

TASTY PLC
Interim report 2015

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Chairman's statement

I am pleased to report on the Group's half year results for the 26 weeks ended on 28 June 2015, prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

Results

Turnover for the period was £17,050,000 (2014 - £13,794,000), a 24% increase over the corresponding period and operating profit, before pre-opening costs, share based payments and interest, was £1,684,000 (2014 – £1,210,000), a 39% increase over last year.

Pre-tax profit was £1,327,000 (2014 - £973,000) a 36% increase over the corresponding period. Basic and diluted earnings per share for the period were 1.98p and 1.94p (2014 – 1.40p and 1.38p) a 41% and a 40% increase respectively over last year.

Cash flows and financing

During the period capital expenditure of £4,335,000 (2014 - £1,962,000) was incurred. 6 sites have been opened in the period, with a further site opened since the period end. The Group is currently undertaking construction on 4 sites which are expected to open in Q4 of 2015.

Overall, the net cash outflow for the period was £731,000 (2014 – £474,000). As at 28 June 2015, the Group had net borrowings of £1,737,000 (2014 – net cash £1,933,000). The Group has an available banking facility of £8,000,000.

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 46, which will consist of 6 Dim t and 40 Wildwood and Wildwood Kitchens. The Group continues to look at new sites, has the resources for further acquisitions and expects to have opened a further 4 restaurants by the year end.

K Lassman
Chairman
Tasty plc

8 September 2015

Consolidated statement of comprehensive income

for the 26 weeks ended 28 June 2015 (unaudited)

	26 weeks to 28 June 2015 £'000	26 weeks to 29 June 2014 £'000	52 weeks to 28 December 2014 £'000
Revenue	17,050	13,794	29,734
Cost of sales	(15,182)	(12,276)	(26,207)
Gross profit	1,868	1,518	3,527
Administrative costs	(484)	(492)	(901)
Operating profit excluding pre-opening costs and non-trading items	1,684	1,210	3,090
Pre-opening costs	(252)	(136)	(360)
Non-trading items	(48)	(48)	(104)
Operating profit	1,384	1,026	2,626
Finance expense	(57)	(53)	(74)
Profit before tax	1,327	973	2,552
Income tax	(275)	(230)	(500)
Profit and total comprehensive income for period attributable to equity shareholders	1,052	743	2,052
Profit per ordinary share			
Basic	1.98p	1.40p	4.20p
Diluted	1.94p	1.38p	4.13p

Consolidated statement of changes in equity

for the 26 weeks ended 28 June 2015 (unaudited)

	Share capital	Share premium	Merger reserve	Retained deficit	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 28 December 2014	5,305	13,336	992	(1)	19,632
Issue of ordinary shares	14	31	-	-	45
Total comprehensive income for the period	-	-	-	1,052	1,052
Share based payments - credit to equity	-	-	-	48	48
Balance at 28 June 2015	5,319	13,367	992	1,099	20,777
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 29 December 2013	5,293	13,317	992	(2,157)	17,445
Issue of ordinary shares	12	19	-	-	31
Total comprehensive income for the period	-	-	-	2,052	2,052
Share based payments - credit to equity	-	-	-	104	104
Balance at 28 December 2014	5,305	13,336	992	(1)	19,632

Consolidated balance sheet

At 28 June 2015 (unaudited)

	28 June 2015 £'000	29 June 2014 £'000	28 December 2014 £'000
Non-current assets			
Intangible assets	443	445	444
Property, plant and equipment	24,025	16,641	20,391
Pre-paid operating lease charges	1,671	1,831	1,731
Other non-current assets	327	381	341
	26,466	19,298	22,907
Current assets			
Inventories	1,328	821	1,051
Trade and other receivables	2,177	2,125	1,801
Pre-paid operating lease charges	152	152	152
Cash and cash equivalents	1,313	2,933	2,044
	4,970	6,031	5,048
Total assets	31,436	25,329	27,955
Current liabilities			
Trade and other payables	(6,236)	(5,435)	(6,536)
Borrowings	(375)	(375)	(500)
	(6,611)	(5,810)	(7,036)
Non-current liabilities			
Provisions	(55)	(65)	(55)
Lease incentives	(478)	(246)	(367)
Deferred tax liability	(890)	(345)	(615)
Long-term borrowings	(2,625)	(625)	(250)
	(4,048)	(1,281)	(1,287)
Total liabilities	(10,659)	(7,091)	(8,323)
Total net assets	20,777	18,238	19,632
Equity			
Share capital	5,319	5,294	5,305
Share premium	13,367	13,318	13,336
Merger reserve	992	992	992
Retained deficit	1,099	(1,366)	(1)
Total equity	20,777	18,238	19,632

Consolidated cash flow statement

for the 26 weeks ended 28 June 2015 (unaudited)

	26 weeks 28 June 2015 £'000	26 weeks 29 June 2014 £'000	52 weeks 28 December 2014 £'000
Operating activities			
Cash generated from operations	1,526	1,539	5,308
Corporation tax paid	-	-	-
Net cash inflow from operating activities	1,366	1,539	5,308
Investing activities			
Purchase of property, plant and equipment	(4,495)	(1,962)	(6,378)
Interest received	-	-	9
Net cash flows used in investing activities	(4,495)	(1,962)	(6,369)
Financing activities			
Net proceeds from issues of ordinary shares	45	2	31
Bank loan receipt	2,250	-	-
Bank loan repayment	-	-	(250)
Interest paid	(57)	(53)	(83)
Net cash flows generated / (used) in financing activities	2,238	(51)	(302)
Net decrease in cash and cash equivalents	(731)	(474)	(1,363)
Cash and cash equivalents at beginning of the period	2,044	3,407	3,407
Cash and cash equivalents as at 29 June 2014	1,313	2,933	2,044

Notes to the condensed financial statements

for the 26 weeks ended 28 June 2015 (unaudited)

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.

The financial information for the period ended 28 December 2014 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2014 have been filed with the Registrar of Companies. The Independent Auditors’ Report on the Annual Report and Financial Statements for 2014 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 28 June 2015 £’000	26 weeks 29 June 2014 £’000	52 weeks to 28 December 2014 £’000
Share based payments	(48)	(48)	(104)
	(48)	(48)	(104)

Notes to the condensed financial statements

for the 26 weeks ended 28 June 2015 (unaudited)

4 Income tax

The income tax charge has been calculated by reference to the estimated effective corporation tax and deferred tax rates of 21.5% (2014 – 23.5%).

5 Earnings per share

	26 weeks 28 June 2015 Pence	26 weeks 29 June 2014 pence	52 weeks to 28 December 2014 Pence
Basic earnings per ordinary share	1.98	1.40	3.88
Diluted earnings per ordinary share	1.94	1.38	3.83

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 28 June 2015 number '000	26 weeks 29 June 2014 number '000	52 weeks to 28 December 2014 number '000
Weighted average ordinary shares (basic)	53,171	52,928	52,954
Weighted average ordinary shares (diluted)	54,278	53,788	53,616

	26 weeks 28 June 2015 £'000	26 weeks 29 June 2014 £'000	52 weeks to 28 December 2014 £'000
Profit for the financial period	1,052	743	2,052

Notes to the condensed financial statements

for the 26 weeks ended 28 June 2015 (unaudited)

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

	26 weeks 28 June 2015 £'000	26 weeks 29 June 2014 £'000	52 weeks to 28 December 2014 £'000
Profit before tax	1,327	973	2,552
Finance income	-	-	(9)
Finance expense	57	53	83
Share based payment charge	48	48	104
Depreciation and amortisation and	922	770	1,310
Loss on disposal	-	-	63
Onerous lease provision movement	-	-	(10)
Increase in inventories	(277)	(10)	(240)
Increase in trade and other receivables	(362)	(775)	(411)
Increase in trade and other payables	(189)	480	1,866
	1,526	1,539	5,308