
The City Pub Group PLC
(the "City Pub Group", the "Company" or the "Group")

INTERIM RESULTS FOR THE 26 WEEK PERIOD ENDED 25 JUNE 2023

The City Pub Group is pleased to announce its unaudited results for the 26 week period to 25 June 2023. The Group operates a predominately freehold estate of 42 trading pubs and in addition has recently acquired a majority shareholding in Mosaic Pubs which have 9 pubs located in London and Birmingham and are predominantly freehold.

Since the last statement at the AGM in June, the business has continued to strengthen its financial position and trading has remained strong. This is despite the poor weather in July and early August and the continuation of train strikes. The Group enjoys one of the lowest levels of gearing in the whole hospitality sector with net debt of only c.£8.0m putting the Group in a very strong position to take advantage of appropriately priced opportunities in the market. Whilst our continued focus remains on delivering organic growth, we are currently engaged in negotiations on a number of acquisitions.

Our strategy to premiumise our offer is delivering increased sales and across our existing estate we have successfully sought further labour and purchasing costs efficiencies which have helped mitigate some, but not all, inflationary pressures. Looking forward, energy costs, pleasingly, will be considerably lower than last year with 60% of our energy now hedged to year end.

The second half of the year is traditionally the stronger trading period which benefits from more sporting activity including the Rugby World Cup, return of students from the end of September and the lucrative Christmas trading period. We will benefit from a 53rd week in this financial year.

H1 update

- Positive trading momentum: revenue of £31.7 million (H1 2022: £26.1 million) and LFL sales up 14%
- Despite inflationary pressures, pre-IFRS16 adjusted EBITDA* level maintained at £3.3 million (H1 2022: £3.4 million). The comparatives benefited from c.£800k of state aid principally relating to lower VAT rates and business rates
- Adjusted profit before tax** of £0.8 million (H1 2022: £1.3 million)

** Pre-IFRS16 Adjusted earnings before exceptional items, share option charge, interest, taxation, depreciation and amortisation.*

*** Pre-IFRS16 Adjusted profit / (loss) before tax is the profit / (loss) before tax, share option charge and exceptional items.*

Current trading and Outlook

- Trading across the summer since the half year end has remained positive and the Group continues to trade in line with full year expectations.
- Anticipate continued trading momentum in H2 FY23 which benefits from a very active sporting calendar. Christmas bookings are ahead of where they were this time last year.

Clive Watson, Chairman of City Pub Group said:

***“The Company is in a strong position with very low net debt and what we believe is amongst the lowest gearing in the sector. We look forward to a strong second half – Christmas bookings are significantly up and the company is well placed to take advantage of new acquisition opportunities. The Mosaic estate has been integrated and is showing significant increases in LFL sales. The economy remains challenging but we are well placed to take advantage of any future upturn.*”**

21 September 2023

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For further information on City Pub Group pubs visit www.citypubcompany.com

CHAIRMAN'S STATEMENT

Since my last update at the AGM in June, the Group continues to strengthen its financial position. Sales volumes are continuing to improve; debt remains at historically very low levels and operational efficiencies continue to be delivered. I am pleased to announce that trading continues to be strong and for the first 6 months of 2023 LFL sales were up by 14% on 2022. The strong LFL performance is being driven by our strategy to further premiumise the estate and a continuous, relentless focus on customer service.

For the first 38 weeks of the year LFL sales are up 12.4% - this is very encouraging given the wet summer we have recently experienced and the recent ongoing train strikes. The Group continues to focus on organic sales growth and believes its strengthened marketing and sales teams will continue to drive further optimisation of existing retail space.

Due to the large number of freeholds in the estate, the Group has strong asset backing and good operating margins. The Company's debt level is at a historically low level, and its balance sheet is one of the lowest geared in the hospitality sector. The pub estate is very well invested requiring limited capital expenditure over the next 2 years. This will allow the Group to use its free cashflow to fund further acquisitions and share buybacks.

As the UK economy continues to adjust to higher interest rates, the Group continues to adopt a measured approach to its expansion programme. It believes its focus on organic growth and acquiring c.5 new pubs per annum will stand the business in good stead for when the economy starts to improve. The Board believes this is the right approach for a well-financed trading estate of premium pubs which can deliver sustained growth for shareholders.

Trading Estate

The Group currently operates 42 trading sites (excluding Mosaic).

Since my last statement in June, we have continued to premiumise and enhance our existing estate, and we have upgraded the following pubs at a cost of £2m:

- Cliftonville, Cromer - all the bedrooms are now refurbished to high standard and a new ballroom/function room
- Georgian Townhouse, Norwich - significant improvement to garden and play area
- Bow St Tavern - 4 trading levels have all been refurbished to increase capacity for group bookings
- Market House, Reading – trading areas refurbished to more group bookings
- Three Crowns, Old Street, Shoreditch – small refurbishment to premiumise the offer
- The Cork, Bath – significant upgrade to the outside trading area, including more covered areas

Future refurbishments:

- Pontcanna Inn – we now have planning permission for a covered seating area for over 150 people.

Acquisitions/disposals

The Group acquired a new pub, The Bridge located in Barnes for £0.5m. The purchase completed on 9 January 2023.

The Group disposed of The Yard surrendering the lease with the sale completing on 24 March 2023.

Mosaic Investments

In June, we succeeded in securing control of Mosaic Pub and Dining Group Tranche 1 through owning 53% of the equity. City Pub Group will make a further offer to the remaining shareholders before the end of the tax year, i.e. April 5th 2024. Mosaic operates 9 high quality pubs of which 6 are in London and 3 in Birmingham. 7 are freehold and 2 are leasehold. These are being integrated into the City Pub trading estate. We anticipate future sales growth from these pubs and cost savings. Whilst the Mosaic Group is well invested, we anticipate some investment in refurbishment to enhance trading performance.

Financial Highlights

Summary for the 26 weeks ended 25 June 2023:

- Revenue up 21% to £31.7 million (H1 2022: £26.1 million)
- Pre-IFRS 16 adjusted EBITDA* of £3.3 million (H1 2022: £3.4 million)
- Adjusted profit before tax** of £0.8 million (H1 2022: £1.3 million)
- Reported loss of £0.8 million (H1 2022: profit £0.1 million)

Key Metrics

	Post IFRS 16 26 weeks to 25.06.23 £m	Pre IFRS 16 26 weeks to 25.06.23 £m	Post IFRS 16 26 weeks to 26.06.22 £m	Pre IFRS 16 26 weeks to 26.06.22 £m	Change Pre IFRS 16 %
Revenue	31.7	31.7	26.1	26.1	21%
Adjusted EBITDA	4.4	*3.3	4.4	*3.4	-3%
Adjusted Profit before tax	0.8	**0.8	1.2	**1.3	-34%

**Pre-IFRS16 Adjusted earnings before exceptional items, share option charge, interest, taxation, depreciation and amortisation.*

***Pre-IFRS16 Adjusted profit / (loss) before tax is the profit / (loss) before tax, share option charge and exceptional items.*

Our strong trading figures are the result of having a premium well invested pub estate, however it should be noted that the Group benefited from c.£800k of state aid in the form of lower VAT and lower business rates. The second half of the year is traditionally the stronger trading period which benefits from more sporting activity including the Rugby World cup, return of students from mid-September and the lucrative Christmas trading period. We benefit from a 53rd week in this financial year.

Bank Facilities/NAV

Current net debt is c. £8.0 million and the Director's valuation of the pub estate, now including the Mosaic Pubs is c.£171 million. Using that valuation as a benchmark, Net Asset Value is c.155p per share.

We have undrawn credit facilities of £26 million, and the Group operating comfortably within its banking covenants.

ESG

The ESG Committee, established in 2021, chaired by Emma Fox, continues its work realising the Group's ESG Strategy to operate as a responsible and transparent business. The Company continues to engage with ESG consultancy, Inspired, to produce ESG reporting for the third year, including an annual ESG Report, reporting against the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and a standalone TCFD Report. Both the ESG Report and TCFD Report are available on the Company's website. As a PLC, the Company also complies with Energy Saving Opportunity Scheme (ESOS) and reports annually under Streamlined Energy and Carbon Reporting (SECR), which enables the Group to assess and report on energy usage, associated emissions, energy efficiency action and energy performance. City Pub Group voluntarily participates in Carbon Disclosure Project (CDP), which helps us measure and manage our environmental impacts. This year's disclosure will be available in early 2024.

The ESG Committee meets at least bi-annually to monitor and evaluate various ongoing projects under the ESG strategy, including:

- CAPEX and behavioural change energy efficiency project
- Community engagement initiatives
- Charitable work
- Mandatory and voluntary ESG reporting
- Development of ESG policies
- Stakeholder engagement with the Company's ESG journey

Net Zero

The Board agreed to set an ambitious target of being Net Zero by 2040, ahead of Government's commitment of 2050. We further plan to achieve Net Zero for operational emissions (Scope 1&2) by 2035, with great progress being made thanks to the commitment to procuring 100% renewable electricity. We are continuously investing in energy saving solutions to further cut energy use and phase out natural gas from our pubs. Ongoing projects include, smart metering, cellar and refrigeration sensors, secondary glazing and engagement workshops with pub managers.

Share Buybacks/Dividends

Since starting the Share Buyback Programme the Group has purchased c.1.6m shares (c.1.5% of the issued share capital) at a cost of c.£1.3m. The Group will continue the Share Buyback Programme whilst the value of the shares continue to trade at large discounts to NAV.

Industry Issues

Energy prices have continued to fall, resulting in our energy bill for this financial year reducing by £1m from £3m in 2022 to £2m. The Group has hedged 60% of its energy cost until year end, minimising any future risks.

High food inflation has impacted margins. We also anticipate that labour costs will continue to rise in line with general inflation, meaning that the Group continually has to look at labour saving measures across its operations and head office to mitigate rising employee costs. The government continues to tax our industry particularly harshly with its recent duty increases on wine, spirits and bottled beer. Business rates continue to discriminate against businesses that operate from premises in city centres and other urban areas. We continue to call on the Government to address the unfairness in the business rates system where pubs pay considerably more as % of sales than big online retailers.

Outlook

The Group remains in a very strong financial position with low levels of bank debt and operational gearing, as well as owning a predominantly freehold pub estate (63%). From a retail perspective, we continue to premiumise our offer and aim to achieve further organic growth from the existing estate. We seek to become as efficient as possible without compromising our levels of hospitality through further savings across the estate, whether it be better use of energy as a result of our ESG approach, better labour scheduling or improved development of our food menus.

The market for pubs has now become more realistic and whilst our continued focus remains on delivering organic growth, we are currently engaged in negotiations on a small number of appropriately priced acquisitions.

The ambition within City Pub Group remains strong. We have an experienced and committed head office team whose focus is to make City Pub Group one of the best independent pub retailers on the market. All our retail staff are incentivised with a weekly bonus which not only helps improve their remuneration but encourages them to engage in an entrepreneurial way.

The pub sector, despite all challenges it has faced in the last 3-4 years, remains resilient. Undoubtedly, there will be winners and losers going forward. Those pub groups that embrace technological change will be able to further increase their market share and increase returns for their shareholders. As a Group we are focused on being innovative, improving sales per square foot, generating a high level of operating margins and retaining a strong freehold backed balance sheet with low levels of bank debt.

The Group continues to improve its financial strength – it has a clear vision of where it wants to be over the medium term. We are targeting an estate of c.60 quality pubs located in some of the greatest cities across England and South Wales.

City Pub group has become very adept at reacting quickly where we need to, to minimise risk and take advantage of opportunities.

Bookings for H2 FY23 are looking strong, particularly around the Rugby World Cup and the important Christmas trading period and I look forward to updating shareholders with our trading statement in January 2024.

Clive Watson
Executive Chairman
21 September 2023

Consolidated Statement of Profit or Loss

For the 26 weeks ended 25 June 2023

		Unaudited 26 weeks ended	Unaudited 26 weeks ended	Audited 52 weeks ended 25 December
	Notes	25 June 2023 £'000	26 June 2022 £'000	2022 £'000
Revenue		31,650	26,127	57,793
Costs of sales		(7,755)	(6,285)	(14,063)
Gross profit		23,895	19,842	43,730
Other operating income	2	70	184	239
Administrative expenses		(23,957)	(19,350)	(42,542)
Operating profit		8	676	1,427
Reconciliation to adjusted EBITDA*				
Operating profit		8	676	1,427
Depreciation	7 & 8	2,713	2,571	5,174
Share option charge		971	419	1,042
Exceptional items	3	664	714	2,439
*Adjusted earnings before exceptional items, share option charge, interest, taxation and depreciation		4,356	4,380	10,082
Share of losses of associates and joint ventures		(225)	(76)	(157)
Finance costs		(598)	(523)	(1,054)
(Loss)/profit before tax		(815)	77	216
Tax credit	4	-	-	735
(Loss)/profit for the period and total comprehensive income		(815)	77	951
(Loss)/earnings per share				
Basic (loss)/earnings per share (p)	5	(0.79)	0.07	0.92
Diluted earnings per share (p)	5	n/a	0.07	0.89

All activities comprise continuing operations.

The accompanying notes are an integral part of these interim financial statements.

Consolidated Statement of Comprehensive Income*For the 26 weeks ended 25 June 2023*

	Unaudited 26 weeks ended 25 June 2023 £'000	Unaudited 26 weeks ended 26 June 2022 £'000	Audited 52 weeks ended 25 December 2022 £'000
(Loss)/profit for the period	(815)	77	951
Other comprehensive income <i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income	(105)	(225)	(494)
Income tax relating to these items	26	56	123
Other comprehensive income for the period, net of tax	(79)	(169)	(371)
Total comprehensive income for the period	(894)	(92)	580

All of the total comprehensive income for the period is attributable to the owners of The City Pub Group plc and all arise from continuing operations.

The accompanying notes are an integral part of these interim financial statements.

Consolidated Statement of Financial Position

As at 25 June 2023

		Unaudited 26 weeks ended	Unaudited 26 weeks ended	Audited 52 weeks ended 25 December 2022
		25 June 2023	26 June 2022	2022
		£'000	£'000	£'000
Assets	Notes			
Non-current				
Intangible assets		2,880	2,250	2,450
Property, plant and equipment	7	99,576	93,641	99,065
Right-of-use assets	8	17,228	16,354	17,565
Deferred tax assets		1,869	1,071	1,843
Financial assets at fair value through OCI		281	655	386
Investments in associates & joint ventures		7,413	6,068	6,004
Total non-current assets		129,247	120,039	127,313
Current				
Inventories		1,101	921	1,152
Trade and other receivables		4,080	4,439	3,659
Cash and cash equivalents		5,813	3,805	4,121
Total current assets		10,994	9,165	8,932
Total assets		140,241	129,204	136,245
Liabilities				
Current liabilities				
Trade and other payables		(16,850)	(11,758)	(13,931)
Financial liabilities - lease liabilities		(2,040)	(1,863)	(1,915)
Total current liabilities		(18,890)	(13,621)	(15,846)
Non-current				
Borrowings		(9,744)	(5,630)	(7,657)
Financial liabilities - lease liabilities		(16,238)	(15,078)	(16,674)
Deferred tax liabilities		(2,445)	(2,460)	(2,445)
Total non-current liabilities		(28,427)	(23,168)	(26,776)
Total liabilities		(47,317)	(36,789)	(42,622)
Net assets		92,924	92,415	93,623
Equity				
Share capital	9	31,281	31,276	31,276
Share premium	9	59,475	59,475	59,475
Own shares		(2,015)	(3,272)	(3,359)
Other reserve		1,231	2,434	2,855
Retained earnings		2,952	2,502	3,376
Total equity		92,924	92,415	93,623

The accompanying notes are an integral part of these interim financial statements.

Consolidated Statement of Changes in Equity

For the 26 weeks ended 25 June 2023

	Share capital £'000	Share premiu m £'000	Own shares £'000	Other reser ve £'000	Retain ed earnin gs £'000	Total £'000
Balance at 26 December 2021 (Audited)	31,276	59,475	(3,272)	2,184	2,425	92,088
Employee share- based compensation	-	-	-	419	-	419
Transactions with owners	-	-	-	419	-	419
Profit for the period	-	-	-	-	77	77
Other comprehensive income	-	-	-	(169)	-	(169)
Total comprehensive income for the period	-	-	-	(169)	77	(92)
Balance at 26 June 2022 (Unaudited)	31,276	59,475	(3,272)	2,434	2,502	92,415
Employee share- based compensation	-	-	-	623	-	623
Purchase of own shares	-	-	(87)	-	-	(87)
Transactions with owners	-	-	(87)	623	-	536
Profit for the period	-	-	-	-	874	874
Other comprehensive income	-	-	-	(202)	-	(202)
Total comprehensive income for the period	-	-	-	(202)	874	672
Balance at 25 December 2022 (Audited)	31,276	59,475	(3,359)	2,855	3,376	93,623

Employee share-based compensation	-	-	-	971	-	971
Share options exercised or expired	-	-	2,125	(2,516)	391	-
Purchase of own shares	-	-	(781)	-	-	(781)
Issue of new shares	5	-	-	-	-	5
Transactions with owners	<u>5</u>	<u>-</u>	<u>1,344</u>	<u>(1,545)</u>	<u>391</u>	<u>195</u>
Loss for the period	-	-	-	-	(815)	(815)
Other comprehensive income	-	-	-	(79)	-	(79)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79)</u>	<u>(815)</u>	<u>(894)</u>
Balance at 25 June 2023 (Unaudited)	<u><u>31,281</u></u>	<u><u>59,475</u></u>	<u><u>(2,015)</u></u>	<u><u>1,231</u></u>	<u><u>2,952</u></u>	<u><u>92,924</u></u>

The accompanying notes are an integral part of these interim financial statements.

Consolidated Statement of Cashflows*For the 26 weeks ended 25 June 2023*

	Unaudited 26 weeks ended 25 June 2023 £'000	Unaudited 26 weeks ended 26 June 2022 £'000	Audited 52 weeks ended 25 December 2022 £'000
Cash flows from operating activities			
(Loss)/profit for the period	(815)	77	951
Taxation	-	-	(735)
Finance costs	598	523	1,054
Results from equity accounted investment	225	76	157
Operating profit	8	676	1,427
Adjustments for:			
Depreciation	2,713	2,571	5,174
Gain on disposal of property, plant and equipment	(123)	-	(58)
Share-based payment charge	971	419	1,042
Negative goodwill amortisation	(257)	-	-
Impairment	413	-	627
Change in inventories	51	127	(104)
Change in trade and other receivables	(537)	(1,108)	(668)
Change in trade and other payables	2,978	(454)	1,723
Cash generated from operations	6,217	2,231	9,163
Tax received	130	-	53
Net cash generated from operating activities	6,347	2,231	9,216
Cash flows from investing activities			
Purchase of property, plant and equipment	(2,709)	(4,715)	(10,262)
Acquisition of new property sites	(550)	-	(2,045)
Purchase of investments & associates (net of cash acquired)	(1,359)	(2,522)	(2,539)
Proceeds from disposal of property, plant and equipment	-	16,687	16,977
Net cash (used in)/generated from investing activities	(4,618)	9,450	2,131
Cash flows from financing activities			
Purchase of own shares	(781)	-	(87)
Proceeds/(repayment) of borrowings	2,000	(19,151)	(17,169)
Principal elements of lease payments	(658)	(648)	(1,362)
Interest paid (includes implied interest under IFRS 16)	(598)	(587)	(1,118)
Net cash used in financing activities	(37)	(20,386)	(19,736)
Net change in cash and cash equivalents	1,692	(8,705)	(8,389)
Cash and cash equivalents at the start of the period	4,121	12,510	12,510

Cash and cash equivalents at the end of the period	<u>5,813</u>	<u>3,805</u>	<u>4,121</u>
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The accompanying notes are an integral part of these interim financial statements.

Notes to the Financial Statements

For the 26 weeks ended 25 June 2023

1 Basis of preparation

This interim report was approved by the board on 21 September 2023. The interim financial statements are unaudited and are not the Group's statutory accounts as defined in section 434 of the Companies Act 2006.

The consolidated interim financial statements have been prepared under IFRS as adopted by the United Kingdom and on the basis of the accounting policies set out in the statutory accounts of The City Pub Group plc, for the period ended 25 June 2023. The financial statements have not been prepared (and are not required to be prepared) in accordance with IAS 34: 'Interim Financial Reporting'. They do not include any of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the period ended 25 December 2022.

Statutory accounts for the period ended 25 December 2022 have been delivered to the Registrar of Companies. These accounts contain an unqualified audit report under Section 495 of the Companies Act 2006, which did not make any statements under Section 498 of the Companies Act 2006.

The interim report is presented in Great British Pounds and all values are rounded to the nearest thousand pounds, except where otherwise indicated.

This interim report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange.

2 Other operating income

During the interim period the Group has continued to receive Government grants in relation to grants received from Councils. Further analysis of other operating income is set out below.

	Unaudited 26 weeks ended	Unaudited 26 weeks ended	Audited 52 weeks ended 25 December
	25 June 2023	26 June 2022	2022
	£'000	£'000	£'000
Other government grants	<u>70</u>	<u>184</u>	<u>239</u>
	<u>70</u>	<u>184</u>	<u>239</u>

3 Exceptional items

	Unaudited 26 weeks ended	Unaudited 26 weeks ended	Audited 52 weeks ended 25 December
	25 June 2023	26 June 2022	2022
	£'000	£'000	£'000
Pre opening costs	-	295	575
Impairment of a pub site	413	-	627
Receivables impairments	-	89	-
Release of negative goodwill	(257)	-	-
Site disposals	147	-	962

Other non recurring items	<u>361</u>	<u>330</u>	<u>275</u>
	<u>664</u>	<u>714</u>	<u>2,439</u>

For the purposes of this interim announcement and annual report and accounts, Exceptional items are highlighted as part of the use of alternative non-Generally Accepted Accounting Practice ('non-GAAP') financial measures which are not defined within IFRS. The Directors use these measures in order to assess the underlying operational performance of the Group and as such, these measures are important and should be considered alongside the IFRS measures.

All the exceptional items are recorded within administrative expenses line in the statement of profit or loss.

4 Tax charge on (loss)/profit on ordinary activities

During the period ended 25 June 2023, deferred tax arising on accelerated capital allowances is considered to be offset by increases in available tax losses and therefore no tax charge or credit has been recognised in the consolidated profit and loss (26 June 2022: £nil).

5 (Loss)/earnings per share

	Unaudited 26 weeks ended	Unaudited 26 weeks ended	Audited 52 weeks ended
	25 June 2023	26 June 2022	25 December
	£'000	£'000	2022 £'000
(Loss)/earnings for the period attributable to Shareholders	<u>(815)</u>	<u>77</u>	<u>951</u>
(Loss)/earnings per share:			
Basic (loss)/earnings per share (p)	(0.79)	0.07	0.92
Diluted earnings per share (p)	n/a	0.07	0.89
Weighted average number of shares:	Number of shares	Number of shares	Number of shares
Weighted average shares for basic EPS	103,246,583	103,868,430	103,845,560
Effect of share options in issue	n/a	5,054,524	3,524,886
Weighted average shares for diluted earnings per share	<u>n/a</u>	<u>108,922,954</u>	<u>107,370,446</u>

6 Dividends

The Directors did not propose a dividend in relation to the year ended 25 December 2022 as the Directors believe share buybacks are an efficient way of creating shareholder value (2021: Nil).

7 **Property, plant and equipment**

Group	Freehold & leasehold property	Fixtures, fittings and computers	Total
Cost	£'000	£'000	£'000
At 26 December 2021 (Audited)	96,612	34,947	131,559
Additions	1,169	3,610	4,779
Disposals	(17,121)	(2,982)	(20,103)
At 26 June 2022 (Unaudited)	80,660	35,575	116,235
Additions	358	5,189	5,547
Acquisitions	1,395	450	1,845
Disposals	(584)	(803)	(1,387)
At 25 December 2022 (Audited)	81,829	40,411	122,240
Additions	37	2,672	2,709
Reclassifications	6,254	(6,254)	-
Acquisitions	40	80	120
Disposals	(555)	(1,191)	(1,746)
At 25 June 2023 (Unaudited)	87,605	35,718	123,323
Depreciation			
At 26 December 2021 (Audited)	6,007	18,185	24,192
Provided during the period	423	1,397	1,820
Disposals	(1,294)	(2,124)	(3,418)
At 26 June 2022 (Unaudited)	5,136	17,458	22,594
Provided during the period	312	1,499	1,811
Impairment	189	47	236
Disposals	(813)	(653)	(1,466)
At 25 December 2022 (Audited)	4,824	18,351	23,175
Provided during the period	407	1,556	1,963
Impairment	413	-	413
Disposals	(582)	(1,222)	(1,804)
At 25 June 2023 (Unaudited)	5,062	18,685	23,747
Net book value			
At 25 June 2023 (Unaudited)	82,543	17,033	99,576
At 25 December 2022 (Audited)	77,005	22,060	99,065
At 26 June 2022 (Unaudited)	75,524	18,117	93,641
At 26 December 2021 (Audited)	90,605	16,762	107,367

17 freeholds were independently valued in March 2022. These properties were valued at c.£98m and are valued at historic cost per the financial statements. The uplift per the independent valuation is not reflected.

8 Right-of-use assets

	Right-of- use assets
Net book value	£'000
At 26 December 2021 (Audited)	17,875
Additions	-
Disposals	(770)
Depreciation	(751)
At 26 June 2022 (Unaudited)	16,354
Additions	3,568
Disposals	(1,174)
Impairment	(391)
Depreciation	(792)
At 25 December 2022 (Audited)	17,565
Additions	997
Disposals	(584)
Depreciation	(750)
At 25 June 2023 (Unaudited)	17,228

The addition during the current period relates to the purchase of The Bridge, Barnes. The disposal during the current period relates to The Yard, Chelsea, and therefore no ongoing ROU asset required.

9 Share capital

During the period the Group issued 500,000 ordinary shares with a nominal value of £0.01, which were unpaid at the period end (2022: £nil).

10 Share buyback

As at 25 June 2023, the Group has purchased 1.064m shares at a cost of c.£863k. The Group will continue the Share Buyback programme if the level of shares continues to trade at large discounts to NAV.

11 Grant of options

On 21 June 2023, the Group granted awards in the form of nil cost options over 1,585,000 ordinary shares of 1p each to certain Directors and employees. The Options have been granted under the Company's Long Term Incentive Plan (LTIP), are exercisable in 2026 following release of the Company's audited accounts for the year ended 31 December 2025,

are subject to performance conditions relating to the Company's EBITDA profitability (pre-IFRS 16) and have a 10-year term.

12 Events after the reporting period

During April 2023, the Group increased its' shareholding in Mosaic Pub and Dining (Tranche one of companies – The Sovereign (City) Pub Company Limited, The Galaxy (City) Pub Company Limited and The Pioneer (City) Pub Company Limited) from 36% to 44% for a consideration of c£1.6m. Further shares were purchased in May 2023 for a consideration of c£400k, bringing the total shareholding up to 46%.

Following the period ended 25 June 2023, the Group acquired further shares and now own a 53% shareholding in Mosaic Tranche 1. The Group gained operational control of Mosaic Tranche 1 from 26 June 2023, due to the appointment of Rupert Clark and Holly Elliott as directors of the companies.

The Group continued the share buyback programme following the period ended 25 June 2023 and purchased a further 547,299 shares at a cost of £479,703.