Tasty plc

Report and Financial Statements

52 weeks ended

28 December 2008

Tasty plc

Contents

Directors

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

Secretary and registered office

Keith Lassman, 19 Cavendish Square, London, W1A 2AW

Company number

5826464

Independent Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU

Solicitors

Howard Kennedy, 19 Cavendish Square, London, W1A 2AW

Glovers, 115 Park Street, London, W1K 7DY

Bankers

Barclays Bank plc, 1 Churchill Place, London, E14 5HP

Nominated advisors and stockbrokers

Evolution Securities Limited, 100 Wood Street, London, EC2V 7AN

Registrars

Computershare Investor Services Plc, P O Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY

I am pleased to report on the Group's results for 2008. During the year two new dim t units were successfully opened and we also launched our first "Wildwood" restaurant. The Group now has ten restaurants in operation.

Results

Revenue for the 52 weeks ended 28 December 2008 was up 47% to £8,006,000 (2007 - £5,437,000). Loss before taxation excluding pre-opening costs and non-trading items was £112,000 (2007 – loss £508,000). Pre-opening costs for the period totalled £150,000 (2007 - £279,000) and the non-trading items relate to an impairment of property of £1,062,000 (2007 - £590,000), loss on disposal and sub-let of property of £167,000 (2007 - £1,604,000) and redundancy expenses of £94,000 (2007 – nil). The overall statutory pre-tax loss after non trading items was £1,585,000 (2007 – loss £2,981,000).

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

Openings

Dim t opened in Victoria in April and Milton Keynes in May, and in September a new Wildwood opened in Gerrards Cross.

Impairment

Due to the performance of Tunbridge Wells, the Board decided to sub-let this unit in December 2008 resulting in a £102,000 impairment. Furthermore, due to the prevailing economic conditions the Board has taken a prudent view and has written down the value of some of its assets in line with general economic forecasts which has resulted in a total impairment charge for the period of £1,164,000 (2007 - £590,000).

Cash flows

Net cash out flow for the period before financing was £2,660,000 (2007 - £5,415,000). This is largely represented by capital expenditure on the expansion of business. During the period £1,883,000 (2007 - £5,018,000) was raised from a share issue. Net cash and cash equivalents held at the end of the year were £2,602,000 (2007 - £3,379,000).

Review of the business

2008 has proved to be a year of consolidation. In the earlier part of the year the Group took the opportunity to reduce its overhead costs. Along with the expansion of dim t we have converted an old country pub into a rustic pizza, pasta and grill restaurant under the Wildwood brand. This concept has proved particularly popular with our customers, and the Group sees this as an area of particular growth, especially outside London.

Contracts have been exchanged for a further unit in Hornchurch which will open in the summer. Our Maidstone unit was re-branded into a Wildwood branch in March which opened earlier this month.

Management have continued to focus on food and labour margins throughout the year and these continue to be kept under constant review.

Staff

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

Current Trading

Since the year end trading has been in line with expectations and revenue has responded well to promotional marketing and offers without having a significant adverse effect on margins.

AGM

The Company's annual general meeting will take place on 22 May 2009, and the notice of the AGM is set out at the end of this document. Shareholders are asked to complete and return the proxy form relating to the AGM whether or not they intend to attend.

……………………………………
Keith Lassman
Chairman

7 April 2009

The directors present their report together with the audited financial statements for the 52 weeks ended 28 December 2008.

Results and dividends

The consolidated income statement is set out on page 9 and shows the loss for the period.

The directors do not recommend the payment of a dividend (2007 - £nil).

Principal activities, trading review and future developments

The Group's principal activity is the operation of restaurants. During the period the Group opened 3 new restaurants.

For the 52 weeks ended 28 December 2008 sales rose 47% to £8,006,000 (2007 - £5,437,000). The loss for the period before costs of £110,000, £94,000 and £150,000 in respect of share option charges, redundancy charges and pre-opening costs (2007 - £23,000, £nil and £279,000) respectively and also losses of £1,229,000 (2007 – £2,194,000) on the disposal and impairment of property and equipment was £2,000 (2007 – loss £485,000).

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, people numbers and overheads compared to budget and the prior 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 as a significant factor.

A further review of the business is included in the Chairman's Statement on page 2.

Directors

The directors of the Group during the period were as follows

Executive
Jonny Plant
Samuel Kaye
Julia Fleet (resigned 30 June 2008)

Non-Executive
Keith Lassman
Adam Kaye

Executive share option scheme

2006	Date of grant	Number of shares	Exercise price per share	Exercisable between
Jonny Plant	26 June 2006	388,402	£0.18	June 2006 – June 2016
Keith Lassman	27 June 2006	19,230	£0.52	June 2008 – June 2016
		407,632		
2007				
Julia Fleet	23 November 2007	500,000	£0.875	November 2007 – November 2017
		907,632		

No share options were exercised during the period. Julia Fleet's share options lapsed during 2008 on her leaving the company.

Directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report which complies with the requirements of the Companies Act 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the Group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The directors have chosen to prepare financial statements for the Company in accordance with IFRSs

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements of AIM listed companies, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein

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 was 46 days (2007 - 65 days). The Company has no suppliers.

Donations

The Group made no charitable or political donations in the period (2007 – none).

Financial Instruments

Details of the use of financial instruments and the principal risks faced by the Group are contained in note 3 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 Stoy Hayward 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

D J Plant

Director

7 April 2009

Independent auditors' report to the shareholders of Tasty plc

We have audited the Group and parent Company financial statements (the "financial statements") of Tasty plc for the 52 weeks ended 28 December 2008 which comprise the consolidated income statement, the consolidated and Company balance sheets, the consolidated and Company cash flow statements, the consolidated and Company statements of changes in equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained within the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report and the chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditor's report to the shareholders of Tasty Plc (continued)

Opinion

In our opinion:

- the Group's financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 28 December 2008 and of its loss for the 52 weeks then ended;
- the parent Company's financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company's affairs as at 28 December 2008;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

London

7 April 2009

Consolidated Income statement for the 52 weeks ended 28 December 2008

	Note	2008 £'000	2007 £'000
Revenue	4	8,006	5,437
Cost of sales		(7,717)	(5,531)
Gross profit/(loss)		289	(94)
Administrative costs		(1,983)	(1,434)
Other operating expenses		-	(1,604)
Operating loss excluding pre-opening costs and non trading items		(221)	(659)
Pre-opening costs		(150)	(279)
Disposal and impairment of property, plant and equipment	10	(1,229)	(2,194)
Redundancy expenses	10	(94)	-
Operating loss	5	(1,694)	(3,132)
Finance income	6	109	151
Loss before taxation		(1,585)	(2,981)
Income tax credit	11	6	134
Loss for the period – attributable to equity shareholders		(1,579)	(2,847)
Loss per ordinary share			
Basic and diluted	12	(4.80p)	(10.20p)

The notes on pages 17 to 39 form part of these financial statements.

Consolidated statement of changes in equity as at 28 December 2008

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 1 January 2007	2,601	3,732	992	(525)	6,800
Changes in equity for 2007					
Loss for the period	-		-	(2,847)	(2,847)
Total recognised income and expense for the period	-	-	-	(2,847)	(2,847)
Issue of share capital (net of £169,000 issue costs)	516	4,502	-	-	5,018
Share based payments - credit to equity	-	-	-	23	23
Balance at 30 December 2007	3,117	8,234	992	(3,349)	8,994
Changes in equity for 2008					
Loss for the period	-	-	-	(1,579)	(1,579)
Total recognised income and expense for the period	-	-	-	(1,579)	(1,579)
Issue of share capital (net of £117,000 issue costs)	667	1,216	-	-	1,883
Share based payments - credit to equity	-	-	-	110	110
Balance at 28 December 2008	3,784	9,450	992	(4,818)	9,408

The notes on pages 17 to 39 form part of these financial statements.

Tasty plc

Company statement of changes in equity as at 28 December 2008

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
Balance at 1 January 2007	2,601	3,732	(60)	6,273
Changes in equity for 2007				
Loss for the period	-	-	(103)	(103)
Total recognised income and expense for the period	-	-	(103)	(103)
Issue of share capital (net of £169,000 issue costs)	516	4,502	-	5,018
Share based payments - credit to equity	-	-	23	23
Balance at 30 December 2007	3,117	8,234	(140)	11,211
Changes in equity for 2008				
Loss for the period	-	-	(133)	(133)
Total recognised income and expense for the period	-	-	(133)	(133)
Issue of share capital (net of £117,000 issue costs)	667	1,216	-	1,883
Share based payments - credit to equity	-	-	110	110
Balance at 28 December 2008	3,784	9,450	(163)	13,071

The notes on pages 17 to 39 form part of these financial statements.

Tasty plc

Consolidated balance sheet at 28 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Assets					
Non-current assets					
Intangible assets	14	14		10	
Property, plant and equipment	15	6,861		5,230	
Pre-paid operating lease charges	16	767		1,103	
Deferred tax asset	21	250		250	
Other receivables	19	241		196	
Total non-current assets			8,133		6,789
Current assets					
Inventories	18	313		172	
Trade and other receivables	19	505		503	
Pre-paid operating lease charges	16	34		48	
Cash and cash equivalents		2,602		3,379	
Total current assets			3,454		4,102
Total assets			11,587		10,891
Liabilities					
Non-current liabilities					
Accrual for lease incentives		239		219	
Total non-current liabilities			239		219
Current liabilities					
Trade and other payables	20	1,940		1,678	
Total current liabilities			1,940		1,678
Total liabilities			2,179		1,897
TOTAL NET ASSETS			9,408		8,994
Capital and reserves attributable to equity holders of the parent					
Share capital	22		3,784		3,117
Share premium reserve	23		9,450		8,234
Retained deficit	23		(4,818)		(3,349)
Merger reserve	23		992		992
TOTAL EQUITY			9,408		8,994

The financial statements were approved by the Board of Directors and authorised for issue on 7 April 2009.

D J Plant

The notes on pages 17 to 39 form part of these financial statements.

Tasty plc

Company balance sheet at 28 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Assets					
Non-current assets					
Deferred tax asset	21	-		-	
Investments	17	2,052		1,942	
Other receivables	19	10,000		7,000	
Total non-current assets			12,052		8,942
Current assets					
Trade and other receivables	19	1,019		2,269	
Total current assets			1,019		2,269
Total assets less current liabilities			13,071		11,211
TOTAL NET ASSETS			13,071		11,211
Capital and reserves attributable to equity holders of the parent					
Share capital	22		3,784		3,117
Share premium reserve	23		9,450		8,234
Retained deficit	23		(163)		(140)
TOTAL EQUITY			13,071		11,211

The financial statements were approved by the Board of Directors and authorised for issue on 7 April 2009.

D J Plant

The notes on pages 17 to 39 form part of these financial statements.

Tasty plc

Consolidated cash flow statement for the 52 weeks ended 28 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Cash flows from operating activities					
Loss for the period before taxation		(1,585)		(2,981)	
Adjustments for:					
Depreciation		386		309	
Amortisation		2		1	
Impairment losses		1,164		590	
Loss on sale of property, plant and equipment		-		1,604	
Equity settled share-based payment expense		110		23	
Finance income		(109)		(151)	
Cash flows from operating activities before changes in working capital		(32)		(605)	
Increase in trade and other receivables		(279)		(1,128)	
Increase in inventories		(141)		(90)	
Increase in trade and other payables		462		696	
Cash generated from operations			10		(1,127)
Income tax received			6		-
Net cash flows from operating activities carried forward			16		(1,127)

The notes on pages 17 to 39 form part of these financial statements.

Consolidated cash flow statement for the 52 weeks ended 28 December 2008 *(Continued)*

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Cash flows from operating activities brought forward			16		(1,127)
Investing activities					
Purchases of property, plant and equipment		(2,779)		(4,535)	
Purchase of intangible assets		(6)		(4)	
Sale of property, plant and equipment		-		100	
Interest received		109		151	
Net cash outflow from investing activities			(2,676)		(4,288)
Financing activities					
Issue of ordinary shares (net of issue costs of £117,000 – 2007 - £169,000)		1,883		5,018	
Net cash from financing activities			1,883		5,018
Net decrease in cash and cash equivalents			(777)		(397)
Cash and cash equivalents at beginning of period			3,379		3,776
Cash and cash equivalents at end of period	29		2,602		3,379

The notes on pages 17 to 39 form part of these financial statements.

Company cash flow statement for the 52 weeks ended 28 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Cash flows from operating activities					
Loss for the period before taxation		(133)		(75)	
Adjustments for:					
Equity settled share-based payment expense		110		23	
Cash flows from operating activities before changes in working capital		(23)		(52)	
Increase in trade and other receivables		(1,906)		(4,966)	
Net cash flows from operating activities			(1,883)		(5,018)
Financing activities					
Issue of ordinary shares (net of issue costs of £117,000 – 2007 £169,000)		1,883		5,018	
Net cash from financing activities			1,883		5,018
Net increase/(decrease) in cash and cash equivalents			**-**		**-**
Cash and cash equivalents at beginning of period			-		-
Cash and cash equivalents at end of period			**-**		**-**

The notes on pages 17 to 39 form part of these financial statements.

1 Accounting policies

Basis of preparation

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").

The financial statements are presented in sterling, rounded to the nearest thousand. They are prepared under the historical cost basis.

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

- *IFRIC 11 IFRS 2– Group and treasury share transactions* (effective for annual periods beginning on or after 1 March 2007). IFRIC 11 has been endorsed for use in the EU.

- *IFRIC 12 – Service concession arrangements* (effective for annual periods beginning on or after 1 January 2008). IFRIC 12 was due to be applied in these financial statements but it has not yet been endorsed for use in the EU. However, it has no impact on these financial statements.

- *IFRIC 14– The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction* (effective for annual periods beginning on or after 1 January 2008). IFRIC 14 has been endorsed for use in the EU.

The following standards and interpretations, issued by the IASB or IFRIC, have not been adopted by the Group as these were not effective for the year 2008. The Group is currently assessing the impact these standards and interpretations will have on the presentation of its consolidated results in future periods:

- *IAS 1 (Amendment) – Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2009) - IAS 1 has been endorsed for use in the EU.

- *IFRIC 13 – Customer Loyalty Programmes* (effective for annual periods beginning on or after 1 July 2008). IFRIC 13 has been endorsed for use in the EU.

- *IAS 23 (Amendment) – Borrowing costs* (effective for annual periods beginning on or after 1 January 2009). IAS 23 has been endorsed for use in the EU.

- *IAS 27 (Amendment) – Consolidated and separate financial statements* (effective for periods beginning on or after 1 July 2009). IAS 27 has not been endorsed for use in the EU.

- *IFRS 2 (Amendment) – Vesting conditions and cancellations* (effective for accounting periods beginning on or after 1 January 2009). IFRS 2 (Amendment) has not yet been endorsed for use in the EU.

- *IFRS 3 (Revised) – Business combinations* (effective for accounting periods beginning on or after 1 January 2009). IFRS 3 (Revised) has not yet been endorsed for use in the EU.

- *IFRS 8 – Operating segments* (effective for annual periods beginning on or after 1 January 2009) contains requirements for the disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. The standard is concerned only with disclosure and replaces IAS 14 – Segment reporting. IFRS 8 has been endorsed for use in the EU.

Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations arising on Liquidation (effective for accounting periods beginning on or after 1 January 2009). These amendments have not been endorsed for use in the EU.

- *IFRS1 (revised) – First time adoption of IFRS* (effective for accounting periods beginning on or after 1 July 2009). IFRS1 (revised) has not yet been endorsed for use in the EU.

1 Accounting policies *(continued)*

- *IFRIC15 – Agreements for the Construction of Real Estate* (effective for accounting periods beginning on or after 1 January 2009). IFRIC15 has not yet been endorsed for use in the EU.

- *IFRIC16 – Hedges of a net investment in a foreign operation* (effective for accounting periods beginning on or after 1 October 2008). IFRIC16 has not yet been endorsed for use in the EU.

- *IFRIC17 – Distributions of non-cash assets to owners* (effective for accounting periods beginning on or after 1 July 2009). IFRIC17 has not yet been endorsed for use in the EU.

- *IFRIC 18 – Transfer of Assets from Customers* (effective for accounting periods beginning on or after 1 July 2009). IFRIC18 has not yet been endorsed for use in the EU

- *IAS39 (amended) – Financial Instruments: Recognition and Measurement: Eligible Hedged Items* (effective for accounting periods beginning on or after 1 July 2009) IAS39 (amended) has not yet been endorsed for use in the EU.

- *IAS39 (amended) – Reclassification of financial assets: effective date and transition* (effective for accounting periods beginning on or after 1 July 2009). IAS39 (amended) has not yet been endorsed for use in the EU.

- *IFRS1 First Time Adoption of IFRS and IAS27 Consolidated and Separate Financial Statements (amended)* effective for accounting periods beginning on or after 1 January 2009. This amendment has not yet been endorsed for use in the EU.

- *IAS39 Financial Instruments: Recognition and Measurement and IFRS7 Financial Instruments: Disclosures (amended)* (effective for periods beginning on or after 1 July 2008). This amendment has not been adopted for use in the EU.

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 S230 of the Companies Act 1985 not to publish its own income statement. The accounting period of the subsidiary is co-terminous with that of the parent undertaking. The company made a loss for the period of £133,000 (2007 - 103,000)

The merger method of accounting is 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 consolidated accounts.

In the Group accounts the subsidiary undertaking is treated as if it had always been a member of the Group. Therefore the consolidated results for 2006 comprise the results of Took Us A Long Time Limited for the 52 weeks together with the results of Tasty plc. The assets and liabilities of Took Us A Long Time Limited are consolidated at book value. There is no material difference between book value and fair value.

Revenue

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

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.

1 Accounting policies *(continued)*

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.

Share based payments

The Group has applied the requirements of IFRS 2 Share-based payment. In accordance with the transitional provisions, the standard has been applied to all grants of equity instruments after 7 November 2002 that were unvested as at 1 January 2006. 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.

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.

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

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 tangible fixed assets. No depreciation is provided on restaurants under construction until the asset is brought into use.

The need for any fixed asset impairment is assessed annually by comparison of the carrying value of the asset against the higher of the value in use and net realisable value.

1 Accounting policies *(continued)*

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 income statement, except to the extent they reverse gains previously recognised in the consolidated statement of recognised income and expense.

Financial assets

The Group classifies its financial assets depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as fair value through profit or loss, available for sale or as held to maturity.

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 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 includes cash in hand and deposits held with banks.

Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the asset was acquired. The Group has not classified any of its financial liabilities as fair value through profit or loss.

Other 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.

Inventories

Inventories are initially recognised at cost, and subsequently 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.

1 Accounting policies *(continued)*

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.

Lease incentives, 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.

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 Income Statement, 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.

Share capital

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

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.

Operating profit

Operating profit is stated after all expenses, including the profit or loss on disposal of property, plant and equipment, which are considered to be non-trading items, 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 assumptions regarding the future. 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.

Estimates and assumptions

- Share based payment

  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 binomial 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 and number of options expected to vest. More details including carrying values are disclosed in note 27.

- Utility costs at restaurants

  In some cases utility costs at restaurants are estimated where invoices from utility providers have not yet been properly issued. Any such estimates are based on utility invoices received in other comparable restaurants.

- 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.

- Impairment reviews

  In carrying out an annual 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. Details of the impairment charge made in the financial statements are provided in note 10.

3 Financial instruments – Risk Management

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.

3 Financial instruments – Risk Management (*continued)*

Principal financial instruments

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

- 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 credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

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

Surplus funds are invested in fixed short term deposit accounts. At period end the amount held in fixed deposit accounts was £2,200,000 (2007 - £1,700,000). The weighted average interest rate of the short term deposits utilised was 5.1% (2007 - 4.6% and the average amount of time for which interest rates are fixed on short term deposits was 17 days (2007 - 30 days). The maturity date of the amounts held on deposit at the period end was 5 and 19 January 2009. A 1% movement in market interest rates would have given rise to a change in interest received and, therefore profits, of less than £21,000 in either the current or £50,000 in the prior period.

3 Financial instruments – Risk Management (*continued)*

Capital disclosures

The Group considers its capital to comprise the ordinary share capital, share premium, share option reserve 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.

4 Revenue

Revenue is wholly attributable to the principal activity of the Group and arises solely in the United Kingdom.

5 Operating loss from operations

Group	**2008 £'000**	**2007 £'000**
This has been arrived at after charging		
Staff costs (see note 7)	3,273	2,220
Operating lease rentals	1,078	797
Amortisation of intangible fixed assets	2	1
Depreciation	386	309
Loss on disposal of fixed assets	-	1,604
Impairment of property plant and equipment	1,164	590
Share based payments	110	23
Pre-opening costs	150	279
Redundancy expenses	159	-
Auditors' remuneration		
Audit fee		
- Audit of parent Company	7	7
- Audit of Group financial statements	8	8
- Audit of subsidiary undertaking	15	15
Other services		
- Taxation services	5	7
- Others	6	-

6 Finance income

	2008 £'000	**2007 £'000**
Bank interest receivable	109	151

7 Staff costs

Staff costs for all employees, including directors, consist of

	2008 £'000	2007 £'000
Wages and salaries	3,072	2,035
Social security costs	178	183
Other pension costs	23	2
Equity settled share based payment expense (note 27)	110	23
	3,383	2,243

The average number of persons, including executive directors, employed by the Group during the period was 235, of which 225 were restaurant staff and 10 were administration staff, (2007 – 159 of which 151 were restaurant staff and 8 were administration staff). No staff are employed by the Company.

Of the total staff costs £2,748,000 was classified as cost of sales (2007 - £1,855,000) and £635,000 as administrative expenses (2007 - £388,000).

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 1.

	2008 £'000	2007 £'000
Remuneration		
Emoluments	127	118
Redundancy	47	-
Contributions to money purchase pension schemes	4	1
Share based payment expense	110	23
Total emoluments	288	142

No wages are paid by the Company.

The emoluments of the highest paid director are as follows:

	2008 £'000	2007 £'000
Emoluments	75	70
Total emoluments	75	70

During the period, one director (2007 - one) accrued benefits under money purchase pension schemes.

Company

The Company had no employees during the period except for the five directors. No emoluments were paid by the Company.

9 Segment information

The Group operates in one business and geographical segment, being the UK restaurant market.

10 Non-trading items

	2008	2007
	£'000	£'000
Loss on sale or sublet of property, plant and equipment	**167**	1,604
Provision for impairment	**1,062**	590
Redundancy payments	**94**	-
	1,323	2,194

During the year, the interest in one leasehold property was sublet for net costs of £65,000, and with £80,000 written off lease premiums and £22,000 impairing property, plant and equipment on the sublet. (2007 – one sale for net proceeds of £100,000). In 2007 the overall loss on disposal from the transaction was £1,604,000. There were no disposals in the current year. All of the above have been charged to administrative costs except for the loss on disposal in the prior year which was charged to other operating expenses.

The Group has carried out an annual impairment review of the carrying values of plant, property and equipment, taking into account the current trading performance and anticipated future cashflows from individual cash generating units in accordance with IAS 36 Impairment of Assets. Impaired assets are carried at their recoverable amount which is the higher of fair value less costs to sell or their economic use in the business. The Group has identified certain sites where recent and anticipated performance in light of the economic downturn indicate they may have a value in use to the business below carrying value. The value in use to the business has been valued by discounting expected future pre-tax cashflows at 17%. The Group has also impaired assets to net realisable value where these are expected to be replaced on rebranding. As a result the Group's assets have been subjected to an impairment charge of £1,062,000 (2007 – £590,000) to write them down to what is deemed to be their recoverable amount, of which £512,000 represents lease premiums paid. Under IFRS lease premiums are normally treated as prepaid rent and expensed in the income statement over the period of the lease.

11 Tax on profit on ordinary activities

(a) Analysis of charge for the period

	2008 £'000	2007 £'000
Current tax		
UK corporation tax on profits of the period	-	-
Adjustment in respect of prior period	(6)	-
Current tax charge for period	(6)	-
Deferred tax		
Adjustment in respect of prior period	-	-
Origination and reversal of temporary differences (note 21)	-	(134)
Total deferred tax	-	(134)
Total income tax credit	(6)	(134)

(b) Factors affecting tax charge for the period

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

	2008 £'000	2007 £'000
Loss on ordinary activities before tax	(1,585)	(2,981)
Loss on ordinary activities multiplied by average standard rate of corporation tax in the UK of 20.75% (2007 – 20%)	(329)	(894)
Effects of:		
Expenses not deductible for tax purposes	214	396
Effects of changes in enacted tax rates and small companies rate	-	59
Increase in unprovided tax losses carried forward	115	305
Adjustment in respect of prior period	(6)	-
Total tax credit (see (a) above)	(6)	(134)

12 Loss per ordinary share (EPS)

Numerator	**2008 £'000**	**2007 £'000**
Loss for the period	(1,579)	(2,847)

Denominator

	Number '000	**Number '000**
Weighted average number of ordinary shares (basic and diluted eps)	32,892	27,911
Basic loss per ordinary share (pence)	(4.80p)	(10.20p)
Diluted loss per ordinary share (pence)	(4.80p)	(10.20p)

Basic and diluted earnings per share are the same as there is no dilution. The 2,162,000 (2007 – 2,087,000) unexercised share options have not been included in the calculation of the loss per share as they are anti-dilutive.

Options are only taken into account when their effect is to reduce basic earnings per share or increase basic loss per share. Since the Group has made a loss in the current and prior period the effect of taking into account potential ordinary shares would be to reduce the basic loss per share. Share options have therefore been excluded in the calculation of diluted EPS.

13 Dividend

No final dividend has been proposed by the directors (2007 – nil).

14 Intangible assets

Group	Trademarks **£'000**
Cost	
At 1 January 2007	8
Additions	4
At 30 December 2007	12
Amortisation	
At 1 January 2007	1
Charge for period	1
At 28 December 2007	2
Net book values	
At 30 December 2007	10
At 1 January 2007	7
Cost	
At 30 December 2007	12
Additions	6
At 28 December 2008	18
Amortisation	
At 30 December 2007	2
Charge for period	2
At 28 December 2008	4
Net book values	
At 28 December 2008	14

Company

The Company has no intangible assets.

15 Property, plant and equipment

Group	**Short term leasehold and leasehold improvements £'000**	**Furniture, fixtures and computer equipment £'000**	**Assets in the course of construction £'000**	**Total £'000**
Cost				
At 1 January 2007	1,751	1,376	318	3,445
Additions	3,472	769	294	4,535
Disposals	(1,020)	(813)	-	(1,833)
Transfers	277	-	(277)	-
At 30 December 2007	4,480	1,332	335	6,147
Depreciation				
At 1 January 2007	95	157	-	252
Charge for period	129	180	-	309
Disposals	(69)	(165)	-	(234)
Impairment	373	217	-	590
At 30 December 2007	528	389	-	917
Net book values				
At 30 December 2007	3,952	943	335	5,230
At 1 January 2007	1,656	1,219	318	3,193
Cost				
At 30 December 2007	4,480	1,332	335	6,147
Additions	1,888	678	24	2,590
Disposals	-	-	-	-
Transfers	320	-	(320)	-
At 28 December 2008	6,688	2,010	39	8,737
Depreciation				
At 30 December 2007	528	389	-	917
Charge for period	226	161	-	387
Disposals	-	-	-	-
Impairment	553	19	-	572
At 28 December 2008	1,307	569	-	1,876
Net book values				
At 28 December 2008	5,381	1,441	39	6,861

Company

The Company has no property, plant and equipment

16 Pre-paid operating lease charges

Group	2008 £'000	2007 £'000
Held within current assets	34	48
Held within non-current assets	767	1,103
	801	1,151

Pre-paid operating lease charges represent lease premiums paid for the acquisition of prime sites. These are amortised over the length of the lease.

Company

The Company does not hold any pre-paid operating leases.

17 Investments

	£'000
Company	
Subsidiary undertaking	
At 30 December 2007	1,942
Share based payments in respect of subsidiary	110
At 28 December 2008	2,052

The Company has investments in the following subsidiary undertaking:

Name	Country of incorporation	Principal activity	Holding	%
Took Us A Long Time Limited	England	Operation of Restaurants	Ordinary	100

18 Inventories

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Raw materials and consumables	162	-	77	-
Crockery and utensils	151	-	95	-
	313	-	172	-

The inventory recognised as an expense in the period is £2,059,000 (2007 - £1,578,000)

19 Trade and other receivables

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Amounts due from subsidiary	-	11,019	-	9,269
Trade receivables	114	-	200	-
Other receivables	632	-	499	-
Total trade and other receivables	746	11,019	699	9,269
Less: non-current portion	(241)	(10,000)	(196)	(7,000)
Current portion	505	1,019	503	2,269

The ageing analysis of trade receivables is as follows:-

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Up to 3 months	114	-	200	-
	114	-	200	-

None of the receivables are past due (2007 – Nil). Non current receivables have no fixed repayment date but are not expected to be recovered within 12 months. In the directors opinion there is no material difference between the book value and the fair value of any of the loans and receivables.

20 Trade and other payables

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Trade payables	859	-	1,033	-
Taxation and social security	259	-	71	-
Accruals and deferred income	822	-	574	-
	1,940	-	1,678	-

Maturity analysis of financial liabilities, measured at amortised cost which excludes taxation and social security, is as follows:-

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
Up to 3 months	1,681	-	1,607	-
	1,681	-	1,607	-

In the directors opinion there is no material difference between the book value and the fair value of any of the financial liabilities classified at amortised cost.

21 Deferred tax

Deferred tax is calculated on temporary differences under the balance sheet liability method using a tax rate of 21% (2007 – 20%).

The movement on the deferred tax account is as shown below:

	Group 2008 £'000	Company 2008 £'000	Group 2007 £'000	Company 2007 £'000
At 30 December	250	-	116	28
Profit and loss credit/(charge) (note 11)	-	-	134	(28)
At 28 December	250	-	250	-
Accelerated capital allowances	(234)	-	(130)	-
Short term timing differences	-	-	-	-
Tax losses carried forward	484	-	380	-
	250	-	250	-

Deferred tax assets have been recognised in respect of all such tax losses and other temporary differences giving rise to deferred tax assets where the directors believe it is probable that these assets will be recovered against future taxable profits of the Group.

In addition to the above the Group had tax losses of approximately £1.5 million as at 28 December 2008 (30 December 2007: £1.1 million), which are available to carry forward against future taxable profits. The deferred tax asset arises from trading losses (£2.4 million; 2007: £1.9 million) net of accelerated capital allowances (£1.2 million; 2007: £0.7 million). Tax values of the losses and capital allowances available to the group have been impacted by the change of the corporation tax rate from 20% to 21% for future periods.

22 Share capital

	Authorised			
	2008 Number	**2007 Number**	**2008 £'000**	**2007 £'000**
Ordinary shares of 10p each	50,000,000	50,000,000	5,000	5,000

	Allotted, called up and fully paid			
	2008 Number	**2007 Number**	**2008 £**	**2006 £**
Ordinary shares of 10p each	37,836,614	31,169,948	3,784	3,117

All shares carry the same voting rights.

Movements in share capital

	Number	**£'000**
At 1 January 2007	26,011,900	2,601
Issue of new ordinary shares	5,158,048	516
At 30 December 2007	31,169,948	3,117
At 30 December 2007	31,169,948	3,117
Issue of new ordinary shares	6,666,666	667
At 28 December 2008	37,836,614	3,784

During the period the Company raised £1,882,500 by issuing new shares. The purpose of this share issue was in order to provide working capital and to fund the further expansion of the business. The shares were issued in a single tranche as follows

Date	**Number**	**Nominal value**	**Price per share**	**Issue costs**	**Funds raised**
24 September	6,666,666	10p	£0.30	£117,500	£1,882,500

23 Reserves

Group	Share capital £'000	Share premium account £'000	Retained deficit £'000	Merger reserve £'000	Total equity £'000
At 1 January 2007	2,601	3,732	(525)	992	6,800
Issue of ordinary shares	516	4,671	-	-	5,187
Share issue costs	-	(169)	-	-	(169)
Loss for the period	-	-	(2,847)	-	(2,847)
Share based payment charge	-	-	23	-	23
At 30 December 2007	3,117	8,234	(3,349)	992	8,994
Issue of ordinary shares	667	1,333	-	-	2,000
Share issue costs	-	(117)	-	-	(117)
Loss for the period	-	-	(1,579)	-	(1,579)
Share based payment charge	-	-	110	-	110
At 28 December 2008	3,784	9,450	(4,818)	992	9,408

23 Reserves *(continued)*

Company	**Share capital £'000**	**Share premium account £'000**	**Retained deficit £'000**	**Total equity £'000**
At 1 January 2007	2,601	3,732	(60)	1,942
Issue of ordinary shares	516	4,671	-	4,750
Share issue costs	-	(169)	-	(359)
Loss for the period	-	-	(103)	(103)
Share based payment charge	-	-	23	23
At 30 December 2007	3,117	8,234	(140)	11,211
Issue of ordinary shares	667	1,333	-	2,000
Share issue costs	-	(117)	-	(117)
Loss for the period	-	-	(133)	(133)
Share based payment charge	-	-	110	110
At 28 December 2008	3,784	9,450	(163)	13,071

The following describes the nature and purpose of each reserve within owners' equity.

Reserve	**Description and purpose**
Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained deficit	Cumulative net gains and losses recognised in the income statement.
Merger reserve	Difference between the nominal value of shares issued and the nominal value of shares acquired on merger.

24 Capital commitments

	Group 2008 £'000	Company 2008 £'000	Group 2007	Company 2007
Capital commitments contracted for but not provided for in the financial statements	-	-	951	-

Capital commitments relate to committed expenditure in respect of restaurants under construction.

25 Operating lease commitments

At the period end the total future value of minimum lease payments under non-cancellable operating leases are due as follows:

	Land and buildings		Land and buildings	
	Group 2008 £'000	Company 2008 £'000	Group 2007	Company 2007
Operating leases which expire:				
Within 1 period	1,116	-	903	-
Within 2 to 5 periods	4,463	-	3,629	-
After 5 periods	18,212	-	15,750	-
	23,791	-	20,282	-

Leases for land and buildings are subject to rent reviews.

26 Pensions

The Group makes contributions to the personal pension plan of one former director. The total amount paid during the period was £4,000 (2007 - £1,000).

27 Share based payment

The Company believes that share ownership by directors and key staff strengthens the link between their personal interests and those of the shareholders. It therefore operates an approved share option scheme under which options have been granted. These share options are granted to assist in the incentivisation and recruitment of key staff.

	2008 Weighted average exercise price (pence)	**2008 Number**	**2007 Weighted average exercise price (pence)**	**2007 Number**
Outstanding at the beginning of the period	60.5	2,087	35.0	1,072
Granted during the period	31.5	895	87.5	1,015
Cancelled during the period	87.5	(320)	-	-
Lapsed during the period	87.5	(500)	-	-
Outstanding at the end of the period	60.5	2,162	60.5	2,087

The exercise price of options outstanding at the end of the period ranged between 18p and 87.5p (2007 -18p and 87.5p) and their weighted average remaining contractual life was 10 years (2007 - 10 years).

Of the total number of options outstanding at the end of period, £739,935 (2007 – £739,935) had vested and were exercisable at the end of the period.

No options were exercised during the current period.

The weighted average fair value of each option granted during the period was 13p (2007 – 37.8p).

On 8 December 2008, 320,000 new options were granted at 31.5p conditional on the surrender of an identical number of options which were issued at 87.5p on 23 November 2007. In addition, a further 575,000 new options were issued at 31.5p.

27 Share based payment *(continued)*

The following information is relevant in the determination of the fair value of options granted during the period under the equity settled share based remuneration schemes operated by the Company.

	2008	2007
Equity-settled		
Option pricing model used	Binomial	Binomial
Weighted average share price at grant date (pence)	31.5	87.5
Exercise price (pence)	31.5	87.5
Weighted average contractual life (days)	1,095	1,095
Expected volatility	68%	31%
Expected dividend growth rate	0%	0%
Risk-free interest rate	3.8%	4.5%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three periods.

The equity settled charge for share based payments in the period comprises

	2008 £'000	2007 £'000
Share based payment charge for the period	110	23
	110	23

28 Related party transactions

During the period leasehold premiums of £275,000 (2007 - £Nil) and rent of £219,000 (2007 - £8,000) were paid to Kropifko Properties Limited, a company in which A Kaye and S Kaye, are directors. In addition, rents of £285,000 (2007 - £388,000) and leasehold premiums of £Nil (2007 - £98,000) were paid to KLP, a limited partnership in which A Kaye and S Kaye are members. All premiums and rents were paid at a commercial rate. No rent remains outstanding at the period end (2007 – nil).

29 Notes supporting the cash flow statement

Cash and cash equivalents for the purposes of the cash flow statement comprise:

	2008 £'000	2007 £'000
Cash available on demand	402	1,679
Short-term deposits	2,200	1,700
	2,602	3,379

NOTICE OF ANNUAL GENERAL MEETING
TASTY PLC
(Registered in England and Wales with no. 5826464)

Notice is hereby given that the 2009 Annual General Meeting of Tasty plc will be held at dim t, 2a More London Place, Tooley Street, London SE1 2JP on 22 May 2009 at 10.00 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 28 December 2008, 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, Adam Kaye, who retires in accordance with the Company's articles of association, be re-elected as a director.

4 THAT, BDO Stoy Hayward 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 resolutions 5 and 6 will be proposed as ordinary resolutions and resolutions 7 and 8 as special resolutions:

5 THAT, the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,216,338 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 relevant securities to be allotted after such expiry and the directors may allot relevant securities 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.

6. THAT, the Company is generally and unconditionally authorised to use electronic means to convey information to its shareholders, including, but not limited to, sending and supplying documents or information to its shareholders by making them available on a website.

7 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 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash pursuant to the authority conferred by resolution 6 above as if section 89(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 30 per cent. of the issued share capital of the Company as at the date of the passing of this resolution;

(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.

8 THAT, the articles of association produced to the meeting and initialled by the Chairman for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

By order of the Board

K Lassman
Secretary
Date 7 April 2009

Registered Office: 19 Cavendish Square, London W1A 2AW

Notes:

(i) A Member entitled to attend and vote at the Meeting convened by this Notice is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote in his or her stead. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. To appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ or on telephone number 0870 707 1580. A proxy need not be a member of the Company.

(ii) In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy but the vote of the first names on the register of members will be accepted to the exclusion of other joint holders.

(iii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 10.00 a.m. on 20 May 2009 at the offices of the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

(iv) 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 at the close of business on the day which is two days before the day of the Annual General Meeting (or any adjourned meeting) shall be entitled to attend and vote at the Annual General Meeting in respect of the number of such shares registered in their name at the relevant time. Changes to entries on the register of members after that time shall be disregarded in determining the right of any person to attend and vote at the meeting.

(v) The service contracts and letters of appointment of the directors of the Company are available for inspection by any person at the registered office of the Company on each business day during normal business hours and will be available on the day of the Annual General Meeting, at the place of such Meeting, from at least 15 minutes prior to such Meeting until its conclusion.

Additional Information relating to the AGM

Resolution 6

This is an ordinary resolution to permit the Company to make use of a new regime relating to electronic communications with its shareholders which came into effect as a result of the Companies Act 2006 and by amendments to the Disclosure Rules and Transparency Rules of the Financial Services Authority. If this resolution is approved, the Company intends to write to its shareholders as to whether they wish to receive documents or other information from the Company in hard copy or electronically.

Such consultation will require shareholders to elect either to receive future documents or information in hard copy or to receive them by electronic means. If a shareholder does not respond to the consultation within 28 days, such shareholder will be deemed to have elected to receive future documents and information from the Company by electronic means. However, shareholders who have made an election or a deemed election to receive documents or information from the Company by electronic means will still be able to notify the Company at any time that they wish to receive documents or information in hard copy. Shareholders who elect or who are deemed to have elected to receive future documents or information by electronic means, and who have registered their e-mail address with the Company's registrars, will then receive an e-mail notification as and when relevant documents or information are available on the Company's website. If no e-mail address is registered, or a registered e-mail address is incorrect, a letter will be sent to the applicable shareholder at their registered postal address, informing them that the relevant document or information is available on the Company's website.

Resolution 8

This resolution seeks approval to amend the Company's articles of association to allow for website communications and updates those references to the Companies Act 1985 that have been replaced by provisions contained in the Companies Act 2006.