin is calculated by dividing gross profit by revenue. It is presented in this report as a percentage value. This measure is included in this report to allow users of the financial statements to understand the amount of revenue that is retained after the direct costs of trading (i.e. cost of sales) is taken into account.



# Notes to the consolidated financial statements

For the period ended 24 December 2023

Continued

## 28. Non-GAAP measures (continued)

### Proforma consolidated statement of comprehensive income (unaudited)

The table below shows Group trading performance on a consistent 12 month basis. The 12 month period ended 24 December 2023 is compared with the 12 month period ended 25 December 2022 below:

	Audited 12 months ended 24 December 2023 £'000	Unaudited 12 months ended 25 December 2022 £'000
Revenue	34,761	36,121
Cost of sales	(4,907)	(4,760)
<b>Gross profit</b>	<b>29,854</b>	31,361
Operating expenses - excluding highlighted items	(28,822)	(28,946)
Highlighted items	(8,222)	(353)
<b>Total operating expenses</b>	<b>(37,044)</b>	(29,299)
Other income	44	197
Operating profit - excluding highlighted items	1,076	2,612
Highlighted items	(8,222)	(353)
<b>Operating (loss)/profit</b>	<b>(7,146)</b>	2,259
Finance income	80	—
Finance cost	(1,752)	(1,266)
(Loss)/profit before tax - excluding highlighted items	(596)	1,346
Highlighted items	(8,222)	(353)
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(8,818)</b>	993
Taxation on ordinary activities	1,282	43
<b>(Loss)/profit and total comprehensive (expense)/income for the period</b>	<b>(7,536)</b>	1,036
(Losses)/earnings per share – basic* (pence)	(20.2)	2.8
(Losses)/earnings per share – diluted (pence)	(20.2)	2.6

\* 2023 basic weighted average number of shares in issue is 37.29 million (2022: 37.29 million).

No other comprehensive income was earned during the period (2022: nil).

## 29. Related undertakings as at 24 December 2023

The Company owns, directly or indirectly, 100% of the ordinary share capital of the following UK companies. All entities are incorporated in England and Wales, with the exception of Lethington Leisure Limited which is incorporated in Scotland.

	Holding	Proportion of voting rights and shares held	Nature of Business
Brighton Palace Pier (Holdings) Limited	Ordinary shares	100%	Holding Company
Lethington Leisure Limited	Ordinary shares	100%	Operation of Paradise Island Adventure Golf
Lightwater Valley Attractions Limited	Ordinary shares	100%	Operation of Lightwater Valley Family Adventure park
Brighton Marine Palace & Pier Company (The) ±	Ordinary shares	100%	Operation of Brighton Palace Pier
Brighton Palace Pier (Assets) Limited ∞	Ordinary shares	100%	Operation of Brighton Palace Pier
Eclectic Bars & Clubs Limited	Ordinary shares	100%	Holding Company
Eclectic Bars Trading Limited *	Ordinary shares	100%	Management & operation of bars
Eclectic Bars (Cambridge) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Deansgate Locks) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (East Street) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Embargo) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Friar Street) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Norwich) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Brighton Arches) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Sidney Street) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (West Street) Limited ■	Ordinary shares	100%	Dormant
Sakura Bars Limited ■	Ordinary shares	100%	Dormant
HSB Clubs Limited ■	Ordinary shares	100%	Dormant
Newman Bars Limited	Ordinary shares	100%	Dormant
Chalice Bars Limited^	Ordinary shares	100%	Dormant

± held indirectly by Brighton Palace Pier (Holdings) Limited

∞ held indirectly by Brighton Marine Palace and Pier Company (The)

\* held indirectly by Eclectic Bars & Clubs Limited

■ held indirectly by Eclectic Bars Trading Limited

^ held indirectly by Newman Bars Limited

For the period ended 24 December 2023, the following subsidiaries were entitled to the exemption from audit under section 479A of the Companies Act 2006:

Newman Bars Limited Registered Number 07041435

Chalice Bars Limited Registered Number 07045390

The registered office of all entities listed above is at 36 Drury Lane, London, WC2B 5RR, with the exception of Lethington Leisure Limited which is registered at Unit 23 Xscape, Kings Inch Road Braehead, Renfrew, PA4 8XU.

# Parent Company balance sheet

As at 24 December 2023

	Notes	As at 24 December 2023 £'000	As at 25 December 2022 £'000
<b>Non-current assets</b>			
Investments	2	13,432	22,241
<b>Current assets</b>			
Trade and other receivables	3	2,169	3,364
<b>Total assets</b>		<b>15,601</b>	<b>25,605</b>
<b>Equity</b>			
Share capital	4	9,322	9,322
Share premium	4	15,993	15,993
Merger reserve		464	464
Other reserve		452	452
Retained deficit		(12,201)	(2,106)
<b>Total equity</b>		<b>14,030</b>	<b>24,125</b>
<b>Current liabilities</b>			
Other payables	5	1,571	1,479
Income tax payable		—	1
<b>Total liabilities</b>		<b>1,571</b>	<b>1,480</b>
<b>Total equity and liabilities</b>		<b>15,601</b>	<b>25,605</b>

As permitted by section 408 of The Companies Act 2006, a separate statement of comprehensive income for the Company has not been included in these financial statements. The Company's total comprehensive expense for the period ended 24 December 2023 was £10,095,000 (2022: total comprehensive income of £74,000).

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

The financial statements were approved by the Board of Directors, authorised for issue on 7 May 2024 and were signed on its behalf by:

**J. A. Smith**

*Company Secretary and Director*

Company registration number: 08687172

## Parent Company statement of changes in equity

For the 12 month period ended 24 December 2023

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserve £'000	Retained deficit £'000	Total £'000
Balance at 27 June 2021	9,322	15,993	464	452	(2,180)	24,051
Profit and total comprehensive income for the period	—	—	—	—	74	74
Balance at 25 December 2022	9,322	15,993	464	452	(2,106)	24,125
Loss and total comprehensive expense for the period	—	—	—	—	(10,095)	(10,095)
<b>Balance at 24 December 2023</b>	<b>9,322</b>	<b>15,993</b>	<b>464</b>	<b>452</b>	<b>(12,201)</b>	<b>14,030</b>

# Notes to the Parent Company financial statements

For the 12 month period ended 24 December 2023

## 1. Accounting Policies

### Basis of preparation

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

The financial statements are presented in sterling under the historical cost convention. All values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

On 20 June 2022, the Group changed its accounting reference date (and financial year end) from 30 June to 31 December. As a result, the prior period financial results are presented on an 18 month basis to 25 December 2022, and will not be directly comparable to current year financial information, which is presented on a 12 month basis to 24 December 2023.

### Disclosure exemptions adopted

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

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

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

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

There were no other material amendments to the disclosure requirements previously applied in accordance with UK endorsed IFRS.

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

### Going concern

As a holding company and the ultimate parent company of The Brighton Pier Group PLC ('the Group'), the ability of the business to continue as a going concern is intrinsically linked that of the Group as a whole. See Note 1 of the Consolidated financial statements for further details.

### Investments in subsidiaries

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

### Foreign currency

The presentation currency for the Company's financial statements is Sterling. Foreign currency transactions are recorded in their functional currencies at the exchange rate at the date of the transaction.

The Parent Company's functional currency is Sterling.

### Current taxation

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



## Deferred taxation

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

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

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

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

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

## Equity

Equity comprises the following:

- 'Share capital' represents the nominal value of equity shares issued;
- 'Share premium' represents amounts subscribed for share capital, net of issue costs, in excess of nominal value;
- 'Retained deficit' represents the accumulated losses attributable to equity shareholders;
- 'Merger reserve' represents the value passed onto the existing shareholders of the former Parent Company of the Group, as part of the share-for-share swap with The Brighton Pier Group PLC, which took place on incorporation of the new Parent entity; and
- 'Other reserve' relates to the equity value of share-based payments issued to date.

## Financial assets

Financial assets within the scope of IFRS 9 are classified as fair value through profit or loss, fair value through other comprehensive income or at amortised cost.

The Company currently holds no financial assets held at fair value through profit or loss or fair value through other comprehensive income.

The Company determines the classifications of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

### Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

A loss allowance is recognised for expected credit losses on financial assets at amortised cost. At each period end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12 month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses.

The Company's financial assets measured at amortised cost comprise amounts due from Group undertakings and cash and cash equivalents.

# Notes to the Parent Company financial statements

For the 12 month period ended 24 December 2023

Continued

## 1. Accounting Policies (continued)

### Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as fair value through amortised cost.

The Company's accounting policy is as follows:

Trade payables, other short-term monetary liabilities and amounts due to Group undertakings are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of comprehensive income.

### Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities at the Balance Sheet date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future. In the process of applying the Company's accounting policies, management has not made any such judgements and estimates.

## 2. Investments

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Investment in Lethington Leisure Limited	10,404	10,834
Investment in Lightwater Valley Attractions Limited	3,028	3,854
Investment in Eclectic Bars & Clubs Limited	—	7,496
Investment in Newman Bars Limited	—	57
	<b>13,432</b>	<b>22,241</b>

During the period ended 24 December 2023 the Company identified impairments totalling £8,809,000 in relation to its investments (2022: no impairments). Of this, £7,496,000 related to the Company's investment in Eclectic Bars & Clubs Limited, £826,000 related to the Company's investment in Lightwater Valley Attractions Limited, £430,000 related to the Company's investment in Lethington Leisure Limited and £57,000 related to the Company's investment in Newman Bars Limited. The carrying value of each investment is compared to the underlying net asset position of the subsidiary. All impairments were driven by the impairments to goodwill, property, plant and equipment and right-of-use assets in the underlying subsidiaries, as outlined in further detail in Note 12 of the Consolidated Group financial statements.

## 3. Trade and other receivables

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Amounts due from Group undertakings	2,150	3,353
Other receivables	19	11
	<b>2,169</b>	<b>3,364</b>

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

Of the total amount owing from Group undertakings of £2,150,000, £944,000 is due from Brighton Palace Pier (Holdings) Limited, and £1,206,000 is due from Lightwater Valley Attractions Limited. Neither entity has sufficient liquid resources to be able to repay the receivable if it were demanded at the balance sheet date.

Brighton Palace Pier (Holdings) Limited's 100% owned immediate subsidiary, Brighton Marine Palace & Pier Company (The) Limited is trading and cash generative. It has sufficient distributable reserves to enable Brighton Palace Pier (Holdings) Limited to partially repay the amount owed through the declaration of a dividend. An impairment charge of £1,342,000 was recognised during the current period (2022: nil), being the difference between the carrying value of the receivable and the deemed recoverable amount.

Lightwater Valley Attractions Limited is also trading and cash generative. It would be able to settle the amounts owed to The Brighton Pier Group PLC in full via the receipt of intercompany balances owed to it by Brighton Marine Palace & Pier Company (The) Limited. Brighton Marine Palace & Pier Company (The) would have the means to settle the amounts owed as outlined above.

#### 4. Issued capital and reserves

##### Ordinary shares called up and fully paid

Ordinary shares issued and fully paid	At 24 December 2023		At 25 December 2022	
	Thousands	£'000	Thousands	£'000
Ordinary shares at £0.25 each	37,286	9,322	37,286	9,322

##### Share premium

	£'000
<b>At 27 June 2021, 25 December 2022 and 24 December 2023</b>	<b>15,993</b>

##### Merger Reserve

The merger reserve contains merger relief of £464,210 arising on consideration shares issued on purchase of Lethington Leisure Limited on 8 December 2017, as total equity secured in the target company exceeded 90%. The merger relief reserve is a requirement under the Companies Act.

##### Other reserve

This reserve contains the equity value of share-based payments issued to date.

#### 5. Other payables

##### Current:

	As at 24 December 2023 £'000	As at 25 December 2022 £'000
Other payables	23	23
Amounts owed to Group undertakings	1,548	1,456
	1,571	1,479

Amounts owed to Group undertakings are repayable on demand and bear interest at 6.75% per annum (2022: 3.25%). The counterparty has confirmed that demands for payment will not be made during the next twelve months from the date of the Balance Sheet.

#### 6. Related Parties and Directors' Transactions

There are no employees of the Company other than the Directors in either period. Directors are remunerated by subsidiary entities. There were no other related party transactions in either period that the Company is required to report.

# Notes to the Parent Company financial statements

For the 12 month period ended 24 December 2023

Continued

## 7. Events after the reporting period

Please refer to Note 25 of the Consolidated Group financial statements.

## 8. Related undertakings as at 24 December 2023

The Company owns, directly or indirectly, 100% of the ordinary share capital of the following UK companies. All entities are incorporated in England and Wales, with the exception of Lethington Leisure Limited which is incorporated in Scotland.

	Holding	Proportion of voting rights and shares held	Nature of Business
Brighton Palace Pier (Holdings) Limited	Ordinary shares	100%	Holding Company
Lethington Leisure Limited	Ordinary shares	100%	Operation of Paradise Island Adventure Golf
Lightwater Valley Attractions Limited	Ordinary shares	100%	Operation of Lightwater Valley Family Adventure park
Brighton Marine Palace & Pier Company (The) ±	Ordinary shares	100%	Operation of Brighton Palace Pier
Brighton Palace Pier (Assets) Limited ∞	Ordinary shares	100%	Operation of Brighton Palace Pier
Eclectic Bars & Clubs Limited	Ordinary shares	100%	Holding Company
Eclectic Bars Trading Limited *	Ordinary shares	100%	Management & operation of bars
Eclectic Bars (Cambridge) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Deansgate Locks) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (East Street) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Embargo) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Friar Street) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Norwich) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Brighton Arches) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (Sidney Street) Limited ■	Ordinary shares	100%	Dormant
Eclectic Bars (West Street) Limited ■	Ordinary shares	100%	Dormant
Sakura Bars Limited ■	Ordinary shares	100%	Dormant
HSB Clubs Limited ■	Ordinary shares	100%	Dormant
Newman Bars Limited	Ordinary shares	100%	Dormant
Chalice Bars Limited ^	Ordinary shares	100%	Dormant

± held indirectly by Brighton Palace Pier (Holdings) Limited

∞ held indirectly by Brighton Marine Palace and Pier Company (The)

\* held indirectly by Eclectic Bars & Clubs Limited

■ held indirectly by Eclectic Bars Trading Limited

^ held indirectly by Newman Bars Limited

For the period ended 24 December 2023, the following subsidiaries were entitled to the exemption from audit under section 479A of the Companies Act 2006:

Newman Bars Limited  
Chalice Bars Limited

Registered Number 07041435  
Registered Number 07045390

The registered office of all entities listed above is at 36 Drury Lane, London, WC2B 5RR, with the exception of Lethington Leisure Limited which is registered at Unit 23 Xscape, Kings Inch Road Braehead, Renfrew, PA4 8XU.

Designed and  
printed by:

---

**perivan**

---

[perivan.com](http://perivan.com)



---

**The Brighton Pier Group plc**

36 Drury Lane  
London WC2B 5RR

Tel: 020 7376 6300

Fax: 020 7823 3756

[www.brightonpiergroup.com](http://www.brightonpiergroup.com)

---

