Tasty plc

Report and Financial Statements

52 weeks ended

27 December 2009

Tasty plc

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Directors and information

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 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 advisers and stockbrokers

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

Registrars

Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY

I am pleased to report on the Group’s results for 2009. During the year a former DimT restaurant was successfully re-branded into a Wildwood restaurant and a new Wildwood unit was also successfully opened, with a DimT unit closing at the beginning of the year. The Group now has eleven restaurants in operation – 8 DimTs and 3 Wildwoods.

Results

Revenue for the 52 weeks ended 27 December 2009 was up 15% to £9,185,000 (2008 - £8,006,000). Operating loss before pre-opening costs and non-trading items was £84,000 (2008 – loss £221,000). Pre-opening costs for the period totalled £58,000 (2008 - £150,000). Non-trading items relate to an impairment of properties of £1,850,000 (2008 - £1,062,000), an onerous lease provision of £100,000 (2008 - £nil), a loss on disposal and a sub-letting of property of £nil (2008 - £167,000) and redundancy expenses of £9,000 (2008 – £94,000). The overall statutory pre-tax loss was £2,080,000 (2008 – loss £1,585,000).

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

Openings

The Maidstone unit was re-branded as a Wildwood and re-opened in April and in June a new Wildwood was opened in Hornchurch. The Group has just exchanged contracts for a new unit in Chelmsford which is expected to open in August 2010.

Impairment

Due to the prevailing economic conditions, the Board has written down the value of some of its assets, which has resulted in a total impairment charge for the period of £1,850,000 (2008 - £1,164,000).

Cash flows

Net cash outflow for the period before financing was £752,000 (2008 - £2,660,000). This is largely represented by capital expenditure on the expansion of the business through the opening of one site and rebranding of another. Cash flows from operating activities increased to £359,000 (2008 - £16,000). During the period £nil (2008 - £1,883,000) was raised from a share issue. Net cash and cash equivalents held at the end of the year were £1,850,000 (2008 - £2,602,000).

Review of the business

2009 has proved to be a year of consolidation. The Group has continually looked to update the menus of both the DimT and Wildwood brands and for much of the year has successfully offered promotions to encourage growth in sales.
Management have continued to focus on food and labour margins throughout the year and these continue to be kept under constant review. This has resulted in an improvement in the trading position of the Group despite the adverse economic climate in the United Kingdom, when excluding non-trading items.

Non-trading items include a one-off redundancy expense of £9,000 (2008 - £94,000) together with property impairments of £1,850,000 (2008 - £1,062,000) and an onerous lease provision of £100,000 (2008 - £nil). The impairments arise are as a result of the Board’s detailed evaluation of all units in order to ensure that each unit is shown in the Group’s accounts at a conservative book value having regard to both capital and economic value considerations, particularly in the current prevailing economic market. Pre-opening costs have been highlighted as these costs represent revenue expenses, including rent free periods, which give rise to a charge under accounting standards, which are necessarily incurred in the period prior to a new unit being opened but which are specific to the opening of that unit and not part of the Group’s normal ongoing trading performance.

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 improved still further with a profitable first quarter in 2010.

AGM

The Company's annual general meeting will take place on 9 June 2010, 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

28 April 2010

The directors present their report together with the audited financial statements for the 52 weeks ended 27 December 2009.

Results and dividends

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

The directors do not recommend the payment of a dividend (2008 - £nil).

Principal activities, trading review and future developments

The Group's principal activity is the operation of restaurants. During the period the Group opened 1 new restaurant and converted another from the Dim T to the Wildwood brand.

For the 52 weeks ended 27 December 2009 sales rose 15% to £9,185,000 (2008 - £8,006,000). The profit for the period before costs of £126,000, £9,000 and £58,000 in respect of share option charges, redundancy charges and pre-opening costs (2008 - £110,000, £94,000 and £150,000) respectively and also losses of £1,850,000 (2008 – £1,229,000) on the disposal and impairment of property and equipment and an onerous lease provision of £100,000 (2008 - £nil) was £63,000 (2008 – loss £2,000).

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

Non-Executive
Keith Lassman
Adam Kaye

Executive share option scheme

	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
Jonny Plant	8 December 2009	141,520	£0.35	November 2011 – November 2019
Keith Lassman	8 December 2009	100,000	£0.35	November 2011 – November 2019
		649,152		

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 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.

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 31 days (2008 - 46 days). The Company has no suppliers.

Donations

The Group made no charitable or political donations in the period (2008 – 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 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

28 April 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TASTY PLC

We have audited the financial statements of Tasty plc for the period ended 27 December 2009 which comprise group and company balance sheets, the group statement of comprehensive income, the group and company cash flow statement, the group and company statement of changes in equity 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 27 December 2009 and of the Group's loss 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 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.

Michael Goldstein (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
28 April 2010

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

Consolidated Statement of Comprehensive Income for the 52 weeks ended 27 December 2009

	Note	2009 £'000	2008 £'000
Revenue	4	9,185	8,006
Cost of sales		(8,781)	(7,717)
Gross profit		404	289
Administrative costs		(2,505)	(1,983)
Operating loss excluding pre-opening costs and non trading items		(84)	(221)
Pre-opening costs		(58)	(150)
Disposal and impairment of property, plant and equipment	10	(1,850)	(1,229)
Onerous lease provision	21	(100)	-
Redundancy expenses	10	(9)	(94)
Operating loss	5	(2,101)	(1,694)
Finance income	6	21	109
Loss before taxation		(2,080)	(1,585)
Income tax credit	11	6	6
Loss and total comprehensive income for the period – attributable to equity shareholders		(2,074)	(1,579)
Loss per ordinary share			
Basic and diluted	12	(5.49p)	(4.80p)

The notes on pages 17 to 40 form part of these financial statements.

Consolidated statement of changes in equity as at 27 December 2009

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 30 December 2007	3,117	8,234	992	(3,349)	8,994
Total comprehensive income 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
Total comprehensive income for the period	-	-	-	(2,074)	(2,074)
Share based payments - credit to equity	-	-	-	126	126
Balance at 27 December 2009	3,784	9,450	992	(6,766)	7,460

The notes on pages 17 to 40 form part of these financial statements.

Company statement of changes in equity as at 27 December 2009

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
Balance at 30 December 2007	3,117	8,234	(140)	11,211
Changes in equity for 2008				
Total comprehensive income 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
Changes in equity for 2009				
Total comprehensive income for the period	-	-	(5,737)	(5,737)
Share based payments - credit to equity	-	-	126	126
Balance at 27 December 2009	3,784	9,450	(5,774)	7,460

The notes on pages 17 to 40 form part of these financial statements.

Tasty plc

Consolidated balance sheet at 27 December 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Assets					
Non-current assets					
Intangible assets	14	13		14	
Property, plant and equipment	15	5,668		6,861	
Pre-paid operating lease charges	16	731		767	
Deferred tax asset	22	250		250	
Other receivables	19	241		241	
Total non-current assets			6,903		8,133
Current assets					
Inventories	18	350		313	
Trade and other receivables	19	537		505	
Pre-paid operating lease charges	16	36		34	
Cash and cash equivalents		1,850		2,602	
Total current assets			2,773		3,454
Total assets			9,676		11,587
Liabilities					
Non-current liabilities					
Accrual for lease incentives		227		239	
Total non-current liabilities			227		239
Current liabilities					
Trade and other payables	20	1,889		1,940	
Provisions	21	100		-	
Total current liabilities			1,989		1,940
Total liabilities			2,216		2,179
TOTAL NET ASSETS			7,460		9,408
Capital and reserves attributable to equity holders of the parent					
Share capital	23		3,784		3,784
Share premium reserve	24		9,450		9,450
Retained deficit	24		(6,766)		(4,818)
Merger reserve	24		992		992
TOTAL EQUITY			7,460		9,408

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2010.

D J Plant

The notes on pages 17 to 40 form part of these financial statements.

Company balance sheet at 27 December 2009

Company No. - 5826464

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Assets					
Non-current assets					
Investments	17	2,178		2,052	
Other receivables	19	4,179		10,000	
Total non-current assets			6,357		12,052
Current assets					
Trade and other receivables	19	1,103		1,019	
Total current assets			1,103		1,019
TOTAL NET ASSETS			7,460		13,071
Capital and reserves attributable to equity holders of the parent					
Share capital	23		3,784		3,784
Share premium reserve	24		9,450		9,450
Retained deficit	24		(5,774)		(163)
TOTAL EQUITY			7,460		13,071

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2010.

D J Plant

The notes on pages 17 to 40 form part of these financial statements.

Consolidated cash flow statement for the 52 weeks ended 27 December 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Cash flows from operating activities					
Loss for the period before taxation		(2,080)		(1,585)	
Adjustments for:					
Depreciation		474		387	
Amortisation		2		2	
Impairment losses		1,850		1,164	
Onerous lease provision		100		-	
Equity settled share-based payment expense		126		110	
Finance income		(21)		(109)	
Cash flows from operating activities before changes in working capital		451		(31)	
Increase in trade and other receivables		(37)		(279)	
Increase in inventories		2		(141)	
(Decrease)/increase in trade and other payables		(63)		461	
Cash generated from operations			353		10
Income tax received			6		6
Net cash flows from operating activities carried forward			359		16

The notes on pages 17 to 40 form part of these financial statements.

Consolidated cash flow statement for the 52 weeks ended 27 December 2009 ***(Continued)***

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Cash flows from operating activities brought forward			359		16
Investing activities					
Purchases of property, plant and equipment		(1,131)		(2,779)	
Purchase of intangible assets		(1)		(6)	
Sale of property, plant and equipment		-		-	
Interest received		21		109	
Net cash outflow from investing activities			(1,111)		(2,676)
Financing activities					
Issue of ordinary shares (net of issue costs of £nil – 2008 - £117,000)		-		1,883	
Net cash from financing activities			-		1,883
Net decrease in cash and cash equivalents			(752)		(777)
Cash and cash equivalents at beginning of period			2,602		3,379
Cash and cash equivalents at end of period	30		1,850		2,602

The notes on pages 17 to 40 form part of these financial statements.

Company cash flow statement for the 52 weeks ended 27 December 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Cash flows from operating activities					
Loss for the period before taxation		(5,737)		(133)	
Adjustments for:					
Equity settled share-based payment expense		-		110	
Cash flows from operating activities before changes in working capital		(5,737)		(23)	
Decrease/(increase) in trade and other receivables		5,737		(1,906)	
Net cash flows from operating activities			-		(1,883)
Financing activities					
Issue of ordinary shares (net of issue costs of £nil – 2008 £117,000)		-		1,883	
Net cash from financing activities			**-**		1,883
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 40 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.

Changes in accounting policies

The following new standards, interpretations and amendments applied for the first time from 1 January 2009, have had an effect on the financial statements:

Amendments to IAS 1 Presentation of Financial Statements: A revised presentation
As a result of the application of the Amendment the Group have elected to present one single statement of comprehensive income. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

The following standards and interpretations, issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC), are also 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.

IFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009). IFRS 8 has been endorsed for use in the EU.

IFRIC13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008). IFRIC 13 has been endorsed for use in the EU.

IAS23 (Amendment) – Borrowing costs (effective for annual periods beginning on or after 1 January 2009). IAS23 has been endorsed for use in the EU.

IFRS2 (amendment) - 'Share-based payment: vesting conditions and cancellations' effective for accounting periods beginning on or after 1 January 2009). This amendment has been endorsed for use in the EU.

Amendments to IAS32 Financial Instruments: Presentation and IAS1 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 been endorsed for use in the EU.

IFRIC15 – Agreements for the Construction of Real Estate (effective for accounting periods beginning on or after 1 January 2009). IFRIC15 has 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 January 2009). IFRIC16 has 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 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 been endorsed for use in the EU.

IFRS7 (amended) 'Improving Disclosures about Financial Instruments' (effective for accounting periods beginning on or after 1 January 2009). This amendment has been endorsed for use in the EU.

In addition, the IASB2008 annual improvements project includes minor amendments to various accounting standards which are effective for accounting periods beginning on or after 1 January 2009.

1 Accounting policies *(continued)*

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 2009. The Group is currently assessing the impact these standards and interpretations will have on the presentation of its consolidated results in future periods.

IFRS3 (revised) – Business combinations (effective for accounting periods beginning on or after 1 July 2009). IFRS3 (revised) has 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). This IFRIC has been endorsed for use in the EU.

Amendment to IAS39 'Reclassificaton of Financial Assets: Effective Date and Transition' (effective for accounting periods starting on or after 1 July 2009). This amendment has been endorsed for use in the EU.

Amendment to IAS39 'Financial Instruments: Recognition and Measurement: Eligible Hedged Items' (effective for accounting periods starting on or after 1 July 2009). This amendment has been endorsed for use in the EU.

Amendments to IFRIC9 and IAS39 'Embedded Derivatives' (effective for accounting periods starting on or after 1 July 2009). This amendment has been endorsed for use in the EU.

IFRIC18, 'Transfers of Assets from Customers' (effective for accounting periods beginning on or after 1 July 2009). This interpretation has been endorsed for use in the EU.

Revised IAS24 'Related Party Disclosures' (effective for accounting periods beginning on or after 1 January 2011). This revision has not yet been endorsed for use in the EU. This revision will only impact disclosure and have no effect on the net assets or result of the Group.

Amendment to IAS32 'Classification of Rights Issues' (effective for accounting periods beginning on or after 1 February 2010). This amendment has been endorsed for use in the EU.

Amendment to IFRS1 'Additional Exemptions for First-time Adopters' (effective for accounting periods beginning on or after 1 January 2010). This amendment has not yet been endorsed for use in the EU.

IFRIC19, 'Extinguishing Financial Liabilities with Equity Instruments' (effective for accounting periods beginning on or after 1 July 2010). This interpretation has not yet been endorsed for use in the EU.

Amendment to IFRIC14, 'Prepayments of a Minimum Funding Requirement' (effective for accounting periods beginning on or after 1 January 2011). This amendment has not yet been endorsed for use in the EU.

IFRS9 'Financial Instruments' (effective for accounting periods beginning on or after 1 January 2013). This standard has not yet been endorsed for use in the EU.

IFRS2 (Amended) 'Group Cash-settled Share-based Payment Transactions' (effective for accounting periods beginning on or after 1 January 2010). This amendment has not yet been endorsed for use in the EU.

IFRS1 (amended) 'Limited exemption from Comparative IFRS7 Disclosures for first time adopters' (effective for accounting periods beginning on or after 1 July 2010). This amendment has not yet been endorsed for use in the EU.

The IASB2009 annual improvement project includes further minor amendments to various accounting standards and is effective from various dates from 1 January 2010 onwards, but has not yet been endorsed 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 S408 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 Company made a loss for the period of £5,637,000, which includes a provision of £5,721,000 against the intercompany receivable balance (2008 - £133,000 and no provision).

1 Accounting policies *(continued)*

Basis of consolidation (continued)

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 consolidated accounts. In the Group accounts the subsidiary undertaking was treated as if it had always been a member of the Group. The assets and liabilities of Took Us A Long Time Limited were consolidated at book value. There was no material difference between book value and fair value.

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.

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.

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.

1 Accounting policies *(continued)*

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 Property, plant and equipment. No depreciation is provided on restaurants under construction until the asset is brought into use.

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

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.

Onerous leases

Where unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the expected obligation under the lease, after taking into account actions taken by the directors to minimise the future cash outflow.

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.

1 Accounting policies *(continued)*

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.

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 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.

1 Accounting policies *(continued)*

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.

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, 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 judgements

- 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 Black Scholes on the date of grant based on certain assumptions. Those assumptions are described in note 28 and include, among others, the dividend growth rate, expected volatility, expected life of the options and number of options expected to vest. More details are disclosed in note 28.

- 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.

2 Critical accounting estimates and judgements *(continued)*

- 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 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.

- Onerous leases

  When the directors have taken the decision to stop trading from a unit, or to dispose of a unit and there is a cash outflow from operating a unit, a provision is made representing the best estimate of the expected obligations under the lease. Any such estimate is based on the best information available at the time and the actual cash outflow from the disposal of a site may be different from that provided.

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.

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

3 Financial instruments – Risk Management (*continued)*

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 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 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 the period end the amount held in fixed deposit accounts was £1,700,000 (2008 - £2,200,000). The weighted average interest rate of the short term deposits utilised was 1.0% (2008 – 5.1% and the average amount of time for which interest rates are fixed on short term deposits was 23 days (2008 - 17 days). The maturity date of the amounts held on deposit at the period end was 31 December 2009, 27 January 2010 and 1 March 2010. 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 the prior period.

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.

4 Revenue

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

5 Operating loss

Group	2009 £'000	2008 £'000
This has been arrived at after charging:		
Staff costs (see note 7)	3,500	3,273
Share based payments (see notes 7 and 28)	126	110
Operating lease rentals	1,186	1,078
Amortisation of intangible fixed assets	2	2
Depreciation	474	387
Impairment of property plant and equipment	1,850	1,164
Onerous lease provision	100	-
Pre-opening costs	58	150
Redundancy expenses	9	159
Auditors' remuneration		
Audit fee		
- Audit of parent Company	7	7
- Audit of Group financial statements	8	8
- Audit of subsidiary undertaking	18	15
Other services		
- Taxation services	5	5
- Others	5	6

6 Finance income

	2009 £'000	2008 £'000
Bank interest receivable	21	109

7 Staff costs

Staff costs for all employees, including directors, consist of

	2009 £'000	2008 £'000
Wages and salaries	3,232	3,072
Social security costs	253	178
Other pension costs	15	23
Equity settled share based payment expense (note 28)	126	110
	3,626	3,383

The average number of persons, including executive directors, employed by the Group during the period was 249, of which 238 were restaurant staff and 11 were administration staff, (2008 – 235 of which 225 were restaurant staff and 10 were administration staff). No staff are employed by the Company.

Of the total staff costs £3,083,000 was classified as cost of sales (2008 - £2,748,000) and £543,000 as administrative expenses (2008 - £635,000).

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.

	2009 £'000	2008 £'000
Remuneration		
Emoluments	108	127
Redundancy	-	47
Contributions to money purchase pension schemes	-	4
Share based payment expense	126	110
Total emoluments	234	288

The emoluments of the highest paid director are as follows:

	2009 £'000	2008 £'000
Emoluments	81	75
Total emoluments	81	75

During the period, no director (2008 - one) accrued benefits under money purchase pension schemes.

Company

The Company had no employees during the period except for the four 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 - charged to administrative expenses

	2009 £'000	2008 £'000
Loss on sale or sublet of property, plant and equipment	-	167
Provision for impairment	1,850	1,062
Onerous lease provision	100	-
Redundancy payments	9	94
	1,959	1,323

During the year there were no site disposals or sublets (2008 – 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).

The Group has carried out an 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% (2008 – 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 £1,850,000 (2008 – £1,062,000) to write them down to what is deemed to be their recoverable amount, of which £nil (2008 - £512,000) represents lease premiums paid. Under IFRS lease premiums are normally treated as prepaid rent and expensed in the Statement of comprehensive income over the period of the lease.

11 Tax on profit on ordinary activities

	2009 £'000	2008 £'000
(a) Analysis of charge for the period		
Current tax		
UK corporation tax on profits of the period	-	-
Adjustment in respect of prior period	(6)	(6)
Current tax charge for period	(6)	(6)
Deferred tax		
Adjustment in respect of prior period	-	-
Origination and reversal of temporary differences (note 22)	-	-
Total deferred tax	-	-
Total income tax credit	(6)	(6)

(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:

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(2,080)	(1,585)
Loss on ordinary activities multiplied by average standard rate of corporation tax in the UK of 21% (2008 – 20.75%)	(437)	(329)
Effects of:		
Expenses not deductible for tax purposes	133	214
Increase in unprovided tax losses carried forward	304	115
Adjustment in respect of prior period	(6)	(6)
Total tax credit (see (a) above)	(6)	(6)

12 Loss per ordinary share (EPS)

Numerator	**2009 £'000**	**2008 £'000**
Loss for the period	(2,074)	(1,579)

Denominator

	Number '000	**Number '000**
Weighted average number of ordinary shares (basic and diluted eps)	37,837	32,892
Basic loss per ordinary share (pence)	(5.49p)	(4.80p)
Diluted loss per ordinary share (pence)	(5.49p)	(4.80p)

Basic and diluted earnings per share are the same as there is no dilution. The 2,589,000 (2008 – 2,162,000) 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 (2008 – nil).

14 Intangible assets

Group	Trademarks **£'000**
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
At 30 December 2007	10
Cost	
At 28 December 2008	18
Additions	1
At 27 December 2009	19
Amortisation	
At 28 December 2008	4
Charge for period	2
At 27 December 2009	6
Net book values	
At 27 December 2009	13

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 30 December 2007	4,480	1,332	335	6,147
Additions	1,888	678	24	2,590
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
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
At 30 December 2007	3,952	943	335	5,230
Cost				
At 28 December 2008	6,688	2,010	39	8,737
Additions	784	346	1	1,131
Transfers	25	-	(25)	-
Disposals	(101)	(79)	-	(180)
At 27 December 2009	7,396	2,277	15	9,688
Depreciation				
At 28 December 2008	1,307	569	-	1,876
Charge for period	271	203	-	474
Impairment	1,699	151	-	1,850
Disposals	(101)	(79)	-	(180)
At 27 December 2009	3,176	844	-	4,020
Net book values				
At 27 December 2009	4,220	1,433	15	5,668

Company

The Company has no property, plant and equipment

16 Pre-paid operating lease charges

Group	2009 £'000	2008 £'000
Held within current assets	36	34
Held within non-current assets	731	767
	767	801

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 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
Share based payments in respect of subsidiary	126
At 27 December 2009	2,178

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 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Raw materials and consumables	170	-	162	-
Crockery and utensils	180	-	151	-
	350	-	313	-

The inventory recognised as an expense in the period is £2,419,000 (2008 - £2,059,000)

19 Trade and other receivables

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Amounts due from subsidiary	-	5,282	-	11,019
Trade receivables	52	-	114	-
Other receivables	726	-	632	-
Total trade and other receivables	778	5,282	746	11,019
Less: non-current portion	(241)	(4,179)	(241)	(10,000)
Current portion	537	1,103	505	1,019

The ageing analysis of trade receivables is as follows:-

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Up to 3 months	52	-	114	-
	52	-	114	-

None of the receivables are past due (2008 – 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.

The directors have provided against the intercompany receivable balance with a provision of £5,821,000 in the current year (2008 – no provision). The cumulative provision against the intercompany receivable at the balance sheet date was £5,821,000 (2008 - £Nil).

20 Trade and other payables

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Trade payables	836	-	859	-
Taxation and social security	361	-	259	-
Accruals and deferred income	692	-	822	-
	1,889	-	1,940	-

20 Trade and other payables (continued)

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

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
Up to 3 months	1,514	-	1,667	-
	1,514	-	1,667	-

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 Provisions

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
At 28 December 2008	-	-	-	-
Onerous lease provision – charge in period	100	-	-	-
At 27 December 2009	100	-	-	-

22 Deferred tax

Deferred tax is calculated on temporary differences under the balance sheet liability method using a tax rate of 21% (2008 – 21%).

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

	Group 2009 £'000	Company 2009 £'000	Group 2008 £'000	Company 2008 £'000
At 28 December	250	-	250	-
Profit and loss credit/(charge) (note 11)	-	-	-	-
At 27 December	250	-	250	-
Accelerated capital allowances	(167)	-	(234)	-
Short term timing differences	-	-	-	-
Tax losses carried forward	417	-	484	-
	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. The deferred tax asset arises from trading losses (£2.0 million; 2008: £2.4 million) net of accelerated capital allowances (£0.8 million; 2008: £1.2 million).

In addition to the above the Group had tax losses of approximately £2.4 million as at 27 December 2009 (28 December 2008: £1.5 million), which are available to carry forward against future taxable profits.

23 Share capital

	Authorised			
	2009 Number	2008 Number	2009 £'000	2008 £'000
Ordinary shares of 10p each	50,000,000	50,000,000	5,000	5,000

	Allotted, called up and fully paid			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of 10p each	37,836,614	37,836,614	3,784	3,784

All shares carry the same voting rights.

Movements in share capital

	Number	£'000
At 30 December 2007	31,169,948	3,117
Issue of new ordinary shares	6,666,666	667
At 28 December 2008 and 27 December 2009	37,836,614	3,784

During the previous 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 2008	6,666,666	10p	£0.30	£117,500	£1,882,500

24 Reserves

Group	Share capital £'000	Share premium account £'000	Retained deficit £'000	Merger reserve £'000	Total equity £'000
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
Loss for the period	-	-	(2,074)	-	(2,074)
Share based payment charge	-	-	126	-	126
At 27 December 2009	3,784	9,450	(6,766)	992	7,460

24 Reserves *(continued)*

Company	**Share capital £'000**	**Share premium account £'000**	**Retained deficit £'000**	**Total equity £'000**
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
Loss for the period	-	-	(5,737)	(5,737)
Share based payment charge	-	-	126	126
At 27 December 2009	3,784	9,450	(5,774)	7,460

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 Statement of comprehensive income together with other items which are required to be taken direct to equity.
Merger reserve	Difference between the nominal value of shares issued and the nominal value of shares acquired on merger.

25 Capital commitments

At the balance sheet date the Group and the Company had no capital commitments which were contacted but not provided for (2008 - £nil). Capital commitments relate to committed expenditure in respect of restaurants under construction.

26 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	Company	Group	Company
	2009	2009	2008	2008
	£'000	£'000	£'000	£,000
Operating leases which expire:				
Within 1 period	1,216	-	1,116	-
Within 2 to 5 periods	4,863	-	4,463	-
After 5 periods	19,938	-	18,212	-
	26,017	-	23,791	-

Leases for land and buildings are subject to rent reviews.

27 Pensions

Last year the Group made contributions to the personal pension plan of one former director. The total amount paid during the period was £nil (2008 - £4,000).

28 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.

	2009 Weighted average exercise price (pence)	2009 Number	2008 Weighted average exercise price (pence)	2008 Number
Outstanding at the beginning of the period	60.5	2,162	60.5	2,087
Granted during the period	35.0	427	31.5	895
Cancelled during the period	-	-	87.5	(320)
Lapsed during the period	-	-	87.5	(320)
Outstanding at the end of the period	56.4	2,589	60.5	2,162

The exercise price of options outstanding at the end of the period ranged between 18p and 87.5p (2008 -18p and 87.5p) and their weighted average remaining contractual life was 8 years (2008 - 9 years).

Of the total number of options outstanding at the end of period, 739,935 (2008 – 739,935) had vested and were exercisable at the end of the period.

No options were exercised during either the current or prior period.

The weighted average fair value of each option granted during the period was 16p (2008 – 13p).

On 8 December 2009 426,520 new options were issued at 35.0p. 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.

28 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.

	2009	**2008**
Equity-settled		
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price at grant date (pence)	35	31.5
Exercise price (pence)	35	31.5
Weighted average contractual life (days)	730	1,095
Expected volatility	71.3%	68%
Expected dividend growth rate	0%	0%
Risk-free interest rate	2.7%	3.8%

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

	2009 £'000	**2008 £'000**
Share based payment charge for the period	126	110
	126	110

29 Related party transactions

During the period leasehold premiums of £nil (2008 - £275,000) and rent of £334,000 (2008 - £219,000) were paid to Kropifko Properties Limited, a company in which A Kaye and S Kaye, are directors. In addition, rents of £197,000 (2008 - £285,000) 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 (2008 – nil).

30 Notes supporting the cash flow statement

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

	2009 £'000	**2008 £'000**
Cash available on demand	150	402
Short-term deposits	1,700	2,200
	1,850	2,602

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

Notice is hereby given that the 2010 Annual General Meeting of Tasty plc will be held at dim t, 2a More London Place, Tooley Street, London SE1 2DB on 9 June 2010 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 27 December 2009, together with the report of the auditors and the directors thereon, be received and adopted.

2 THAT, Daniel Plant, 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 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 resolution 5 will be proposed as an ordinary resolution and resolutions 6 and 7 as special resolutions:

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 £2,500,000 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 £2,500,000;

(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.

7 THAT, article 2.1 of the Company's articles of association be deleted, and that articles 2.2, 2.3 and 2.4 be re-numbered 2.1, 2.2 and 2.3 respectively.

By order of the Board

K Lassman
Secretary
Date 26 April 2010

Registered Office: 19 Cavendish Square, London W1A 2AW

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 then 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, 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, 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, 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 10 am on 7 June 2010 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 10am on 7 June 2010 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 28 April 2010, the Company's issued share capital comprised 37,836,614 Ordinary Shares. The total number of voting rights in the Company as at 28 April 2010 is 37,836,614 Ordinary Shares. 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, 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.