19 September 2022

Tasty plc

("Tasty", the "Group" or the "Company")

Unaudited Interim Results for the 26 weeks ended 26 June 2022

Key Points:

- Revenue of £21.5m (H1 2021: £11.6m); increase of 85%
- Adjusted EBITDA[1] of £2.7m (H1 2021: £0.8m)
- Impairment charge of £1.6m (H1 2021: £nil)
- Loss after tax for the period of £2.7m (H1 2021: loss £2.7m)
- Outstanding loan of £1.1m repaid in full in June 2022 (H1 2021: £1.25m)
- Net cash after allowing for deferred creditors of £7.0m (H1 2021: net cash after allowing for repayment of bank loan and deferred creditors of £4.2m)
- 51 of 54 restaurants traded through the period
- Staff shortage challenges remain
- Cost of living pressures beginning to impact on revenue in H2 2022
- Inflationary pressure on labour, food and utilities has impacted the business considerably
- Despite staffing and inflationary challenges like-for-like sales compared with pre Covid-19 position was encouraging

[1] Adjusted for depreciation, amortisation and share based payments.

Chairman's statement

Introduction

Following the difficult period of the pandemic, we started 2022 expecting the year to be less challenging. Sales performance compared to 2019 was strong but has been marred by labour shortages and inflationary pressures impacting the hospitality industry. These cost pressures became more acute towards the end of the first half of 2022.

Like many of our competitors and the economy in general, we are facing severe headwinds. Inflationary pressures on food, labour and utility costs and the cost-of-living crisis will inevitably impact the performance of the Company for at least the remainder of the year.

Having navigated our way successfully through the difficult periods in the recent past, we are in a good position to manage these challenges once again; through a tight focus on cost controls and ensuring that we are delivering an excellent experience for our customers.

We have agreed heads of terms for a new Wildwood site in Oxfordshire. Our dim t brand has experienced a resurgence, and we are converting the former underperforming Wildwood in Loughton to a dim t, which is due to open in the Autumn. Whilst there is a strong pipeline of sites identified, due to current uncertainties, we have slowed our previously announced expansion plans and will cautiously approach any new openings as we brace ourselves for an even more challenging economic environment, which is beginning to adversely impact our profitability in the second half of 2022.

We continue to build solid teams and have invested at a central level to overcome these challenges, streamline processes and enhance our offering.

In June 2022, we repaid the amount outstanding under our Barclays Bank facility of £1.1m and subsequently cancelled the facility. Based on the base rate at the time, there will be an annualised interest saving of approximately £57,000. The Board made the decision that repaying the loan was the best course of action given the Company's healthy cash balance and the base rates rise.

People

In a tight labour market, we are pleased to say that the number of people we employ is back to over 1,000 following the requisite redundancies during the pandemic. However, with a competitive labour market, we continue to work hard to engage our teams and ensure that we are competitive through continuously reviewing training, progression and pay.

In June 2022, Harald Samúelsson, stepped up to become an Executive Director with responsibility for food and operational support and, at the same time, Wendy Dixon was appointed as an independent Non-Executive Director.

Wendy has spent two decades working with global brands, in a variety of leadership roles in multiple markets. More recently she was appointed as M&C Saatchi Group's first Chief Growth Officer in 2019 with responsibility for leading internal collaboration, building the brand of the company externally and bringing together both capabilities and talent for new and existing clients to grow.

To focus and improve our food offering a new Head of Food joined the Company in May 2022 with the initial focus being the development of our Christmas menu.

Inflationary costs

To reduce the impact of food and labour challenges, our menu is constantly being reviewed. We are working with existing and new suppliers to minimise disruption and continue to re-tender. The well documented utility pressures are unprecedented, and the hospitality industry is particularly badly affected. The Government unveiled an energy support plan on 8 September 2022 to support businesses for six months, but the details have yet to be announced. In the meantime, we are looking at ways of minimising our energy usage and improving efficiencies.

Environmental, social and governance

The wellbeing and safety of our employees and customers is at the centre of all that we do. We have also retained our focus on sustainability and the environmental impact of the business, and we are an equal opportunities employer.

Property negotiations

The Group has been successful in achieving rent reductions and lease concessions across most of the estate for the period impacted by Covid-19 with the final few agreements completed during H1 2022. We are continuing to review all our leases with a view to disposing or re-gearing low performing sites.

Results

Revenue increased by 85% to £21.5m (H1 2021: £11.6m). In the period under review, we have benefited from unrestricted dine-in sales and also grown our takeaway and delivery business. However, we have seen a slowdown in the second half due to our focus on dine-in and changing consumer habits. Revenue for the comparative period in 2021 was severely impacted by the lockdown restrictions.

The adjusted EBITDA for the period was £2.7m (H1 2021: £0.8m).

Operating profit before highlighted items was £0.4m (H1 2021: loss £1.4m).

We have reviewed the impairment provision across the right-of-use-assets and fixed assets and have made a net provision of £1.6m (H1 2021: £nil).

After taking into account all non-trade adjustments, the Group has a stated loss after tax for the period of £2.7m (H1 2021: loss £2.7m).

Cash flows and financing

Cash inflow from operations was £0.9m (H1 2021: £2.4m). Repayment of the bank loan amounted to £1.25m during the period (H1 2021: drawn down of £1.25m).

Overall, the net cash outflow for the period was £3m (H1 2021: inflow £1.8m). As at 26 June 2022, the Group had net cash after the bank loan of £8.0m (H1 2021: net cash of £8.6m). After allowing for deferred payments due to creditors, net cash was £7.0m (H1 2021: net cash of £4.2m).

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the Directors have considered the financial position of the Group, together with its forecasts for the next 12 months from the date of approval of these interim accounts and taking into account possible changes in trading performance. The going concern basis of accounting has, therefore, been adopted in preparing the interim financial report.

Outlook

Utility cost management and pressure on revenue as living costs continue to rise will be our biggest challenges over the coming months, although we await details of the Government's support package. We will endeavour to mitigate all pressures carefully by continuing to focus on savings and customer experience. Despite these uncertainties the Board remains confident of managing current challenges and the Group will cautiously consider future expansion opportunities for growth.

Finally thank you once again to all our people, shareholders, suppliers and other stakeholders who continue to support us.

K Lassman
Chairman
Tasty plc

19 September 2022

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Katy Birkin/Mark Connelly

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

Consolidated statement of comprehensive income

for the 26 weeks ended 26 June 2022 (unaudited)

	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	Restated 52 weeks Ended 26 December 2021 £'000
Revenue	**21,522**	**11,629**	**34,909**
Cost of sales	(20,375)	(14,526)	(33,567)
Gross profit/(loss)	**1,147**	**(2,897)**	**1,342**
Other income	213	2,050	4,208
Total operating expenses	(2,778)	(628)	555
Operating profit/(loss) before highlighted items	445	(1,410)	4,112
Highlighted items	(1,863)	(65)	1,993
Operating (loss)/profit	**(1,418)**	**(1,475)**	**6,105**
Finance income	3	-	-
Finance expense	(1,249)	(1,263)	(2,497)
(Loss)/profit before tax	**(2,664)**	**(2,738)**	**3,608**
Income tax	-	-	-
(Loss)/profit and total comprehensive income for period and attributable to owners of the parent	**(2,664)**	**(2,738)**	**3,608**
(Loss)/profit per share attributable to the ordinary equity owners of the parent			
Basic	(1.89p)	(1.94p)	2.56p
Diluted	(1.66p)	(1.85p)	2.27p

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

	Post IFRS 16 26 weeks to 26 June 2022 £'000	Pre IFRS 16 26 weeks to 26 June 2022 £'000	Post IFRS 16 26 weeks to 27 June 2021 £'000	Pre IFRS 16 26 weeks to 27 June 2021 £'000
EBITDA before highlighted items	2,733	101	824	(1,207)
Depreciation of PP&E and amortisation	(958)	(980)	(663)	(689)
Depreciation of right-of-use assets (IFRS16)	(1,330)	-	(1,571)	-
Operating profit/(loss) before highlighted items	445	(879)	(1,410)	(1,896)

Analysis of highlighted items	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	Restated 52 weeks ended 26 December 2021 £'000
Profit on disposal of property plant and equipment	-	-	3
Restructuring costs	-	-	(7)
Impairment of right-of-use assets	(1,258)	-	(1,347)
Impairment (charge)/release of property, plant and equipment	(304)	-	3,207
Share based payments	(31)	(65)	(120)
(Loss)/gain on lease modifications	(270)	-	257
Total highlighted items	**(1,863)**	**(65)**	**1,993**

The above items have been highlighted to give more detail on items that are included in the Consolidated statement of comprehensive income and which when adjusted shows a profit or loss that reflects the ongoing trade of the business.

Consolidated statement of changes in equity

for the 26 weeks ended 26 June 2022 (unaudited)

	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Retained Deficit £'000	Total Equity £'000
Balance at 26 December 2021 (restated)	**6,061**	**24,254**	**992**	**(26,980)**	**4,327**
Total comprehensive income for the period	-	-	-	(2,664)	(2,664)
Share based payments - credit to equity	-	-	-	31	31
Balance at 26 June 2022	**6,061**	**24,254**	**992**	**(29,613)**	**1,694**
Balance at 27 December 2020	6,061	24,251	992	(30,708)	596
Issue of ordinary shares	-	3	-	-	3
Total comprehensive income for the period	-	-	-	(2,738)	(2,738)
Share based payments - credit to equity	-	-	-	65	65
Balance at 27 June 2021	**6,061**	**24,254**	**992**	**(33,381)**	**(2,074)**
Balance at 27 December 2020	6,061	24,251	992	(30,708)	596
Issue of ordinary shares	-	3	-	-	3
Total comprehensive income for the period	-	-	-	3,608	3,608
Share based payments - credit to equity	-	-	-	120	120
Balance at 26 December 2021 (restated)	**6,061**	**24,254**	**992**	**(26,980)**	**4,327**

In January 2021, Daniel Jonathan ("Jonny") Plant was awarded 15,676,640 ‘B’ shares in Tasty plc which can be converted to ‘A’ shares subject to achievement of certain hurdle rates. These ‘B’ shares were issued at nominal value of 0.00001 pence. The first hurdle was achieved, and 5,225,546 B Ordinary Shares were converted into 5,225,546 new Ordinary Shares on 27 June 2022.

Consolidated balance sheet

At 26 June 2022 (unaudited)

	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	Restated 52 weeks ended 26 December 2021 £'000
Non-current assets			
Intangible assets	28	30	28
Property, plant and equipment	17,282	15,098	18,026
Right-of-use- assets	34,639	38,337	36,006
Other non-current assets	65	129	105
Total non-current assets	**52,014**	**53,594**	**54,165**
Current assets			
Inventories	1,995	1,834	2,103
Trade and other receivables	2,949	1,397	1,355
Cash and cash equivalents	8,010	9,884	11,005
Total current assets	**12,954**	**13,115**	**14,463**
Total assets	**64,968**	**66,709**	**68,628**
Current liabilities			
Trade and other payables	(10,336)	(12,210)	(10,493)
Lease liabilities	(2,202)	(3,620)	(2,024)
Borrowings	-	(104)	(313)
Total current liabilities	**(12,538)**	**(15,934)**	**(12,830)**
Non-current liabilities			
Provisions	(335)	(335)	(297)
Lease liabilities	(50,273)	(51,288)	(50,157)
Long-term borrowings	-	(1,146)	(937)
Other payables	(128)	(80)	(80)
Total non-current liabilities	**(50,736)**	**(52,849)**	**(51,471)**
Total liabilities	**(63,274)**	**(68,783)**	**(64,301)**
Total net assets/(liabilities)	**1,694**	**(2,074)**	**4,327**
Equity			
Share capital	6,061	6,061	6,061
Share premium	24,254	24,254	24,254
Merger reserve	992	992	992
Retained deficit	(29,613)	(33,381)	(26,980)
Total equity	**1,694**	**(2,074)**	**4,327**

Consolidated cash flow statement

for the 26 weeks ended 26 June 2022 (unaudited)

	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	52 weeks ended 26 December 2021 £'000
Operating activities			
Cash generated from operations	945	2,365	7,826
Net cash inflow from operating activities	**945**	**2,365**	**7,826**
Investing activities			
Proceeds from sale of property, plant and equipment	-	-	3
Purchase of property, plant and equipment	(516)	(192)	(544)
Interest received	3	-	-
Net cash flows used in investing activities	**(513)**	**(192)**	**(541)**
Financing activities			
Net proceeds from issue of ordinary shares	-	3	3
Bank loan receipts	-	1,250	1,250
Bank loan repayment	(1,250)	-	-
Finance expense	(30)	(26)	(59)
Finance expense (IFRS 16)	(1,219)	(1,237)	(2,438)
Principal paid on lease liabilities	(928)	(307)	(3,064)
Net cash flows used in financing activities	**(3,427)**	**(317)**	**(4,308)**
Net increase in cash and cash equivalents	(2,995)	1,856	2,977
Cash and cash equivalents at beginning of the period	11,005	8,028	8,028
Cash and cash equivalents as at 26 June 2022	**8,010**	**9,884**	**11,005**

Notes to the condensed financial statements

for the 26 weeks ended 26 June 2022 (unaudited)

1 General information

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

2 Basis of accounting

The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom and accounting policies consistent with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the United Kingdom. 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 26 weeks ended 26 June 2022 has not been subject to an audit nor a review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Financial Reporting Council.

The financial information for the period ended 26 December 2021 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for 2021 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2021 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

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

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

Use of judgements and estimates

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

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion the Directors have considered the financial position of the Group, together with its forecasts for the next 12 months from the date of approval of these interim accounts and taking into account possible changes in trading performance. The Group monitors cash balances and impact of inflation closely to ensure there is sufficient liquidity. Accordingly, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

IFRS 16 'Leases'

Group’s accounting policies for leases are as follows:

Lessee accounting

IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset in exchange for consideration.

The Group first adopted IFRS 16 for its period starting 30 December 2019 using the modified retrospective approach on transition, recognising leases at the carried forward value had they been treated as such from inception, without restatement of comparative figures. On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to the restaurant sites it leases for its business.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets, and
- Leases with a duration of 12 months or less.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

Lessor accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

Based on an analysis of the Group's operating leases as at 26 June 2022 on the basis of the facts and circumstances that exist at that date, the Directors of the Group have assessed that the impact of this change has not had any impact on the amounts recognised in the Group's consolidated financial statements.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises these payments as an expense on a straight-line basis over the lease term. Currently the Group has no low value assets or short-term leases.

Covid-19 related rent concessions

IFRS 16 defines a lease modification as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The Group has considered the Covid-19 related rent concessions and applied the lease modifications accounting treatment, rather than the practical expedient.

Impairments

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

Assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset or a cash generating unit (CGU) exceeds its recoverable amount, i.e. the higher of value in use and fair value less costs to dispose of the asset, the asset is written down accordingly. The Group views each restaurant as a separate CGU. Value in use is calculated using cash flows excluding outflows from financing costs over the remaining life of the lease for the CGU discounted at 8% (2021: 6%), being the rate considered to reflect the risks associated with the CGUs. A growth rate of 2% has been applied (2021: 0.5%).

An impairment review was undertaken across the ROU assets and fixed assets which resulted in a net impairment charge of £1.6m (2021: £nil). Where an impairment reversal is recognised, the carrying amount of the asset will be increased to its recoverable amount with the increase being recognised in the income statement. This increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

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

Other income

In accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) guidelines, the Group has recognised the salary expense as normal and recognised the grant income in profit and loss as the Group becomes entitled to the grant.

Other income includes Government Coronavirus Job Retention Scheme ("CJRS") of £nil (2021: £1.9m), sub-let property income of £0.2m (2021: £0.1m) and Government Grants of £nil (2021: £1.8m).

3 Income tax

The income tax charge has been calculated by reference to the estimated effective corporation tax and deferred tax rates of 19% (2021: 19%).

Tax charge £nil (2021: £nil).

4 Earnings per share

	26 weeks to 26 June 2022 Pence	26 weeks to 27 June 2021 Pence	Restated 52 weeks ended 26 December 2021 Pence
Basic (loss)/profit per ordinary share	(1.89p)	(1.94p)	2.56p
Diluted (loss)/profit per ordinary share	(1.66p)	(1.85p)	2.27p

	26 June 2022 **Number ‘000**	27 June 2021 **Number ‘000**	26 December 2021 **Number ‘000**
Profit/(loss) per share has been calculated using the numbers shown below:			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	141,090	141,090	141,090
Adjustments for calculation of diluted earnings per share:			
Ordinary B shares	15,677	6,977	14,815
Options	3,265	-	3,265
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	160,032	148,067	159,170

	26 June 2022 **£‘000**	27 June 2021 **£‘000**	Restated 26 December 2021 **£‘000**
(Loss)/profit for the financial period	(2,664)	(2,738)	3,608

The basic and diluted (loss)/profit per share figures are calculated by dividing the net (loss)/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.

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

	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	Restated 52 weeks ended 26 December 2021 £'000
(Loss)/profit before tax	(2,664)	(2,738)	3,608
Finance income	(3)	-	-
Finance expense	30	26	59
Finance expense (IFRS 16)	1,219	1,237	2,438
Share based payment charge	31	65	120
Depreciation of right-of-use assets (IFRS 16)	1,330	1,545	2,579
Depreciation of property, plant and equipment	956	687	1,297
Amortisation of intangible assets	2	2	3
Impairment charge/(release) of property, plant and equipment	304	-	(3,207)
Impairment of Right-of-use assets	1,258	-	1,347
Profit from sale of property, plant and equipment	-	-	(3)
Dilapidations provision charge	38	-	-
Dilapidations provision utilisation	-	-	(38)
(Increase)/decrease in inventories	108	(12)	(282)
(Increase)/decrease in trade and other receivables	(1,553)	(34)	32
Increase/(decrease) in trade and other payables	(111)	1,587	(127)
Net cash inflow from operating activities	**945**	**2,365**	**7,826**

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

	Leasehold improvements	Furniture fixtures and computer equipment	Total fixed assets	ROU assets	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 27 December 2020	37,176	9,892	47,068	53,446	100,514
Additions	145	399	544	951	1,495
Lease modification	-	-	-	(830)	(830)
At 26 December 2021	**37,321**	**10,291**	**47,612**	**53,567**	**101,179**
Additions	249	267	516	-	516
Lease modification	-	-	-	1,221	1,221
At 26 June 2022	37,570	10,558	48,128	54,788	102,916
Depreciation					
At 27 December 2020	23,834	7,662	31,496	13,635	45,131
Provided for the period	743	554	1,297	3,142	4,439
Impairments	157	100	257	(257)	-
At 26 December 2021 (as previously stated)	24,734	8,316	33,050	16,520	49,570
Prior year adjustment	(2,677)	(787)	(3,464)	1,041	(2,423)
At 26 December 2021 (as restated)	22,057	7,529	29,586	17,561	47,147
Provided for the period	587	369	956	1,330	2,286
Impairments	295	9	304	1,258	1,562
At 26 June 2022	22,939	7,907	30,846	20,149	50,995
Net book value					
At 26 June 2022	14,631	2,651	17,282	34,639	51,921
At 26 December 2021 (as restated)	15,264	2,762	18,026	36,006	54,032

Prior year adjustment

The prior year adjustment relates to the treatment of depreciation on impaired assets and reversal of impairment.

The depreciation charge on ROU assets should have been reduced for the impairment to allow depreciation to run to the end of the life of the lease. In addition, when reversing an impairment that depreciation should be recognised if the amount at which the asset would have been carried (net of depreciation) had there been no impairment or the lower or the irrecoverable amount.

	52 weeks Ended 26 December (as restated)	Adjustment	52 weeks Ended 26 December (as previously stated)
	2021	2021	2021
	£'000	£'000	£'000
Cost of sales	(33,567)	563	(34,130)
Operating expenses	555	1,860	(1,305)
Highlighted items (included within Operating expenses)	1,993	1,860	133
Profit and total comprehensive income for the period	**3,608**	**2,423**	**1,185**

	At 26 December 2021 (as restated)	Adjustment	At 26 December 2021 (as previously stated)
	2021	2021	2021
	£'000	£'000	£'000
Non-current assets			
Property, plant and equipment	18,026	3,464	14,562
Right-of-use assets	36,006	(1,041)	37,047
Equity			
Retained deficit	(26,980)	2,423	(29,403)
Total equity	**4,327**	**2,423**	**1,904**

7 Leases

	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	52 weeks ended 26 December 2021 £'000
Current			
Lease liabilities	2,202	3,620	2,024
Non-current			
Lease liabilities	50,273	51,288	50,157
Total	**52,475**	**54,908**	**52,181**

Due within one year	2,202	3,620	2,024
Due two to five years	12,792	15,362	12,371
Due over five years	37,481	35,926	37,786
Total	**52,475**	**54,908**	**52,181**

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 4.5% and the Bank of England (BoE) base rate at the time of any lease modification or a new lease. The average rate used for modification in 2022 was 5.1% (2021: 4.6%).

The lease liabilities as at 26 June 2022 were £52.5m (2021: £54.9m).

The right-of-use assets all relate to property leases. The right-of-use assets as at 26 June 2022 were £34.6m (2021: £38.3m). During the period ended 26 June 2022 the Group made a provision for impairment of the right-of-use assets against a number of sites totalling £1.3m (2021: £nil).

Included in profit and loss for the period is £1.3m depreciation of right-of-use assets and £1.2m financial expenses on lease liabilities.

8 Borrowings

	26 weeks to 26 June 2022 £'000	26 weeks to 27 June 2021 £'000	52 weeks ended 26 December 2021 £'000
Current			
Secured bank borrowings	-	104	313
Non-current			
Secured bank borrowings	-	1,146	937
Total	-	1,250	1,250

The £1.25m loan was a four-year term loan which had a capital repayment holiday of 12 months and carried interest at a rate of 4.5% per annum over the Bank of England Base Rate. The outstanding loan of £1.25m was repaid in full during the period.

9 Reconciliation of financing activity

	Lease liabilities Due within 1 year £'000	Lease liabilities Due after 1 year £'000	Bank Loan Due within 1 year £'000	Bank Loan Due after 1 year £'000	Total £'000
Net debt as at 30 December 2019	1,647	55,761	800	852	59,060
Cashflow	(1,735)	-	(800)	(852)	(3,387)
Addition/(decrease) to lease liability	2,992	(3,542)	-	-	(550)
Net debt as at 27 December 2020	**2,904**	**52,219**	**-**	**-**	**55,123**
Cashflow	(3,064)	-	313	937	(1,814)
Addition/(decrease) to lease liability	2,184	(2,062)	-	-	122
Net debt as at 26 December 2021	**2,024**	**50,157**	**313**	**937**	**53,431**
Cashflow	(927)	-	(313)	(937)	(2,177)
Addition/(decrease) to lease liability	1,105	116	-	-	1,221
Net debt as at 26 June 2022	**2,202**	**50,273**	**-**	**-**	**52,475**