TASTY PLC

Report and financial statements

52 weeks ended 29 December 2013

Contents

Directors and information

Directors
Keith Lassman (Non-Executive Chairman)
Jonny Plant (Joint Chief Executive Officer)
Samuel Kaye (Joint Chief Executive Officer)
Adam Kaye (Non-Executive Director)

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London W1T 2NQ

Company number
5826464

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London W1U 7EU

Solicitors
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London W1A 2AW

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115 Park Street
London W1K 7DY

Bankers
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London E14 5HP

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Bristol BS99 6ZY

Chairman's statement

I am pleased to be reporting on the Group's profitable results of £1,442,000 (January 2012 - £1,277,000). The results are for the 52 week period ended 29 December 2013 and a comparative of the 52 week period ended 30 December 2012.

Results

Revenue for the year was up 20% on last year to £23,192,000 (2012 - £19,315,000). Operating profit before pre-opening costs and non-trading items was up 30% on last year at £2,301,000 (2012 - £1,773,000). Pre-opening costs for the period totalled £259,000 (2012 - £403,000).

The overall statutory pre-tax profit was up by some 12% at £1,742,000 (2012 - £1,552,000).

The Board does not recommend the payment of a dividend at this stage of the Group's development.

Openings

Five new Wildwood and Wildwood Kitchen restaurants were opened during the year: Didcot opening in March, South Woodford and Newmarket in April followed by Barnes and Peterborough which opened in July and October respectively.

Since the year end a further Wildwood Kitchen has opened in Oakham. Wildwood Salisbury opened in March 2014 and a number of other sites are already in the pipeline, at various stages of completion and negotiation.

Cash flows

Net cash outflow for the period before financing was £1,531,000 (2012 - £1,370,000). This is largely represented by capital expenditure on the expansion of the business through the opening of the above sites. Cash flows from operating activities increased to £3,253,000 (2012 - £2,398,000).

During the period the Group's bank facility was increased to £4,000,000 (£1,000,000 term loan and £3,000,000 revolving facility), from £2,500,000. As at 29 December the £1,000,000 term loan (2012 - £1,000,000) was fully drawn down. The Company raised £3,461,000 from the issue of new shares in October through a share placing and the exercise of Directors' options.

Cash and cash equivalents held at the end of the period were £3,407,000 (2012 - £1,611,000).

Chairman's statement

Review of the business

The Group delivered a strong performance in 2013, with an improvement in gross margin and a 20% and 12% increase respectively in revenues and profit.

The Group continued its expansion during the year, adding 5 new sites to the estate. The rate of development will accelerate in the medium term, with the Group securing funding through the share placing and increased banking facilities during the period. Openings in the coming 12 months will expand the UK geographical footprint of the estate.

At the end of the period the Group operated 28 restaurants. Currently, the Group has 31 restaurants in operation - 6 DimTs, 24 Wildwoods and Wildwood Kitchens and 1 other.

Pre-opening costs and accounting adjustments

Pre-opening costs have been highlighted in the income statement as these costs represent revenue expenses, such as rent, rates and training costs, which are necessarily incurred in the period before a new unit is opened, but which are specific to the opening of that unit and not part of the Group's normal ongoing trading performance.

The Group recognises a number of charges in the accounts which arise under accounting rules which have no transactional cash impact. These charges include rent free periods (included in pre-opening costs) and share based payments.

Staff

As ever, it is our dedicated staff that have contributed significantly throughout the year to the Group's much improved performance, and I would like to take this opportunity of thanking them again for their hard work and effort.

Current Trading

Since the year end trading has been in line with expectations.

Keith Lassman

Chairman

31 March 2014

Strategic report for the 52 weeks ended 29 December 2013

Business review and key performance indicators

Revenue for the 52 week period increased 20% on last year to £23,192,000 (2012 - £19,315,000). Operating profit before pre-opening costs and non-operating items was £2,301,000 (2012 - £1,773,000). Pre-opening costs for the period totalled £259,000 (2012 - £403,000). The overall statutory pre-tax profit was £1,742,000 (2012 - £1,552,000).

The Directors utilise a large number of detailed performance indicators which are used to manage the business but, as with most businesses, the focus in the Income Statement at the top level is on sales, margins and overheads compared to budget and the previous year. In the balance sheet the focus is on managing working capital.

The Directors recognise the importance of customer relations and staff are extensively trained in this regard. Performance is monitored by reference to the results of regular mystery diner visits and staff bonuses are calculated with the results and comments arising from these visits and other customer feedback.

A further review of the business is included in the Chairman's Statement on page 3.

Principal uncertainties and risks

Economic conditions

There have been a number of encouraging signs regarding the UK economic outlook. However there still remains a high level of uncertainty. Deterioration in consumer confidence due to future economic conditions could have a detrimental impact on the Group in terms of footfall and sales. This risk is mitigated by the positioning of the Group’s brands, which is within the affordable segment of the casual dining market. Continued focus on customer relations and targetted and adaptable marketing initiatives help the Group retain and drive sales where footfall declines.

Input cost inflation

The Group’s key variable inputs are the cost of food and labour, both of which face inflationary pressures in the medium term. The Group monitors its food supply chain closely, regularly reviewing food costs and implementing a variety of strategies to mitigate the impact of increases. Labour cost pressures which are outside of the control of the Group, such as the recently introduced auto enrolment pension costs and minimum wage increases, are suffered by the Group and competitors. However, labour cost are regularly monitored and on-going initiatives are used to reduce the impact of such pressures.

Strategic risks

The acquisition of suitable and well located quality sites in order to continue the Group's expansion is proving to be demanding. The Group has a strong and experienced property acquisition team with good relationships with external agents and advisers.

On behalf of the Board.

Jonny Plant
Joint Chief Executive Officer

31 March 2014

Report of the directors for the 52 weeks ended 29 December 2013

The Directors present their report together with the audited financial statements for the 52 weeks ended 29 December 2013 (comparative period 52 weeks to 30 December 2012).

Results and dividends

The consolidated statement of comprehensive income is set out on page 11 and shows the profit for the period.

The Directors do not recommend the payment of a dividend (2012 - £nil).

Principal activities

The Group's principal activity is the operation of restaurants.

Directors

The Directors of the Group during the period were as follows

Executive
Jonny Plant
Samuel Kaye

Non-Executive
Keith Lassman
Adam Kaye

Creditor payment policy

The Group has a standard code and also agrees specific individual terms with certain suppliers. Payment is normally made in accordance with those terms, subject to the suppliers' own performance. The creditor days of the Group at the period end were 39 days (2012 - 30 days). The Company has no suppliers.

Employees

Applications from disabled persons are given full consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training and equal opportunities.

The Group takes a positive view of employee communication and has established systems for ensuring employees are informed of developments and that they are consulted regularly.

Donations

The Group made no charitable or political donations in the period (2012 - none).

Financial Instruments

Details of the use of financial instruments and the principal risks faced by the Group are contained in note 28 to the financial statements.

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board.

Jonny Plant
Joint Chief Executive Officer

31 March 2014

Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditors' report to the members of Tasty plc

We have audited the financial statements of Tasty plc for the period ended 29 December 2013 which comprise the consolidated statement of comprehensive income, the consolidated and Company statements of changes in equity, the consolidated and Company balance sheets, the consolidated and Company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 29 December 2013 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matthew White (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

31 March 2014

BDO is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

for the 52 weeks ended 29 December 2013

	Note	2013 £'000	2012 £'000
Revenue	3	**23,192**	19,315
Cost of sales		**(20,386)**	(17,221)
Gross profit		**2,806**	2,094
Administrative costs		**(944)**	(480)
Operating profit excluding non-trading items and pre-opening costs		**2,301**	1,773
Pre-opening costs		**(259)**	(403)
Non-trading items	5	**(180)**	244
Operating profit	4	**1,862**	1,614
Finance income		**14**	6
Finance expense	9	**(134)**	(68)
Profit before tax		**1,742**	1,552
Income tax expense	5	**(300)**	(275)
Profit and total comprehensive income for the period attributable to shareholders		**1,442**	1,277
Earnings per share			
Basic	10	**2.95p**	2.67p
Diluted	10	**2.90p**	2.61p

The notes on pages 18 to 40 form part of these financial statements.

Consolidated statement of changes in equity

for the 52 weeks ended 29 December 2013

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total £'000
Balance at 1 January 2012	4,784	10,350	992	(5,127)	10,999
Issue of ordinary shares	6	9			15
Total comprehensive income for the period				1,277	1,277
Share based payments				56	56
Balance at 30 December 2012	4,790	10,359	992	(3,794)	12,347
Issue of ordinary shares	503	2,958			3,461
Total comprehensive income for the period				1,442	1,442
Share based payments				195	195
Balance at 29 December 2013	5,293	13,317	992	(2,157)	17,445

The notes on pages 18 to 40 form part of these financial statements.

Company statement of changes in equity

for the 52 weeks ended 29 December 2013

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total £'000
Balance at 1 January 2012	4,784	10,350	(4,135)	10,999
Issue of ordinary shares	6	9		15
Total comprehensive income for the period			1,277	1,277
Share based payments			56	56
Balance at 30 December 2012	4,790	10,359	(2,802)	12,347
Issue of ordinary shares	503	2,958		3,461
Total comprehensive income for the period			2,917	2,917
Share based payments			195	195
Balance at 29 December 2013	5,293	13,317	310	18,920

The notes on pages 18 to 40 form part of these financial statements.

Consolidated balance sheet

At 29 December 2013

	Note	2013 £'000	2012 £'000
Non-current assets			
Intangible assets	12	**446**	448
Property, plant and equipment	13	**15,384**	11,791
Pre-paid operating lease charges	14	**1,895**	1,747
Deferred tax asset	20	**-**	185
Other non-current assets	17	**381**	486
		18,106	14,657
Current assets			
Inventories	16	**811**	689
Trade and other receivables	17	**1,350**	1,107
Pre-paid operating lease charges	14	**152**	87
Cash and cash equivalents		**3,407**	1,611
		5,720	3,494
Total assets		**23,826**	18,151
Current liabilities			
Trade and other payables	18	**(5,009)**	(4,523)
Borrowings	21	**(250)**	(1,000)
		(5,259)	(5,523)
Non-current liabilities			
Provisions	19	**(65)**	(75)
Lease incentives		**(192)**	(206)
Deferred tax liability	20	**(115)**	-
Long-term borrowings	21	**(750)**	-
		(1,122)	(281)
Total liabilities		**(6,381)**	(5,804)
Total net assets		**17,445**	12,347
Equity			
Share capital	22	**5,293**	4,790
Share premium	23	**13,317**	10,359
Merger reserve	23	**992**	992
Retained deficit	23	**(2,157)**	(3,794)
Total equity		**17,445**	12,347

The financial statements were approved by the board of directors of the Company and authorised for issue on 31 March 2014 and signed on their behalf by Jonny Plant.

The notes on pages 18 to 40 form part of these financial statements.

Company balance sheet

At 29 December 2013

Company Number 5826464

	Note	2013 £'000	2012 £'000
Non-current assets			
Investments	15	**2,548**	2,353
Other non-current assets	17	**16,372**	9,025
		18,920	11,378
Current assets			
Trade and other receivables	17	**-**	969
		-	969
Total net assets		**18,920**	12,347
Equity			
Share capital	22	**5,293**	4,790
Share premium	23	**13,317**	10,359
Retained earnings / (deficit)	23	**310**	(2,802)
Total equity		**18,920**	12,347

The financial statements were approved by the board of directors of the Company and authorised for issued on 31 March 2014 and signed on their behalf by Jonny Plant.

The notes on pages 18 to 40 form part of these financial statements.

Consolidated cash flow statement

for the 52 weeks ended 29 December 2013

	Note	2013 £'000	2012 £'000
Operating activities			
Cash generated from operations	30	**3,238**	2,398
Corporation tax paid		**-**	-
Net cash inflow from operating activities		**3,238**	2,398
Investing activities			
Purchase of property, plant and equipment		**(4,783)**	(3,774)
Interest received		**14**	6
Net cash flows used in investing activities		**(4,769)**	(3,768)
Financing activities			
Net proceeds from issues of ordinary shares		**3,461**	15
Bank loan receipt		**1,500**	1,500
Bank loan repayment		**(1,500)**	(500)
Interest paid		**(134)**	(42)
Net cash flows used in financing activities		**3,327**	973
Net increase in cash and cash equivalents		**1,796**	(397)
Cash and cash equivalents as at 30 December 2012		**1,611**	2,008
Cash and cash equivalents as at 29 December 2013		**3,407**	1,611

The notes on pages 18 to 40 form part of these financial statements.

Company cash flow statement

for the 52 weeks ended 29 December 2013

	Note	2013 £'000	2012 £'000
Operating activities			
Cash generated from operations		-	-
Corporation tax paid		-	-
Net cash outflow from operating activities		-	-
Financing activities			
Net proceeds from issues of ordinary shares		-	
Net cash flows used in financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents as at 30 December 2012		-	-
Cash and cash equivalents as at 29 December 2013		-	-

Significant non-cash transaction

During the period the Company issued share capital for net proceeds of £3,461,000. The cash receipt was processed by the trading subsidiary and as such the transaction has been recorded through the intercompany account between the Company and subsidiary.

The notes on pages 18 to 40 form part of these financial statements.

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

1 Accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards (IASB) as adopted by European Union ("adopted IFRSs").

(b) Basis of preparation

The financial statements cover the 52 week period ended 29 December 2013, with a comparative period of the 52 weeks ended 30 December 2012. The financial statements are presented in sterling, rounded to the nearest thousand and are prepared on the historical cost basis.

(c) Changes in accounting policy

The following standards and interpretations, issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the EU, are effective for the first time in the current financial year and have been adopted by the Company with no significant impact on its results or financial position for the current reporting period:

- IAS 1 'Presentation of Financial Statements' – effective from 1 July 2012

The following standards and interpretations are not yet effective and have not been early adopted by the Group. The Group is assessing the impact these standards and interpretations (endorsed for use in the EU) will have on the presentation of results in future periods.

- IFRS 10 'Consolidated financial statements' – effective from 1 January 2014
- IFRS 11 'Joint arrangements' – effective from 1 January 2014
- IFRS 12 'Disclosure of interest in other entities' – effective from 1 January 2014
- IFRS 13 'Fair value measurement' – effective from 1 January 2013
- IAS 19 'Employee benefits' – effective from 1 January 2013
- IAS 27 'Separate financial statements – effective from 1 January 2014
- IAS 28 'Investments in associates and joint ventures' – effective from 1 January 2014
- IAS 32 'Offsetting Financial Assets and Financial Liabilities' – effective from 1 January 2014
- IFRS 10, IFRS 12 and IAS 27 'Investment Entities' – effective from 1 January 2014
- IAS 36 'Impairment of assets' – effective from 1 January 2014
- IAS 39 'Financial instruments' – effective from 1 January 2014

(d) Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary, Took Us A Long Time Limited. The parent Company has taken advantage of the exemption in s 408 of the Companies Act 2006 not to publish its own income statement. The accounting period of the subsidiary is co-terminous with that of the parent undertaking.

The merger method of accounting was used to consolidate the results of the subsidiary undertaking because the transaction was a Group reconstruction. The merger of the two companies took place on 26 June 2006 and the shares issued were recorded in the Company's balance sheet at nominal value of the shares issued plus fair value of any additional consideration. The difference between the nominal value of the shares issued and the nominal value of the shares acquired was taken to a merger reserve in the Group accounts.

(e) Revenue

Revenue represents amounts received and receivable for goods and services provided (excluding value added tax) in the normal course of business. Revenue is recognised at the point goods and services are provided.

(f) Pre-opening costs

Property rentals and other related overhead expenses incurred prior to a new restaurant opening are written off to the income statement in the period that they are incurred. Similarly, the costs of training new staff during the pre-opening phase are written-off as incurred. These expenses are included within cost of sales and are specific to the opening of that unit and not part of the Group's normal ongoing trading performance.

(g) Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated income statement in the period to which they relate.

(h) Share based payments

The Company operates a number of equity-settled share-based payment schemes under which share options are granted to certain employees. The costs of equity-settled transactions are measured at fair value at the date of grant. Fair value is measured using the Black-Scholes model. In determining fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the Company's shares (market-based conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided all other conditions are satisfied. The fair value determined at the grant date is then expensed on a straight line over the vesting period, based on the directors' best estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The movement in the cumulative expense since the previous balance sheet date is recognised in the Income Statement, with the corresponding movement taken into equity.

Where the terms and conditions of options are modified before they vest or where options have been cancelled and reissued with modified terms, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Where vesting conditions are satisfied and options are exercised before the end of the vesting period the fair value of the award not yet expensed is taken to the Income Statement.

The grant by the Company of options over its equity instruments to the employees of its subsidiary in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(i) Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost less accumulated amortisation and impairment and subsequently amortised on a straight-line basis over their useful economic lives. The amortisation expense is included within the cost of sales line in the consolidated income statement.

The significant intangibles recognised by the Group and their useful economic lives are as follows:-

Intangible asset	Useful economic life
Trademarks	10 years

(j) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, evenly over their expected useful lives and it is calculated at the following rates:-

Leasehold improvements	over the period of the lease
Fixtures, fittings and equipment	10% per annum straight line

Restaurants under construction are included in Property, plant and equipment. No depreciation is provided on restaurants under construction until the asset is brought into use.

All property, plant and equipment is reviewed for impairment in accordance with IAS36 Impairment of Assets, when there are indications that the carrying value may not be recoverable.

(k) Impairment of non-financial assets (excluding inventories and deferred tax assets)

Non-financial 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 exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in the administrative expenses line item in the consolidated statement of comprehensive income.

(l) Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract.

(m) Loans and receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost, less provision for impairment.

Impairment provisions are recognised when there is objective evidence that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet. The Company's loans and receivables comprise only inter-Company receivables. Cash and cash equivalents include cash in hand and deposits held with banks.

(n) Financial liabilities

Financial liabilities include trade payables, accrued lease charges and other short term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling price less costs incurred up to the point of sale.

(p) Leased assets

Leases are classified as finance leases whenever the terms of the lease are such that they transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases. The Group currently has no finance leases. Assets leased under operating leases are not recorded on the balance sheet.

The total rentals payable under the operating leases are charged to the consolidated income statement on a straight-line basis over the lease term. Where the Group sub-let sites to tenants, the rental income and expense are offset within administrative expenses.

Lease incentives received, primarily rent-free periods, are capitalised and then systematically released to the income statement over the period of the lease term. Payments made to acquire operating leases are treated as pre-paid lease expenses and are amortised over the term of the lease.

(q) Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities recorded for reporting purposes and the amounts used for tax purposes. Deferred tax is calculated on an undiscounted basis, at the tax rates that are expected to apply when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Statement of Comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(r) Business combinations

The financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

(s) Goodwill

Goodwill represents the difference between the fair value of consideration paid and the fair value of the net identifiable assets acquired in a business combination.

Goodwill is stated as originally calculated less any accumulated provision for impairment. Goodwill is allocated to individual cash generating units and is subject to an impairment review at each reporting date.

(t) Share capital

The Group's ordinary shares are classified as equity instruments.

(u) Dividend policy

Dividends declared after the balance sheet date are not recognised as a liability at that balance sheet date, and are recognised in the financial statements when they have received approval by shareholders.

(v) Operating profit

Operating profit is stated after all expenses, but before financial income or expenses. Non-trading items are items of income or expense which because of their nature and the events giving rise to them, are not directly related to the delivery of the Company's restaurant service to its patrons and merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

2 Critical accounting estimates and judgements

The Group makes certain estimates and judgements that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Share based payments

The Group operates equity share-based remuneration schemes for employees. Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated by using valuation models, such as Black Scholes on the date of grant based on certain assumptions. Those assumptions are described in note 27 and include, among others, the dividend growth rate, expected volatility, expected life of the options (for options with market conditions) and number of options expected to vest.

(b) Accruals

In order to provide for all valid liabilities which exist at the balance sheet date, the Group is required to accrue for certain costs or expenses which have not been invoiced and therefore the amount of which cannot be known with certainty. Such accruals are based on management's best judgement and past experience. Delayed billing in some significant expense categories such as utility costs can lead to sizeable levels of accruals. The total value of accruals as at the balance sheet date is set out in note 18.

(c) Useful lives of property, plant and equipment

Property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on management estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness.

(d) Impairment reviews

In carrying out an impairment review in accordance with IAS 36 it has been necessary to make estimates and judgements regarding the future performance and cash flows generated by individual trading units which cannot be known with certainty. Past performance is often used as a guide in estimating future performance, or comparison with similar sites. Where the circumstances surrounding a particular trading unit have changed then forecasting future performance becomes extremely judgemental and for these reasons the actual impairment required in the future may differ from the charge made in the financial statements.

(e) Deferred tax

The deferred tax liability provided in the accounts is based on temporary difference between the tax written down values of assets and liabilities and their carrying values in the accounts and as such it is dependent on assumptions made in the Company's corporation tax computations. The assumptions on the proportion of certain elements of capital expenditure which will be eligible for tax relief are subjective and the final calculations agreed with HMRC could differ from the provision made in the financial statements.

3 Revenue and segmental analysis

The revenue for the Group is wholly attributable to one operating segment (operating restaurants) and arises solely in one geographical segment (United Kingdom).

4 Operating profit

This has been arrived at after charging	**2013 £'000**	2012 £'000
Staff costs	**8,115**	6,954
Share based payments	**195**	56
Operating lease rentals	**2,630**	2,304
Amortisation of intangible assets	**2**	2
Depreciation	**1,122**	830
Loss on disposal	**83**	-
Auditor remuneration:		
Audit fee - Parent Company	**8**	8
- Group financial statements	**8**	10
- Subsidiary undertaking	**17**	20
Other services - Taxation	**6**	7
- Other	**24**	10

5 Non-trading items – charged to administrative expenses

	2013 £'000	2012 £'000
Reversal of Impairment of property, plant and equipment	**15**	300
Share based payments	**(195)**	(56)
	(180)	244

During the year a review of impairments and site performance resulted in a historic impairment being reversed, increasing operating profit by £15,000 (2012 - £300,000).

Share based payments are valued at the date of grant and amortised over the vesting period. During the year a number of options achieved market conditions and were exercised before the estimated vesting period had expired resulting in an accelerated share based payment charge of £195,000.

6 Finance expense

	2013 £'000	2012 £'000
Loan interest payable	**134**	68
	134	68

7 Employees

Staff costs (including directors) consist of	2013 £'000	2012 £'000
Wages and salaries	**7,520**	6,426
Social security costs	**564**	501
Other pension costs	**31**	27
Equity settled share based payment expense	**195**	56
	8,310	7,010

The average number of persons, including executive directors, employed by the Group during the period was 506, of which 498 were restaurant staff and 8 were administration staff, (2012 - 453 of which 444 were restaurant staff and 9 were administration staff).

No staff are employed by the Company.

Of the total staff costs £7,566,000 was classified as cost of sales (2012 - £6,396,000) and £744,000 as administrative expenses (2012 - £614,000).

8 Directors and key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, and represent the directors of the Company listed on page 2.

	2013	2012
	£'000	£'000
Directors remuneration		
Emoluments	**296**	295
Share based payments	**170**	56
Benefits in Kind	**13**	13
	479	364

	2013	2012
	£'000	£'000
Individual directors' emoluments		
J Plant	**120**	120
S Kaye	**110**	110
A Kaye	**40**	40
K Lassman	**26**	25
	296	295

In addition to the above, benefits in kind for the period were provided to J Plant of £5,000, S Kaye of £4,000 and A Kaye of £4,000.

2,249,152 (2012 – nil) options were exercised by Directors during the period, the gain on options exercised by directors was £1,377,000 (2012 - £nil).

Company

The Company paid no director emoluments during the year

9 Income tax expense

	2013 **£'000**	2012 £'000
UK Corporation tax		
Current tax on profits for the period	**-**	-
Total current tax	**-**	-
Deferred tax		
Utilisation of tax losses	**(173)**	(120)
Origination and reversal of temporary differences	**(127)**	(110)
Impact of change in future rate of taxation	**-**	(45)
Total deferred tax	**(300)**	(275)
Total income tax charge	**(300)**	(275)

The tax charge for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2013 **£'000**	2012 £'000
Profit before tax	**1,742**	1,552
Tax on profit at the ordinary rate of corporation tax in UK of 23.25% (2012 - 24.5%)	405	380
Effects of		
Expenses not deductible for tax	8	47
Depreciation on ineligible fixed assets	63	-
Utilisation of tax losses	(176)	(152)
Total tax charge	300	275

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

10 Earnings per share

	2013 pence	2012 pence
Basic earnings per ordinary share	**2.95**	2.67
Diluted earnings per ordinary share	**2.90**	2.61

	2013 Number '000	2012 Number '000
Earnings per share have been calculated using the numbers shown below:		
Weighted average ordinary shares (basic)	**48,896**	47,841
Weighted average ordinary shares (diluted)	**49,734**	48,890

	2013 £'000	2012 £'000
Profit for the financial period	**1,427**	1,277

95,000 share options have been excluded when calculating the diluted EPS as they were anti-dilutive (2012 – 2,015,000).

11 Dividend

No final dividend has been proposed by the Directors (2012 – nil).

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

12 Intangibles

	Trademarks £'000	Goodwill £'000	Total £'000
At 1 January 2012	9	441	450
Amortisation of trademarks	(2)	-	(2)
At 30 December 2012	7	441	448
Amortisation of trademarks	(2)	-	(2)
At 29 December 2013	5	441	446

The recoverable amount of goodwill has been determined on a value in use basis. This has been based on the performance of the units since they were acquired and management's forecasts, which assume the sites will perform at least as well as the market generally. The forecast cash flows are discounted at a rate of 10%.

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

13 Property, plant and equipment

Group	Leasehold improvements £'000	Property plant and equipment £'000	Restaurants under construction £'000	Total £'000
Cost				
At 1 January 2012	9,002	3,012	487	12,501
Additions	2,389	1,342	44	3,775
Transfers	386	9	(395)	-
At 30 December 2012	11,777	4,363	136	16,276
Additions	3,299	1,161	323	4,783
Disposals	(37)	(142)	(25)	(204)
Transfers	89	47	(136)	-
At 29 December 2013	**15,128**	**5,429**	**298**	**20,855**
Depreciation				
At 1 January 2012	2,810	1,145	-	3,955
Provided for the period	392	438	-	830
Impairment reversal	(300)	-	-	(300)
At 30 December 2012	2,902	1,583	-	4,485
Provided for the period	618	504	-	1,122
Disposals	(37)	(84)	-	(121)
Impairment reversal	(15)	-	-	(15)
At 29 December 2013	**3,468**	**2,003**	**-**	**5,471**
Net book value				
At 29 December 2013	**11,660**	**3,426**	**298**	**15,384**
At 30 December 2012	8,875	2,780	136	11,791

Company

The Company holds no property, plant and equipment.

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

14 Prepaid operating leases

	2013 £'000	2012 £'000
Held within current assets	**152**	87
Held within non-current assets	**1,895**	1,747
	2,047	1,834

Prepaid operating leases represent lease premiums paid on the acquisition of sites, amortised evenly over the lease term.

15 Investments

	£'000
Company	
At 1 January 2012	2,297
Share based payment in respect of subsidiary	56
At 30 December 2012	2,353
Share based payment in respect of subsidiary	195
At 29 December 2013	**2,548**

The Company investments are wholly related to a 100% ordinary shareholding in Took Us a Long Time Limited, a Company registered in England and Wales. Took Us a Long Time Limited is primarily engaged with the operation of restaurants.

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

16 Inventories

	2013 £'000	2012 £'000
Raw materials and consumables	**389**	342
Crockery and utensils	**422**	347
	811	689

In the Directors' opinion there is no material difference between the replacement cost of stocks and the amounts stated above. Inventory purchased and recognised as an expense in the period is £5,242,000 (2012 - £4,809,000).

17 Trade and other receivables

	2013 £'000	2012 £'000
Group		
Trade receivables	**170**	226
Prepayments and other receivables	**1,561**	1,367
Total trade and other receivables	**1,731**	1,593
Less non-current portion	**(381)**	(486)
	1,350	1,107
Company		
Amounts due from subsidiary	**16,372**	9,994
Total trade and other receivables	**16,372**	9,994
Less non-current portion	**(16,372)**	(9,025)
	-	969

The Directors have previously provided against the inter-company receivable balance. This provision has been reduced by £2,947,000 in the current year (2012 - £1,311,000). The cumulative provision against the inter-company receivable at the balance sheet date was £nil (2012 - £2,947,000). During the year the Company issued shares and passed the net proceeds of £3,461,000 to its subsidiary.

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

18 Trade and other payables

	2013	2012
	£'000	£'000
Trade payables	**2,178**	2,017
Taxation and social security	**724**	882
Accruals and deferred income	**1,845**	1,285
Other payables	**262**	339
	5,009	4,523

19 Provisions

	2013	2012
	£'000	£'000
At 30 December 2012	**75**	85
Utilisation in period	**(10)**	(10)
At 29 December 2013	**65**	75

20 Deferred tax

	2013	2012
	£'000	£'000
At 30 December 2012	**185**	460
Charge to the Statement of comprehensive income	**(300)**	(275)
	(115)	185

Accelerated capital allowances	**(551)**	(427)
Tax losses carried forward	**436**	612
At 29 December 2013	**(115)**	185

21 Borrowings

	2013	2012
	£'000	£'000
Current		
Secured bank borrowings	**250**	1,000
	250	1,000
Non-current		
Secured bank borrowings	**750**	-
	750	-
	1,000	1,000
Maturity of secured bank borrowings		
Due within one year	**250**	1,000
Due In more than one year but less than two years	**500**	-
Due In more than two years but less than five years	**250**	-
	1,000	1,000

Bank borrowings comprise of a term loan. The Group has an additional committed facility of £3,000,000 of which £nil was drawn down at the balance sheet date. There were no instances of default, including covenant terms, in either the current or prior period.

22 Share capital

	Number	£'000
Issued, called up and fully paid:		
At 1 January 2012	47,836,614	4,784
Exercise of share options	66,335	6
At 30 December 2012	47,902,949	4,790
Exercise of share options	2,514,152	252
Share placement	2,510,000	251
At 29 December 2013	52,927,101	5,293

Notes

forming part of the financial statements for the 52 weeks ended 29 December 2013

23 Reserves

Share capital comprises of the nominal value of the issued shares.

Share premium reserve is the amount subscribed in excess of the nominal value of shares net of issue costs (2013 - £175,000).

Cumulative gains and losses recognised in the income statement are shown in the Retained deficit reserves, together with other items taken direct to equity.

The Merger reserve is the difference between the nominal value of shares issued and the nominal value of shares acquired on merger.

24 Capital commitments

At the balance sheet date the Group and the Company had no Capital Commitments which were contracted but not provided for (2012 - £nil). Capital commitments relate to committed expenditure in respect of restaurants under construction.

25 Operating lease commitments

The total future value of minimum lease payments under non-cancellable operating leases are shown below. The receipts are from sub-tenants on contractual sub-leases, the net position represents the cash liability of the Group.

	2013	2012
	£'000	£'000
Within one year: payments	**2,756**	2,659
Within one year: receipts	**(230)**	(330)
	2,526	2,329
Within two to five years: payments	**10,953**	10,603
Within two to five years: receipts	**(920)**	(1,318)
	10,033	9,285
Over five years: payments	**31,500**	30,941
Over five years: receipts	**(4,086)**	(3,850)
	27,414	27,091
	39,973	38,705

26 Pensions

The Group, last year, made contributions of £nil to the personal pension plan of any Director. The total amount paid during the period was £nil. During the year the Group made contributions to employee pensions of £31,000 (2012 - £27,000).

27 Share based payments

	Weighted average exercise price (pence)	**Number '000**
At 1 January 2012	44.2	4,174
Exercised	23.1	66
At 30 December 2012	44.2	4,108
Exercised	44.6	2,514
At 29 December 2013	41.0	1,594

The exercise price of options outstanding at the end of the period ranged between 18p and 87.5p (2012 - 18p and 87.5p) and their weighted average remaining contractual life was 4 years (2012 – 6 years).

Of the total number of options outstanding at the end of period 1,593,992 (2012 – 2,341,605) had vested and were exercisable at the end of the period.

The market price of the Company's ordinary shares as at 29 December 2013 was 125p and the range during the financial year was from 50p to 125p.

In the current period, 2,514,152 (2012 – 66,335) options were exercised. The weighted average share price at the date of exercise was 100p (2012 – 57.5p).

No options have been granted during the period (2012 – nil).

During the period the Remuneration Committee committed to granting a number of options or option equivalent incentive schemes to the Directors. The exercise price of the options granted will be £1.00 with the options being exercisable subject to the share price of the Company having a closing mid-market value of £1.50 for fifteen consecutive trading days.

J Plant	500,000
S Kaye	500,000
A Kaye	500,000
New options commitment	1,500,000

28 Financial instruments

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity risk

The Group does not have any material exposure to currency risk or other market price risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:-

- loans and borrowings
- trade receivables
- cash and cash equivalents
- trade and other payables

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below

Credit risk

Credit risk is the risk of the financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from rebates from suppliers.

Quantitative disclosures of the credit risk exposure in relation to trade and other receivables, which are neither past due nor impaired, are disclosed in note 19.

The Group's principal financial assets are cash and trade receivables. There is minimal credit risk associated with the Group's cash balances. Cash balances are all held with recognised financial institutions. Trade receivables arise in respect of rebates from a major supplier and therefore they are largely offset by trade payables. As such the net amounts receivable form an insignificant part of the Group's business model and therefore the credit risk associated with them is also insignificant to the Group as a whole.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Group seeks to manage its financial risk to ensure that sufficient liquidity is available to meet foreseeable needs both in the short and long term. The Board consider detailed cashflow forecasts together with future obligations from capital projects in progress and the resulting impact on its cash balances.

Interest rate risk

The Group seeks to minimise interest costs by regularly reviewing cash balances.

Interest rate risk arises from the Group's use of interest bearing financial instruments. This is the risk that the future cash flows of the financial instrument will fluctuate because of changes in the interest rates.

The Group is exposed to cash flow interest rate risk from long term borrowings at variable rate. The Group does not seek to fix interest rates on these borrowings because the Board considers the exposure to the interest rate risk to be acceptable.

Surplus funds are invested in interest bearing, instant access bank accounts. The Group also holds short term deposit accounts in relation to tenant deposits received on sublet sites.

Loans and borrowings

During the year the Group extend the loan facility with Barclays Bank Plc. Under the terms of the facility the Group may borrow up to a maximum of £3.0m on a flexible loan terms and £1.0m on a 3 year fixed term. Interest on this facility is charged at 2.95% above LIBOR plus a variable charge for mandatory associated costs of the lender for all amounts drawn down, with a 1.48% charge on any amounts of the facility that is not drawn down.

At 29 December 2013 if the Bank of England base rate had been 1% higher / lower with all other variables held constant this would not have resulted in any significant variance in the profit or loss or net assets of the Group.

The bank loans are secured by a legal charge over the issued share capital of the Group companies, a legal charge over all the Group's trading sites, and a cross guarantee between Group companies.

Capital disclosures

The Group considers its capital to comprise the ordinary share capital, share premium and retained earnings.

The Group's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it in the light of strategic plans. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

29 Related party transactions

The Directors are considered to be the key management personnel. Details of directors remuneration is shown in note 8.

The Group pays rent and associated insurance to a number of companies considered related parties by virtue of the interests held by the directors in such companies. The Group also reimburses expenses incurred by such companies on behalf of the Group. The Group receives income from related parties for fees in relation to consultancy services offered.

	2013	2012
	£'000	£'000
Rent and insurance		
- Kropifko Properties Ltd	**(355)**	(244)
- KLP Partnership	**(184)**	(185)
- ECH Properties Ltd	**(69)**	-
Expenses reimbursed	**(8)**	(8)
Income	**41**	50
Balance due to related parties	**243**	-
Balance due from related parties	**3**	50

The rent paid to related parties are considered to be a reasonable reflection of the market rate for the properties.

Prezzo plc, a related party company, acts as legal guarantor and is party to agreements for the purchase of three leasehold properties operated by Tasty plc. Annual rents for the properties are £204,000 per annum in total, representing a maximum guarantee of £1,675,000 (2012 - £1,879,000) at the end of the period.

30 Reconciliation of profit before tax to net cash inflow from operating activities

	2013 £'000	2012 £'000
Group		
Profit before tax	**1,742**	1,552
Finance income	**(14)**	(6)
Finance expense	**134**	68
Share based payment charge	**195**	56
Depreciation and amortisation and impairment	**1,124**	832
Reversal of impairment	**(15)**	(300)
Loss on disposal	**83**	-
Onerous lease provision movement	**(10)**	(10)
(Increase) / decrease in inventories	**(122)**	(816)
(Increase) / decrease in trade and other receivables	**(138)**	(190)
Increase / (decrease) in trade and other payables	**259**	1,212
Net cash generated from operations	**3,238**	2,398

NOTICE OF ANNUAL GENERAL MEETING

TASTY PLC

(Registered in England and Wales with no. 5826464)

Notice is hereby given that the 2014 Annual General Meeting of Tasty plc will be held at Wildwood, 35-36 Bow Street, London WC2E 7AU on 12 May 2014 at 9.30 a.m. for the transaction of the following business:

ORDINARY BUSINESS
As ordinary business to consider and, if thought fit, to pass the following resolutions, each of which will be proposed as ordinary resolutions:

1 THAT, the Company's annual accounts for the 52 weeks ended 30 December 2013, together with the report of the auditors and the directors thereon, be received and adopted.

2 THAT, Keith Lassman, who retires in accordance with the Company's articles of association, be re-elected as a director.

3 THAT, BDO LLP be re-appointed as auditors to the Company until the conclusion of the next Annual General Meeting at which accounts of the Company are presented and the directors be authorised to fix their remuneration.

SPECIAL BUSINESS
As special business to consider and, if thought fit, to pass the following resolutions, of which resolution 4 will be proposed as an ordinary resolution and resolution 5 as a special resolution:

4 THAT, the directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares, or to grant rights to subscribe for or to convert any securities into shares, of up to an aggregate nominal amount of £525,000 during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting), but so that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any securities into shares to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any securities into shares, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unused.

5 THAT, the directors be and they are empowered during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting) pursuant to section 570(1) of the Act to allot equity securities (within the meaning of section 560(1) of the Act) wholly for cash pursuant to the authority conferred by resolution 4 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(i) the allotment of equity securities for cash up to an aggregate nominal amount of £525,000;

(ii) the allotment of equity securities in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange, but so that this authority shall allow the Company to make offers or agreements before the expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired.

By order of the Board

K Lassman

Secretary

Date 11 April 2014

Registered Office: 32 Charlotte Street London W1T 2NQ

Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006, is available from: www.dimt.co.uk.

Notes:

(a) Any member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent his appointor. A member entitled to attend and vote at the Annual General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the Companies Act 2006, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless:

- answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.

(b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or electronically at info@dimt.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.

(c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:

- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- by sending an e-mail to info@dimt.co.uk.

In either case, the revocation notice must be received by the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY before the Annual General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.

(d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the Annual General Meeting in person, the proxy appointment will automatically be terminated.

(e) Copies of the Directors' Letters of Appointment, the Register of Directors' interests in the Shares of the Company kept and a copy of the current Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

(f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 9.30 a.m. on 9 May 2014 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 9.30 a.m. on 9 May 2014 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.

(g) As at 11 April 2014 the Company's issued share capital comprised 52,927,101 Ordinary Shares. The total number of voting rights in the Company as at 11 April 2014 is 52,927,101. The website referred to above will include information on the number of shares and voting rights.

(h) If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights ("Nominated Person"):

- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting;
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
- Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

(i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

(j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.

(k) Except as provided above, members who have general queries about the General Meeting should call the Company's registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY on 0870 707 1580 (no other methods of communication will be accepted).

(l) Members may not use any electronic address provided either in this notice of Annual General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.