

Cash flows

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

Review of the business

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

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

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

Staff

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

Current Trading

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

Keith Lassman
Chairman

7 April 2009

Tasty plc**Consolidated Income statement for the 52 weeks ended 28 December 2008**

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

Tasty plc

Consolidated statement of changes in equity as at 28 December 2008

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

Tasty plc

Consolidated balance sheet at 28 December 2008

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

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

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

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

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

Notes to the preliminary announcement

1. Basis of preparation

The consolidated financial statements incorporate the results of the Company and its subsidiary, Took Us A Long Time Limited. The merger method of accounting has been used to consolidate the results of the subsidiary undertaking.

The results presented are for the 52 weeks ended 28 December 2008. The comparative results are for the 52 weeks ended 30 December 2007. The financial information set out above relating to the results of Tasty plc (the "Group") for the periods ended 28 December 2008 and 30 December 2007 does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The financial statements have been prepared in accordance with the accounting policies and presentation required by International Financial Reporting Standards, incorporating International Accounting Standards ("IAS") and Interpretations (collectively 'IFRS') as endorsed by the EU. They are presented in pounds sterling, rounded to the nearest thousand. The accounting policies used have been applied consistently to all periods presented and are the same as those set out in detail in the 2007 Report and Accounts.

The financial information set out above for the period ended 28 December 2008 is derived from those accounts that have been audited. A copy of the statutory accounts for the period ended 30 December 2007 has been delivered to the Registrar of Companies. The comparative numbers for the period ended 30 December 2007 have been extracted from those accounts. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

The annual report and accounts for the period ended 28 December 2008 will be sent out to shareholders. Further copies of the documents can be accessed from the Company's website at www.dimt.co.uk.

2 Non-trading items

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

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

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

3 Tax on profit on ordinary activities

	2008 £'000	2007 £'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)	-
	<u> </u>	<u> </u>
Current tax charge for period	(6)	-
Deferred tax		
Adjustment in respect of prior period	-	-
Origination and reversal of temporary differences	-	(134)
	<u> </u>	<u> </u>
Total deferred tax	-	(134)
	<u> </u>	<u> </u>
Total income tax credit	(6)	(134)
	<u> </u>	<u> </u>

(b) Factors affecting tax charge for the period

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

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

4 Loss per ordinary share (EPS)

	2008	2007
Numerator	£'000	£'000
Loss for the period	(1,579)	(2,847)
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Denominator		
	Number	Number
	'000	'000
Weighted average number of ordinary shares (basic and diluted eps)	32,892	27,911
Basic loss per ordinary share (pence)	(4.80p)	(10.20p)
Diluted loss per ordinary share (pence)	(4.80p)	(10.20p)

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

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