TASTY PLC

Report and financial statements

52 weeks ended 28 December 2014

Contents

Directors and information

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

Secretary and registered office
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London W1T 2NQ

Company number
5826464

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55 Baker Street
London W1U 7EU

Solicitors
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London SE1 9BG

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115 Park Street
London W1K 7DY

Bankers
Barclays Bank plc
1 Churchill Place
London E14 5HP

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6.7.8. Tokenhouse Yard
London EC2R 7AS

Registrars
Computershare Investor Services plc
P O Box 82
The Pavilions
Bridgwater Road
Bristol BS99 6ZY

Chairman's statement

I am pleased to be reporting on the Group's profitable results of £2,052,000 (December 2013 - £1,442,000). The results are for the 52 week period ended 28 December 2014 and a comparative of the 52 week period ended 29 December 2013.

Results

Revenue for the year was up 28% on last year to £29,734,000 (2013 - £23,192,000). Operating profit before pre-opening costs and non-trading items was up 34% on last year at £3,090,000 (2013 - £2,301,000). Pre-opening costs for the period totalled £360,000 (2013 - £259,000).

The overall statutory pre-tax profit was up by some 46% at £2,552,000 (2013 - £1,742,000).

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

Openings

Seven new Wildwood and Wildwood Kitchen restaurants were opened during the year: Oakham and Salisbury opened in March. Camberley, Nottingham and Ludlow were all opened in August with Bristol and Wantage opening in November and December respectively.

Since the year end a further three sites have been opened and a number of other sites are already in the pipeline, at various stages of completion and negotiation.

Cash flows

Net cash outflow for the period before financing was £1,061,000 (2013 - £1,531,000). This is largely represented by capital expenditure on the expansion of the business through the opening of the above sites. Cash flows from operating activities increased to £5,308,000 (2013 - £3,238,000).

The Company continued to have access to its banking facility of £4,000,000 (£1,000,000 term loan and £3,000,000 revolving facility which remains unused). During the year the Company repaid £250,000 of the term loan. As at 28 December 2014 the balance of the Company's term loan was £750,000.

Cash and cash equivalents held at the end of the period were £2,044,000 (2013 - £3,407,000).

Chairman’s statement

Review of the business

The Group delivered another strong performance in 2014, with an improvement in operating profit margin and a 46% increase in pre-tax profits.

The Group continued its expansion during the year, adding seven new sites to the estate. The rate of development will accelerate in the medium term. Openings in the coming 12 months will expand the UK geographical footprint of the estate.

At the end of the period the Group operated 36 restaurants. Currently, the Group has 39 restaurants in operation - 6 DimTs, 32 Wildwoods and Wildwood Kitchens and 1 other.

Pre-opening costs and accounting adjustments

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

The Group recognises a number of charges in the accounts which arise under accounting rules which have no transactional cash impact. These charges include share based payments.

Staff

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

Current Trading

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

Keith Lassman

Chairman

30 March 2015

Strategic report for the 52 weeks ended 28 December 2014

Business review and key performance indicators

Revenue for the 52 week period increased 28% on last year to £29,734,000 (2013 - £23,192,000). Operating profit before pre-opening costs and non-operating items was £3,090,000 (2013 - £2,301,000). Pre-opening costs for the period totalled £360,000 (2013 - £259,000). The overall statutory pre-tax profit was £2,552,000 (2013 - £1,742,000).

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

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

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

Principal uncertainties and risks

Economic conditions

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

Input cost inflation

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

Strategic risks

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

On behalf of the Board.

Jonny Plant
Joint Chief Executive Officer

30 March 2015

Report of the directors for the 52 weeks ended 28 December 2014

The Directors present their report together with the audited financial statements for the 52 weeks ended 28 December 2014 (comparative period 52 weeks to 29 December 2013).

Results and dividends

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

The Directors do not recommend the payment of a dividend (2013 - £nil).

Principal activities

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

Directors

The Directors of the Group during the period were as follows

Executive
Jonny Plant
Samuel Kaye

Non-Executive
Keith Lassman
Adam Kaye

Creditor payment policy

The Group has a standard code and also agrees specific individual terms with certain suppliers. Payment is normally made in accordance with those terms, subject to the suppliers' own performance. The creditor days of the Group at the period end were 47 days (2013 - 39 days). The Company has no suppliers.

Employees

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

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

Donations

The Group made no charitable or political donations in the period (2013 - none).

Financial Instruments

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

Auditors

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

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

On behalf of the Board.

Jonny Plant
Joint Chief Executive Officer

30 March 2015

Statement of directors' responsibilities

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

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

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

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

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

Website publication

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

Independent auditors’ report to the members of Tasty plc

We have audited the financial statements of Tasty plc for the period ended 28 December 2014 which comprise the consolidated statement of comprehensive income, the consolidated and Company statements of changes in equity, the consolidated and Company balance sheets, the consolidated and Company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 28 December 2014 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

30 March 2015

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

Consolidated statement of comprehensive income

for the 52 weeks ended 28 December 2014

	Note	2014 £'000	2013 £'000
Revenue	3	**29,734**	23,192
Cost of sales		**(26,207)**	(20,386)
Gross profit		**3,527**	2,806
Administrative costs		**(901)**	(944)
Operating profit excluding non-trading items and pre-opening costs		**3,090**	2,301
Pre-opening costs		**(360)**	(259)
Non-trading items	5	**(104)**	(180)
Operating profit	4	**2,626**	1,862
Finance income		**9**	14
Finance expense	6	**(83)**	(134)
Profit before tax		**2,552**	1,742
Income tax expense	9	**(500)**	(300)
Profit and total comprehensive income for the period attributable to shareholders		**2,052**	1,442
Earnings per share			
Basic	10	**3.88p**	2.95p
Diluted	10	**3.83p**	2.90p

The notes on pages 18 to 41 form part of these financial statements.

Consolidated statement of changes in equity

for the 52 weeks ended 28 December 2014

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total £'000
Balance at 30 December 2012	4,790	10,359	992	(3,794)	12,347
Issue of ordinary shares	503	2,958	-	-	3,461
Total comprehensive income for the period	-	-	-	1,442	1,442
Share based payments - credit to equity	-	-	-	195	195
Balance at 29 December 2013	5,293	13,317	992	(2,157)	17,445
Issue of ordinary shares	12	19	-	-	31
Total comprehensive income for the period	-	-	-	2,052	2,052
Share based payments - credit to equity	-	-	-	104	104
Balance at 28 December 2014	**5,305**	**13,336**	**992**	**(1)**	**19,632**

The notes on pages 18 to 41 form part of these financial statements.

Company statement of changes in equity

for the 52 weeks ended 28 December 2014

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total £'000
Balance at 30 December 2012	4,790	10,359	(2,802)	12,347
Issue of ordinary shares	503	2,958	-	3,461
Total comprehensive income for the period	-	-	2,917	2,917
Share based payments - credit to equity	-	-	195	195
Balance at 29 December 2013	5,293	13,317	310	18,920
Issue of ordinary shares	12	19	-	31
Total comprehensive income for the period	-	-	-	-
Share based payments - credit to equity	-	-	104	104
Balance at 28 December 2014	**5,305**	**13,336**	**414**	**19,055**

The notes on pages 18 to 41 form part of these financial statements.

Consolidated balance sheet

At 28 December 2014

	Note	2014 £'000	2013 £'000
Non-current assets			
Intangible assets	12	**444**	446
Property, plant and equipment	13	**20,391**	15,384
Pre-paid operating lease charges	14	**1,731**	1,895
Other non-current assets		**341**	381
		22,907	18,106
Current assets			
Inventories	16	**1,051**	811
Trade and other receivables	17	**1,801**	1,350
Pre-paid operating lease charges	14	**152**	152
Cash and cash equivalents		**2,044**	3,407
		5,048	5,720
Total assets		**27,955**	23,826
Current liabilities			
Trade and other payables	18	**(6,536)**	(5,009)
Borrowings	21	**(500)**	(250)
		(7,036)	(5,259)
Non-current liabilities			
Provisions	19	**(55)**	(65)
Lease incentives		**(367)**	(192)
Deferred tax liability	20	**(615)**	(115)
Long-term borrowings	21	**(250)**	(750)
		(1,287)	(1,122)
Total liabilities		**(8,323)**	(6,381)
Total net assets		**19,632**	17,445
Equity			
Share capital	22	**5,305**	5,293
Share premium	23	**13,336**	13,317
Merger reserve	23	**992**	992
Retained deficit	23	**(1)**	(2,157)
Total equity		**19,632**	17,445

The financial statements were approved by the board of directors of the Company and authorised for issue on 30 March 2015 and signed on their behalf by Jonny Plant.

The notes on pages 18 to 41 form part of these financial statements.

Company balance sheet

At 28 December 2014

Company Number 5826464

	Note	2014 £'000	2013 £'000
Non-current assets			
Investments	15	**2,652**	2,548
Other non-current assets	17	**16,403**	16,372
		19,055	18,920
Total net assets		**19,055**	18,920
Equity			
Share capital	22	**5,305**	5,293
Share premium	23	**13,336**	13,317
Retained earnings	23	**414**	310
Total equity		**19,055**	18,920

The financial statements were approved by the board of directors of the Company and authorised for issued on 30 March 2015 and signed on their behalf by Jonny Plant.

The notes on pages 18 to 41 form part of these financial statements.

Consolidated cash flow statement

for the 52 weeks ended 28 December 2014

	Note	2014 £'000	2013 £'000
Operating activities			
Cash generated from operations	30	**5,308**	3,238
Corporation tax paid		**-**	-
Net cash inflow from operating activities		**5,308**	3,238
Investing activities			
Purchase of property, plant and equipment		**(6,378)**	(4,783)
Interest received		**9**	14
Net cash flows used in investing activities		**(6,369)**	(4,769)
Financing activities			
Net proceeds from issues of ordinary shares		**31**	3,461
Bank loan receipt		**-**	1,500
Bank loan repayment		**(250)**	(1,500)
Interest paid		**(83)**	(134)
Net cash flows used in financing activities		**(302)**	3,327
Net increase in cash and cash equivalents		**(1,363)**	1,796
Cash and cash equivalents as at 29 December 2013		**3,407**	1,611
Cash and cash equivalents as at 28 December 2014		**2,044**	3,407

The notes on pages 18 to 41 form part of these financial statements.

Company cash flow statement

for the 52 weeks ended 28 December 2014

	Note	2014 £'000	2013 £'000
Operating activities			
Cash generated from operations		-	-
Corporation tax paid		-	-
Net cash outflow from operating activities		-	-
Financing activities			
Net proceeds from issues of ordinary shares		-	
Net cash flows used in financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents as at 29 December 2013		-	-
Cash and cash equivalents as at 28 December 2014		-	-

Significant non-cash transaction

During the period the Company issued share capital for net proceeds of £31,000 (2013 - £3,461,000). The cash receipt was processed by the trading subsidiary and as such the transaction has been recorded through the inter-company account between the Company and the trading subsidiary.

The notes on pages 18 to 41 form part of these financial statements.

Notes

forming part of the financial statements for the 52 weeks ended 28 December 2014

1 Accounting policies

(a) Statement of compliance

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

(b) Basis of preparation

The financial statements cover the 52 week period ended 28 December 2014, with a comparative period of the 52 weeks ended 29 December 2013. The financial statements are presented in sterling, rounded to the nearest thousand and are prepared on the historical cost basis.

(c) Changes in accounting policy

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

- IFRS 10 'Consolidated financial statements' – effective from 1 January 2014
- IAS 32 'Offsetting Financial Assets and Financial Liabilities' – effective from 1 January 2014
- IAS 36 'Impairment of assets' – effective from 1 January 2014
- IAS 39 'Financial instruments' – effective from 1 January 2014

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

- IFRS 2 'Share based payments' – effective from 1 July 2014
- IFRS 7 'Financial Instruments: Disclosures' – effective from 1 July 2016
- IFRS 15 'Revenue' – effective from 1 July 2017
- IAS 16 'Property plant and equipment' – effective from 1 July 2014
- IAS 19 'Employee Benefits' – effective from 1 July 2014
- IAS 24 'Related Party Disclosure' – effective from 1 July 2014
- IAS 38 'Intangible Assets' – effective from 1 July 2014

(d) Basis of consolidation

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

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

Notes

forming part of the financial statements for the 52 weeks ended 28 December 2014

(e) Revenue

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

(f) Pre-opening costs

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

(g) Retirement benefits: Defined contribution schemes

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

(h) Share based payments

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

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

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

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

(i) Externally acquired intangible assets

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

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

Intangible asset	Useful economic life
Trade marks	10 years

(j) Property, plant and equipment

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

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

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

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

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

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

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

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

(l) Onerous contracts

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

(m) Loans and receivables

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

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

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

(n) Financial liabilities

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

(o) Inventories

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

(p) Leased assets

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

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

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

(q) Deferred taxation

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

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

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

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

(r) Business combinations

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

(s) Goodwill

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

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

(t) Share capital

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

(u) Dividend policy

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

(v) Operating profit

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

2 Critical accounting estimates and judgements

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

(a) Share based payments

The Group operates equity share-based remuneration schemes for employees. Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated by using valuation models, such as Black Scholes or 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 (for options with market conditions) and number of options expected to vest.

(b) Accruals

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

(c) Useful lives of property, plant and equipment

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

(d) Impairment reviews

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

(e) Deferred tax

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

3 Revenue and segmental analysis

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

4 Operating profit

This has been arrived at after charging	**2014** **£'000**	2013 £'000
Staff costs	**10,691**	8,115
Share based payments	**104**	195
Operating lease rentals	**3,101**	2,630
Amortisation of intangible assets	**2**	2
Depreciation	**1,310**	1,222
Amortisation of prepaid operating leases	**164**	213
Loss on disposal	**61**	83
Auditor remuneration:		
Audit fee - Parent Company	**8**	8
- Group financial statements	**10**	8
- Subsidiary undertaking	**20**	17
Other services - Taxation compliance	**6**	6
- Other taxation advisory	**6**	24

Notes

forming part of the financial statements for the 52 weeks ended 28 December 2014

5 Non-trading items – charged to administrative expenses

	2014 £'000	2013 £'000
Reversal of Impairment of property, plant and equipment	**-**	15
Share based payments	**(104)**	(195)
	(104)	(180)

During the year a review of impairments and site performance was undertaken resulting in no net adjustment to non-current asset value. In the previous year a historic impairment was reversed, increasing operating profit by £15,000.

Share based payments are valued at the date of grant and amortised over the vesting period, the current year charge is £104,000. In the previous year a number of options achieved market conditions and were exercised before the estimated vesting period had expired resulting in an accelerated share based payment charge of £139,000 (2013 total charge £195,000).

6 Finance expense

	2014 £'000	2013 £'000
Loan interest payable	**83**	134
	83	134

7 Employees

Staff costs (including directors) consist of	2014 £'000	2013 £'000
Wages and salaries	**9,779**	7,520
Social security costs	**849**	564
Other pension costs	**63**	31
Equity settled share based payment expense	**104**	195
	10,795	8,310

The average number of persons, including directors, employed by the Group during the period was 642, of which 634 were restaurant staff and 8 were administration staff, (2013 - 506 of which 498 were restaurant staff and 8 were administration staff).

No staff are employed by the Company.

Of the total staff costs £10,099,000 was classified as cost of sales (2013 - £7,566,000) and £788,000 as administrative expenses (2013 - £744,000).

8 Directors and key management personnel remuneration

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

	2014	2013
	£'000	£'000
Directors remuneration		
Emoluments	**360**	296
Share based payments	**69**	170
Benefits in Kind	**13**	13
	442	479

	2014	2013
	£'000	£'000
Individual Directors' emoluments		
J Plant	**140**	120
S Kaye	**130**	110
A Kaye	**60**	40
K Lassman	**30**	26
	360	296

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

Nil (2013 – 2,249,152) options were exercised by the Directors during the period, the gain on options exercised by directors was £nil (2013 - £1,377,000).

Share based payments for the period that are attributable to the directors are £23,000 to J Plant, £23,000 to S Kaye and £23,000 to A Kaye.

On 11 October 2013 'A' ordinary shares in Took Us a Long Time Limited were issued to certain directors. The benefit of holding 'A' ordinary shares in Took Us a Long Time Limited has been established to be similar to the benefit of holding an EMI option.

	Number of 'A' shares issued
J Plant	500,000
S Kaye	500,000
A Kaye	500,000

Company
The Company paid no director emoluments during the year.

9 Income tax expense

	2014 £'000	2013 £'000
UK Corporation tax		
Current tax on profits for the period	**-**	-
Total current tax	**-**	-
Deferred tax		
Utilisation of tax losses	**(282)**	(173)
Origination and reversal of temporary differences	**(218)**	(127)
Impact of change in future rate of taxation	**-**	-
Total deferred tax	**(500)**	(300)
Total income tax charge	**(500)**	(300)

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

	2014	2013
	£'000	£'000
Profit before tax	**2,552**	1,742
Tax on profit at the ordinary rate of corporation tax in UK of 21.5% (2013 - 23.25%)	**549**	405
Effects of		
Expenses not deductible for tax	**8**	8
Depreciation on ineligible fixed assets	**63**	63
Utilisation of tax losses	**(120)**	(176)
Total tax charge	**500**	300

10 Earnings per share

	2014	2013
	pence	Pence
Basic earnings per ordinary share	**3.88**	2.95
Diluted earnings per ordinary share	**3.83**	2.90

	2014	2013
	Number	Number
	'000	'000
Earnings per share have been calculated using the numbers shown below:		
Weighted average ordinary shares (basic)	**52,954**	48,896
Weighted average ordinary shares (diluted)	**53,616**	49,734

	2014	2013
	£'000	£'000
Profit for the financial period	**2,052**	1,442

1,091,888 share options have been used when calculating the diluted EPS (2013 – 1,498,992). 2,021,785 share options have been excluded when calculating the diluted EPS as they were anti-dilutive (2013 – 95,000).

Notes

forming part of the financial statements for the 52 weeks ended 28 December 2014

11 Dividend

No final dividend has been proposed by the Directors (2013 – nil).

12 Intangibles

	Trademarks £'000	Goodwill £'000	Total £'000
At 30 December 2012	7	441	448
Amortisation of trademarks	(2)	-	(2)
At 29 December 2013	5	441	446
Amortisation of trademarks	(2)	-	(2)
At 28 December 2014	**3**	**441**	**444**

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

13 Property, plant and equipment

	Leasehold improvements	Furniture fixtures and computer equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 30 December 2012	11,777	4,363	136	16,276
Additions	3,299	1,161	323	4,783
Disposals	(37)	(142)	(25)	(204)
Transfers	89	47	(136)	-
At 29 December 2013	15,128	5,429	298	20,855
Additions	4,736	1,462	180	6,378
Disposals	(120)	(11)	-	(131)
Transfers	197	85	(282)	-
At 28 December 2014	**19,941**	**6,965**	**196**	**27,102**
Depreciation				
At 30 December 2012	2,902	1,583	-	4,485
Provided for the period	618	504	-	1,122
Disposals	(37)	(84)		(121)
Impairment reversal	(15)	-	-	(15)
At 29 December 2013	3,468	2,003	-	5,471
Provided for the period	748	562	-	1,310
Disposals	(62)	(8)	-	(70)
At 28 December 2014	**4,154**	**2,557**	**-**	**6,711**
Net book value				
At 28 December 2014	**15,787**	**4,408**	**196**	**20,391**
At 29 December 2013	11,660	3,426	298	15,384

Company

The Company holds no property, plant and equipment.

14 Prepaid operating leases

	2014 £'000	2013 £'000
Held within current assets	**152**	152
Held within non-current assets	**1,731**	1,895
	1,883	2,047

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

15 Investments

	£'000
Company	
At 30 December 2012	2,353
Share based payment in respect of subsidiary	195
At 29 December 2013	2,548
Share based payment in respect of subsidiary	104
At 28 December 2014	**2,652**

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

Notes

forming part of the financial statements for the 52 weeks ended 28 December 2014

16 Inventories

	2014	2013
	£'000	£'000
Raw materials and consumables	**531**	389
Crockery and utensils	**520**	422
	1,051	811

In the Directors' opinion there is no material difference between the replacement cost of stocks and the amounts stated above. Inventory purchased and recognised as an expense in the period is £7,145,000 (2013 - £5,242,000).

17 Trade and other receivables

	2014	2013
	£'000	£'000
Group		
Trade receivables	**353**	170
Prepayments and other receivables	**1,789**	1,561
Total trade and other receivables	**2,142**	1,731
Less non-current portion	**(341)**	(381)
	1,801	1,350
Company		
Amounts due from subsidiary	**16,403**	16,372
Total trade and other receivables	**16,403**	16,372
Classified as non-current	**16,403**	16,372

During the year the Company issued shares and passed the net proceeds of £31,000 (2013 - £3,461,000) to its subsidiary.

18 Trade and other payables

	2014 £'000	2013 £'000
Trade payables	**3,422**	2,178
Taxation and social security	**957**	724
Accruals	**1,803**	1,845
Other payables	**354**	262
	6,536	5,009

19 Provisions

	2014 £'000	2013 £'000
At 29 December 2013	**65**	75
Utilisation in period	**(10)**	(10)
At 28 December 2014	**55**	65

20 Deferred tax

	2014 £’000	2013 £’000
At 29 December 2013	**(115)**	185
Profit and loss charge	**(500)**	(300)
	(615)	(115)
Accelerated capital allowances	**(766)**	(551)
Tax losses carried forward	**151**	436
At 28 December 2014	**(615)**	(115)

Notes

forming part of the financial statements for the 52 weeks ended 28 December 2014

21 Borrowings

	2014 £'000	2013 £'000
Current		
Secured bank borrowings	**500**	250
	500	250
Non-current		
Secured bank borrowings	**250**	750
	250	750
	750	1,000

	2014 £'000	2013 £'000
Maturity of secured bank borrowings		
Due within one year	**500**	250
Due In more than one year but less than two years	**250**	500
Due In more than two years but less than five years	**-**	250
	750	1,000

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

22 Share capital

	Number	£'000
Authorised, issued, called up and fully paid:		
At 30 December 2012	47,902,949	4,790
Exercise of share options	2,514,152	252
Share placement	2,510,000	251
At 29 December 2013	52,927,101	5,293
Exercise of share options	121,335	12
Share placement	-	-
At 28 December 2014	**53,048,436**	**5,305**

23 Reserves

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

Share premium reserve is the amount subscribed in excess of the nominal value of shares net of issue costs.

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

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

24 Capital commitments

At the balance sheet date the Group and the Company had no capital commitments which were contracted but not provided for (2013 - £nil). Capital commitments relate to committed expenditure in respect of restaurants under construction.

25 Operating lease commitments

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

	2014	2013
	£'000	£'000
Within one year: payments	**3,016**	2,756
Within one year: receipts	**(230)**	(230)
	2,786	2,526
Within two to five years: payments	**12,663**	10,953
Within two to five years: receipts	**(920)**	(920)
	11,743	10,033
Over five years: payments	**40,759**	31,500
Over five years: receipts	**(4,086)**	(4,086)
	36,673	27,414
	51,202	39,973

26 Pensions

The Group, last year, made contributions of £nil to the personal pension plan of the Directors. The total amount paid during the period was £nil. During the year the Group made contributions to employee pensions of £63,000 (2013 - £31,000).

27 Share based payments

	Weighted average exercise price (pence)	Number '000
At 30 December 2012	44.2	4,108
Exercised	44.6	(2,514)
At 29 December 2013	44.2	1,594
Exercised / cancelled	26.9	(522)
Granted	101.4	2,042
At 28 December 2014	**80.6**	**3,114**

The exercise price of options outstanding at the end of the period ranged between 18p and 112p (2013 - 18p and 87.5p) and their weighted average remaining contractual life was 8 years (2013 – 4 years).

Of the total number of options outstanding at the end of period 1,071,888 (2013 – 1,593,992) had vested and were exercisable at the end of the period.

The market price of the Company's ordinary shares as at 28 December 2014 was 112p and the range during the financial year was from 89p to 125p.

On 11 October 2013 the Company's subsidiary issued 1,800,000 'A' ordinary shares of £0.0001 each that carry rights enabling the holder of those 'A' ordinary shares to exchange such shares for ordinary shares in the Company subject to the share price of the Company remaining at or above £1.50 for fifteen consecutive days. 'A' ordinary shares convey similar rights to the holder as EMI options with an exercise price of £1.00 and have been valued as a share based payment with conditional performance options.

On 27 February 2014 the Company established a Company Share Option Plan ("CSOP") and issued 221,785 CSOP options with an exercise price of 112p and vesting period of 3 years.

In the current period 121,335 (2013 – 2,514,152) options were exercised. The weighted average share price at the date of exercise was 26.9p (2013 – 100p).

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

	CSOP	**ESOP**
Option pricing model used	Binomial	Binomial
Weighted average share price at grant date (pence)	112	106
Exercise price	112	100
Vesting period	1 – 3 years	5 years
Contractual life	10 years	10 years
Expected volatility	30%	30%
Expected dividend growth rate	0%	0%
Staff turnover	10%	5.59%

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.

28 Financial instruments

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

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

- Credit risk
- Interest rate risk
- Liquidity risk

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

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

Principal financial instruments

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

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

Notes
forming part of the financial statements for the 52 weeks ended 28 December 2014

General objectives, policies and processes

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

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

Credit risk

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

Quantitative disclosures of the credit risk exposure in relation to trade and other receivables, which are neither past due nor impaired, are disclosed in note 17.

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

Liquidity risk

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

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

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

Interest rate risk

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

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

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

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

Loans and borrowings

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

At 28 December 2014 if the Bank of England base rate had been 1% higher / lower with all other variables held constant this would not have resulted in any significant variance in the profit or loss or net assets of the Group.

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

Capital disclosures

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

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

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

29 Related party transactions

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

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

	2014	2013
	£'000	£'000
Rent and insurance		
- Kropifko Properties Ltd	**(371)**	(355)
- KLP Partnership	**(184)**	(184)
- ECH Properties Ltd	**(69)**	(69)
Expenses reimbursed	**(4)**	(8)
Income	**5**	41
Balance due to related parties	**176**	243
Balance due from related parties	**1**	3

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

Prezzo plc, a related party company by virtue of common directors and shareholders, acts as legal guarantor and is party to agreements for the purchase of three leasehold properties operated by the Company. Annual rents for the properties are £204,000 per annum in total, representing a maximum guarantee of £1,471,000 (2013 - £1,675,000) at the end of the period.

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

	2014	2013
	£'000	£'000
Group		
Profit before tax	**2,552**	1,742
Finance income	**(9)**	(14)
Finance expense	**83**	134
Share based payment charge	**104**	195
Depreciation and impairment	**1,310**	1,122
Amortisation of intangible assets	**2**	2
Reversal of impairment		(15)
Loss on disposal	**61**	83
Onerous lease provision movement	**(10)**	(10)
(Increase) / decrease in inventories	**(240)**	(122)
(Increase) / decrease in trade and other receivables	**(411)**	(138)
Increase / (decrease) in trade and other payables	**1,866**	259
Net cash generated from operations	**5,308**	3,238

NOTICE OF ANNUAL GENERAL MEETING

TASTY PLC

(Registered in England and Wales with no. 5826464)

Notice is hereby given that the 2015 Annual General Meeting of Tasty plc will be held at 2 More London Place, Tooley Street, London, SE1 2DB on 18th May at 9.30am. 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 2014, together with the report of the auditors and the directors thereon, be received and adopted.

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

3 THAT, Samuel Kaye, who retires in accordance with the Company's articles of association, be re-elected as a director.

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

SPECIAL BUSINESS
As special business to consider and, if thought fit, to pass the following resolutions, of which resolution 5 will be proposed as an ordinary resolution and resolution 6 as a special resolution:

5 THAT, the directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares, or to grant rights to subscribe for or to convert any securities into shares, of up to an aggregate nominal amount of £530,000 during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting), but so that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any securities into shares to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any securities into shares, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unused.

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

(i) the allotment of equity securities for cash up to an aggregate nominal amount of £530,000;

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

By order of the Board

K Lassman

Secretary

Date 16 April 2015

Registered Office: 32 Charlotte Street London W1T 2NQ

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

Notes:

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

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

(b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's registrars, Computershare Investor Services Plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY or electronically at info@dimt.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.

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

- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Computershare Investor Services Plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- by sending an e-mail to info@dimt.co.uk.

In either case, the revocation notice must be received by the Company's registrars, Computershare Investor Services Plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY before the Annual General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.

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

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

(f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 9.30 a.m. on 16 May 2015 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 9.30 a.m. on 16 May 2015 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.

(g) As at 16 April 2015 the Company's issued share capital comprised [53,190,324] Ordinary Shares. The total number of voting rights in the Company as at 16 April 2015 is [53,190,324]. The website referred to above will include information on the number of shares and voting rights.

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

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

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

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

(k) Except as provided above, members who have general queries about the General Meeting should call the Company's registrars, Computershare Investor Services Plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY on 0870 707 1580 (no other methods of communication will be accepted).

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