

Tasty plc
(“Tasty” or the “Group”)

Interim Results (unaudited) for the 26 weeks ended 29 June 2014

Highlights:

- Revenue up 26% to £13,794,000 (H1 2013 - £10,979,000)
- Operating profit, before pre-opening costs, up 16% to £1,210,000 (H1 2013 - £1,045,000)
- Pre-tax profit up 24% to £973,000 (H1 2013 - £787,000)
- Four new sites opened in the period and three sites opened since the period end

Chairman’s Statement

I am pleased to report on the Group’s half year results for the 26 weeks ended on 29 June 2014, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS”).

Results

Turnover for the 26 weeks ended 29 June 2014 was £13,794,000 (2013 - £10,979,000), a 26% increase over the corresponding period.

The operating profit, before pre-opening costs, share based payments and interest, was £1,210,000 (2013 – £1,045,000), a 16% increase over last year.

Pre-tax profit was £973,000 (2013 - £787,000) a 23.6% increase on the corresponding period. Basic and diluted earnings per share for the period were 1.40p and 1.38p (2013 – 1.28p and 1.25p) a 9% and a 10% increase over last year.

Cash flows and financing

During the period capital expenditure of £1,962,000 (2013 - £2,511,000) was incurred. 4 sites have been opened in the period, with a further 3 sites opened since the period end. The Group is currently undertaking construction on 2 sites which are expected to open in Q4 of 2014.

Overall, the net cash outflow for the period was £474,000 (2013 – £55,000). As at 29 June 2014, the Group had a net cash balance of £1,933,000 (2013 – net borrowings £944,000). The Group has an available banking facility of £4,000,000.

Outlook

The Group continues to expand its operations through new openings. Actions are regularly taken to improve profitability at all sites, increasing sales through updated menus and improving food and labour margins.

The new sites, as reported above, will bring the total number of restaurants operated by the Group to 37, which will consist of 6 Dim t, 29 Wildwood and Wildwood Kitchens and 2 others. The Group continues to look at new sites and has the resources for further acquisitions.

K Lassman
Chairman

Consolidated statement of comprehensive income

for the 26 weeks ended 29 June 2014 (unaudited)

	26 weeks to 29 June 2014 £'000	26 weeks to 30 June 2013 £'000	52 weeks to 29 December 2013 £'000
Revenue	13,794	10,979	23,192
Cost of sales	(12,276)	(9,704)	(20,386)
Gross profit	1,518	1,275	2,806
Administrative costs	(492)	(429)	(944)
Operating profit excluding pre-opening costs and non-trading items	1,210	1,045	2,301
Pre-opening costs	(136)	(171)	(259)
Non-trading items	(48)	(28)	(180)
Operating profit	1,026	846	1,862
Finance expense	(53)	(59)	(120)
Profit before tax	973	787	1,742
Income tax	(230)	(173)	(300)
Profit and total comp income for period attributable to equity shareholders	743	614	1,442
Profit per ordinary share			
Basic	1.40p	1.28p	2.95p
Diluted	1.38p	1.25p	2.90p

Consolidated statement of changes in equity

for the 26 weeks ended 29 June 2014 (unaudited)

	Share capital	Share premium	Merger reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 29 December 2013	5,293	13,317	992	(2,157)	17,445
Issue of ordinary shares	1	1	-	-	2
Total comprehensive income for the period	-	-	-	743	743
Share based payments - credit to equity	-	-	-	48	48
Balance at 29 June 2014	5,294	13,318	992	(1,366)	18,238
Balance at 30 December 2012	4,790	10,359	992	(3,794)	12,347
Issue of ordinary shares	6	6	-	-	12
Total comprehensive income for the period	-	-	-	614	614
Share based payments - credit to equity	-	-	-	28	28
Balance at 30 June 2013	4,796	10,365	992	(3,152)	13,001
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 - credit to equity	-	-	-	195	195
Balance at 29 December 2013	5,293	13,317	992	(2,157)	17,445

Consolidated balance sheet

At 29 June 2014 (unaudited)

	29 June 2014 £'000	30 June 2013 £'000	29 December 2013 £'000
Non-current assets			
Intangible assets	445	448	446
Property, plant and equipment	16,641	13,795	15,384
Pre-paid operating lease charges	1,831	2,011	1,895
Deferred tax asset	-	12	-
Other non-current assets	381	437	381
	19,298	16,703	18,106
Current assets			
Inventories	821	733	811
Trade and other receivables	2,125	1,573	1,350
Pre-paid operating lease charges	152	100	152
Cash and cash equivalents	2,933	1,556	3,407
	6,031	3,962	5,720
Total assets	25,329	20,665	23,826
Current liabilities			
Trade and other payables	(5,435)	(4,893)	(5,009)
Borrowings	(375)	(2,500)	(250)
	(5,810)	(7,393)	(5,259)
Non-current liabilities			
Provisions	(65)	(72)	(65)
Lease incentives	(246)	(199)	(192)
Deferred tax liability	(345)	-	(115)
Long-term borrowings	(625)	-	(750)
	(1,281)	(271)	(1,122)
Total liabilities	(7,091)	(7,664)	(6,381)
Total net assets	18,238	13,001	17,445
Equity			
Share capital	5,294	4,796	5,293
Share premium	13,318	10,365	13,317
Merger reserve	992	992	992
Retained deficit	(1,366)	(3,152)	(2,157)
Total equity	18,238	13,001	17,445

Consolidated cash flow statement

for the 26 weeks ended 29 June 2014 (unaudited)

	26 weeks 29 June 2014 £'000	26 weeks 30 June 2013 £'000	52 weeks to 29 December 2013 £'000
Operating activities			
Cash generated from operations	1,539	969	3,238
Corporation tax paid	-	-	-
Net cash inflow from operating activities	1,539	969	3,238
Investing activities			
Purchase of property, plant and equipment	(1,962)	(2,511)	(4,783)
Interest received	-	-	14
Net cash flows used in investing activities	(1,962)	(2,511)	(4,769)
Financing activities			
Net proceeds from issues of ordinary shares	2	12	3,461
Bank loan receipt	-	1,500	1,500
Bank loan repayment	-	-	(1,500)
Interest paid	(53)	(25)	(134)
Net cash flows used in financing activities	(51)	1,487	3,327
Net increase/(decrease) in cash and cash equivalents	(474)	(55)	1,796
Cash and cash equivalents at beginning of the period	3,407	1,611	1,611
Cash and cash equivalents as at 29 June 2014	2,933	1,556	3,407

Notes to the condensed financial statements

1 General information

Tasty plc ("Tasty") is a public limited company incorporated in the United Kingdom under the Companies Act (registration number 5826464). The Company is domiciled in the United Kingdom and its registered address is 32 Charlotte Street, London, W1T 2NQ. The Company's ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange ("AIM"). Copies of this Interim Report or 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.

2 Basis of accounting

The condensed financial statements have been prepared using 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 however, for the current period the Group has adopted IFRS 13 "Fair value measurement" which has had no significant impact on the results or financial position.

The financial information for the period ended 29 December 2013 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2013 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2013 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.

3 Non-trading items

	26 weeks 29 June 2014 £'000	26 weeks 30 June 2013 £'000	52 weeks to 29 December 2013 £'000
Reversal of Impairment of property, plant and equipment	-	-	15
Share based payments	(48)	(28)	(195)
	(48)	(28)	(180)

4 Income tax

The income tax charge has been calculated by reference to the estimated effective corporation tax and deferred tax rates for the 52 weeks to 28 December 2014 applied to the profit before tax for the 26 weeks ending 29 June 2014. The full-year effective tax rate on profit before tax is estimated to be 23.5% (2013 – 23.75%).

5 Earnings per share

	26 weeks 29 June 2014 pence	26 weeks 30 June 2013 pence	52 weeks to 29 December 2013 pence
Basic earnings per ordinary share	1.40	1.28	2.95
Diluted earnings per ordinary share	1.38	1.25	2.90

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

Earnings per share have been calculated using the numbers shown below:

	26 weeks 29 June 2014 number '000	26 weeks 30 June 2013 number '000	52 weeks to 29 December 2013 number '000
Weighted average ordinary shares (basic)	52,928	47,963	48,896
Weighted average ordinary shares (diluted)	53,788	49,012	49,734

	26 weeks 29 June 2014 £'000	26 weeks 30 June 2013 £'000	52 weeks to 29 December 2013 £'000
Profit for the financial period	743	614	1,442

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

	26 weeks 29 June 2014 £'000	26 weeks 30 June 2013 £'000	52 weeks to 29 December 2013 £'000
Profit before tax	973	787	1,742
Finance income	-	-	(14)
Finance expense	53	59	134
Share based payment charge	48	28	195
Depreciation and amortisation and	770	506	1,124
Loss on disposal	-	-	68
Onerous lease provision movement	-	(3)	(10)
Increase in inventories	(10)	(44)	(122)
Increase in trade and other receivables	(775)	(520)	(138)
Increase in trade and other payables	480	156	259
	1,539	969	3,238

7 Related party transactions

During the period the Group has entered into one new operating lease with a related party. The rent paid under this lease (£32,000 per annum) is considered to be a reasonable reflection of the market rent for the property concerned. Other than annual commitments under ongoing lease arrangements which were disclosed in note 29 of the 2013 annual report and financial statements, there were no other related party transactions in the period.