

Tasty plc

Chairman's statement

I am pleased to report on the Group's half year results for the 26 weeks ended on 1 July 2012, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

Results

Turnover for the 26 weeks ended 1 July 2012 was £8,868,000 (2011 - £6,841,000), a 30% increase over the corresponding period.

The operating profit, before pre-opening costs, share based payments and interest, was £752,000 (2011 – £526,000).

Pre-opening costs have been highlighted in the income statement as they are necessarily incurred in the period prior to a new unit being opened and are specific to the opening but are not part of the Group's normal ongoing trading performance.

Pre-opening costs were £348,000 (2011 - £67,000), share based payments were £28,000 (2011 - £21,000) and finance expense was £16,000 (2011 - income - £6,000). The statutory profit before tax for the period was £360,000 (2011 – £444,000).

Basic and diluted earnings per share for the period were 0.75p and 0.74p (2011 – 0.93p and 0.89p).

Cash flows and financing

During the period capital expenditure of £2,450,000 (2011 - £537,000) was incurred. Four new Wildwood restaurants were opened: at Epping in March; Market Harborough in April; and Ely and Bow Street in May. A site in Cambridge acquired in December 2011 was rebranded in February into a Wildwood and re-opened in March.

Overall, the net cash outflow was £557,000 (2011 – £201,000).

To finance the growth, the Group successfully negotiated a bank loan facility of £2,500,000. Of this the first £1,000,000 was called down during the period.

As at 1 July 2012, the Group had cash balances of £1,451,000 (2011 - £2,718,000).

Outlook

The Group continues to focus on means of taking the business forward in terms of increasing sales by updating the menus and improving the food and labour margins, all of which are continually reviewed.

The new openings during the period bring the number of restaurants to twenty-two, consisting of six dimts, fourteen Wildwoods and two other restaurants.

The Group continues to actively look for new sites and has the resources for further acquisitions.

Despite the on-going general economic conditions, the Group continues to grow and invest for the future.

K Lassman
Chairman
Tasty plc

20 September 2012

**Consolidated Statement of Comprehensive Income
(unaudited)**

	26 weeks ended 1 July 2012 £'000	26 weeks ended 3 July 2011 £'000	52 weeks ended 1 January 2012 £'000
Revenue	8,868	6,841	14,565
Cost of sales	(7,765)	(6,097)	(12,836)
Gross profit	1.103	744	1,729
Administrative expenses	(727)	(306)	(675)
Operating profit excluding pre-opening costs and non trading items	752	526	1,164
Pre-opening costs	(348)	(67)	(110)
Share based payment	(28)	(21)	(29)
Operating profit	376	438	1,054
Finance (expense) / income	(16)	6	12
Profit before taxation	360	444	1,066
Income tax income	-	-	210
Profit and total comprehensive income for the period – attributable to equity shareholders	360	444	1,276
Profit per share – basic	0.75p	0.93p	2.67p
Profit per share – diluted	0.74p	0.92p	2.64p

**Consolidated Statement of Changes in Equity
(unaudited)**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 2 January 2011	4,784	10,350	992	(6,432)	9,694
Changes in equity for 26 weeks ended 1 July 2011					
Profit for the period	-	-	-	444	444
Total comprehensive income for the period	-	-	-	444	444
Share based payments – credit to equity	-	-	-	21	21
Balance at 1 July 2011	4,784	10,350	992	(5,967)	10,159
Changes in equity for 26 weeks ended 1 January 2012					
Profit for the period	-	-	-	832	832
Total comprehensive income for the period	-	-	-	832	832
Share based payments – credit to equity	-	-	-	8	8
Balance at 2 January 2011	4,784	10,350	992	(5,127)	10,999
Changes in equity for 26 weeks ended 1 July 2012					
Profit for the period	-	-	-	360	360
Total comprehensive income for the period	-	-	-	360	360
Share based payments – credit to equity	-	-	-	28	28
Balance at 1 July 2012	4,784	10,350	992	(4,739)	11,387

Consolidated Balance Sheet

(unaudited)	1 July 2012 £'000	3 July 2011 £'000	1 January 2012 £'000
Non-current assets			
Intangible assets	450	61	450
Property, plant and equipment	10,623	7,375	8,546
Pre-paid operating lease charges	1,586	1,175	1,382
Deferred tax asset	460	250	460
Other receivables	437	322	451
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	13,556	9,183	11,289
Current assets			
Inventories	647	454	499
Pre-paid operating lease charges	78	44	67
Trade and other receivables	1,258	829	711
Cash and cash equivalents	1,451	2,718	2,008
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	3,434	4,045	3,285
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Total assets	16,990	13,228	14,574
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Non current liabilities			
Accruals for lease incentives	(194)	(210)	(200)
Bank loan	(1,000)	-	-
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	(1,194)	(210)	(200)
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Current liabilities			
Trade and other payables	(4,330)	(2,759)	(3,290)
Provisions	(79)	(100)	(85)
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Total current liabilities	(4,409)	(2,859)	(3,375)
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Total liabilities	(5,603)	(3,069)	(3,575)
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Total net assets	11,387	10,159	10,999
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Capital and reserves attributable to equity shareholders			
Share capital	4,784	4,784	4,784
Share premium	10,350	10,350	10,350
Merger reserve	992	992	992
Retained deficit	(4,739)	(5,967)	(5,127)
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Total equity	11,387	10,159	10,999
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Consolidated Cash Flow**(unaudited)**

	26 weeks ended 1 July 2012 £'000	26 weeks ended 3 July 2011 £'000	52 weeks ended 1 January 2012 £'000
Net cash inflow from operating activities			
Profit for the period before taxation	360	444	1,066
Adjustments for			
Depreciation	373	314	582
Amortisation	-	-	2
Equity settled share-based payment expense	28	21	29
Finance income	-	(6)	(12)
Finance expense	16	-	-
Net cash inflow from operating activities Before changes in working capital	777	773	1,667
(Increase) / decrease in trade and other receivables	(748)	(576)	(537)
(Increase) / decrease in inventories	(148)	(16)	(43)
Increase / (decrease) in trade and other payables	1,028	149	655
Cash generated from operations	909	330	1,742
Income tax received	-	-	-
Net cash flows from operating activities	909	330	1,742
Investing activities			
Purchase of property, plant and equipment	(2,450)	(537)	(1,607)
Acquisition	-	-	(1,058)
Interest paid	(16)	-	-
Interest received	-	6	12
Net cash outflow from investment activities	(2,466)	(531)	(2,653)
Net cash inflow from financing			
Bank loan received	1,000	-	-
Net (decrease) / increase in cash and cash equivalents	(557)	(201)	(911)
Cash and equivalents at beginning of period	2,008	2,919	2,919
Cash and equivalents at end of period	1,451	2,718	2,008

Notes to the financial statements

1 General information

Tasty plc ("Tasty") is a public limited company incorporated in the United Kingdom under the Companies Act (registration number 5826464). The Company is domiciled in the United Kingdom and its registered address is 19 Cavendish Square London W1A 2AW. The Company's ordinary shares are traded on the Alternative Investment Market ("AIM"). Copies of this Interim Report or the Annual Report and Accounts may be obtained from the above address or on the investor relations section of the Company's website at www.dimt.co.uk.

2 Basis of accounting

Tasty plc ("Tasty") has prepared its results under International Financial Reporting Standards and International Financial Reporting Council "IFRIC" interpretations as adopted by the European Union ("IFRS"). Tasty adopted IFRS with effect from 1 January 2007.

These standards remain subject to ongoing amendment and/or interpretation and are, therefore, still subject to change. Accordingly, information contained in these interim financial statements may need to be updated for subsequent amendments to IFRS or for new standards issued after the balance sheet date.

The basis of preparation and accounting policies followed in the interim report are the same as those set out in the annual report and accounts for the year ended 1 January 2012. As permitted this interim report has not been prepared in accordance with IAS 34 "Interim Financial Reporting", nor has it been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

The financial information for the period ended 1 January 2012 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2011 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2011 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The consolidated accounts incorporate the financial statements of Tasty plc and its subsidiary, Took Us A Long Time Limited made up to the relevant period end.

3 Income tax expense

The taxation charge for the 26 weeks ended 1 July 2012 has been calculated by applying the estimated effective tax rate for the period ending 1 January 2012

	Unaudited 26 weeks to 1 July 2012 £'000	Unaudited 26 weeks to 3 July 2011 £'000	Audited 52 weeks to 1 January 2012 £'000
UK corporation tax			
Current tax credit on profit/(loss) for the period	-	-	-
Adjustment in respect of prior period	-	-	-
Current tax credit for period	<u>-</u>	<u>-</u>	<u>-</u>
Deferred taxation			
Recognition of tax losses	-	-	210
	<u>-</u>	<u>-</u>	<u>210</u>
Total income tax credit	<u>-</u>	<u>-</u>	<u>210</u>

4 Earnings per share

	Unaudited 26 weeks to 1 July 2012 Pence	Unaudited 26 weeks to 3 July 2011 Pence	Audited 52 weeks to 1 January 2012 Pence
Basic earnings per share	<u>0.75</u>	<u>0.93</u>	<u>2.67</u>
Diluted earnings per share	<u>0.74</u>	<u>0.92</u>	<u>2.64</u>

The basic earnings per share figures are calculated by dividing the net profit for the period attributable to shareholders by the weighted average number of ordinary shares in issue during the period. The diluted earnings per share figure allows for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the period. Options are only taken into account when their effect is to reduce basic earnings per share.

Earnings per share has been calculated using the numbers shown below:-

	Unaudited 26 weeks to 1 July 2012 £'000	Unaudited 26 weeks to 3 July 2011 £'000	52 weeks to 1 January 2012 £'000
Profit for the period	<u>360</u>	<u>444</u>	<u>1,276</u>
	Number ' 000	Number ' 000	Number ' 000
Basic weighted average number of ordinary shares	<u>47,836</u>	<u>47,836</u>	<u>47,836</u>
Effect of dilution – share options	<u>492</u>	<u>306</u>	<u>492</u>
Diluted weighted average number of ordinary shares	<u>48,328</u>	<u>48,142</u>	<u>48,328</u>