

30 October 2020

## Tasty plc

("Tasty" or the "Group")

### Unaudited Interim Results for the 26 weeks ended 28 June 2020

#### Key Points:

- Revenue £8.7m (2019 - £21.1m), significantly impacted by Covid-19 related restrictions
- Adjusted EBITDA<sup>1</sup> loss (pre IFRS16) of £2.5m (2019: £0.1m)
- Adjusted EBITDA loss (post IFRS16) of £0.1m
- Impairment charge of £7.6m (2019: £nil)
- Loss after tax for the period (post IFRS16) of £11.0m (30 June 2019: loss of £0.8m (pre IFRS16))
- Loan as at 28 June 2020 of £nil (30 June 2019: £1.9m)
- Cash balance as at 28 June 2020 of £3.2m (30 June 2019: £2.4m)
- Net cash as at 28 June 2020 of £3.2m (30 June 2019: net cash £0.5m)
- Sale of More London dim t completed in January 2020 for gross proceeds of £2m
- Oakham Wildwood lease surrendered in September at £nil premium post period-end
- All sites closed from 24 March 2020 including takeaway
- Phased reopening of some sites for takeaway from end of May 2020 and gradually reopened most sites for eat-in from July 2020
- Currently trading from 48 of 55 restaurants with one recently closed due to localised lockdown
- Six sites that have not reopened are at risk of permanent closure

<sup>1</sup> Adjusted for depreciation, amortisation, share based payments. Pre IFRS16 has been applied.

#### Chairman's statement

2020 has been an extremely difficult year which required swift action to mitigate the extraordinary challenges faced. Tasty was quick to react to the Covid-19 outbreak, implementing various measures to stabilise the business and safeguard and preserve the wellbeing of our people and customers. The Board would like to thank the loyal teams, suppliers and landlords that have supported us through these unforeseen times.

Having steered the Group to a debt free position following the sale of More London dim t for £2m in January; we were in the fortunate position to have no banking covenant pressure during the shutdown of the estate due to Covid-19 restrictions implemented in March. Cash preservation became a key priority in order to maximise the chances of the Group surviving the unprecedented impact caused by the pandemic. In light of the continued economic uncertainty and the impact of Covid-19 related restrictions, the Group announced in September that it had secured a £1.25m, four year term loan from the Group's existing bankers, Barclays Bank, in order to strengthen its balance sheet and provide additional working capital support. The facility is available to be drawn down until 7 February 2021. However, drawdown is restricted until the future of the Group is assured through restaurant closures and creditor arrangements.

Whilst the trading environment continues to be extremely challenging and ever-changing, with the additional bank facility and support from our creditors and landlords, we are hopeful that we will be able to navigate our way through these difficult times due to our agility and restructured operational base. Our focus on cash preservation and maintaining the wellbeing of our staff and customers, has provided us with the opportunity to find a new way of operating the business, which is Covid-19 safe. There are opportunities to build on the stability in the Group and the lower operating cost base which will allow us to take advantage of reduced competition.

### **Introduction and Covid-19**

The beginning of 2020 was generally encouraging, and we started the year with 57 trading sites; 51 Wildwood and six dim t restaurants. Following the sale of dim t More London in January for £2m and the surrender of Oakham at a £nil premium in September, we currently have 55 sites.

In line with Government announcements we closed all of our restaurants for eat-in on 20 March and the Group made the decision to close all remaining open sites for takeaway and delivery on 24 March. At the end of May, we gradually started to reopen for takeaway whilst strictly following social distancing and health and safety guidelines. From 4 July the Group began a phased reopening programme for eat-in, and we currently have 48 restaurants open for eat-in; six remain closed with no immediate plans to reopen them and one currently closed due to restrictions in Wales.

The reduced estate and social distancing measures have impacted capacity and sales; however, the full financial impact on the year cannot currently be quantified due to the changing and uncertain threat of Covid-19. Whilst the Government lockdown measures introduced in March have been gradually eased across the UK, the risk of local outbreaks and further local lockdowns continues as witnessed in Leicestershire, Greater Manchester, Aberdeen, Liverpool, Wales and Northern Ireland.

The "Eat Out To Help Out" ("EOTHO") Scheme was a welcome initiative and helped trade in August. The Group experienced a positive level of sales during August, temporarily supported by the increase in UK residents staying in the UK this summer, Government initiatives and pent up demand following the relaxation of lockdown restrictions since March. However, with the stricter measures imposed on 24 September including the 10 pm curfew, "work from home if you can", increased control measures and the likelihood of further local lockdowns, we continue to face uncertain times for the foreseeable future.

### *Government support*

The Government initiatives, including the Job Retention Scheme, business rates holiday, deferral of HMRC payments, EOTHO and reduction in VAT, have proved invaluable and supported the Group during this difficult time.

At one stage, 98% of our employees were furloughed and, while unfortunately we have not been able to retain all our staff, we still employ approximately 700 people. However, the support is not set to continue as the Job Retention Scheme comes to a close at the end of October and is being replaced by a less generous scheme; the Job Support Scheme for open and closed restaurants.

### *Suppliers*

When we were confronted by an impending shutdown in March we worked with our food and beverage suppliers to negotiate extended payment terms and / or discounts; when we re-opened for trade they supported us in mobilising the business again. We are most grateful to everyone that supported, and continues to support us, through these difficult times.

### *Rent negotiations*

The Group has been successful in achieving rent reductions and lease concessions on a number of sites but needs to extend negotiations to cover any period of reduced revenue. We have commenced consensual negotiations with landlords and other creditors in respect of the outstanding rents and anticipate that this process will be completed by the end of November. It is difficult to predict the outcome of those negotiations but on the whole there seems to be a willingness to assist.

The Board believes that given the recently announced additional Covid-19 related regulations and the probability of tighter restrictions in the near future, all potential options for the Group's future should continue to be explored but, with creditor assistance, a more formal procedure such as a Company Voluntary Arrangement, may be avoided.

The Group will continue to review its existing estate to consider whether a number of restaurants should close permanently.

### *Financial stability*

As we entered lockdown, we reviewed all costs to see where we could reduce our outgoings, including measures such as salary reductions and maintaining operating costs to a minimum. During lockdown, we operated at a minimum level with over 98% of our staff being furloughed but to secure the longer-term future of the Group and to support the maximum people, we made the agonising decision to make approximately 32% of our staff redundant across our restaurants and head office. This was a very difficult decision and process, but our priority was to save the business and to support those that have been affected.

We continue to negotiate with landlords and have secured a loan facility of £1.25m which can be drawn down until 7 February 2021. However, drawdown is restricted until the future of the Group is assured through restaurant closures and creditor arrangements.

### *Appointment of strategic advisers*

As announced on 30 September, the Board confirms that, whilst no decision has yet been made regarding a restructuring or potential Company Voluntary Arrangement (CVA), it is continuing to work with its advisers, KPMG, to assess the potential impact of Covid-19 on the business and the various strategic options available to the Group.

### *People*

This has been a very challenging time for everyone and the Board would like to thank our teams at every level but would particularly like to acknowledge the small group of head office staff who worked tirelessly throughout lockdown often in difficult circumstances, made more difficult through remote working and reduced teams. Their efforts, and thereafter the streamlined team who reopened the restaurants, have helped us navigate the business through these unusual times. Despite personal and professional challenges our colleagues have shown huge dedication and support throughout, for which we are extremely grateful.

Post period end, Adam Kaye stepped down from the Board on 15 September to allow him to focus on his other commercial interests. The Board would like to thank Adam for the enormous support and invaluable experience that he has provided to the Board from Group's inception. He remains a substantial shareholder and we expect his involvement to continue.

### **Results**

Due to the lockdown and Covid-19 restrictions, sales were down 59% on the corresponding period to £8.7m (2019: £21.1m). In the period leading up to the closure, revenue had been ahead of management expectations. The adjusted EBITDA loss before IFRS16 adjustments was £2.5m (2019: £0.1m). EBITDA loss post IFRS adjustments was £0.1m.

Operating loss before highlighted items was £2.7m (Pre-IFRS16 equivalent: loss £3.2m, 2019: loss £0.6m).

The impact of the implementation of IFRS16 has resulted in depreciation on right-of-use (ROU) assets and the interest charge on lease liabilities being greater than the charge for rent that would have been reported pre-IFRS16; net impact on reported loss is £0.7m. The interest charge on the lease liabilities is higher in the earlier years of a lease.

We have reviewed the impairment provision across the ROU assets, fixed assets and goodwill and have made a net provision of £7.6m (30 June 2019: £nil). After taking into account all non-trade adjustments, the Group has a stated loss after tax for the period of £11.0m (2019: loss of £0.8m).

### **Cash flows and financing**

Cash outflow from operations was £1.5m (2019: £0.5m). During the period, the net proceeds from the sale of property were £1.9m (2019: £0.5m). Repayment of the bank loan amounted to £1.7m (2019: £4.6m). Net equity raised during the period was £nil (2019: £3.0m).

Overall, the net cash outflow for the period was £1.4m (2019: outflow £2.0m). As at 28 June 2020, the Group had net cash of £3.2m (30 June 2019: net cash of £0.5m).

### **Outlook**

The outlook for the sector remains extremely challenging and uncertain. The actions that the Group has undertaken to restructure, reduce the size of the estate and potentially reduce the Group's rental cost base should ensure that we are in a better place for the future. However, the Board expects future trading to remain unpredictable and exceptionally difficult with the threat of further local lockdowns,

tighter restrictions and the possibility of full lockdown still remaining. We will continue to monitor the situation and remain ready to respond.

### *The future of the Group*

At the time of approving the interims, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the Directors have considered the financial position of the Group, together with its forecasts for the next 12 months and taking into account possible changes in trading performance. The going concern basis of accounting has, therefore, been adopted in preparing the interim financial report. However, the Directors note that there may be material uncertainty in relation to going concern due to the effects of Covid-19 and the impact of ongoing losses.

Whilst no decision has yet been made regarding a restructuring or potential Company Voluntary Arrangement (CVA), the Board is continuing to work with its advisers, KPMG, to assess the potential impact of Covid-19 on the business and the various strategic options available to the Group.

Finally thank you to the staff, shareholders, suppliers, landlords and everyone else who has helped our business in these difficult times.

K Lassman  
Chairman  
Tasty plc

30 October 2020

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*Certain of the information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the EU Market Abuse Regulation (596/2014). Upon publication of this announcement via a regulatory information service, this information is considered to be in the public domain.*

## Consolidated statement of comprehensive income

for the 26 weeks ended 28 June 2020 (unaudited)

	26 weeks to 28 June 2020 £'000	26 weeks to 30 June 2019 £'000	52 weeks ended 29 December 2019 £'000
Revenue	8,723	21,126	44,573
Cost of sales	(14,304)	(21,106)	(43,921)
<b>Gross profit</b>	<b>(5,581)</b>	<b>20</b>	<b>652</b>
Other income	3,612	9	245
Total operating expenses	(7,673)	(714)	(949)
Operating loss before highlighted items	(2,671)	(641)	(502)
Highlighted items	(6,971)	(44)	450
<b>Operating loss</b>	<b>(9,642)</b>	<b>(685)</b>	<b>(52)</b>
Finance income	3	4	8
Finance expense	(1,284)	(180)	(222)
Loss before tax	<b>(10,923)</b>	<b>(861)</b>	<b>(266)</b>
Income tax	(105)	7	-
<b>Loss and total comprehensive income for period and attributable to owners of the parent</b>	<b>(11,028)</b>	<b>(854)</b>	<b>(266)</b>
<b>Loss per share attributable to the ordinary equity owners of the parent</b>			
Basic and diluted	(7.82p)	(1.17p)	(0.23p)

Other income includes: Government Coronavirus Job Retention Scheme ("CJRS") (£3.3m), grants (£0.2m) and sub-let property income (£0.15m).

The table below gives additional information to shareholders on key performance indicators:

	Post IFRS 16 26 weeks to 28 June 2020 £'000	Pre IFRS 16 26 weeks to 28 June 2020 £'000	26 weeks to 30 June 2019 £'000	52 weeks ended 29 December 2019 £'000
EBITDA before highlighted items	(131)	(2,492)	127	1,055
Depreciation and amortisation	(694)	(694)	(768)	(1,557)
Incremental depreciation resulting due to IFRS16	(1,846)	-	-	-
Operating loss before highlighted items	(2,671)	(3,186)	(641)	(502)

	26 weeks to 28 June 2020 £'000	26 weeks to 30 June 2019 £'000	52 weeks ended 29 December 2019 £'000
Profit/(loss) on disposal of property plant and equipment	1,061	(27)	(43)
Onerous lease provision	-	-	564
Restructuring costs	(15)	-	(31)
Impairment of right-of-use assets	(10,466)	-	-
Impairment of goodwill	(326)	-	-
Impairment of property, plant and equipment	3,195	-	-
Share based payments	(20)	(17)	(40)
Impairment of stock due to Covid-19	(400)	-	-
<b>Total highlighted items</b>	<b>(6,971)</b>	<b>(44)</b>	<b>450</b>

## Consolidated statement of changes in equity

for the 26 weeks ended 28 June 2020 (unaudited)

	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Retained Deficit £'000	Total Equity £'000
<b>Balance at 29 December 2019</b>	<b>6,061</b>	<b>24,251</b>	<b>992</b>	<b>(18,018)</b>	<b>13,286</b>
Total comprehensive income for the period	-	-	-	(11,028)	(11,028)
Share based payments - credit to equity	-	-	-	20	20
<b>Balance at 28 June 2020</b>	<b>6,061</b>	<b>24,251</b>	<b>992</b>	<b>(29,026)</b>	<b>2,278</b>
<b>Balance at 30 December 2018</b>	<b>5,980</b>	<b>21,376</b>	<b>992</b>	<b>(17,792)</b>	<b>10,556</b>
Issue of ordinary shares	81	2,869	-	-	2,950
Total comprehensive income for the period	-	-	-	(854)	(854)
Share based payments - credit to equity	-	-	-	17	17
<b>Balance at 30 June 2019</b>	<b>6,061</b>	<b>24,245</b>	<b>992</b>	<b>(18,629)</b>	<b>12,669</b>
<b>Balance at 30 December 2018</b>	<b>5,980</b>	<b>21,376</b>	<b>992</b>	<b>(17,792)</b>	<b>10,556</b>
Issue of ordinary shares	81	3,170	-	-	3,251
Cost of placing of ordinary shares	-	(295)	-	-	(295)
Total comprehensive income for the period	-	-	-	(266)	(266)
Share based payments - credit to equity	-	-	-	40	40
<b>Balance at 29 December 2019</b>	<b>6,061</b>	<b>24,251</b>	<b>992</b>	<b>(18,018)</b>	<b>13,286</b>



## Consolidated balance sheet

At 28 June 2020 (unaudited)

	26 weeks to 28 June 2020 £'000	26 weeks to 30 June 2019 £'000	52 weeks ended 29 December 2019 £'000
<b>Non-current assets</b>			
Intangible assets	25	351	352
Property, plant and equipment	17,120	16,008	14,570
Right-of-use-assets	41,525	-	-
Pre-paid operating lease charges	-	520	573
Other non-current assets	147	242	197
Deferred Tax	-	7	-
<b>Total non-current assets</b>	<b>58,817</b>	<b>17,128</b>	<b>15,692</b>
<b>Current assets</b>			
Inventories	2,208	2,477	2,650
Trade and other receivables	2,038	5,128	3,148
Pre-paid operating lease charges	-	34	50
Cash and cash equivalents	3,160	2,357	4,570
<b>Total current assets</b>	<b>7,406</b>	<b>9,996</b>	<b>10,418</b>
Assets held for sale	-	-	800
<b>Total assets</b>	<b>66,223</b>	<b>27,124</b>	<b>26,910</b>
<b>Current liabilities</b>			
Trade and other payables	(7,668)	(7,882)	(7,834)
Lease liabilities	(2,768)	-	-
Borrowings	-	(800)	(800)
<b>Total liabilities</b>	<b>(10,436)</b>	<b>(8,682)</b>	<b>(8,634)</b>
<b>Non-current liabilities</b>			
Provisions	(5)	(3,348)	(2,783)
Lease incentives	-	(1,270)	(1,227)
Lease liabilities	(53,376)	-	-
Long-term borrowings	-	(1,052)	(852)
Other payables	(128)	(103)	(128)
<b>Total non-current liabilities</b>	<b>(53,509)</b>	<b>(5,774)</b>	<b>(4,990)</b>
<b>Total liabilities</b>	<b>(63,945)</b>	<b>(14,455)</b>	<b>(13,624)</b>
<b>Total net assets</b>	<b>2,278</b>	<b>12,669</b>	<b>13,286</b>
<b>Equity</b>			
Share capital	6,061	6,061	6,061
Share premium	24,251	24,245	24,251
Merger reserve	992	992	992
Retained deficit	(29,026)	(18,629)	(18,018)
<b>Total equity</b>	<b>2,278</b>	<b>12,669</b>	<b>13,286</b>

## Consolidated cash flow statement

for the 26 weeks ended 28 June 2020 (unaudited)

	26 weeks to 28 June 2020 £'000	26 weeks to 30 June 2019 £'000	52 weeks ended 29 December 2019 £'000
<b>Operating activities</b>			
Cash generated from operations	(1,484)	(460)	2,226
Corporation tax paid	(105)	-	-
<b>Net cash inflow from operating activities</b>	<b>(1,589)</b>	<b>(460)</b>	<b>2,226</b>
<b>Investing activities</b>			
Proceeds from sale of property, plant and equipment	1,862	523	508
Purchase of property, plant and equipment	(28)	(227)	(453)
Interest received	3	-	8
<b>Net cash flows used in investing activities</b>	<b>1,837</b>	<b>296</b>	<b>63</b>
<b>Financing activities</b>			
Net proceeds from issues of ordinary shares	-	2,950	2,956
Bank loan repayment	(1,652)	(4,565)	(4,765)
Interest paid	(6)	(176)	(222)
<b>Net cash flows used in financing activities</b>	<b>(1,658)</b>	<b>(1,791)</b>	<b>(2,031)</b>
Net increase in cash and cash equivalents	(1,410)	(1,955)	258
Cash and cash equivalents at beginning of the period	4,570	4,312	4,312
<b>Cash and cash equivalents as at 28 June 2020</b>	<b>3,160</b>	<b>2,357</b>	<b>4,570</b>

# Notes to the condensed financial statements

for the 26 weeks ended 28 June 2020 (unaudited)

## 1 General information

Tasty plc (“Tasty”) is a public limited company incorporated in the United Kingdom under the Companies Act (registration number 05826464). The Company is domiciled in the United Kingdom and its registered address is 32 Charlotte Street, London, W1T 2NQ. The Company’s ordinary shares are traded on the AIM Market of the London Stock Exchange (“AIM”). Copies of this Interim Report and the Annual Report and Financial Statements may be obtained from the above address or on the investor relations section of the Company’s website at [www.dimt.co.uk](http://www.dimt.co.uk).

## 2 Basis of accounting

The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’, as adopted by the European Union and accounting policies consistent with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union. The same accounting policies, presentation and methods of computation have been followed in the preparation of these results as were applied in the Company’s latest annual audited financial statements. IFRS16 has had a material impact as described in the proceeding notes.

The financial information for the 26 weeks ended 28 June 2020 has not been subject to an audit nor a review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Auditing Practices Board.

The financial information for the period ended 29 December 2019 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2019 have been filed with the Registrar of Companies. The Independent Auditors’ Report on the Annual Report and Financial Statements for 2019 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 condensed 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.

### *Use of judgements and estimates*

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

### *Going concern*

As part of the adoption of the going concern basis the Group has considered the uncertainty caused by Covid-19 pandemic and put the following measures in place:

- Minimise costs and cash outflows
- Use of Government Job Retention Scheme (CJRS)
- Taking advantage of rates reliefs and grants
- Negotiating rent concessions

- Secured a £1.25m, four year term loan of which drawdown is restricted until the future of the Group is assured through restaurant closures and creditor arrangements

The Group monitors cash balances and prepares regular forecasts, which are reviewed by the Board. The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the circumstances represent a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business.

### ***IFRS16 Leases***

Effective for periods starting on or after 1 January 2019, IFRS16 has replaced IAS17 and IFRIC4 (Determining whether an arrangement contains a lease).

The Group adopted IFRS16 for its period starting 30 December 2019 using the modified retrospective approach on transition, recognising leases at the carried forward value had they been treated as such from inception, without restatement of comparative figures. On adoption of IFRS16, the Group recognised right-of-use assets and lease liabilities in relation to restaurants. Up to 29 December 2019 the Group only entered into operating leases and payments made under operating leases (net of any incentives received from the lessor) were charged to profit and loss on a straight-line basis over the period of the lease.

The change in accounting policy affected the following items in the balance sheet on 30 December 2019:

- Right-of-use assets ("ROU") - increased by £53.2m
- Lease liabilities - increased by £57.3m

Right-of-use assets are measured on transition at an amount equal to the minimum lease liability at the date of initial application and adjusted for an onerous lease provision of £2.8m and a lease incentive of £1.3m. In addition, £0.6m was reclassified from prepaid operating lease to ROU.

The recognised right-of-use assets all relate to property leases. During the period ended 28 June 2020 the Group made a provision for impairment of the right-of-use assets against a number of sites totalling £10.5m. The right-of-use assets as at 28 June 2020 were £41.5m.

Lease liabilities are measured on transition at the carried forward present value of the remaining lease payments discounted using the Bank of England base rate of 0.1% plus the Group's incremental borrowing rate of 4.5%. The lease liabilities as at 28 June 2020 were £56.1m.

Included in profit and loss for the period is £1.8m depreciation of right-of-use assets and £1.3m financial expenses on lease liabilities.

### ***Impairments***

All assets (ROU, fixed assets and goodwill) are reviewed for impairment in accordance with IAS 36 Impairment of Assets, when there are indications that the carrying value may not be recoverable.

Assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset or a cash generating

unit (CGU) exceeds its recoverable amount, i.e. the higher of value in use and fair value less costs to dispose of the asset, the asset is written down accordingly. The Group views each restaurant as a separate CGU. Value in use is calculated using cash flows excluding outflows from financing costs over the remaining life of the lease for the CGU discounted at 6% (2019: 10%), being the rate considered to reflect the risks associated with the CGUs. Due to the uncertainty over future cash flows no growth rates has been applied (2019: 3%).

The above variables resulted in an impairment charge of £11.5m of which £0.3m relates to goodwill and £11.2m split between fixed assets (£0.7m) and ROU (£10.5m) based on value. This was offset by an impairment release of £3.9m on fixed assets; mainly due to a change in growth rate and change in cash flow assumptions; a net movement of £7.6m (2019: £nil). A 1% increase in the discount rate would increase the net impairment charge by £1.3m.

The assumptions will be reviewed at year-end to ensure that the cashflow expectations are in line with the latest outlook.

### ***Other income***

The Group has received Government grants in relation to the Coronavirus Job Retention Scheme (CJRS) and Covid-19 Business Grants, provided by the Government in response to Covid-19's impact on the business.

In accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) guidelines, the Group has recognised the salary expense as normal and recognised the grant income in profit and loss as the Group becomes entitled to the grant. The CJRS grant of £3.3m and the business grants of £0.2m have been recognised within other income.

## **3 Income tax**

The income tax charge has been calculated by reference to the estimated effective corporation tax and deferred tax rates of 19% (2019: 19%).

Tax charge of £0.1m in profit and loss relates to prior years.

#### 4 Loss per share

	26 weeks 28 June 2020 Pence	26 weeks 30 June 2019 Pence	52 weeks 29 December 2019 Pence
Loss per ordinary share	(7.82p)	(1.17p)	(0.23p)

The basic and diluted loss per share figures are calculated by dividing the net loss 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.

Loss per share is calculated using the numbers shown below:

	26 weeks 28 June 2020 number '000	26 weeks 30 June 2019 number '000	52 weeks 29 December 2019 number '000
Weighted average ordinary shares (basic)	141,090	72,732	113,379

  

	26 weeks 28 June 2020 £'000	26 weeks 30 June 2019 £'000	52 weeks 29 December 2019 £'000
Loss for the financial period	(11,028)	(854)	(266)

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5 Reconciliation of result before tax to net cash generated from operating activities

	26 weeks to 28 June 2020 £'000	26 weeks to 30 June 2019 £'000	52 weeks ended 29 December 2019 £'000
Loss before tax	(10,923)	(861)	(266)
Finance income	(3)	(4)	(8)
Finance expense	6	180	222
Interest adjustment (IFRS16)	1,278	-	-
Share based payment charge	20	17	40
Depreciation	694	768	1,557
Impairment of goodwill	326	-	-
Impairment of property, plant and equipment	(3,195)	-	-
Incremental depreciation as a result of IFRS16	1,846	-	-
Impairment of ROU	10,466	-	-
Rent adjustment (IFRS16)	(2,398)	-	-
Profit from sale of property plant and equipment	(1,061)	27	43
Amortisation of intangible assets	2	1	3
Onerous lease provision movement	-	-	(564)
(Increase) / decrease in inventories	442	72	(102)
(Increase) / decrease in trade and other receivables	1,159	(1,549)	477
Increase / (decrease) in trade and other payables	(143)	889	824
<b>Net cash inflow from operating activities</b>	<b>(1,484)</b>	<b>(460)</b>	<b>2,226</b>

## 6 Property, plant and equipment and right-of-use assets

	Leasehold improvements	Furniture fixtures and computer equipment	Total fixed assets	ROU assets	Grand total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 29 December 2019	38,661	10,107	48,768	-	48,768
Additions	2	26	28	-	28
Addition on transition to IFRS16	-	-	-	53,232	53,232
Reclass of pre-paid operating leases	-	-	-	605	605
<b>At 28 June 2020</b>	<b>38,663</b>	<b>10,133</b>	<b>48,796</b>	<b>53,837</b>	<b>102,633</b>
<b>Depreciation</b>					
At 29 December 2019	26,674	7,524	34,198	-	34,198
Provided for the period	379	294	673	1,846	2,519
Impairments	(2,914)	(281)	(3,195)	10,466	7,271
<b>At 28 June 2020</b>	<b>24,139</b>	<b>7,537</b>	<b>31,676</b>	<b>12,312</b>	<b>43,988</b>
<b>Net book value</b>					
<b>At 28 June 2020</b>	<b>14,524</b>	<b>2,596</b>	<b>17,120</b>	<b>41,525</b>	<b>58,645</b>
At 29 December 2019	11,987	2,583	14,570	-	14,570

## 7 Post balance sheet events

Oakham Wildwood's lease was surrendered on 22 September at Enil premium.