



**INTERIM REPORT 2018**  
for the 26 weeks ended 1 July 2018





The Group has continued to make excellent progress in the first half. Our strategy is driving this growth under the direction of our experienced management team. The expansion of our estate has accelerated ahead of plan and we have opened nine new sites. Our estate is high-quality, drink-led and predominantly freehold. The strong performance from the first half has continued in to the 11 weeks since July 1 with sales up 24% – assisted by the World Cup and excellent summer weather.

Our strategic expansion and clustering of sites in the UK's towns and cities will continue over the coming months and years.

We currently have four sites in development and our goal remains to double our size to 65-70 sites by 2021.

We anticipate that by mid-2019 we will operate 50 sites.

This is a vibrant and exciting business with the right ingredients – management team, staff and strategy – in place to succeed. ”

Clive Watson

Executive Chairman

## CONTENTS

1	Company highlights
2-5	Chairman's statement
6	Consolidated statement of comprehensive income
7	Consolidated statement of financial position
8-9	Consolidated statement of changes in equity
10	Consolidated statement of cash flows
11-16	Notes to the financial statements
17	Directors, officers and Company information

## COMPANY HIGHLIGHTS

### Strategic expansion drives sales and EBITDA growth as business continues to make strong progress.

The City Pub Group is pleased to announce its unaudited results for the 26 weeks ended 1 July 2018. The Group operates a predominately freehold estate of 42 wet-led pubs in London, Southern England and Wales.

#### FINANCIAL

Sales up 24% to

**£20.0m**

(2017: £16.1 million)

Adjusted EBITDA\* up 25% to

**£3.0m**

(2017: £2.4 million)

Adjusted profit before tax\*\* up 73% to

**£1.6m**

(2017: £0.9 million)

Reported profit/(loss) after tax of

**£0.76m**

(2017: (£0.05) million)

#### OPERATIONAL

Land ownership



◆ Freehold **54%**  
◆ Leasehold **46%**

Number of trading sites



As at September 2018

**9**

Strategic expansion with 9 pubs opened in 2018

**24%**

For the 26 weeks to 1 July 2018 sales up by 24%

#### STRATEGY UPDATE

Sites to double in size

The business is ahead of its strategy to double in size by 2021 and anticipates operating more than 50 pubs by mid-2019.



Employee benefits

The Group's innovative Profit Share Scheme will continue and from 2019 employees are set to benefit from it on a more frequent, semi-annual, basis.



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

\*\* Adjusted profit before tax is the profit before tax, share option charge and exceptional items.

## CHAIRMAN'S STATEMENT



We have some great pubs and an experienced head office team which remain ambitious and determined to ensure the City Pub Group develops further as a leading independent pub retailer."

**Clive Watson**  
Executive Chairman

The Group has continued to make strong progress and build momentum in the first six months of the 2018 financial year. Following admission to AIM in November 2017, our ambition was to double the size of the estate by mid-2021 to 65-70 pubs. With 42 pubs now trading and a further 4 sites in development we are ahead of plan.

During the first half sales were up 24% to £20.0 million (2017: £16.1 million), adjusted EBITDA\* up 25% to £3.0 million (2017: £2.4 million) and operating margins continued their upward trend. Adjusted profit before tax\*\* was up 73% to £1.6 million (2017: £0.9 million). Reported profit/(loss) after tax was £0.76 million (2017: (£0.05) million).

These results have been achieved through acquisitions and investments made in 2017 and organic growth across the rest of the estate. The Company benefited from the good weather across the summer and our wet-led sport pubs from the World Cup.

As we have continued to acquire new sites the Group has taken advantage of economies of scale driving an improved financial performance.

The Board is pleased with the significant increase in the Group's adjusted EBITDA performance. Operating (EBITDA) margins have increased from 15.0% to 15.1% (restrained by higher PLC costs as a result of the AIM listing). Margins are anticipated to increase further as the central overhead base becomes more efficient.

The City Pub Group has grown from a start-up in 2011 to an estate of 42 pubs operating today through selective acquisition of predominately single sites. These are then refurbished, their offer targeted specifically to their local marketplace and managed by well incentivised operators who have a passion for delivering a consistent, high quality experience for customers.

The Group has a strong balance sheet and low gearing with current borrowings of only £14 million, which roughly equates to the value of our freehold backed sites that are currently closed and being developed. Net debt to EBITDA is around 2 times and this is anticipated to reduce significantly once the 4 development sites are open and trading. The Group has in place a £30 million revolving credit facility expiring in July 2021. We are currently reviewing options for increasing and extending the length of our banking facilities.

City Pub Group maintains a strong pipeline of target acquisitions, further sites are in the hands of solicitors and others are currently being negotiated. Once completed, and with the new development sites coming on stream, the trading estate is expected to increase to around 50 pubs by mid-2019.

## Trading Estate

The Group operates 42 high quality predominately drinks-led pubs and we are continuing to grow through selective acquisitions. Since the start of the financial year, the Company has opened 9 pubs, an acceleration from the previous year. Following acquisition, The City Pub Group invests and refurbishes its sites to improve performance and deliver strong returns.

The Company has paid approximately £12m in consideration for the following sites that have opened during the current year:

- Belle Vue, Clapham Common, February 2018
- The Covent Garden, Covent Garden, April 2018 (closed in September for refurbishment)
- Tell Your Friends, Parsons Green, May 2018
- Old Ticket Office, Cambridge, June 2018
- Pontcanna Inn, Cardiff, June 2018
- Traveller's Friend, Woodford Green, July 2018
- Jam Tree, Chelsea, July 2018
- Jam Tree, Clapham, July 2018
- Alfresco, Brighton, August 2018 (will close in October for refurbishment)

\* Adjusted Earnings before exceptional items, share option charge, interest, taxation, depreciation and amortisation.

\*\* Adjusted profit before tax is the profit before tax, share option charge and exceptional items.

## CHAIRMAN'S STATEMENT CONT'D

The Group has also focused on acquiring development sites which do not attract goodwill payments. This strategy enables the Company to re-develop and modernise them whilst retaining the character of the venue and appealing to a broad range of customers and tastes. Clearly, with planning permission sought in most cases, there is a longer transition time between acquisition and reopening.

The latest estimates for opening of the Company's 4 development sites, acquired late in 2017 and early 2018, are:

- The Bicycle Shed, Oxford, Q4 2018
- Aragon House, Parsons Green, Q2 2019
- Former bank premises, Reading, Q3 2019
- Tivoli, Cambridge, Q3 2019

Changes in estimated opening schedules have been caused purely by external factors namely delays in planning permissions. The Board remains confident that the refurbishments will add significant value to the sites.

To manage the rapid growth of the business, in the first half, we have continued to develop our head office team, improve our retailing standards and increase the profitability of the company. We invested approximately £3m refurbishing new sites and maintaining the existing estate.

### Market

Despite the macro economic outlook and potential disruption to consumer confidence by the uncertainty of Brexit, the Board believes that the Group's well-invested estate of pubs, which trade as 'individual, local' pubs should continue to perform well, even if the market becomes tougher. Our pubs offer customers local beers, wines & spirits and menus focus on local produce along with healthy vegan and vegetarian dishes.

The Board believes that the market appetite for acquisitions is softening driven by uncertainty about the outcome of Brexit and business rates. Furthermore larger pub companies continue to rationalise their estates to focus on their key target markets. These factors will benefit City Pub Group. Already we are experiencing less competition for sites and we intend to take advantage of this as we expand our portfolio of pubs. We have a large pipeline of potential opportunities at attractive prices, but continue to be disciplined in our approach.

### Employee profit share

Our staff are our most important asset and retaining them is central to fulfilling our ambitions for the business. This is why we have a strong rewards programme including our industry leading Profit Share Scheme which enables all employees to share in the Company's success. Not only does this ensure we minimise staff churn, but we believe the success of the business demonstrates that it also gives our team members an additional performance incentive.

The overall profit share payment represents 3% of the Group's EBITDA less bank interest and this is shared equally among all employees who have been with the business for at least a year. In 2019, it is the Board's intention to pay this on a semi-annual basis.

### Dividend

As is normal for the Group, the Board is not declaring an interim dividend and will declare dividends annually. The Company's policy is to progressively increase dividends with the Group's profitability. As last year, a scrip dividend alternative will also be available to shareholders.

### Current trading & outlook

For the 11 weeks trading since 1 July, sales are up 24% against last year primarily driven by the increase in the number of trading pubs. Our strategy over the last two years has seen the business grow from 24 sites to over 40. Whilst delivering this growth, the Company has faced the challenges of rising employee costs, business rate increases and the increasing uncertainty surrounding Brexit. The Company has delivered and managed its growth despite these headwinds.

We have some great pubs and an experienced head office team which remain ambitious and determined to ensure the City Pub Group develops further as a leading independent pub retailer.

With new openings earmarked for the remainder of the second half of the year, we remain confident of continuing our strong progress, meeting market expectations and benefitting from attractive acquisition opportunities.



**Clive Watson**

Executive Chairman  
20 September 2018

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 26 weeks ended 1 July 2018

	Notes	Unaudited 26 weeks ended 1 July 2018 £	Unaudited 26 weeks ended 25 June 2017 £	Audited 53 weeks ended 31 December 2017 £
<b>Revenue</b>		<b>19,965,490</b>	16,120,216	37,403,515
Costs of sales		<b>(5,017,258)</b>	(4,157,297)	(9,657,731)
<b>Gross profit</b>		<b>14,948,232</b>	11,962,919	27,745,784
Administrative expenses		<b>(13,842,650)</b>	(11,498,272)	(27,019,242)
<b>Operating profit</b>		<b>1,105,582</b>	464,647	726,542
<b>Reconciliation to adjusted EBITDA*</b>				
Operating profit		<b>1,105,582</b>	464,647	726,542
Depreciation	7	<b>1,207,086</b>	929,467	1,963,891
Share option charge		<b>181,094</b>	144,594	258,195
Exceptional items	3	<b>514,443</b>	872,009	3,200,643
<b>*Adjusted earnings before exceptional items, share option charge, interest, taxation, depreciation and amortisation</b>		<b>3,008,205</b>	2,410,717	6,149,271
Finance costs		<b>(173,725)</b>	(542,833)	(986,560)
<b>Profit/(loss) before tax</b>		<b>931,857</b>	(78,186)	(260,018)
Tax (expense)/credit	4	<b>(176,082)</b>	31,274	(456,423)
<b>Profit/(loss) for the period and total comprehensive income</b>		<b>755,775</b>	(46,912)	(716,441)
<b>Earnings per share</b>				
Basic earnings/(loss) per share (p)	5	<b>1.34</b>	(0.18)	(2.45)
Diluted earnings/(loss) per share (p)	5	<b>1.33</b>	(0.18)	(2.45)

All activities comprise continuing operations. There are no recognised gains or losses other than those passing through the statement of comprehensive income.

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



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 1 July 2018

	Notes	Unaudited 26 weeks ended 1 July 2018 £	Unaudited 26 weeks ended 25 June 2017 £	Audited 53 weeks ended 31 December 2017 £
<b>Assets</b>				
<b>Non-current</b>				
Intangible assets	8	3,089,681	1,489,714	2,524,681
Property, plant and equipment	7	78,589,969	52,528,067	67,947,419
<b>Total non-current assets</b>		<b>81,679,650</b>	<b>54,017,781</b>	<b>70,472,100</b>
<b>Current</b>				
Inventories		580,357	481,537	553,909
Trade and other receivables		1,995,232	1,383,769	1,652,888
Cash and cash equivalents		2,841,740	1,479,497	6,414,854
<b>Total current assets</b>		<b>5,417,329</b>	<b>3,344,803</b>	<b>8,621,651</b>
<b>Total assets</b>		<b>87,096,979</b>	<b>57,362,584</b>	<b>79,093,751</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(7,714,524)	(4,669,142)	(6,147,068)
Borrowings		–	(315,640)	(244,707)
<b>Total current liabilities</b>		<b>(7,714,524)</b>	<b>(4,984,782)</b>	<b>(6,391,775)</b>
<b>Non-current</b>				
Borrowings		(7,000,000)	(20,919,867)	–
Other payables		(310,000)	(21,272)	(310,000)
Deferred tax liabilities		(1,095,948)	(518,499)	(1,081,823)
<b>Total non-current liabilities</b>		<b>(8,405,948)</b>	<b>(21,459,638)</b>	<b>(1,391,823)</b>
<b>Total liabilities</b>		<b>(16,120,472)</b>	<b>(26,444,420)</b>	<b>(7,783,598)</b>
<b>Net assets</b>		<b>70,976,507</b>	<b>30,918,164</b>	<b>71,310,153</b>
<b>Equity</b>				
Share capital		29,196,167	12,934,904	28,233,667
Share premium		33,586,189	97,000	31,276,189
Own shares (JSOP)		(3,272,500)	–	–
Convertible preference share (CPS)		–	5,532,076	–
Other reserve		92,042	90,000	92,042
Share-based payment reserve		507,458	942,673	326,364
Retained earnings		10,867,151	11,321,511	11,381,891
<b>Total equity</b>		<b>70,976,507</b>	<b>30,918,164</b>	<b>71,310,153</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

or the 26 weeks ended 1 July 2018

	Share capital	Share premium
<b>Balance at 25 December 2016 (Audited)</b>	12,934,904	97,000
Employee share-based compensation	–	–
Dividends	–	–
<b>Transactions with owners</b>	–	–
Loss for the period	–	–
<b>Total comprehensive income for the period</b>	–	–
<b>Balance at 25 June 2017 (Unaudited)</b>	12,934,904	97,000
Employee share-based compensation	–	–
Issue of new shares prior to exchange for shares in subsidiary	69,114	–
Reclassification of CPS debt on conversion of equity	–	(144,906)
Re-designation of CPS into ordinary shares	3,208,268	7,058,186
Issue of new shares	11,455,256	24,904,784
Bonus issue of B Shares	588,000	(588,000)
Purchase of own shares	(21,875)	(50,875)
Share options exercised	–	–
<b>Transactions with owners</b>	15,298,763	31,179,189
Loss for the period	–	–
<b>Total comprehensive income for the period</b>	–	–
<b>Balance at 31 December 2017 (Audited)</b>	<b>28,233,667</b>	<b>31,276,189</b>
Employee share-based compensation	–	–
Dividends	–	–
Purchase of JSOP shares	962,500	2,310,000
<b>Transactions with owners</b>	962,500	2,310,000
Profit for the period	–	–
<b>Total comprehensive income for the period</b>	–	–
<b>Balance at 1 July 2018 (Unaudited)</b>	<b>29,196,167</b>	<b>33,586,189</b>

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

Own shares (JSOP)	Convertible preference share ("CPS")	Other reserve	Share-based payment reserve	Retained earnings	Total
-	5,532,076	90,000	798,079	11,756,110	31,208,169
-	-	-	144,594	-	144,594
-	-	-	-	(387,687)	(387,687)
-	-	-	144,594	(387,687)	(243,093)
-	-	-	-	(46,912)	(46,912)
-	-	-	-	(46,912)	(46,912)
-	5,532,076	90,000	942,673	11,321,511	30,918,164
-	-	-	113,601	-	113,601
-	-	146,948	-	-	216,062
-	4,734,378	(144,906)	-	-	4,444,566
-	(10,266,454)	-	-	-	-
-	-	-	-	-	36,360,040
-	-	-	-	-	-
-	-	-	-	-	(72,750)
-	-	-	(729,910)	729,910	-
-	(5,532,076)	2,042	(616,309)	729,910	41,061,519
-	-	-	-	(669,530)	(669,530)
-	-	-	-	(669,530)	(669,530)
-	-	<b>92,042</b>	<b>326,364</b>	<b>11,381,891</b>	<b>71,310,153</b>
-	-	-	181,094	-	181,094
-	-	-	-	(1,270,515)	(1,270,515)
(3,272,500)	-	-	-	-	-
(3,272,500)	-	-	181,094	(1,270,515)	(1,089,421)
-	-	-	-	755.775	755.775
-	-	-	-	755.775	755.775
<b>(3,272,500)</b>	<b>-</b>	<b>92,042</b>	<b>507,458</b>	<b>10,867,151</b>	<b>70,976,507</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the 26 weeks ended 1 July 2018

	Unaudited 26 weeks ended 1 July 2018 £	Unaudited 26 weeks ended 25 June 2017 £	Audited 53 weeks ended 31 December 2017 £
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) for the period</b>	<b>755,775</b>	(46,912)	(716,441)
Taxation	176,082	(31,274)	456,423
Finance costs	173,725	542,833	986,560
<b>Operating profit</b>	<b>1,105,582</b>	464,647	726,542
Adjustments for:			
Depreciation	1,207,086	929,467	1,963,891
Share-based payment charge	181,094	144,594	258,195
Impairment	–	450,000	450,000
Change in inventories	(26,448)	(15,218)	(87,590)
Change in trade and other receivables	(342,344)	(168,380)	(366,233)
Change in trade and other payables	239,091	(641,568)	1,252,254
Cash generated from operations	2,364,061	1,163,542	4,197,059
Tax paid	(104,107)	(24,970)	(150,832)
<b>Net cash from operating activities</b>	<b>2,259,954</b>	1,138,572	4,046,227
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(7,082,636)	(2,892,419)	(7,610,731)
Acquisition of new property sites	(5,332,000)	(719,000)	(11,454,000)
<b>Net cash used in investing activities</b>	<b>(12,414,636)</b>	(3,611,419)	(19,064,731)
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	–	–	34,678,775
Repayment of borrowings	–	–	(13,610,040)
Dividends paid	–	–	(227,092)
Purchase of own shares	–	–	(72,750)
Proceeds from new borrowings	7,000,000	2,914,950	–
Interest paid	(418,432)	(227,192)	(600,121)
<b>Net cash from financing activities</b>	<b>6,581,568</b>	2,687,758	20,168,772
<b>Net change in cash and cash equivalents</b>	<b>(3,573,114)</b>	214,911	5,150,268
Cash and cash equivalents at the start of the period	6,414,854	1,264,586	1,264,586
<b>Cash and cash equivalents at the end of the period</b>	<b>2,841,740</b>	1,479,497	6,414,854

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

## NOTES TO THE FINANCIAL STATEMENTS

for the 26 weeks ended 1 July 2018

### 1 Basis of preparation

This interim report was approved by the board on 19 September 2018. 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 European Union and on the basis of the accounting policies set out in the statutory accounts of The City Pub Group plc, for the period ended 31 December 2017, with the exception of the changes outlined in note 2. 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 31 December 2017.

Statutory accounts for the period ended 31 December 2017 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 pound, except where otherwise indicated.

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

### 2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts With Customers on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018.

IFRS 9: Financial instruments was effective for periods commencing on or after 1 January 2018. The new standard impacts classification, measurement and disclosure of financial assets and financial liabilities. On adoption there were no material impacts on the Group's financial performance or financial position. No prior year balances required re-statement, as there were no changes to classification or measurement.

IFRS 15: Revenue from Contracts with Customers became effective for periods commencing on or after 1 January 2018. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or service to a customer. The Group's revenue streams are not based on a number of performance obligations within a contract, but at a point of sale and therefore there are no material changes to the Group's financial performance or financial position on adoption of this Standard.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

for the 26 weeks ended 1 July 2018

### 2 Changes in accounting policies continued

Investment in own shares (JSOP): The Group announced the establishment of Joint Share Ownership Plan ("JSOP") in January 2018. This resulted in the purchase of the Group's own shares and the creation of an Employee Benefit Trust. The Group's policy in respect of the investment in own shares are to account for the purchase at cost and as a deduction from reserves.

### 3 Exceptional items

	Unaudited 26 weeks ended 1 July 2018 £	Unaudited 26 weeks ended 25 June 2017 £	Audited 53 weeks ended 31 December 2017 £
Pre opening costs	449,747	379,832	852,718
Impairment of a pub site (note 7)	–	450,000	450,000
Other non recurring items	64,696	42,177	1,897,925
	514,443	872,009	3,200,643

Other non-recurring items include IPO costs expensed totalling £1,841,190 for the period ended 31 December 2017.

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

The taxation charge is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit for the period. All items of taxation are reflected through the Statement of Comprehensive Income.

	Unaudited 26 weeks ended 1 July 2018 £	Unaudited 26 weeks ended 25 June 2017 £	Audited 53 weeks ended 31 December 2017 £
<b>Current income tax:</b>			
Current income tax charge	161,957	(15,676)	335,014
Adjustments in respect of previous period	–	–	44,114
Total current income tax	161,957	(15,676)	379,128
<b>Deferred tax:</b>			
Origination and reversal of temporary differences	14,125	(15,598)	85,229
Adjustments in respect of previous period	–	–	(7,934)
Total deferred tax	14,125	(15,598)	77,295
<b>Total tax</b>	<b>176,082</b>	<b>(31,274)</b>	<b>456,423</b>

## 5 Earnings per share

	Unaudited 26 weeks ended 1 July 2018 £	Unaudited 26 weeks ended 25 June 2017 £	Audited 53 weeks ended 31 December 2017 £
Earnings/(loss) for the period attributable to Shareholders	755,775	(46,912)	(716,441)
<b>Earnings/(loss) per share:</b>			
Basic earnings/(loss) per share (p)	1.34	(0.18)	(2.45)
Diluted earnings/(loss) per share (p)	1.33	(0.18)	(2.45)
	Number of shares	Number of shares	Number of shares
<b>Weighted average number of shares:</b>			
Weighted average shares for basic EPS	56,467,333	25,845,809	29,189,803
Effect of share options in issue	374,862	n/a	n/a
Weighted average shares for diluted earnings per share	56,842,195	n/a	n/a

## 6 Dividends

The Company declared a dividend of 2.25p per ordinary share during the year ended 31 December 2017, which was approved at the Annual General Meeting on 14 May 2018. The dividend payable of £1,270,515 has been accrued as at 1 July 2018 and deducted from retained earnings.

After the period end £1,087,465 of the dividend was paid in cash and £183,050 was distributed as a scrip dividend.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

for the 26 weeks ended 1 July 2018

## 7 Property, plant and equipment

Group	Freehold & leasehold property £	Fixtures, fittings and computers £	Total £
<b>Cost</b>			
<b>At 25 December 2016 (Audited)</b>	43,624,547	11,867,609	55,492,156
Additions	1,696,589	1,195,830	2,892,419
Acquisitions	387,149	201,850	588,999
<b>At 25 June 2017 (Unaudited)</b>	<b>45,708,285</b>	<b>13,265,289</b>	<b>58,973,574</b>
Additions	2,957,497	1,760,815	4,718,312
Acquisitions	10,922,316	813,148	11,735,464
<b>At 31 December 2017 (Audited)</b>	<b>59,588,098</b>	<b>15,839,252</b>	<b>75,427,350</b>
Additions	5,793,285	1,289,351	7,082,636
Acquisitions (Note 8)	4,473,252	293,748	5,332,000
<b>At 1 July 2018 (Unaudited)</b>	<b>69,854,635</b>	<b>17,422,351</b>	<b>87,276,986</b>
<b>Depreciation</b>			
<b>At 25 December 2016 (Audited)</b>	918,785	4,147,255	5,066,040
Provided during the period	130,041	799,426	929,467
Impairment	237,000	213,000	450,000
<b>At 25 June 2017 (Unaudited)</b>	<b>1,285,826</b>	<b>5,159,681</b>	<b>6,445,507</b>
Provided during the period	146,255	888,169	1,034,424
<b>At 31 December 2017 (Audited)</b>	<b>1,432,081</b>	<b>6,047,850</b>	<b>7,479,931</b>
Provided during the period	148,808	1,058,278	1,207,086
<b>At 1 July 2018 (Unaudited)</b>	<b>1,580,889</b>	<b>7,106,128</b>	<b>8,687,017</b>
<b>Net book value</b>			
<b>At 1 July 2018 (Unaudited)</b>	<b>68,273,746</b>	<b>10,316,223</b>	<b>78,589,969</b>
At 31 December 2017 (Audited)	58,156,017	9,791,402	67,947,419
At 25 June 2017 (Unaudited)	44,422,459	8,105,608	52,528,067
At 25 December 2016 (Audited)	42,705,762	7,720,354	50,426,116

During the period ended 25 June 2017 the group has made a provision for impairment against a site in Bristol, due to poor performance and it has been reduced to its fair value less costs to sell.



## 8 Business combinations

During the period ended 1 July 2018 the Group has acquired four new sites for a combined consideration of £5,332,000, which was all satisfied in cash.

In January 2018 the Group acquired the Belle Vue, a freehold pub in Clapham for the consideration of £2,875,000. Following a minor refurbishment, the site opened for trading towards the end of February 2018.

In March 2018 the Group completed on a freehold site in Cardiff for the consideration of £1,075,000, the Pontcanna Inn, which opened in June 2018 after a major refurbishment.

The Group completed on the leasehold of The Covent Garden Pub in London in April 2018 for the consideration of £1,215,000, which opened in April 2018. The site will close for a refurbishment in the second half of the year.

The Group completed on the leasehold of The Summertown site in Oxford for the consideration of £167,000 in May 2018, which is expected to open in Q4 2018.

All of the above acquisitions were part of the Group's continuing strategy to expand its pub portfolio via selective quality acquisitions.

	Unaudited 26 weeks ended 1 July 2018 £
Fair value:	
Property, plant and equipment acquired	4,767,000
Goodwill	565,000
<b>Total</b>	<b>5,332,000</b>
Satisfied by:	
Cash	5,332,000
<b>Total</b>	<b>5,332,000</b>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

for the 26 weeks ended 1 July 2018

### 9 Events after the reporting period

The Group settled the final dividend, which was approved at the AGM in May 2018, on 2 July 2018.

On the 9 of July 2018 the Company completed on the Traveller's Friend in Woodford Green, a freehold site which started trading on completion.

On the 24 of July 2018 the Company also completed on two Jam Trees sites which are both leasehold, located in Chelsea and Clapham Junction. Both sites started trading on completion.

In August the Company completed on a leasehold site in Brighton, named Alfresco which also started trading on completion. The site will close for refurbishment in the second half of the year.

## **DIRECTORS, OFFICERS AND COMPANY INFORMATION**

<b>Directors</b>	Clive Watson ACA – Chairman Rupert Clark – Managing Director Alex Derrick – Managing Director Tarquin Williams ACMA – Chief Financial Officer John Roberts – Non Executive Director Richard Prickett – Non Executive Director Neil Griffiths – Non Executive Director
<b>Secretary and Registered Office</b>	James Dudgeon Essel House 2nd Floor 29 Foley Street London W1W 7TH
<b>Nominated Adviser and Corporate Broker</b>	Liberum Capital Limited 25 Ropemaker Street London EC2Y 9LY
<b>Corporate Broker</b>	Joh. Berenberg, Gossler & Co. KG, London Branch 60 Threadneedle Street London EC2R 8HP
<b>Auditors</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
<b>Solicitors</b>	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH
<b>Bankers</b>	Barclays Bank PLC Exchange Tower 2 Harbour Exchange Square London E14 9GE
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing BN99 6DA
<b>Company registration number:</b>	07814568

**The City Pub Group plc**

Essel House  
2nd Floor  
29 Foley Street  
London W1W 7TH

0207 559 5106

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