26 September 2022

The Brighton Pier Group PLC

(the "Company" or the "Group")

Unaudited interim results for the 52 weeks ended 26 June 2022

Strong year but uncertain economic outlook

The Brighton Pier Group is pleased to announce its unaudited results for the 52 weeks ended 26 June 2022. The Group demonstrated the continuing strength of the business model, with record revenues at £40.1 million (2021: £13.5 million), up 25% on the same pre-COVID period in 2019. This has been driven by strong trading across all the Group's divisions. A consistent gross margin performance, combined with Government support from temporary reductions in VAT and business rates, has enabled the Group to make good progress on maximising earnings and paying down debt. Since the end of the previous financial year the Group has reduced its net debt by 62% to £5.0 million.

These results are published in accordance with the change of the Company's accounting reference date from the end of June to the end of December, further details of which were set out in its RNS announcement dated 20 June 2022.

Financial highlights - 52 weeks ended 26 June 2022

- Revenue increased to £40.1 million (2021: £13.5 million), a record result for the Group.
- Group revenues are up 25% on the same pre-COVID period in 2019.
- Group EBITDA was £10.8 million (2021: £5.1 million).
- Gross margins held at 87%.
- The Group benefitted from Government support by way of a temporarily reduced rate of VAT and rates relief.
- Profit before tax was £7.3 million (2021: £4.1 million).
- EPS was 15.4p (2021: 11.3p).
- Repayment of £7.7 million of debt (38% of borrowings); net debt reduced to £5.0 million (2021: £13.3 million).

Operational highlights

- Year opened with a record summer trading period in 2021 boosted by Government support packages, pent-up consumer demand and disposable incomes accrued during lockdown.
- Brighton Palace Pier delivered another consistent performance - new EPOS technology installed to better capture customer data going forward.
- The Bars division completed its rationalisation programme with the disposal of its last marginal site in September 2021.
- The Golf division's high margin business continued to deliver strong cash contribution during the period.
- Lightwater Valley performed well in its first full year of ownership, benefitting from investment in new food and beverage outlets, rides and EPOS technology.

Outlook

- The outlook for the UK economy for the remainder of 2022 and into next year remains uncertain.
- Current total Group sales for the important period of the first 9 weeks to 28 August 2022 were up 1% on a like-for-like basis versus the same pre-COVID period in 2019 benefitting from strong trading at the Pier. This comparative excludes Lightwater Valley which was acquired in June 2021. Going forward, management recognise that the Group is entering a period where economic pressures, both consumer discretionary spend allied with increased costs will present significant trading challenges.
- The Group will however benefit from the cash-generative nature of its diverse businesses, with cash at the end of August 2022 of £11.9 million (including a £1.0 million undrawn revolving credit facility) resulting in net debt of less than £2.0 million. This will ensure resilience in the face of increasing economic uncertainty.
- Importantly, the Group has been able to mitigate some inflationary energy and wage cost pressures through targeted price increases, operational improvements and by fixing energy costs where possible early in 2022. As inflationary pressures head into double digits these will become harder to mitigate over the short to medium term, which has increased uncertainty in budgeting and forecasting.

Anne Ackord, Chief Executive Officer, said:

"The Group's strong recovery following the COVID pandemic has resulted in sales of more than £40 million for the first time in the Group's history. This reflects the hard work of all the Group's employees, for which we are very grateful.

This exceptional period has benefitted both from pent-up customer demand and from hospitality-targeted Government recovery packages. The ongoing cash-generative nature of the Group's diverse businesses and strong balance sheet add resilience to The Brighton Pier Group.

Nevertheless, as we enter into unchartered waters, economic headwinds make it difficult to predict both costs and consumer demand, so our outlook for the future must be one of caution."

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

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

About The Brighton Pier Group PLC

The Brighton Pier Group PLC is a UK entertainment business spread across four divisions:

- Brighton Palace Pier offers a wide range of attractions including two arcades (with over 300 machines) and eighteen funfair rides, together with a variety of on-site hospitality and catering facilities. According to Visit Britain, it was the most popular free attraction in England with over 4.2 million visitors in 2021.
- The Golf division (which trades as Paradise Island Adventure Golf) operates eight indoor mini-golf sites at high footfall retail and leisure centres.
- The Bars division trades under a variety of concepts including Embargo República, Lola Lo, Le Fez, Lowlander and Coalition. The Group's bars target a customer base of students midweek and stylish over-21s and professionals at the weekend.
- Lightwater Valley Adventure Park, a leading North Yorkshire attraction, is focused on family days out. Set within 175 acres of landscaped parkland, the park operates a variety of attractions including rides, amusements, crazy golf, children's outdoor and indoor play, entertainment shows, together with numerous food, drink and retail outlets.

Business Review

Introduction

The Group has performed strongly for the 52 weeks ended 26 June 2022 (2021: 52 weeks ended 27 June 2021). As the restrictions from the pandemic were gradually lifted all divisions performed well, benefitting from pent-up consumer demand and Government support packages and as a result delivered substantial increases in both sales and profitability.

The Group's strategy remains focused on capitalising on the potential of its diversified portfolio of leisure and family entertainment assets in the UK.

These results include the impact of a prior year restatement, further details of which are set out in Note 9. All references to '2021', being the 52 weeks ended 27 June 2021, are restated figures. The restatement primarily affects the balance sheet, with a £51k reduction on the 2021 Statement of Comprehensive Income.

Operational review

Whilst COVID restrictions prevented the Bars division from reopening until 20 July 2021 and some restrictions were reintroduced in December 2021 due to the emergence of the Omicron variant, the Group has otherwise been fully open throughout the period and able to trade mostly unhindered.

The 13-week period of summer trading to the end of September 2021 represented 40% of Group sales for the 52 weeks and was therefore a crucial trading period for the Group. The warmer summer weather, school holidays, a record August bank holiday week on Brighton Palace Pier that achieved gross sales of over £1m, together with the addition of Lightwater Valley, all contributed to the Group's sales during this first quarter. This key trading period was boosted by pent-up consumer demand and higher levels of disposable income that consumers accrued during lockdown, together with a significant increase in people choosing domestic holidays. In addition, the temporarily reduced rate of VAT and rates relief by way of Government support enabled the Group to make good progress repaying debt taken on during the height of the pandemic. Collectively, these factors provided a unique opportunity for the business to maximise revenue and earnings as it re-opened.

The Group successfully completed the full integration of Lightwater Valley (which was acquired on 17 June 2021) in the first few months of this period. During the quieter winter months, the Group also completed the installation of a new EPOS system. The park opened briefly across the Easter period followed by its full re-opening for the summer months.

In September 2021, the Bars division concluded its disposal programme by disposing of its one remaining marginal site (Smash in Reading). This disposal resulted in a gain of £0.7 million realised upon the extinguishment of lease liabilities.

Financial review and KPIs

Total Group revenue for the period was £40.1 million (2021: £13.5 million), up 25% on the same pre-COVID period in 2019 (2019: £32.0m).

Revenue split by division:

• Pier division	£16.5 million	(2021: £9.7 million)
• Golf division	£7.1 million	(2021: £2.4 million)
• Bars division	£11.2 million	(2021: £1.3 million)
• Lightwater Valley*	£5.3 million	(2021: £0.2 million)

* 2021 results for Lightwater Valley reflect the period from acquisition on 17 June 2021 to 27 June 2021.

On a divisional basis and comparing with the pre-COVID like-for-like period in 2019:

- Brighton Palace Pier like-for-like sales were up 12% on 2019.
- Golf division like-for-like sales were up 23% on 2019.
- Bars division like-for-like sales (for only 49 weeks as the division was only able to re-open from the end of July 2021) were up 21% on 2019.

Group gross margin for the period continued in line at 87% (2021: 87%) reflecting the high-margin nature of all four divisions — and this despite the numerous ongoing supply and cost challenges that have appeared in the economy over the period.

Highlighted items totalling £0.8 million of gains (2021: £2.7 million of gains) were recognised during the period. These gains arose from:

- £(0.6) million – impairment of goodwill in the Rushden site;
- £0.9 million – reversal of impairment charges to property, plant and equipment and right-of-use assets;
- £(0.4) million – recognition of in-substance fixed lease payments;
- £0.3 million – gain from the derecognition of other lease liabilities during the period; and
- £0.7 million – gain on extinguishment of lease liabilities following the disposal of Smash in Reading.

Group profit on ordinary activities before tax was up 77% at £7.3 million (2021: £4.1 million).

Group profit on ordinary activities after tax was up 36% at £5.8 million (2021: £4.2 million) - there being no tax payable in the prior period due to utilisation of losses which occurred during lockdown.

In summary, for the 52-week period ended 26 June 2022 (compared to the equivalent 52-week period ended 27 June 2021):

• Revenue:	£40.1 million	(2021: £13.5 million)
• Operating profit:	£8.5 million	(2021: £5.1 million)
• Group EBITDA excluding highlighted items **:	£10.8 million	(2021: £5.1 million)
• Group EBITDA:	£10.8 million	(2021: £4.7 million)
• Operating profit excluding highlighted items:	£7.6 million	(2021: £2.4 million)
• Profit before tax excluding highlighted items:	£6.5 million	(2021: £1.4 million)
• Profit before tax:	£7.3 million	(2021: £4.1 million)
• Profit after tax:	£5.8 million	(2021: £4.2 million)
• Net debt at the end of the period:	£5.0 million	(2021: £13.3 million)
• Basic earnings per share (excluding highlighted items):	15.4p	(2021: 11.3p)
• Basic earnings per share:	13.6p	(2021: 5.6p)
• Diluted earnings per share (excluding highlighted items):	15.2p	(2021: 11.3p)
• Diluted earnings per share:	13.4p	(2021: 5.6p)

** Highlighted items are detailed in Note 4 to the financial statements.

The Group's key performance indicators remain centred on organic growth coupled with continued expansion to drive revenues, EBITDA and earnings growth.

The Board is pleased to report year-on-year growth in revenue, EBITDA and earnings during this period with profit after tax and earnings per share for the 52-week period both up 36%, and Group EBITDA (excluding highlighted items) up 112%.

EBITDA split by division shows all divisions trading strongly:

• Pier division	£3.1 million	(2021: £1.0 million)
• Golf division	£4.2 million	(2021: £3.1 million$^{\Delta}$)
• Bars division	£3.0 million	(2021: £1.8 million$^{\Delta}$)
• Lightwater Valley*	£1.6 million	(2021: £0.1 million)
• Group overhead costs	£(1.1) million	(2021: £(0.9) million)

* 2021 results for Lightwater Valley reflect the period from acquisition on 17 June 2021 to 27 June 2021.

$^{\Delta}$ 2021 EBITDA includes business interruption insurance receipts of £2.5 million in the Golf division and £2.5 million in the Bars division.

Cash flow and balance sheet

The Group generated net cash flow from operations of £11.6 million (2021: £4.9 million), after interest and tax payments, all of which was available for investment or the repayment of debt.

Capital expenditure in the period totalled £0.7 million (2021: £0.3 million) across the Group.

In September 2021, the Group paid £1.3 million to settle the deferred consideration and working capital for the purchase of Lightwater Valley Attractions Limited. These payments were as agreed in the sale and purchase contract and were detailed in the June 2021 Group Annual Report.

During the period, the Group made net debt repayments of £7.7 million (2021: £1.3 million), which includes full repayment of the £3.6 million revolving credit facility used to acquire Lightwater Valley together with a total of £4.0 million scheduled repayments on the Group's principal term loan and its Coronavirus Business Interruption Loans.

Total bank debt at the end of the period was £12.7 million (2021: £20.4 million), comprising a £11.3 million term loan and remaining Coronavirus Business Interruption Loans of £1.4 million.

At the period end, cash and cash equivalents were £7.7 million (2021: £7.1 million).

The decrease in trade and other receivables of £2.0 million in the current period primarily relates to the receipt of £2.0 million of COVID business interruption insurance claims, £1.1 million in August 2021 and a further £0.9 million in October 2021.

Net debt at the period end stood at £5.0 million (2021: £13.3 million). The Directors continue to take a cautious approach to net debt levels for the Group.

The Group currently has an undrawn revolving credit facility of £1.0 million, giving total cash availability to the Group of £8.7 million as at the period end.

On 16 March 2022, the Group signed a 1-year extension to its term loan and revolving credit facilities, which were due to expire on 5 December 2022. The facilities will now expire on 5 December 2023.

Details of the Group's banking covenants can be found on page 88 of the June 2021 Annual Report.

Trading for the 9 weeks to the 28 August 2022

Like for like sale sales for the 9-week period to the 28 August 2022 have seen softer trading across some divisions with cost pressures building across the Group. Total like-for-like sales for the 9 weeks were £8.3m, 1% up on pre-pandemic levels (2019: £8.2 million). This comparative excludes Lightwater Valley which was acquired in June 2021.

The Pier enjoyed another strong trading performance in summer 2022, with unusually warm weather in England, was up 7% on pre-COVID levels at £5.6 million (2019: £5.2 million). Brighton Palace Pier's iconic status in Brighton continues to draw millions of visitors, both locally and internationally as it has done for the last 120 years. The Pier typically starts to wind down following this summer trading period, as it goes into the traditionally quieter winter months.

Conversely, trading in the Bars division has been impacted by the hot weather, with like-for-like sales down 11% on pre-COVID levels at £1.7 million (2019: £1.9 million). Price increases have seen gross margin improve which has helped to offset cost increases. The division is now gearing up for the return of students, Halloween, and Christmas.

The hot weather, in combination with a general decline in footfall in larger shopping centres saw like-for-like sales down 8% in the Golf division at £1.0 million compared to pre-pandemic levels (2019: £1.1 million).

Lightwater Valley has seen significantly lower admissions compared to the exceptional 2021 year (impacting revenues, despite improved spend-per-head from retail investment in the new food and beverage operations). Together with increased costs, this has reduced profitability compared to management expectations based on the previous season, when pent-up demand from COVID lockdowns saw an unprecedented surge in visitors. The Group has invested £0.4 million in the redevelopment of the park, with new rides, improved catering offerings, and other outdoor attractions. Planning permission had previously been granted for the development of 106 timber-style holiday lodges on the southern edge of the Lightwater Valley Park. A minor variation to this existing planning consent is being sought, so that the first stage of holiday accommodation development can commence. This first stage will see the installation of circa twenty pod-type units for rental. The unique forest environment will make these an attractive proposition and will add a further revenue stream to the business. Whilst this project is at an early stage, it demonstrates the potential to create significant growth in the medium term.

Outlook

Following the easing of pandemic restrictions, the first half of calendar 2022 has been characterised by new economic uncertainty, with global instability causing significant increases in food and energy prices, which in turn have led to rapid inflation, a widely predicted cost-of-living crisis, strike actions and an impending recession.

The current high inflation rate in the UK has translated into further cost increases that are expected to continue.. The Group has implemented targeted price uplifts to mitigate some of these pressures where possible, resulting in gross margin unchanged at 87% over the last 24 months. The Group renegotiated some of its energy supply contracts at the beginning of 2022, fixing the cost of energy below the higher prices seen in recent months; other energy supply contracts were agreed after 1 April 2022 and will therefore benefit from the Government's recently announced Energy Bill Relief Scheme. While wage inflation has remained relatively stable in most areas of the business over the period, the Group expects wage inflation to build in the latter half of 2022 and beyond. In addition, other cost increases have in part been offset by operational improvement and other efficiencies. As inflation potentially heads into double digits, it will become harder to mitigate over the short to medium term.

Furthermore, it is important to note that the Group no longer benefits from the reduced rate of VAT and rates relief that contributed to the record-breaking trading performance for the period ended June 2022.

Whilst the Board notes the continued strength demonstrated by the Company's business model over the past 52 weeks, it acknowledges that trading for the next 26-week period to 25 December 2022 is likely to present further challenges, given the many headwinds currently facing the world economy and possible contractions in consumer discretionary spend. The Board looks towards the second half of 2022 with caution.

That said, management believe the diversity of the Group's different offerings and the low levels of net debt following on from the summer trading to the end of August 2022 will enable the Group to remain resilient. For the longer term, the Group remains optimistic that economic events will bring opportunities.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 52-week period ended 26 June 2022

		Unaudited	*Audited*
		52 weeks ended 26 June 2022	***52 weeks ended 27 June 2021 restated***
	Notes	***£'000***	***£'000***
Revenue		40,116	13,541
Cost of sales		(5,226)	(1,781)
Gross profit		**34,890**	**11,760**
Operating expenses - excluding highlighted items		(27,339)	(15,085)
Highlighted items	*4*	848	2,746
Total operating expenses		**(26,491)**	(12,339)
Other operating income		90	5,693
Operating profit - excluding highlighted items		7,641	2,368
Highlighted items	*4*	848	2,746
Operating profit		**8,489**	**5,114**
Finance income		23	24
Finance cost		(1,165)	(991)
Profit before tax - excluding highlighted items		**6,499**	**1,401**
Highlighted items	*4*	848	2,746
Profit on ordinary activities before taxation		**7,347**	**4,147**
Taxation on ordinary activities	*5*	(1,590)	81
Profit for the period		**5,757**	**4,228**
Earnings per share – Basic*	*6*	15.4	11.3
Adjusted earnings per share – Basic**	*6*	13.6	5.6
Earnings per share - Diluted	*6*	15.2	11.3
Adjusted earnings per share – Diluted**	*6*	13.4	5.6

* 2022 basic weighted average number of shares in issue was 37.29m (2021: 37.29m).

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

No other comprehensive income was earned during the period (2021: nil).

Trading results for the 26-week period ended 26 June 2022 are shown in Note 10.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	As at 26 June 2022 £'000	As at 27 June 2021 restated £'000	As at 28 June 2020 restated £'000
Non-current assets			
Intangible assets	11,004	10,457	9,467
Property, plant & equipment	28,608	29,008	25,763
Right-of-use assets	24,153	24,091	18,204
Net investment in finance leases	-	635	689
Other receivables due in more than one year	206	209	367
	63,971	**64,400**	**54,490**
Current assets			
Inventories	931	731	562
Trade and other receivables	1,967	4,002	1,926
Income tax receivable	-	5	-
Cash and cash equivalents	7,654	7,080	2,649
	10,552	**11,818**	**5,137**
TOTAL ASSETS	**74,523**	**76,218**	**59,627**
EQUITY			
Issued share capital	9,322	9,322	9,322
Share premium	15,993	15,993	15,993
Merger reserve	(1,111)	(1,111)	(1,111)
Other reserve	452	452	452
Retained earnings/(deficit)	275	(5,482)	(9,710)
Equity attributable to equity shareholders of the parent	**24,931**	**19,174**	**14,946**
TOTAL EQUITY	**24,931**	**19,174**	**14,946**
LIABILITIES			
Current liabilities			
Trade and other payables	8,928	8,321	3,945
Other financial liabilities - current	1,371	5,913	-
Lease liabilities - current	1,842	2,059	2,220
Income tax payable	1,297	-	35
	13,438	**16,293**	**6,200**
Non-current liabilities			
Other financial liabilities - non-current	11,271	14,456	16,797
Lease liabilities - non-current	24,359	25,715	21,684
Deferred tax liability	524	265	-
Other payables due in more than one year	-	315	-
	36,154	**40,751**	**38,481**
TOTAL LIABILITIES	**49,592**	**57,044**	**44,681**
TOTAL EQUITY AND LIABILITIES	**74,523**	**76,218**	**59,627**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Issued share capital	Share premium	Other reserves	Merger reserve	Retained (deficit)/ earnings	**Total shareholders' equity**
		£'000	*£'000*	*£'000*	*£'000*	*£'000*	***£'000***
At 28 June 2021		9,322	15,993	452	(1,111)	(5,381)	**19,275**
Correction to opening reserves	*9*	-	-	-	-	(101)	(101)
At 28 June 2021 (restated)		9,322	15,993	452	(1,111)	(5,482)	**19,174**
Profit for the period		-	-	-	-	5,757	5,757
As at 26 June 2022		9,322	15,993	452	(1,111)	275	**24,931**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited **52 weeks to** **26 June** **2022** ***£'000***	Audited **52 weeks to** **27 June** **2021** **restated** ***£'000***
Operating activities		
Profit before tax	7,347	4,147
Net finance costs	1,142	967
Amortisation of intangible assets	71	80
Depreciation of property, plant and equipment	1,506	1,218
Depreciation of right-of-use assets	1,594	1,435
Impairment of net investment in finance lease	-	47
Gain on derecognition of lease liabilities due to disposal	(669)	(1,838)
Gain on derecognition of lease liabilities due to waivers & concessions	(280)	(1,334)
Charge on recognition of in-substance fixed rent	264	-
Impairment of goodwill	643	-
Reversal of impairment of property, plant and equipment	(424)	-
Reversal of impairment of right-of-use assets	(489)	-
Decrease in provisions and deferred tax	-	(21)
Increase in inventories	(200)	(59)
Decrease/(increase) in trade and other receivables	2,043	(1,738)
Increase in trade and other payables	246	2,985
Interest paid on borrowings	(462)	(320)
Interest paid on lease liabilities	(703)	(641)
Interest received	23	6
Income tax paid	(34)	(52)
Net cash flow from operating activities	**11,618**	**4,882**
Investing activities		
Purchase of property, plant and equipment, and intangible assets	(681)	(258)
Acquisition of business, net of cash acquired	(254)	(2,251)
Settlement of deferred consideration	(1,000)	-
Proceeds from disposal of property, plant and equipment	-	11
Net cash flows used in investing activities	**(1,935)**	**(2,498)**
Financing activities		
Proceeds from borrowings	-	3,634
Repayment of borrowings	(7,727)	(1,291)
Principal paid on lease liabilities	(1,382)	(296)
Net cash flows (used in)/generated from financing activities	**(9,109)**	**2,047**
Net increase in cash and cash equivalents	**574**	**4,431**
Cash and cash equivalents at beginning of period	7,080	2,649
Cash and cash equivalents at period end date	**7,654**	**7,080**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Brighton Pier Group PLC (registered number 08687172) is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM. Its registered address is 36 Drury Lane, London, WC2B 5RR. The Company is the immediate and ultimate parent of the "Group".

The Brighton Pier Group PLC owns and operates Brighton Palace Pier, one of the leading tourist attractions in the UK. The Group is also a leading operator of eight premium bars nationwide, eight indoor mini-golf sites and Lightwater Valley theme park in North Yorkshire.

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

2. ACCOUNTING POLICIES

The financial information for the 52-week periods ended 26 June 2022 and 27 June 2021 does not constitute statutory accounts for the purposes of section 435 of the Companies Act 2006. The financial information for the 52-week period ended 26 June 2022 has not been audited. The Group's latest audited statutory financial statements were for the 52 weeks ended 27 June 2021 and these have been filed with the Registrar of Companies.

Information that has been extracted from the 27 June 2021 accounts is from the audited accounts included in the annual report, published in November 2021, on which the auditor gave an unmodified opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. A copy of these accounts can be found on the Group's website, www.brightonpiergroup.com.

On 21 June 2022, the Group changed its accounting reference date (and financial year end) from the end of June to the end of December. The Company expects to report an extended audited set of results for the 78-week period to 25 December 2022, with a comparison to the latest audited accounts for the 52 weeks ended 27 June 2021. These results will also include a proforma set of financial statements for the 52 weeks ended 25 December 2022 compared to the 52 weeks ended 26 December 2021.

The interim condensed consolidated financial statements for the 52 weeks ended 26 June 2022 have been prepared in accordance with the AIM Rules issued by the London Stock Exchange. They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 27 June 2021, which were prepared using IFRS, in accordance with The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.

The accounting policies used in preparation of the financial information for the 52 weeks ended 26 June 2022 are the same accounting policies applied to the Group's financial statements for the 52 weeks ended 27 June 2021. These policies were disclosed in the 2021 Annual Report and are in accordance with IFRS as set out in The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019.

Prior period comparative figures have been restated from the original financial statements published for the period ended 27 June 2021. This restatement arose as a result of an unintentional omission of an extension for the lease of premises at the Manchester golf site. Further details can be found in Note 9.

3. SEGMENTAL INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") comprising the Board of Directors. During the 52-week period ended 26 June 2022, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

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

52-week period ended 26 June 2022	Brighton Palace Pier £'000	Golf £'000	Bars £'000	Lightwater Valley £'000	**Total segments £'000**	Head office costs £'000	**June 2022 consolidated total £'000**
Revenue	16,511	7,126	11,157	5,322	**40,116**	-	**40,116**
Cost of sales	(2,481)	(104)	(2,043)	(598)	**(5,226)**	-	**(5,226)**
Gross profit	**14,030**	**7,022**	**9,114**	**4,724**	**34,890**	**-**	**34,890**
Gross profit %	85%	99%	82%	89%	**87%**		**87%**
Operating expenses (excluding depreciation and amortisation)	(10,974)	(2,896)	(6,115)	(3,092)	**(23,077)**	(1,091)	**(24,168)**
Other income	6	35	49	-	**90**	-	**90**
Divisional earnings/(loss)	**3,062**	**4,161**	**3,048**	**1,632**	**11,903**	**(1,091)**	**10,812**
Highlighted items						848	**848**
Depreciation and amortisation (excluding right-of-use assets)						(1,577)	**(1,577)**
Depreciation of right of use assets						(1,594)	**(1,594)**
Net finance cost (excluding interest on lease liabilities)						(439)	**(439)**
Net finance cost arising on lease liabilities						(703)	**(703)**
Profit/(loss) before tax	**3,062**	**4,161**	**3,048**	**1,632**	**11,903**	**(4,556)**	**7,347**
Income tax						(1,590)	**(1,590)**
Profit/(loss) after tax	**3,062**	**4,161**	**3,048**	**1,632**	**11,903**	**(6,146)**	**5,757**
EBITDA (excluding highlighted items)	3,062	4,161	3,048	1,632	**11,903**	(1,091)	**10,812**
EBITDA	3,062	4,161	3,048	1,632	**11,903**	(1,091)	**10,812**

3. SEGMENTAL INFORMATION (continued)

52-week period ended 27 June 2021 restated	Brighton Palace Pier £'000	Golf £'000	Bars £'000	Lightwater Valley* £'000	**Total segments £'000**	Head office costs £'000	**2021 consolidated total £'000**
Revenue	9,673	2,385	1,277	206	13,541	-	13,541
Cost of sales	(1,381)	(28)	(353)	(19)	(1,781)	-	(1,781)
Gross profit	**8,292**	**2,357**	**924**	**187**	**11,760**	**-**	**11,760**
Gross profit %	86%	99%	72%	91%	87%	-	87%
Administrative expenses:							
Other administrative expenses (excluding depreciation and amortisation)	(7,313)	(2,003)	(2,023)	(79)	(11,418)	(934)	(12,352)
Other income:							
Insurance income	-	2,500	2,500	-	5,000	-	5,000
Local authority grant income	44	275	374	-	693	-	693
Divisional earnings/(loss)	**1,023**	**3,129**	**1,775**	**108**	**6,035**	**(934)**	**5,101**
Highlighted items						2,746	2,746
Depreciation and amortisation (excluding depreciation of right-of-use assets)						(1,298)	(1,298)
Depreciation of right-of-use assets						(1,435)	(1,435)
Net finance cost (excluding interest on lease liabilities)						(321)	(321)
Net finance costs arising on lease liabilities						(646)	(646)
Profit/(loss) before tax	**1,023**	**3,129**	**1,775**	**108**	**6,035**	**(1,888)**	**4,147**
Income tax	-	-	-	-	-	81	81
Profit/(loss) after tax	**1,023**	**3,129**	**1,775**	**108**	**6,035**	**(1,807)**	**4,228**
EBITDA (excluding highlighted items)	1,023	3,129	1,775	108	**6,035**	(934)	**5,101**
EBITDA	1,023	3,129	1,775	108	**6,035**	(1,360)	**4,675**

*Results for Lightwater Valley reflect the period from acquisition on 17 June 2021 to 27 June 2021.

4. HIGHLIGHTED ITEMS

	52 weeks to 26 June 2022 £'000	*52 weeks to 27 June 2021 £'000*
Acquisition and pre-opening costs		
Acquisition costs	-	254
Restructuring costs	-	66
Impairment, closure and legal costs		
Impairment of goodwill	643	-
Reversal of impairment of property, plant and equipment	(424)	-
Reversal of impairment of right-of-use assets	(489)	-
Charge on recognition of in-substance fixed rent	371	-
Gain on derecognition of lease liabilities for continuing sites using:		
- IFRS 9 derecognition criteria	(242)	(590)
- IFRS 16 practical expedient	(38)	(744)
Gain on derecognition of lease liabilities for disposed sites	(669)	(1,838)
Other disposal costs	-	106
Total	**(848)**	**(2,746)**

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.

The Group performed its annual impairment test in June 2022 (2021: June). The Group considers the relationship between the trading performance of each CGU and their book value when reviewing for indicators of impairment. Based on management's review of the expected performance of the core estate, an impairment of £643,000 (2021: nil) was identified in the Rushden site. Conversely, with the removal of the final remaining COVID restrictions in the period, the trading outlook in other sites is more favourable than in prior reviews, resulting in a reversal of impairments applied to property, plant and equipment of £424,000 (2021: nil) and right-of-use assets of £489,000 (2021: nil). These reverse impairments that were applied as part of management's 2020 impairment review. Further details are provided in Note 8.

During the 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.

At June 2022, management 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, 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 payments. In accordance with IFRS 16, rent payments totalling £371,000 (2021: nil) have been added back to the lease liability on the balance sheet, with the corresponding entry being recognised within highlighted items in the Statement of Comprehensive Income for the period ended 26 June 2022 in order to ensure consistency with the treatment of previously derecognised liabilities in prior periods.

The onset of the COVID pandemic prompted the IASB to issue a practical expedient to provide relief for lessees from lease modification accounting for rent concessions related to COVID. The practical expedient allows entities to recognise the value of any agreed rent concessions in the Statement of Comprehensive Income rather than adjusting the underlying right-of-use asset and lease liability. The Group has recognised total credits of £38,000 (2021: £744,000) within highlighted items in the Statement of Comprehensive Income for the period ended 26 June 2022.

4. HIGHLIGHTED ITEMS (continued)

The practical expedient can only be used for rent concessions covering the period to 30 June 2022. In some instances, the Group has agreed temporary lease variations that extend beyond this date. These variations amount, in substance, to forgiveness of rent payable without materially changing the present value of total cash outflows over the life of the lease. In such circumstances, the Group de-recognises the appropriate portion of its total liability in accordance with the provisions of IFRS 9: Financial Instruments. The value of these extended waivers is recognised in the Statement of Comprehensive Income. The Group has recognised total credits of £242,000 (2021: £590,000) within highlighted items in the Statement of Comprehensive Income during the period ended 26 June 2022.

Lease liabilities of £669,000 were extinguished during the period as a result of the disposal of the Reading Smash site. The right-of-use asset relating to this site was impaired to nil during the period ended 28 June 2020 and was included in highlighted items for that period.

Period ended 27 June 2021

Acquisition costs of £254,000 relate to the Group's acquisition of Lightwater Valley on 17 June 2021.

Restructuring costs of £66,000 incurred during the period ended 27 June 2021 relate to expenses incurred during a corporate simplification project regarding entities in the Group's Bars division.

Gains on derecognition of lease liabilities occurred in relation to continuing sites as result of renegotiated lease terms with landlords in the Bars and Golf divisions. Of the amounts derecognised, £744,000 was derecognised using the IFRS 16 COVID-19 practical expedient, with a further £590,000 derecognised as a result of applying the derecognition criteria laid out in IFRS 9: Financial instruments.

Gains on derecognition of lease liabilities for disposed sites of £1,838,000 and other closure and legal costs of £106,000 arose as a result of the disposal of leasehold sites in Bath, Wimbledon and Cambridge. The corresponding right-of-use assets for these leasehold sites were impaired to nil during the period ended 28 June 2020.

5. TAXATION

The tax charge has been calculated by reference to the expected effective current and deferred tax rates for the 52-week period to the 26 June 2022 applied against the profit before tax for the period ended 26 June 2022. The full year effective tax charge/(credit) on the underlying trading profit is estimated to be £1.6 million (2021: £(0.1) million).

Deferred tax liabilities have increased as a result of fixed asset timing differences, the utilisation of all available carried forward losses from prior periods and an increase in the tax rate used to calculate the liability.

6. EARNINGS PER SHARE

The weighted average number of shares in the period was:

	52 weeks to 26 June 2022	*52 weeks to 27 June 2021*
	Thousands of shares	Thousands of shares
Ordinary shares	**37,286**	37,286
Weighted average number of shares – basic	**37,286**	37,286
Dilutive effect on ordinary shares from share options	**517**	-
Weighted average number of shares – diluted	**37,803**	37,286

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

	52 weeks to 26 June 2022	*52 weeks to 27 June 2021 restated*
Earnings per share from profit for the period		
Basic (pence)	15.4	11.3
Diluted (pence)	15.2	11.3
Adjusted earnings per share from profit for the period		
Basic (pence)	13.6	5.6
Diluted (pence)	13.4	5.6

7. RECONCILIATION TO EBITDA

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

EBITDA Reconciliation	*52 weeks to 26 June 2022*	*52 weeks to 27 June 2021 restated*
Profit before tax for the year	7,347	4,147
Add back:		
Depreciation of property plant and equipment	1,506	1,218
Depreciation of right-of-use-assets	1,594	1,435
Amortisation	71	80
Net finance costs	1,142	967
Highlighted items	(848)	(2,746)
Group EBITDA excluding highlighted items	**10,812**	**5,101**
Remove highlighted items	848	2,746
Add back:		
Gains arising on lease liability derecognition	(949)	(3,172)
Impairment of goodwill	643	-
Reversal of impairment of property, plant and equipment and right-of-use assets	(913)	-
Charge on recognition of in-substance fixed rent	371	-
Group EBITDA	**10,812**	**4,675**

8. IMPAIRMENT REVIEW

The Group performed its annual impairment test in June 2022 (2021: June). The Group considers the relationship between the trading performance of each cash generating unit ('CGU') and their book 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.

The Group has enjoyed a strong trading performance in the 52 weeks to 26 June 2022, following the full removal of COVID-related restrictions on 19 July 2021. Following the easing of the effects of the pandemic, the first half of 2022 created new economic uncertainty, with multiple factors leading to significant increases in global food and energy prices, which in turn have led to rapid inflation, and a widely predicted cost-of-living crisis and impending recession. Management believes the diversity of the Group's offerings and strong balance sheet will offer some resilience in the short and medium-term as these factors are tackled. Longer-term, the Board remains optimistic about the outlook for the Group.

The multiple factors have however been treated by management as an indicator for impairment, prompting a full review of the recoverable amount of all CGUs within the Group.

Based on management's review of the expected performance of the core estate, an impairment of £643,000 was identified in the Rushden site of the Golf division (2021: nil). Conversely, with the removal of the final remaining COVID restrictions in the period, the trading outlook in other sites is more favourable than in prior reviews, resulting in a reversal of impairments applied to property, plant and equipment of £424,000 (2021: nil) and right-of-use assets of £489,000 (2021: nil). The original impairments were applied as part of the June 2020 impairment review, when the uncertainty caused by the COVID pandemic resulted in a highly cautious trading outlook for the Group. The impairments and reversals of impairment that were recognised following the June 2022 Group impairment review, along with their impact on the carrying value of the Group's CGUs, are detailed in the table below:

	Carrying value prior to June 2022 impairment review	(Impairment)/ Reversal of impairment	Carrying value carried forward after June 2022 impairment review
	£'000	£'000	£'000
Goodwill	10,257	(643)	9,614
Property, plant and equipment	28,094	424	28,518
Right-of-use assets	23,307	489	23,796
Total carrying value of CGUs	**61,658**	**270**	**61,928**

9. LEASE CONTRACT ACCOUNTING PRIOR PERIOD RESTATEMENT

In June 2022, the Group undertook a detailed review of its leasing contracts and discovered that a signed lease extension for the premises at the Manchester golf site had been unintentionally omitted during the Group's initial adoption of IFRS 16 in 2019 due to the presence of a landlord break clause in March 2023. As a consequence, this 10-year extension period (from March 2023 to March 2033) had not been reflected in the measurement of the right-of-use asset and associated lease liability. The effect of this restatement, which is shown below, is primarily on the Balance Sheet, with an increase to the right-of-use asset of £0.9 million, and a £1.0 million increase to the associated lease liability as of 27 June 2021. The correction to opening reserves of the remaining £0.1 million reflects the net impact on the Statements of Comprehensive Income in prior periods and relates to the higher depreciation and interest charges on the larger right-of-use asset and lease liability respectively.

	27 June 2021	Increase/ (Decrease)	27 June 2021 restated
Balance Sheet (extract)	£'000	£'000	£'000
Right-of-use assets	23,191	900	24,091
Lease liabilities	(26,773)	(1,001)	(27,774)
Net assets	**19,275**	**(101)**	**19,174**
Retained deficit	(5,381)	(101)	(5,482)
Total equity	**19,275**	**(101)**	**19,174**

	28 June 2020	Increase/ (Decrease)	28 June 2020 restated
Balance Sheet (extract)	£'000	£'000	£'000
Right-of-use assets	17,283	921	18,204
Lease liabilities	(22,933)	(971)	(23,904)
Net assets	**14,996**	**(50)**	**14,946**
Retained deficit	(9,660)	(50)	(9,710)
Total equity	**14,996**	**(50)**	**14,946**

	27 June 2021	Decrease	27 June 2021 restated
Statement of Comprehensive Income (extract)	£'000	£'000	£'000
Operating expenses	(12,318)	(21)	(12,339)
Operating profit	**5,135**	**(21)**	**5,114**
Net finance costs	(937)	(30)	(967)
Profit on ordinary activities before taxation	**4,198**	**(51)**	**4,147**
Profit for the period	**4,279**	**(51)**	**4,228**

	28 June 2020	Decrease	28 June 2020 restated
Statement of Comprehensive Income (extract)	£'000	£'000	£'000
Operating expenses	(28,446)	(21)	(28,467)
Operating loss	**(9,154)**	**(21)**	**(9,175)**
Net finance costs	(1,053)	(29)	(1,082)
Loss on ordinary activities before taxation	**(10,207)**	**(50)**	**(10,257)**
Loss for the period	**(9,493)**	**(50)**	**(9,543)**

10. INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPRESHENSIVE INCOME FOR THE 26 WEEK PERIOD ENDED 26 JUNE 2022

	Unaudited	*Unaudited*
	26 weeks ended 26 June 2022	***26 weeks ended 27 June 2021***
	£'000	***£'000***
Revenue	17,332	5,342
Cost of sales	(2,238)	(689)
Gross profit	**15,094**	**4,653**
Operating expenses - excluding highlighted items	(13,912)	(7,265)
Highlighted items	44	325
Total operating expenses	**(13,868)**	**(6,940)**
Other operating income	90	4,293
Operating profit - excluding highlighted items	1,272	1,681
Highlighted items	44	325
Operating profit	**1,316**	**2,006**
Finance income	-	8
Finance cost	(615)	(497)
Profit before tax and highlighted items	**657**	**1,192**
Highlighted items	44	325
Profit on ordinary activities before taxation	**701**	**1,517**
Taxation on ordinary activities	(281)	81
Profit for the period	**420**	**1,598**
Earnings per share – Basic	1.1	4.1
Adjusted earnings per share – Basic	1.1	3.7
Earnings per share - Diluted	0.9	4.1
Adjusted earnings per share – Diluted	0.9	3.7