23 May 2019

Hollywood Bowl Group plc

Interim Results for the Six Months Ended 31 March 2019

STRONG START TO THE YEAR WITH MULTIPLE LEVERS TO DRIVE FURTHER GROWTH

Hollywood Bowl Group plc ("Hollywood Bowl" or the "Group"), the UK's market leading ten-pin bowling operator, is pleased to announce its interim results for the six month period ended 31 March 2019 ("H1 FY2019").

Financial highlights

	6 months ended 31 March 2019	6 months ended 31 March 2018 ("H1 FY2018")	Movement
Total revenues	**£67.0m**	£63.6m	+5.3%
Like-for-like ("LFL") revenue growth (1)	**4.4%**	4.0%	+0.4%ppts
Group Adj. EBITDA (2)	**£21.1m**	£20.7m	+2.3%
Group Adj. EBITDA (2) margin	**31.6%**	32.5%	-90bps
Operating Profit	**£16.8m**	£15.0m	+11.4%
Profit before tax	**£16.4m**	£14.6m	+12.5%
Profit after tax	**£13.4m**	£11.8m	+13.6%
Basic earnings per share	**8.92p**	7.85p	+13.6%
Net debt	**£5.3m**	£7.2m	-26.7%
Interim ordinary dividend per share	**2.27p**	2.03p	+11.8%

Operational highlights

- **New centre opening programme on track, with new developments signed**
  - Two new centres opened in H1 FY2019, which are performing in line with management expectations, increasing the total estate to 60
  - Continued strong pipeline with the signing of developments in exciting leisure schemes in Belfast, Colchester and Thorpe Park in Leeds (mini-golf).
- **Continued investment in core estate delivering strong returns**
  - Two Hollywood Bowl refurbishments and one AMF rebrand and refurbishment completed in H1 FY2019
  - Three more Hollywood Bowl refurbishments and two AMF rebrands and refurbishments planned for the second half of the year
  - Continued roll out of new scoring system in H2 FY2019, with the full estate roll out expected to complete during FY2021
- **Customer-focused strategy and ongoing rollout of new initiatives resulting in strong LFL revenue growth**
  - All revenue lines in LFL growth year on year
  - Average spend per game increased 6.4 per cent to £9.79, compared to H1 FY2018

Stephen Burns, Chief Executive Officer of Hollywood Bowl commented:

"We are delighted at the strong start to the year which puts us on track to deliver our expectations for the full year. We continue to invest in the quality of our estate, driving returns through our new centre openings and active refurbishment programme. This is complemented by the successful roll out of proven initiatives, as part of our unrelenting focus to continuously improve and create the best possible customer experience, resulting in positive growth across all of our revenue lines. There remains significant scope for further sustainable growth through the continued investment in the quality of our centres, our new centre pipeline as well as the introduction of new technology and initiatives that enhance our already industry leading customer proposition."

1. LFL revenue is defined as total revenue excluding any new centre openings from the current financial year until they are LFL (H1 FY2019: £1.3m) and closures since the same reporting period in the prior year (H1 FY2018: £0.8m) and is used as a key measure of constant centre growth.
2. Group adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) reflects the underlying trade of the overall business and excludes any one-off benefits (VAT rebates for prior years) and costs. It is management's view that these are non-recurring benefits and costs. The reconciliation to operating profit is set out in the Finance Review section of this announcement.

Enquiries:

Hollywood Bowl Group	via Tulchan
Stephen Burns, Chief Executive Officer	Communications
Laurence Keen, Chief Financial Officer	
Mat Hart, Chief Marketing and Technology Officer	

Tulchan Communications	+44 (0) 207 353 4200
James Macey White	
Elizabeth Snow	
Amber Ahluwalia	

Notes to Editors:
Hollywood Bowl Group is the UK's leading ten-pin bowling operator, with a high quality portfolio of 60 profitable centres operating under the Hollywood Bowl and AMF brands. The Group specialises in operating large, high quality bowling centres, predominantly located in out of town multi-use leisure parks (typically co-located with cinema and casual dining sites) and large retail parks. The centres are designed to offer a complete family entertainment experience with each centre offering bowling lanes, on-site dining, licensed bars, and state-of-the-art family amusement areas.

CHIEF EXECUTIVE REVIEW

I am delighted with the Group's financial performance in the first six months of the year. We continue to deliver sustainable, profitable growth, with total revenue growth of 5.3 per cent, and LFL revenue growth of 4.4 per cent, underpinned by the successful execution of our customer led operating model.

We remain focused on enhancing the customer experience and the overall quality of the estate, through new centre openings, our programme of refurbishments and rebrands as well as through innovation and investments in technology. During the half we successfully rebranded and refurbished another AMF centre to Hollywood Bowl, refurbished two existing Hollywood Bowl centres and opened two new centres in high quality locations. We are encouraged by the returns from invested centres and our programme remains on track with further refurbishments and rebrands planned in the second half.

Profit before tax grew by £1.8m to £16.4m (H1 FY2018: £14.6m) up 12.5 per cent on prior period, whilst average LFL centre EBITDA grew 4.7 per cent compared to the same period last year. This puts us on track to deliver on management expectations for the full year.

Payment of the FY2018 final ordinary and special dividends in the first half of this financial year, offset by the cash generation of the Group noted above, resulted in net debt of £5.3m at the end of the period, a reduction from £7.2m as at 31 March 2018. In line with our progressive dividend policy, the Board has declared an interim dividend of 2.27 pence per share, representing 11.8 per cent growth on the comparable period last year.

Growth strategy
We remain committed to our clear and effective growth strategy and we are pleased with the progress we have made during the period. Our new centre opening programme is on track and we continue to grow LFL revenue through the continual improvement of the existing estate and our refurbishment and rebrand programme which continues to deliver good returns.

Maintaining a high quality, profitable estate
The refurbishment plan for the Hollywood Bowl and AMF estate is on track, with investments in our High Wycombe and Sheffield Hollywood Bowl centres completed during the period.

We also completed the rebrand and refurbishment of our AMF centre in Wigan, which relaunched as a Hollywood Bowl in November 2018. The trading performance to date has been very encouraging, and is on track to deliver a return in line with expectation.

The final Bowlplex centre in Bristol Longwell Green, re-launched as a Hollywood Bowl early in the financial year, and as at 31 March 2019 was on course to pay back the £415k invested in under two years, a return on investment of over 50%.

We are confident of completing our guided seven to ten refurbishments and rebrands by the end of FY2019. We are currently on site on one Hollywood Bowl refurbishment and one AMF rebrand and have detailed plans in place for two further refurbishments and one AMF rebrand to complete before the end of the financial year. The average return on investment from the most recent 13 refurbishments and rebrands is 46.5 per cent, notably above our targeted 33 per cent.

Two new prime location centres were opened during the first half of the financial year, taking the total number of centres in the estate to 60. Our 14 lane centre at Intu's new extension in Watford town centre, opened in time for the Christmas trade on 18 December 2018 following a net capital spend of £1.8m. We are a key anchor tenant, occupying 20,000 square feet, alongside a new cinema, casual dining restaurants and retail offer. The centre has received positive customer feedback and is trading in line with expectations.

In March 2019, we opened the largest bowling centre to open in the UK in the last ten years. The new 24 lane 34,000 square feet centre is located in the Intu Lakeside shopping centre extension. The centre includes Pins on Strings version 2 technology, external and internal digital signage, a new and improved VIP offer, as well as the largest family amusement area in our entire estate. The centre has traded well over its first few weeks since opening, and we are confident it will pay back the £2.5m net capital spend in line with expectations.

We continue to manage the overall property portfolio and have re-geared one lease during the half, with discussions on four further re-gears expected to conclude during the second half of FY2019.

Multi-year secured development pipeline
Leisure continues to be a key driver of footfall for landlords and given our strong relationship with property partners, the quality of our offering and strength of covenant, we are the tenant of choice for many landlords. Two new bowling centres that meet our strict investment criteria have been signed during the first half of the year, in Belfast and Colchester, enhancing our already strong new centre pipeline.

As the trend of customer spending increasingly shifts towards experiential leisure, we are excited about the launch of our new indoor mini-golf concept, that will operate under the 'Puttstars' brand. This new concept gives us the opportunity to leverage our customer led operating model and occupy spaces in high quality locations, which are unsuitable from a configuration perspective for a bowling centre.

We are on track to open the first trial mini-golf centre in York in H1 FY2020, with the second centre in Thorpe Park in Leeds, scheduled to open in H2 FY2020. Innovative hole designs and a technology led customer journey will offer a unique family entertainment experience.

These latest three new centre signings extend our new centre pipeline to the end of FY2023 and we remain confident in our ability to continue to deliver on our plan of an average of two new centre openings a year.

Like-for-like growth across all revenue lines

LFL revenues grew 4.4 per cent during the first half of the financial year, with all revenue lines showing LFL growth on the comparative period last year.

Total spend per game grew by 6.4 per cent in the period, up from £9.20 in H1 FY2018 to £9.79 in H1 FY2019. Our dynamic pricing structure has allowed us to introduce new peak and off peak pricing structures for non-core products, driving yield, whilst keeping our headline pricing the lowest of all the branded bowling operators, at £6.25 for an adult game.

Drink spend per game grew by 8.5 per cent, helped in part by the roll out of the iServe technology, enabling our team to have a greater focus on lane service and capturing drink spend, particularly over the Christmas party season. Amusement spend per game also showed solid growth during the period, up 12.8 per cent over the half. The “play for prizes” offer was introduced into another five centres, and with more amusement space freed up in some of our larger centres as part of their refurbishments, new amusement concepts have been introduced driving increased spend per game.

The rollout of the new Hollywood Diner menu, which completed at the end of FY2018, has helped underpin a 3.9 per cent growth in diner spend. The efficiencies derived from all centres offering a single menu have also mitigated all the food cost increases seen during the year, resulting in gross profit per cent in our diners remaining constant year on year. We have enhanced the food offer further in four centres with a trial of quick serve, freshly made pizza, as we continue to test new concepts to enhance the experience for our customers.

Initiatives and Innovation

Pins on Strings version 2 has been installed into three centres during the half as we roll out this new pin setting technology to those centres that have machines nearing the end of their useful economic life, as well as installing it in all of our new centre openings. At least two more centres will have Pins on Strings version 2 installed in the second half meaning we will close the financial year with 18 per cent (11 centres) of the estate operating with pins on strings technology.

We have continued the roll out of contactless technology on change machines in our amusement areas, following the learnings from the three cashless amusement trials over the last 18 months, with 24 centres now benefiting from this contactless technology. This roll out will continue as we look to negotiate more favourable commercial terms with the provider.

We have also continued to invest in our digital technology, leading the sector with our CRM and digital capability. The new Hollywood Bowl website launched in April 2019, with a smoother faster customer journey, and a new booking engine is in development and will be launched in the second half of the current financial year, as we look to keep pace with an ever changing digital market place.

Focus on our people

Our team are key to the success of our business and are instrumental in delivering the service ambitions we have. I would like to acknowledge all of the hard work, dedication and commitment to our business that our team have shown delivering these results. At our centre managers’ conference in October 2018, we were able to recognise some fantastic individual performances and celebrate the overall efforts of the wider team. We continue to invest in our people and have bolstered our regional structure to better support our growing business and are trialling some new pay initiatives in a number of centres to ensure our reward structure continues to support the acquisition and retention of our highly valuable team members.

Brexit
Given the nature of our activities, which have huge customer appeal throughout the country and through all economic cycles, we do not believe the exit of the UK from the EU will have a material impact on the underlying performance of the business.

Outlook
I am encouraged by the progress we are making in our strategy to grow the business organically as well as drive growth through the effective deployment of capital. Following the strong first half of FY2019, I am confident that we will continue this momentum into the second half of the year. We will continue to invest in all areas across the business which, coupled with our sustainable organic growth strategy, means the Board is confident in the outlook of the business, and on track to meet it's expectations for the full year.

Stephen Burns
Chief Executive Officer
23 May 2019

FINANCE REVIEW

	31 March 2019 £'000	31 March 2018 £'000	Movement
Number of centres	**60**	59	+1
Average spend per game	**£9.79**	£9.20	+6.4%
Revenue	**£67.0m**	£63.6m	+5.3%
Gross profit margin	**85.9%**	86.3%	-40bps
Group adjusted EBITDA[1]	**£21.1m**	£20.7m	+2.3%
Group profit before tax margin	**24.5%**	22.9%	+160bps
Group profit before tax	**£16.4m**	£14.6m	+12.5%
Net debt	**£5.3m**	£7.2m	-26.3%
Group adjusted operating cash flow[2]	**£15.0m**	£14.9m	+1.1%
Group expansionary capital expenditure	**£4.6m**	£2.8m	+63.7%

1. Group adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) reflects the underlying trade of the overall business and excludes any one-off benefits (VAT rebates for prior years) and costs. It is management's view that these are non-recurring benefits and costs. The reconciliation to operating profit is set out below in this section of this announcement.
2. Adjusted operating cash flow is calculated as Group adjusted EBITDA less working capital and maintenance capital expenditure. This represents a good measure for the cash generated by the business after taking into account all necessary maintenance capital expenditure to ensure the routine running of the business. This excludes one-off exceptional items, net interest paid and any debt repayments.

Following another record year in FY2018, and good comparatives in H1 FY2018, we are pleased to have delivered a strong first half set of results, with revenue growth of 5.3 per cent and profit before tax growth of 12.5 per cent, to £16.4m.

The Group's highly cash generative business model resulted in Group adjusted operating cash flow of

£15.0m, and free cash flow (FCF) of £9.3m in the first half, showing a conversion of 69.2 per cent of profit after tax, to £9.3m. FCF is defined as net cash flow pre dividends and exceptional items.

Growth drivers

We are extremely pleased to have delivered a record first half sales performance over the six months to 31 March 2019 and continue to be encouraged by the LFL performance of our core estate as well as our invested centres, both refurbished and new.

The total 5.3 per cent revenue growth has been driven through LFL revenue growth of 4.4 per cent and new centres contributing 2.1 per cent growth, which were partly offset by the effect of the Gravesend centre closure (1.2 per cent of revenue) in July 2018. Group revenue for the first half was £67.0m, up from £63.6m in the comparative period last year.

Game volumes were marginally down year on year, although excluding the last week in the period – due to Easter school holidays in H1 FY2018 – LFL game volumes were flat, at 6.7m games, compared to the same period last year. We are very pleased to see average spend grow by 6.4 per cent as customers continued to spend more across all areas of the business, with all areas in LFL revenue growth. Amusements saw double digit percentage spend growth, driven through new machine introductions as well as an unrelenting focus on retail standards, whilst bar spend per game increased by over 7 per cent driven in part by the iServe rollout which was completed pre-Christmas 2018.

Like-for-like (LFL) revenue is defined as total revenue excluding any new centre openings (H1 FY2019: £1.3m) and closures (H1 FY2018: £0.8m) and is used as a key measure of constant centre growth.

Gross margin

Gross profit margin was in line with management expectations at 85.9 per cent (H1 FY2018: 86.3 per cent). This marginal decline is all due to the strong amusement performance noted above, whilst diner and bar gross profit per cent was in line with same period last year. Our continued focus on gross profit has seen it grow to a record first half of £57.5m, up 4.7 per cent, from £54.9m in the period to 31 March 2018.

Administrative expenses

Administrative expenses were £40.8m, up £0.9m (2.2 per cent) on the corresponding period in the prior year. The increase is driven by constant centres up £0.9m (3.2 per cent), new centres up £0.8m, as well as an increase in corporate costs, all partly netted off by a decrease in depreciation.

The largest cost within administration expenses continues to be property costs, at £15.0m for H1 FY2019, up £0.3m on the same period last year, with constant centres accounting for £0.1m of this increase. Rent for the period was £7.2m, with LFL rent costs up £0.2m (2.6 per cent) compared to the period to 31 March 2018.

Centre employee costs were £12.6m for the six month period to 31 March 2019, an increase of £0.9m on an overall Group basis on the same period in the prior year. This has been driven by new centres as well as the increase in national minimum and living wage, where we have maintained the differential for our team members.

Group adjusted EBITDA and operating profit

LFL EBITDA continued to grow, and increased by 4.7 per cent compared to the prior period, to £26.6m. This along with the adjustments noted above, plus new centre EBITDA of £0.6m, led to Group adjusted EBITDA of £21.1m (H1 FY2018: £20.7m), an increase of 2.3 per cent, year on year.

	31 March 2019 £'000	31 March 2018 £'000
Operating profit	**16,763**	15,044
Depreciation	**4,197**	5,304
Amortisation	**261**	258
Loss on property, plant and equipment and software	**288**	53
EBITDA	**21,509**	20,659
Exceptional items	**(371)**	-
Group adjusted EBITDA	**21,138**	20,659

Management use EBITDA adjusted for exceptional items (Group adjusted EBITDA) as a key performance measure of the business. With the introduction of IFRS 16 in FY2020, management will be reviewing this measure and its effectiveness as a guide to its investors going forward, given the fact that rent will be excluded. The Group plans to adopt IFRS 16 using the modified retrospective approach.

Depreciation decreased to £4.2m in the first half and represented 6.3 per cent of total sales, against 8.3 per cent in H1 FY2018.

Operating profit grew to a record £16.8m in H1 FY2019, up 11.4 per cent compared to the same period last year. Operating profit margin also increased by 1.4 percentage points against the same period last year, to a record 25.0 per cent of total revenue in the period.

Exceptional costs

Exceptional costs for period continue to be recognised in adherence with the policy stated in the FY2018 Annual Report. The VAT rebate shown in the period to 31 March 2019 relates to a one-off retrospective reclaim in respect of unclaimed input VAT on professional fees.

Share-based payments

During the first half of the year, the Group granted further Long Term Incentive Plan (LTIP) shares to the senior leadership team, including the CEO and CFO. These awards vest in three years providing continuous employment during this period and certain performance conditions are attained relating to earnings per share (EPS). The Group also started a new Sharesave scheme which was open to all team members, in February 2019.

The Group recognised a total charge of £265,426 (H1 FY2018: £142,878) in relation to the Group's share based payment arrangements.

None of these non-cash costs are classified as exceptional costs.

Finance costs

Finance costs decreased from £0.5m to £0.4m. The Group currently has gross debt of £27.8m with the next debt repayment of £0.75m due in June 2019. The Group also has an undrawn revolving credit facility of £5.0m and capital expenditure facility of £5.0m.

Taxation

The Group has incurred a tax charge of £3.0m for the first half compared to £2.8m in the comparable period in the prior year, which represents an effective tax rate of 18.4 per cent on statutory profit before tax, and 18.8 per cent of profit before tax and exceptional items.

Earnings
Profit before tax for the year was £16.4m which was higher than the comparable period in the prior year by £1.8m (up 12.5 per cent), as a result of the factors discussed above.

The Group delivered an increased profit after tax of £13.4m (H1 FY2018: £11.8m), up 13.6 per cent compared to the same period last year, and basic earnings per share was 8.92 pence (H1 FY2018: 7.85 pence).

Dividend
The Directors have declared an interim dividend of 2.27 pence per share. The ex-dividend date is 13 June 2019, with a record date of 14 June 2019 and payment date of 10 July 2019.

The Group operates a highly cash generative business model which puts the Group in a strong financial position and will allow the Board to continue to execute on its capital allocation priorities previously disclosed.

Cash flow and net debt
The Group continues to deliver strong cash generation with Group adjusted operating cash flow of £15.0m and FCF of £9.3m in the period to 31 March 2019.

	31 March 2019 £'000	31 March 2018 £'000
Group Adjusted EBITDA	**21,138**	20,659
Movement in working capital	**129**	(238)
Maintenance capital expenditure[1]	**(3,982)**	(3,104)
Taxation	**(2,263)**	(2,463)
Adjusted Operating cash flow (OCF)[2]	**15,022**	14,854
Adjusted OCF Conversion	**71.1%**	71.9%
Expansionary capital expenditure	**(4,615)**	(2,820)
Net Interest paid	**(401)**	(228)
Cash flows from financing activities	**(750)**	(750)
Free cash flow (FCF)[3]	**9,256**	11,056
Dividends paid	**(12,839)**	(10,920)
Net Cash flow	**(3,583)**	136

1 In this table, maintenance capital expenditure includes amusements capital expenditure and amusement disposal proceeds.
2 Adjusted operating cash flow is calculated as Group adjusted EBITDA less working capital and maintenance capital expenditure. This represents a good measure for the cash generated by the business after taking into account all necessary maintenance capital expenditure to ensure the routine running of the business. This excludes one-off exceptional items, net interest paid and any debt repayments.
3 Free cash flow is defined as net cash flow pre dividends and exceptional items.

This strong cash generation in the past twelve months has resulted in a decrease in net debt to £5.3m, compared to the period to 31 March 2018.

Capital expenditure
The primary focus for our capital expenditure continues to be on the opening of new centres and refurbishments, as well as maintenance spend to ensure all centres are inviting and exciting places for our customers to dwell. Total net capital expenditure was up £2.7m (45.2 per cent) on the comparable period in the prior year, to £8.6m.

The largest increase was in respect of new centres, where during H1 FY2019 we spent £3.5m (net of landlord contributions) compared to £0.9m (net of landlord contributions) in H1 FY2018. New centre spend this year included the final amounts for Intu Watford (£1.0m net in H1 FY2019) and £2.5m for Intu Lakeside, both of which opened in the first half of the year and are trading in line with management expectations.

Going concern

As stated in note 2 to the Interim Financial Statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Laurence Keen
Chief Financial Officer
23 May 2019

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 March 2019

	Note	Six months ended 31 March 2019 Unaudited £'000	Six months ended 31 March 2018 Unaudited £'000	Year ended 30 September 2018 Audited £'000
Revenue		66,990	63,638	120,548
Cost of sales		(9,474)	(8,717)	(16,748)
Gross profit		57,516	54,921	103,800
Administrative expenses		(40,753)	(39,877)	(78,908)
Operating profit		16,763	15,044	24,892
Underlying operating profit		16,392	15,044	25,010
Exceptional items	4	371	-	(118)
Finance income		104	10	18
Finance expenses		(482)	(492)	(976)
Profit before tax		16,385	14,562	23,934
Tax expense	6	(3,010)	(2,792)	(5,150)
Profit for the year attributable to equity shareholders		13,375	11,770	18,784
Other comprehensive income for the period		-	-	-
Total comprehensive income attributable to equity shareholders		13,375	11,770	18,784
Earnings per share (based on weighted average number of shares)	5	**Pence**	**Pence**	**Pence**
Basic		8.92	7.85	12.52
Diluted		8.89	7.83	12.49
Adjusted earnings per share (based on weighted average number of shares)	5			
Basic		8.67	7.85	12.60
Diluted		8.64	7.83	12.57
Weighted average number of shares in issue for period (number)		150,529,032	150,252,883	150,384,101

Reconciliation of operating profit to Group Adjusted EBITDA		Six months ended 31 March 2019 Unaudited £'000	Six months ended 31 March 2018 Unaudited £'000	Year ended 30 September 2018 Audited £'000
Operating profit		16,763	15,044	24,892
Depreciation of property, plant and equipment	7	4,197	5,304	10,494
Amortisation of intangible assets	8	261	258	504
Exceptional items	4	(371)	-	118
Loss on disposal of property, plant and equipment and software	7, 8	288	53	148
Group Adjusted EBITDA		21,138	20,659	36,156

Group Adjusted EBITDA is a non-GAAP metric used by management and is not an IFRS disclosure.

Reconciliation of Net Debt	Six months ended 31 March 2019 Unaudited £'000	Six months ended 31 March 2018 Unaudited £'000	Year ended 30 September 2018 Audited £'000
Borrowings from bank facilities	27,750	29,250	28,500
Cash and cash equivalents	(22,459)	(22,030)	(26,042)
Net Debt	5,291	7,220	2,458

Net debt is defined as borrowings from bank facilities excluding issue costs, less cash and cash equivalents.

Condensed Consolidated Statement of Financial Position
As at 31 March 2019

	Note	31 March 2019 Unaudited £'000	31 March 2018 Unaudited £'000	30 September 2018 Audited £'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	44,949	41,903	41,077
Intangible assets	8	78,527	78,770	78,648
		123,476	120,673	119,725
Current assets				
Cash and cash equivalents		22,459	22,030	26,042
Trade and other receivables		7,415	6,579	6,563
Inventories		1,363	1,352	1,254
		31,237	29,961	33,859
Total assets		154,713	150,634	153,584
LIABILITIES				
Current liabilities				
Trade and other payables		17,067	16,390	16,626
Loans and borrowings	10	1,380	1,380	1,380
Corporation tax payable		3,607	2,975	2,840
		22,054	20,745	20,846
Non-current liabilities				
Other payables		7,261	7,837	7,616
Loans & borrowings	10	26,073	27,453	26,763
Deferred tax liabilities		467	560	487
Accruals and provisions		3,119	3,283	2,934
		36,920	39,133	37,800
Total liabilities		58,974	59,878	58,646
NET ASSETS		95,739	90,756	94,938
Equity attributable to shareholders				
Share capital		1,500	1,500	1,500
Merger reserve		(49,897)	(49,897)	(49,897)
Retained earnings		144,136	139,153	143,335
TOTAL EQUITY		95,739	90,756	94,938

Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 March 2019

	Share capital £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
Equity at 30 September 2017 (audited)	**1,500**	**(49,897)**	**138,160**	**89,763**
Dividends paid (Note 9)	-	-	(10,920)	(10,920)
Share based payments (Note 11)	-	-	143	143
Profit for the period	-	-	11,770	11,770
Equity at 31 March 2018 (unaudited)	**1,500**	**(49,897)**	**139,153**	**90,756**
Dividends paid (Note 9)	-	-	(3,044)	(3,044)
Share based payments (Note 11)	-	-	212	212
Profit for the period	-	-	7,014	7,014
Equity as at 30 September 2018 (audited)	**1,500**	**(49,897)**	**143,335**	**94,938**
Dividends paid (Note 9)	-	-	(12,839)	(12,839)
Share based payments (Note 11)	-	-	265	265
Profit for the period	-	-	13,375	13,375
Equity as at 31 March 2019 (unaudited)	**1,500**	**(49,897)**	**144,136**	**95,739**

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 March 2019

	Six months ended 31 March 2019 Unaudited £'000	Six months ended 31 March 2018 Unaudited £'000	Year ended 30 September 2018 Audited £'000
Cash flows from operating activities			
Profit before tax	16,385	14,562	23,934
Adjusted by:			
Depreciation and impairment	4,197	5,304	10,494
Amortisation of intangible assets	261	258	504
Net interest expense	378	481	958
Loss on disposal of property, plant and equipment	288	53	148
Share-based payments (Note 11)	265	143	355
Operating profit before working capital changes	21,774	20,801	36,393
Increase in inventories	(109)	(163)	(65)
(Increase)/decrease in trade and other receivables	(748)	565	581
Increase/(decrease) in payables and provisions	350	(783)	(709)
Cash inflow generated from operations	21,267	20,420	36,200
Interest received	-	10	19
Income tax paid - corporation tax	(2,263)	(2,463)	(5,030)
Interest paid	(401)	(238)	(625)
Net cash inflow from operating activities	18,603	17,729	30,564
Investing activities			
Purchase of property, plant and equipment	(8,457)	(6,098)	(10,687)
Purchase of intangible assets	(140)	(161)	(289)
Sale of assets	-	336	24
Net cash used in investing activities	(8,597)	(5,923)	(10,952)
Cash flows from financing activities			
Repayment of bank loan	(750)	(750)	(1,500)
Dividends paid	(12,839)	(10,920)	(13,964)
Net cash flows used in financing activities	(13,589)	(11,670)	(15,464)
Net change in cash and cash equivalents for the period	(3,583)	136	4,148
Cash and cash equivalents at the beginning of the period	26,042	21,894	21,894
Cash and cash equivalents at the end of the period	**22,459**	**22,030**	**26,042**

Notes to the condensed consolidated interim financial statements

1. General information

The Directors of Hollywood Bowl Group plc (together with its subsidiaries, the “Group” or “HWB Group”) present their interim report and the unaudited financial statements for the six months ended 31 March 2019 (‘Interim Financial Statements’).

HWB Group is incorporated and domiciled in England and Wales, under company registration number 10229630. The registered office of the company is Focus 31, West Wing, Cleveland Road, Hemel Hempstead, HP2 7BW, United Kingdom.

The interim Financial Statements were approved by the Board of Directors on 23 May 2019.

The financial information for the six months ended 31 March 2019 has been reviewed by KPMG, the Group’s external auditor. Their report is included within these condensed consolidated interim financial statements.

The Group’s last annual audited financial statements for the year ended 30 September 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and these Interim Financial statements should be read in conjunction with them.

The comparative figures for the year ended 30 September 2018 are an abridged version of the Group’s last annual financial statements and, together with other financial information contained in these interim results, do not constitute statutory financial statements of the Group as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 30 September 2018 has been delivered to the Registrar of Companies. The external auditor has reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498 (2) or (3) of the Companies Act 2006.

2. Basis of preparation

The Interim Financial Statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’ as endorsed by the European Union and the Disclosures and Transparency Rules of the United Kingdom’s Financial Conduct Authority. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last financial statements.

The Interim Financial Statements are presented in Pounds Sterling, rounded to the nearest thousand pounds, except where otherwise indicated; and under the historical cost convention as modified through the recognition of financial liabilities at fair value through profit and loss.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the presentation of the Group’s consolidated financial statements for the year ended 30 September 2018, other than the adoption of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from contracts with customers* which became effective for the Group from 1 October 2018. A number of other new European Union endorsed amendments to existing standards are also effective for periods beginning on or after 1 October 2018.

IFRS 9 is a replacement for IAS39 *Financial Instruments.* There has been no significant impact on the Group’s accounting for financial assets or liabilities as a result of IFRS 9.

IFRS 15 replaces IAS 18 *Revenue,* and introduces a five-step approach to revenue recognition based on performance obligations in customer contracts. This may affect the timing and amount of revenue that the Group recognises under IFRS 15 compared with IAS 18. IFRS 15 has no material impact on the annual or condensed interim consolidated financial statements of the Group in the year ending 30 September 2019.

The Group’s principal activities are that of the operation of ten-pin bowling centres as well as the development of new centres and other associated activities. It is managed as one entity and management have consequently determined that there is only one operating segment. All revenue arises in and all non-current assets are located in the United Kingdom. The Group’s operations are not considered to be seasonal or cyclical in nature.

Going concern

The Directors have, at the time of approving these interim financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

Accounting estimates and judgements

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 September 2018.

Standards issued not yet effective

At the date of authorisation of this financial information, certain new standards, amendments and interpretations to existing standards applicable to the Group have been published but are not yet effective, and have not been adopted early by the Group. The impact of these standards is not expected to be material, other than the adoption of IFRS 16.
IFRS 16 'Leases' will be effective in the Group financial statements for the accounting period commencing 1 October 2019. The Group intends to adopt the modified retrospective approach, so no restatement of comparatives will be required and the cumulative effect of initially applying IFRS 16 will be recognised in reserves at the date of initial application (i.e. 1 October 2019). The standard has no impact on the Group's underlying cash flows. It is, however, expected to have a significant impact on reported assets, liabilities and the income statement of the Group, as well as the classification of cash flows relating to lease contracts. The Group is in the process of finalising this work and setting out related accounting policies and procedures for leases. Until this work has been carried out, it is not practical to provide a reasonable estimate of the financial effect of IFRS 16.

3. Segmental reporting

Management consider that the Group consists of a single segment, and operates within the UK. No single customer provides more than 10 per cent. of the Group's revenue.

Within this one operating segment there are multiple revenue streams which consist of the following:

	31 March 2019 £000	31 March 2018 £000
Bowling	**33,112**	32,254
Food and drink	**19,068**	18,033
Amusements	**14,669**	13,149
Other	**141**	202
	66,990	63,638

4. Exceptional items

Exceptional items are disclosed separately in the financial statements where the Directors consider it necessary to do so to provide further understanding of the financial performance of the Group. They are material items or expenses that have been separately disclosed due to the significance of their nature or amount:

	Six months ended 31 March 2019 Unaudited £'000	**Six months ended 31 March 2018 Unaudited £'000**	**Year ended 30 September 2018 Audited £'000**
VAT rebate[1]	371	-	-
Non-recurring expenditure on strategic projects[2]	-	-	(118)
	371	-	(118)

[1] The Group was able to make a one-off retrospective reclaim in respect of overpaid VAT relating to costs incurred in prior financial years.

[2] Costs (comprising legal and professional fees) relating to an aborted acquisition.

5. Earnings per share

Basic earnings per share is calculated by dividing the profit to equity holders of Hollywood Bowl Group plc by the weighted average number of shares outstanding during the year, excluding invested shares held pursuant to Long Term Incentive Plans (note 11).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the period ended 31 March 2019, the Group had potentially dilutive shares in the form of unvested shares pursuant to Long Term Incentive Plans (note 11).

	Six months ended 31 March 2019 Unaudited	Six months ended 31 March 2018 Unaudited	Year ended 30 September 2018 Audited
Basic and diluted			
Profit for the period after tax (£'000)	13,375	11,770	18,784
Basic weighted average number of shares in issue for the period (number)	150,000,000	150,000,000	150,000,000
Adjusted for share awards	529,032	252,883	384,101
Diluted weighted average number of shares	150,529,032	150,252,883	150,384,101
Basic earnings per share (pence)	8.92	7.85	12.52
Diluted earnings per share (pence)	8.89	7.83	12.49

Adjusted underlying earnings per share

Adjusted earnings per share are calculated by dividing adjusted underlying earnings after tax by the weighted average number of shares issued during the year.

	Six months ended 31 March 2019 Unaudited	Six months ended 31 March 2018 Unaudited	Year ended 30 September 2018 Audited
Adjusted underlying earnings after tax (before exceptional items) (£'000)	13,004	11,770	18,902
Basic adjusted earnings per share (pence)	8.67	7.85	12.60
Diluted adjusted earnings per share (pence)	8.64	7.83	12.57

Adjusted underlying earnings after tax is calculated as follows:

	Six months ended 31 March 2019 Unaudited £'000	Six months ended 31 March 2018 Unaudited £'000	Year ended 30 September 2018 Audited £'000
Profit for the period before tax	16,385	14,562	23,934
Exceptional items (Note 4)	(371)	-	118
Adjusted underlying profit before taxation	16,014	14,562	24,052
Less taxation	(3,010)	(2,792)	(5,150)
Adjusted underlying earnings after tax	13,004	11,770	18,902

6. Taxation

The tax expense is as follows:	**Six months ended 31 March 2019 Unaudited £'000**	**Six months ended 31 March 2018 Unaudited £'000**	**Year ended 30 September 2018 Audited £'000**
- UK Corporation tax	2,947	2,978	4,766
- Adjustments in respect of previous periods	43	-	643
Total current tax	2,990	2,978	5,409
Deferred tax:			
Origination and reversal of temporary differences	20	(187)	(253)
Adjustments in respect of prior years	-	1	(33)
Effects of changes in tax rates	-	-	27
	20	(186)	(259)
Total tax expense	3,010	2,792	5,150

Factors affecting current tax charge:

The income tax expense was recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year of 19.0%, applied to the profit before tax for the half year ended 31 March 2019. The effective tax rate has decreased from 21.5% for the year ended 30 September 2018 to 18.4% for the six months ended 31 March 2019. This is due to the adjustment in respect of prior periods in the year end 30 September 2018 of £577,000 relating to an expected Advance Thin Capitalisation Agreement tax liability. This is still being finalised with HMRC.

The net deferred tax liability recognised at 31 March 2019 was £467,000 (31 March 2018: £560,000; 30 September 2018: £487,000). This comprised deferred tax assets relating to temporary differences and depreciation in excess of capital allowances of £1,024,000 (31 March 2018: £1,071,000; 30 September 2018: £1,075,000) and deferred tax liabilities in relation to accelerated capital allowances, ineligible items on acquisition, capital gains and acquired intangible assets totalling £1,491,000 (31 March 2018: £1,631,000; 30 September 2018: £1,562,000).

7. Property, plant and equipment

	Long leasehold property £'000	Short leasehold property £'000	Lanes and pinspotters £'000	Amusement machines £'000	Plant & machinery, fixtures and fittings £'000	Total £'000
Cost:						
At 1 October 2017	1,251	15,320	7,902	12,869	22,174	59,516
Discounting of creditors arising on assets purchased in prior years on extended credit terms	-	-	-	(68)	-	(68)
Additions	-	3,035	742	4,810	4,008	12,595
Disposals	-	(44)	(83)	(2,699)	(483)	(3,309)
At 30 September 2018 (audited)	**1,251**	**18,311**	**8,561**	**14,912**	**25,699**	**68,734**
Additions	-	3,502	838	1,865	2,826	9,031
Disposals	(10)	(14)	(22)	(1,045)	(2,571)	(3,662)
At 31 March 2019 (unaudited)	**1,241**	**21,799**	**9,377**	**15,732**	**25,954**	**74,103**
Accumulated depreciation:						
At 1 October 2017	159	4,583	3,586	7,474	4,005	19,807
Depreciation charge	48	1,945	165	2,903	5,433	10,494
Disposals	-	(36)	(83)	(2,204)	(321)	(2,644)
At 30 September 2018 (audited)	**207**	**6,492**	**3,668**	**8,173**	**9,117**	**27,657**
Depreciation charge	24	1,039	90	1,279	1,765	4,197
Disposals	(10)	(9)	(16)	(371)	(2,294)	(2,700)
At 31 March 2019 (unaudited)	**221**	**7,522**	**3,742**	**9,081**	**8,588**	**29,154**
Net book value						
At 31 March 2019 (unaudited)	**1,020**	**14,277**	**5,635**	**6,651**	**17,366**	**44,949**
At 30 September 2018 (audited)	1,044	11,819	4,893	6,739	16,582	41,077

As at 31 March 2019, outstanding capital commitments totalled £1,873,000 (31 March 2018: £400,000; 30 September 2018: £1,652,000).

8. Intangible assets

	Goodwill £'000	Brand £'000	Trademark £'000	Software £'000	Total £'000
Cost					
At 1 October 2017	75,034	3,360	802	1,171	80,367
Additions	-	-	-	289	289
Disposals	-	-	(4)	(5)	(9)
At 30 September 2018 (audited)	**75,034**	**3,360**	**798**	**1,455**	**80,647**
Additions	-	-	-	140	140
Disposals	-	-	-	(81)	(81)
At 31 March 2019 (unaudited)	**75,034**	**3,360**	**798**	**1,514**	**80,706**
Accumulated amortisation					
At 1 October 2017	-	516	167	817	1,500
Amortisation charge	-	168	50	286	504
Disposals	-	-	(1)	(4)	(5)
At 30 September 2018 (audited)	**-**	**684**	**216**	**1,099**	**1,999**
Amortisation charge	-	84	25	152	261
Disposals	-	-	-	(81)	(81)
At 31 March 2019 (unaudited)	**-**	**768**	**241**	**1,170**	**2,179**
Net book value					
At 31 March 2019 (unaudited)	**75,034**	**2,592**	**557**	**344**	**78,527**
At 30 September 2018 (audited)	75,034	2,676	582	356	78,648

9. Dividends

The following dividends were declared and paid by the Group

	Six months ended 31 March 2019 Unaudited £'000	Six months ended 31 March 2018 Unaudited £'000	Year ended 30 September 2018 Audited £'000
Final dividend year ended 30 September 2017 - 3.95p per ordinary share	-	5,925	5,925
Special dividend year ended 30 September 2017 - 3.33p per ordinary share	-	4,995	4,995
Interim dividend year ended 30 September 2018 - 2.03p per ordinary share	-	-	3,044
Final dividend year ended 30 September 2018 - 4.23p per ordinary share	6,344	-	-
Special dividend year ended 30 September 2018 - 4.33p per ordinary share	6,495	-	-
	12,839	10,920	13,964

10. Loans and borrowings

	31 March 2019 Unaudited £'000	31 March 2018 Unaudited £'000	30 September 2018 Audited £'000
Current			
Bank loan	1,380	1,380	1,380
Borrowings (less than 1 year)	1,380	1,380	1,380
Non-current			
Bank loan	26,073	27,453	26,763
Borrowings (greater than 1 year)	26,073	27,453	26,763
Total borrowings	27,453	28,833	28,143

The bank loans are secured by a fixed and floating charge over all assets.

On 21 September 2016, the Group entered into a £30m facility with Lloyds Bank plc. This facility is due for repayment in instalments over a five year period up to the expiry date of 20 September 2021. The first repayment of £0.75m was due 31 December 2017, and subsequently will be repaid in 6-monthly instalments up to 31 December 2020. The remaining balance of £24.75m will be repayable at the expiry date of 20 September 2021. In addition, the Group has an undrawn £5m revolving credit facility and undrawn £5m capex facility. All loans carry interest at LIBOR plus a margin, which varies in accordance with the ratio of net debt divided by EBITDA and cash flow cover. The margin at 31 March 2019 is 1.75 per cent. (31 March 2018 and 30 September 2018: 1.75 per cent.).

11. Long term employee incentive costs

The Group had the following share based payment arrangements in operation during the period:
a) The Hollywood Bowl Group plc Long Term Incentive Plan 2017
b) The Hollywood Bowl Group plc Long Term Incentive Plan 2018
c) The Hollywood Bowl Group plc Long Term Incentive Plan 2019
d) The Hollywood Bowl Group plc Save-As-You-Earn Scheme 2018
e) The Hollywood Bowl Group plc Save-As-You-Earn Scheme 2019

The Group recognised a total charge of £265,000 in the 6 months ended 31 March 2019 (31 March 2018: £143,000, 30 September 2018: £355,000) in respect of the Group's share based payment arrangements and related employer's national insurance of £37,000 (31 March 2018: £20,000, 30 September 2018: £49,000).

Long Term Incentive Plan

HWB Group plc operates Long Term Incentive Plans (LTIPs) for certain key management. In accordance with IFRS 2 Share Based Payments, the value of the awards is measured at fair value at the date of the grant. The fair value is written off on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. In accordance with the LTIP schemes outlined in the Group's Remuneration Policy (Annual Report FY18), the vesting of these awards is conditional upon the achievement of an EPS target set at the time of grant and measured at the end of a 3 year period ending 30 September 2019, 2020 and 2021.

During the six months ended 31 March 2019, 403,018 share awards were granted under the 2019 LTIP. For this grant, the Group recognised a charge of £34,944 and related employer national insurance of £4,822.

During the six months ended 31 March 2018, 349,087 share awards were granted under the 2018 LTIP. For this grant, the Group recognised a charge of £30,125 and related employer national insurance of £4,157.

Save-As-You-Earn Plan

On 1 February 2018 and 1 February 2019, HWB Group plc launched Save-As-You-Earn plans (SAYE), available to all employees of the Group, for a term of 3 years for each plan.
In accordance with IFRS 2 Share Based Payments, the value of the awards are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest.
For the six months ended 31 March 2019, the Group has recognised £8,002 of share-based payment expense in the consolidated statement of comprehensive income (31 March 2018: £5,694 and 30 September 2018: £15,498).

12. Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year. The directors do not consider that the principal risks and uncertainties have changed since the publication of the Annual Report for the year ended 30 September 2018. These risks are summarised below, and how the Group seeks to mitigate these risks is set out on pages 30 to 33 of the Annual Report and Accounts 2018, which can be found at www.hollywoodbowlgroup.com
In summary, these include:

- The economic condition in the UK
- Dependency on the performance of IT systems
- Delivery of products from 3rd party suppliers which are key to the customer experience
- Retention of key team
- Data security and protection
- Adherence with regulatory requirements
- Breach of laws and regulations

13. Related Party Transactions

31 March 2019 and 31 March 2018

There were no related party transactions during either period.

Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.
- The interim management report includes a fair review of the information required by :
  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

This responsibility statement was approved by the Board on 23 May 2019 and is signed on its behalf by:

Stephen Burns
CEO
23 May 2019

Laurence Keen
CFO
23 May 2019

INDEPENDENT REVIEW REPORT TO THE SHAREHOLDERS OF HOLLYWOOD BOWL GROUP PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2019 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows, and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2019 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The impact of uncertainties due to the UK exiting the European Union on our review

Uncertainties related to the effects of Brexit are relevant to understanding our review of the condensed financial statements. Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. An interim review cannot be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Peter Selvey
for and on behalf of KPMG LLP
Chartered Accountants
58 Clarendon Road
Watford WD17 1DE

23 May 2019