

**Tasty plc**

Report and Financial Statements

52 weeks ended

30 December 2007

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## **Tasty plc**

### **Directors and information**

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#### **Directors**

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

#### **Secretary and registered office**

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

#### **Company number**

5826464

#### **Independent Auditors**

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

#### **Solicitors**

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

Glovers, 115 Park Street, London, W1K 7DY

#### **Bankers**

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

#### **Nominated advisors and stockbrokers**

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

#### **Registrars**

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

I am pleased to report on the Group's full period results for 2007. Our 2007 results will be the first set of financial statements we have prepared under IFRS. Under IFRS the principal changes relate to the treatment of lease premiums, lease incentives and the basis for calculating deferred taxation, which have had a net adverse impact on our results. Given that these are changes in accounting policy only there is no impact on the operating fundamentals or underlying cash flows of the business.

During the course of the period three new dim-t restaurants were successfully opened, and one closed, taking the total number at the period end to eight and a large central kitchen facility was established in Park Royal, London. The Group's oldest three restaurants have been refurbished to a high standard to ensure consistent brand identity throughout the Group. We have made some high level recruitments during the period to bolster the management and head office team.

#### Results

Turnover for the 52 weeks ended 30 December 2007 was up 103% to £5,437,000 (2006 - £2,676,000). Operating losses before tax and non trading items were £659,000 (2006 – loss £28,000). The non-trading items relate to the disposal and impairment of property, plant and equipment of £2,194,000 (2006 – nil), pre-opening costs of £279,000 (2006 - £183,000) and flotation expenses of nil (2006 - £118,000). The overall statutory pre-tax loss after non-trading items was £2,981,000 (2006 – loss £252,000), with the loss on closure of our Nottingham unit, as previously reported, and a reduction in the carrying value of our Tunbridge Wells unit, as detailed below, contributing significantly to the loss.

Under IFRS we are required to spread the benefits of any rent free period at the start of a new lease over the full term of the lease. As a consequence the pre-opening costs in any one year are substantially higher than they were under UK GAAP. As a result we have separately identified pre-opening costs of £279,000 (2006 - £183,000) on the income statement.

The Board do not recommend the payment of a dividend.

#### Openings

Dim-t opened in Gloucester Road in April, Maidstone in August and Winchester in November, and all three have proved to be successful openings.

#### Closure and Impairment

Nottingham was sold in October 2007 and the board has taken the decision to impair the value of the Tunbridge Wells branch due to its performance falling below expectations.

#### Cashflows

Net cash outflow for the period before financing was £4,288,000 (2006 – £2,255,000). This is largely represented by capital expenditure on the expansion of the business.

During the period £5,018,000 (2006 – £4,497,000) was raised from share issues.

Net cash and cash equivalents held at the end of the year were £3,379,000 (2006 - £3,776,000).

#### Staff and Infrastructure

As previously reported to shareholders, Julia Fleet, formerly CEO of Ask Central plc, joined the executive Board in September and Jo Bargery, also a former Ask Central plc director, has joined our operational team. Our staff continue to make a key contribution to the Group's performance and I would like to take this opportunity to thank them for their support and commitment during the period.

The Group is now well positioned for its future growth. Our central kitchen facilities and management resources are well placed to cope with the next phase of our roll out programme.

The Sector

Mintel is forecasting that the eating out market is set to continue to grow at 6% p.a. until at least 2012. In the main this is due to the growth in casual dining, which is where dim-t is positioned in terms of spend and experience. Regular eating out in the UK has become accepted practice for a large number of people and customers are looking for a casual dining experience that offers excellent value for money at a lower cost rather than change their habits. Dim-t, where the average customer spend is less than £14, is well positioned to meet this requirement.

Outlook

We have made an encouraging start to 2008 with the business performing in line with our expectations, despite the background of a weakening economy. Our new Victoria restaurant opened in April and Milton Keynes opened earlier on this month. Two further restaurants are planned to be open by the period end.

AGM

The Company's AGM will take place on 12 June 2008, and the notice of AGM is set out at the end of this document. Shareholders are asked to complete and post the accompanying Proxy Form relating to the AGM whether or not they intend to attend the AGM.

Keith Lassman  
Chairman

15 May 2008

**Report of the Directors for the 52 weeks ended 30 December 2007**

The directors present their report together with the audited financial statements for the 52 weeks ended 30 December 2007.

**Results and dividends**

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

The directors do not recommend the payment of a dividend (2006 - £nil).

**Principal activities, trading review and future developments**

The Group's principal activity is the operation of restaurants. During the period the Group opened 3 new restaurants and a further 2 openings have taken place since the end of the period.

For the 52 weeks ended 30 December 2007 sales rose 103% to £5,437,000 (2006 - £2,676,000). The loss for the period before costs of £23,000 and £279,000 in respect of share option charges and pre-opening costs (2006 - £136,000 and £183,000) and also losses of £2,194,000 (2006 - nil) on the disposal and impairment of property and equipment was £485,000 (2006 - profit £67,000).

The presentation of various costs relating to the direct costs of operating individual restaurant sites have been re-allocated from administrative expenses to cost of sales. This is in order to fall in line with many of our competitors way of reporting and does not affect the underlying performance of the business.

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

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

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

**Directors**

The directors of the Group during the period were as follows

**Executive**

Jonny Plant

Samuel Kaye

Julia Fleet (appointed 28 September 2007)

**Non-Executive**

Keith Lassman

Adam Kaye

**Executive share option scheme**

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

No share options were exercised during the period.

### **Directors' responsibilities**

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

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

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

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

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

### **Creditor payment policy**

The Group has a standard code and also agrees specific individual terms with certain suppliers. Payment is normally made in accordance with those terms, subject to the suppliers' own performance. The creditor days of the Group and Company at the period end was 65 days (2006 - 115 days).

### **Donations**

The Group made no charitable or political donations in the period (2006 – none).

### **Financial Instruments**

Details of the use of financial instruments, and the principal risks faced by the Group are contained in note 3 to the financial statements.

**Auditors**

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

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

**On behalf of the Board**

D J Plant

**Director**

15 May 2008

**Independent auditors' report to the shareholders of Tasty plc**

We have audited the Group and parent Company financial statements (the "financial statements") of Tasty plc for the 52 weeks ended 30 December 2007 which comprise the consolidated income statement, the consolidated and Company balance sheets, the consolidated and Company cash flow statements, the consolidated and Company statements of changes in equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

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

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

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

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

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

**Basis of audit opinion**

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

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

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

**Opinion**

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 December 2007 and of its loss for the 52 weeks then ended;
- the parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent Company's affairs as at 30 December 2007;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*BDO Stoy Hayward LLP*

*Chartered Accountants and Registered Auditors*

*London*

*15 May 2008*

## Consolidated Income statement for the 52 weeks ended 30 December 2007

	Note	2007 £'000	2006 £'000
<b>Revenue</b>	1	5,437	2,676
Cost of sales		(5,531)	(2,343)
<b>Gross (loss)/profit</b>		(94)	333
<b>Administrative costs</b>		(1,434)	(662)
<b>Other operating expenses</b>		(1,604)	-
<b>Operating loss excluding pre-opening costs and non trading items</b>		(659)	(28)
Pre-opening costs		(279)	(183)
Disposal and impairment of property, plant and equipment		(2,194)	-
Exceptional flotation expenses		-	(118)
<b>Operating loss</b>	4	(3,132)	(329)
Finance income	5	151	77
<b>Loss before taxation</b>		(2,981)	(252)
Income tax expense	9	134	21
<b>Loss for the period – attributable to equity shareholders</b>		(2,847)	(231)
<b>Loss per ordinary share</b>			
Basic and diluted	10	(10.20p)	(1.14p)

The notes on pages 17 to 43 form part of these financial statements.

## Consolidated statement of changes in equity as at 30 December 2007

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total equity £'000
<b>Balance at 31 December 2005</b>	1,942	-	886	(480)	2,348
<b>Changes in equity for 2006</b>					
Loss for the period	-	-	-	(231)	(231)
Tax on items taken directly to equity	-	-	-	-	-
<b>Total recognised income and expense for the period</b>	-	-	-	(231)	(231)
Issue of share capital (net of £359,000 issue costs)	659	3,732	-	-	4,391
Equity share options granted	-	-	-	186	186
Movements on merger reserve	-	-	106	-	106
<b>Balance at 31 December 2006</b>	2,601	3,732	992	(525)	6,800
<b>Changes in equity for 2007</b>					
Loss for the period	-	-	-	(2,847)	(2,847)
Tax on items taken directly to equity	-	-	-	-	-
<b>Total recognised income and expense for the period</b>	-	-	-	(2,847)	(2,847)
Issue of share capital (net of £169,000 issue costs)	516	4,502	-	-	5,018
Equity share options granted	-	-	-	23	23
<b>Balance at 30 December 2007</b>	3,117	8,234	992	(3,349)	8,994

The notes on pages 17 to 43 form part of these financial statements.

## Company statement of changes in equity as at 30 December 2007

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
<b>Balance at 31 December 2005</b>	-	-	-	-
<b>Changes in equity for 2006</b>				
Loss for the period	-	-	(246)	(246)
Tax on items taken directly to equity	-	-	-	-
<b>Total recognised income and expense for the period</b>	-	-	(246)	(246)
Issue of share capital (net of £359,000 issue costs)	2,601	3,732	-	6,333
Equity share options granted	-	-	186	186
<b>Balance at 31 December 2006</b>	2,601	3,732	(60)	6,273
<b>Changes in equity for 2007</b>				
Loss for the period	-	-	(103)	(103)
Tax on items taken directly to equity	-	-	-	-
<b>Total recognised income and expense for the period</b>	-	-	(103)	(103)
Issue of share capital (net of £169,000 issue costs)	516	4,502	-	5,018
Equity share options granted	-	-	23	23
<b>Balance at 30 December 2007</b>	3,117	8,234	(140)	11,211

The notes on pages 17 to 43 form part of these financial statements.

## Consolidated balance sheet at 30 December 2007

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	12	10		7	
Property, plant and equipment	13	5,230		3,193	
Pre-paid operating lease charges	14	1,103		311	
Deferred tax asset	19	250		116	
Other receivables	17	196		197	
<b>Total non-current assets</b>			6,789		3,824
<b>Current assets</b>					
Inventories	16	172		82	
Trade and other receivables	17	503		305	
Prepaid operating lease charges	14	48		13	
Cash and cash equivalents		3,379		4,003	
<b>Total current assets</b>			4,102		4,403
<b>Total assets</b>			10,891		8,227
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Accrual for lease incentives		219		71	
<b>Total non-current liabilities</b>			219		71
<b>Current liabilities</b>					
Trade and other payables	18	1,678		1,356	
<b>Total current liabilities</b>			1,678		1,356
<b>Total liabilities</b>			1,897		1,427
<b>TOTAL NET ASSETS</b>			8,994		6,800
<b>Capital and reserves</b>					
Called up share capital	20		3,117		2,601
Share premium reserve	21		8,234		3,732
Retained deficit	21		(3,349)		(525)
Merger reserve	21		992		992
<b>TOTAL EQUITY</b>			8,994		6,800

The financial statements were approved by the Board of Directors and authorised for issue on 15 May 2008.

D J Plant

The notes on pages 17 to 43 form part of these financial statements.

**Tasty plc****Company balance sheet at 30 December 2007**

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Assets</b>					
<b>Non-current assets</b>					
Deferred tax asset	19	-		28	
Investments	15	1,942		1,942	
Other receivables	17	7,000		-	
<b>Total non-current assets</b>			8,942		1,970
<b>Current assets</b>					
Trade and other receivables	17	2,269		4,303	
<b>Total current assets</b>			2,269		4,303
<b>Total assets less current liabilities</b>			11,211		6,273
<b>TOTAL NET ASSETS</b>			11,211		6,273
<b>Capital and reserves</b>					
Called up share capital	20		3,117		2,601
Share premium reserve	21		8,234		3,732
Retained deficit	21		(140)		(60)
<b>TOTAL EQUITY</b>			11,211		6,273

The financial statements were approved by the Board of Directors and authorised for issue on 15 May 2008.

D J Plant

The notes on pages 17 to 43 form part of these financial statements.

## Consolidated cash flow statement for the 52 weeks ended 30 December 2007

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Cash flows from operating activities</b>					
Loss for the period before tax		(2,981)		(252)	
Adjustments for:					
Depreciation		309		102	
Amortisation		1		1	
Impairment losses		590		-	
Loss on sale of property, plant and equipment		1,604		-	
Equity settled share-based payment expense		23		186	
Finance income		(151)		(77)	
<b>Cash flows from operating activities before changes in working capital</b>		(605)		(40)	
Increase in trade and other receivables		(1,128)		(471)	
Increase in inventories		(90)		(57)	
Increase in trade and other payables		696		878	
<b>Cash generated from operations</b>			(1,127)		310
Income tax paid			-		(6)
<b>Net cash flows from operating activities carried forward</b>			(1,127)		304

The notes on pages 17 to 43 form part of these financial statements.

Consolidated cash flow statement for the 52 weeks ended 30 December 2007 (*Continued*)

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Cash flows from operating activities</b>					
<b>brought forward</b>			(1,127)		304
<b>Investing activities</b>					
Purchases of property, plant and equipment		(4,535)		(2,324)	
Purchase of intangible assets		(4)		(8)	
Sale of property, plant and equipment		100		-	
Interest received		151		77	
		-----		-----	
<b>Net cash from/(used in) investing activities</b>			(4,288)		(2,255)
<b>Financing activities</b>					
Issue of ordinary shares (net of issue costs of £169,000 – 2006 - £359,000)		5,018		4,497	
		-----		-----	
<b>Net cash from financing activities</b>			5,018		4,497
			-----		-----
<b>Net (decrease)/increase in cash and cash equivalents</b>			(397)		2,546
<b>Cash and cash equivalents at beginning of period</b>			3,776		1,230
			-----		-----
<b>Cash and cash equivalents at end of period</b>	27		3,379		3,776
			-----		-----

The notes on pages 17 to 43 form part of these financial statements.

## Company cash flow statement for the 52 weeks ended 30 December 2007

Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
<b>Cash flows from operating activities</b>				
Loss for the period before tax	(75)		(246)	
Adjustments for:				
Equity settled share-based payment expense	23		186	
	<u>          </u>		<u>          </u>	
<b>Cash flows from operating activities before changes in working capital</b>	(52)		(60)	
Increase in trade and other receivables	(4,966)		(4,331)	
	<u>          </u>		<u>          </u>	
<b>Net cash flows from operating activities</b>		(5,018)		(4,391)
<b>Financing activities</b>				
Issue of ordinary shares (net of issue costs of £169,000 – 2006 £359,000)	5,018		4,391	
	<u>          </u>		<u>          </u>	
<b>Net cash from financing activities</b>		5,018		4,391
		<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		-		-
<b>Cash and cash equivalents at beginning of period</b>		-		-
		<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of period</b>		-		-
		<u>          </u>		<u>          </u>

The notes on pages 17 to 43 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”).

This is the first time the Company has prepared its financial statements in accordance with IFRSs, having previously prepared its financial statements in accordance with UK GAAP accounting standards. Details of how the transition from UK accounting standards to EU adopted IFRS has affected the Group’s financial position and performance are given in note 28. The transition date for the purposes of applying IFRS for the Group was 1 January 2006.

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

In preparing these financial statements, the following amendments to published standards and interpretations to existing standards effective in 2007 were adopted by the Group.

- *IFRS 7, Financial Instruments: disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements – capital disclosures* (effective for accounting periods beginning on or after 1 January 2007). IFRS 7 introduces new requirements aimed at improving the disclosure of information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about market risk, credit risk and liquidity risk. Where those risks are deemed to be material to the Group it requires disclosures based on the information used by key management. It replaces the disclosure requirements in IAS 32 ‘Financial Instruments: disclosure and presentation’. It is applicable to all entities that report under IFRS.

The amendment to IAS 1 introduces disclosures about the level and management of an entity’s capital. The Group has applied IFRS 7 and the amendment to IAS 1 to the accounts for the period beginning on 1 January 2007.

- *IFRIC 8, Scope of IFRS 2* (effective for accounting periods beginning on or after 1 May 2006). IFRIC 8 requires consideration of transactions involving the issue or grant of equity instruments to establish whether or not they fall within the scope of IFRS 2. It applies to situations where the identifiable consideration received is or appears to be less than the fair value of the equity instruments issued. There was no impact on the Group’s accounts from its adoption.
- *IFRIC 10, Interim Financial Reporting and Impairment* (effective for accounting periods beginning on or after 1 November 2006). IFRIC 10 prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and on financial assets carried at cost to be reversed at a subsequent balance sheet date. There was no impact on the Group’s accounts from its adoption.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but are currently not relevant to the Group.

- *IFRIC 7, Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies* (effective for accounting periods beginning on or after 1 March 2006).
- *IFRIC 9, Reassessment of embedded derivatives* (effective for accounting periods beginning on or after 1 June 2006).

**1 Accounting policies (continued)**

The following standards, interpretations and amendments to published standards are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods and which the Group has decided not to adopt early.

- *IFRS 8, Operating Segments* (effective for accounting periods beginning on or after 1 January 2009).
- *IAS 23 Borrowing Costs (revised)* (effective from 1 January 2009).
- *IFRIC 11, IFRS 2 - Group and Treasury Share Transactions* (effective for accounting periods beginning on or after 1 March 2007).
- *IFRIC 12, Service Concession Arrangements* (effective for accounting periods beginning on or after 1 January 2008).
- *IFRIC 13, Customer Loyalty Programmes* (effective for accounting periods beginning on or after 1 July 2008). IFRIC 13 is still to be endorsed by the EU.
- *IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective for accounting periods beginning on or after 1 January 2008). IFRIC 14 is still to be endorsed by the EU.
- *Revised IFRS 3, Business Combinations and complementary Amendments to IAS 27, Consolidated and separate financial statements* (both effective for accounting periods beginning on or after 1 July 2009). This revised standard and amendments to is still to be endorsed by the EU.
- *Amendment to IFRS 2, Share-based payments: vesting conditions and cancellations* (effective for accounting periods beginning on or after 1 January 2009). This amendment is still to be endorsed by the EU.

***Basis of consolidation***

The consolidated financial statements incorporate the results of the Company and its subsidiary, Took Us A Long Time Limited. The parent Company has taken advantage of the exemption in S230 of the Companies Act 1985 not to publish its own income statement. The accounting period of the subsidiary is co-terminous with that of the parent undertaking.

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

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

***Revenue***

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

**1 Accounting policies (continued)*****Retirement benefits: Defined contribution schemes***

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

***Share based payments***

The Company operates a share-based payment scheme 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 a binomial model. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that ultimately the cumulative amount recognised over the vesting period is based on the Directors' best estimate of the number of shares that will eventually vest. The movement in the cumulative expense since the previous balance sheet date is recognised in the Income Statement, with the corresponding increase taken into equity.

***Externally acquired intangible assets***

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

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

Intangible asset	Useful economic life
Trademarks	10 years

***Property, plant and equipment***

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

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

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

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

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

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

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

Impairment charges are included in the administrative expenses line item in the consolidated income statement, except to the extent they reverse gains previously recognised in the consolidated statement of recognised income and expense.

**1 Accounting policies** (*continued*)

***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 or as held to maturity.

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 receivables comprises trade and other receivables and cash and cash equivalents in the balance sheet.

Cash and cash equivalents includes cash in hand, deposits held with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

***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 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, 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 Income Statement, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

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

***Share capital***

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

***Dividend policy***

In accordance with IAS 10, "Events after the Balance Sheet Date", dividends declared after the balance sheet date are not recognised as a liability at that balance sheet date, and are recognised in the financial statements when they have received approval by shareholders.

***Operating profit***

Operating profit is stated after all expenses, including the profit or loss on disposal of property, plant and equipment, impairment of fixed assets, and flotation expenses, which are considered to be non-trading items, but before financial income or expenses. Non-trading items are items of income or expense which because of their nature, and the events giving rise to them, are presented separately to allow shareholders to better understand the elements of financial performance in the period, so as to aid comparison and trends with prior periods.

***Changes in accounting policies***

As part of the IFRS conversion process, though not a requirement of IFRS, the Group has changed its accounting policy in respect of allocation of costs between cost of sales and administrative expenses.

The presentation of various costs such as rent and rates and other direct occupancy expenses together with marketing and other operational costs and depreciation of the Group's assets have been reallocated in arriving at the loss from operations. Costs which were previously treated as administrative expenses have been reclassified as cost of sales. Prior period comparatives for 2006 have also been restated. This is in order that the Group falls into line with the common way of reporting in the industry and has had no affect on the underlying performance of the business. Details of the impact of this change in accounting policy are provided in note 28.

## 2 Critical accounting estimates and judgements

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

### *Estimates and assumptions*

- Share based payment

The Group operates equity share-based remuneration schemes for employees. Employee services received, and the corresponding increase in equity, are measured by reference to the fair value of the equity instruments at the date of grant, excluding the impact of any non-market vesting conditions. The fair value of share options is estimated by using valuation models, such as binomial on the date of grant based on certain assumptions. Those assumptions are described in note 25 and include, among others, the dividend growth rate, expected volatility, expected life of the options and number of options expected to vest. More details including carrying values are disclosed in note 25.

- Utility costs at restaurants

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

- Useful lives of property, plant and equipment

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

- Impairment reviews

In carrying out impairment reviews in accordance with IAS36 it is necessary to make judgements and estimates regarding the future performance and cashflows of individual restaurants, which can not be known with certainty. Past performance is often used as a guide in estimating future performance, or comparison with similar units. An impairment charge of £590,000 has been made in the period (2006 – Nil) in respect of one loss making restaurant in Tunbridge Wells as the directors consider its recent performance and anticipated cash flows indicate that the value in use is less than its carrying value. The unit has been valued at net realisable value based on their experience of the property market and the industry.

## 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 market price risk.

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

### 3 Financial instruments – Risk Management (*continued*)

#### *Principal financial instruments*

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

- trade receivables
- cash at bank and bank overdrafts
- trade and other payables

#### *General objectives, policies and processes*

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

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

#### *Credit risk*

Credit risk is the risk of the financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

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

The Group's principal financial assets are cash and trade debtors. There is minimal credit risk associated with the Group's cash balances. Cash balances are all held with recognised financial institutions. Trade debtors arise in respect of sales to a major supplier and therefore they are largely offset by trade creditors. 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.

#### *Interest rate risk*

The Group has undrawn committed borrowing facilities available at 30 December 2007 of £1,500,000 (2006 - £1,500,000) which reduce by £175,000 on the first anniversary of drawdown and a further £75,000 on the second anniversary of drawdown and nil on the third anniversary.

No amounts have been drawn down during the period (2006 – nil) and there is therefore minimal interest rate risk.

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

Surplus funds are invested in fixed short term deposit accounts. At period end the amount held in fixed deposit accounts was £1,700,000 (2006 - £3,922,000). The weighted average interest rate of the short term deposits utilised was 4.6% and the average amount of time for which interest rates are fixed on short term deposits was 30 days. The maturity date of the amounts held on deposit at the period end was 17 January 2008. A 1% movement in market interest rates would have given rise to a change in interest received and, therefore profits, of less than £50,000 in either the current or prior period

**3 Financial instruments – Risk Management** *(continued)**Capital disclosures*

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

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

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

**4 Operating loss from operations**

<b>Group</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
This has been arrived at after charging		
Staff costs (see note 6)	2,220	1,032
Operating lease rentals	797	351
Amortisation of intangible fixed assets	1	1
Depreciation	309	110
Loss on disposal of fixed assets	1,604	-
Impairment of property plant and equipment	590	-
Share based payments	23	136
Pre-opening costs	279	183
Exceptional flotation expenses	-	118
Auditors' remuneration		
Audit fee		
- Audit of parent Company	7	2
- Audit of Group financial statements	8	3
- Audit of subsidiary undertaking	15	10
Other services		
- Taxation services	7	9
	<u>          </u>	<u>          </u>

**5 Finance income**

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest receivable	151	77
	<u>          </u>	<u>          </u>

**6 Staff costs**

Staff costs for all employees, including directors, consist of

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Wages and salaries	2,035	938
Social security costs	183	94
Other pension costs	2	-
Equity settled share based payment expense (note 25)	23	152
	<u>2,243</u>	<u>1,184</u>

The average number of persons, including executive directors, employed by the Group during the period was 159, of which 151 were restaurant staff and 8 were administration staff, (2006 – 77 of which 72 were restaurant staff and 5 were administration staff). No staff are employed by the Company.

**7 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.

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>Remuneration</b>		
Emoluments	118	67
Contributions to money purchase pension schemes	1	-
	<u>119</u>	<u>67</u>

No wages are paid by the Company.

The emoluments of the highest paid director are as follows:

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Emoluments	70	58
Contributions to money purchase pension schemes	-	-
	<u>70</u>	<u>58</u>

During the period, one director (2006 - nil) accrued benefits under money purchase pension schemes.

**Company**

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

**8 Segment information**

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

**9 Tax on profit on ordinary activities**

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
<b>(a) Analysis of charge for the period</b>		
Current tax		
UK corporation tax on profits of the period	-	-
	<u>          </u>	<u>          </u>
Current tax charge for period	-	-
Deferred tax		
Adjustment in respect of prior period	-	-
Origination and reversal of temporary differences (note 19)	(134)	(21)
	<u>          </u>	<u>          </u>
Total deferred tax	(134)	(21)
	<u>          </u>	<u>          </u>
Total income tax expense	(134)	(21)
	<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:

	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Loss on ordinary activities before tax	(2,981)	(252)
	<u>          </u>	<u>          </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 – 30%)	(894)	(76)
Effects of:		
Expenses not deductible for tax purposes	396	48
Effects of changes in enacted tax rates and small companies rate	59	7
Increase in unprovided tax losses carried forward	305	-
	<u>          </u>	<u>          </u>
Total tax expense (see (a) above)	(134)	(21)
	<u>          </u>	<u>          </u>

**10 Loss per ordinary share (EPS)**

<b>Numerator</b>	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Loss for the period	(2,847)	(231)
<b>Denominator</b>		
	<b>Number</b> <b>'000</b>	<b>Number</b> <b>'000</b>
Weighted average number of ordinary shares (basic and diluted eps)	27,911	20,221
<b>Basic loss per ordinary share (pence)</b>	(10.20p)	(1.14p)
<b>Diluted loss per ordinary share (pence)</b>	(10.20p)	(1.14p)

Basic and diluted earnings per share are the same as there is no dilution. The 1,015,000 (2006 – 1,071,531) share options that have been granted in the period 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 nearly always be to reduce the basic loss per share. Share options have therefore been excluded in the calculation of diluted EPS.

**11 Dividend**

No final dividend has been proposed by the directors (2006 – nil).

**12 Intangible fixed assets**

<b>Group</b>	<b>Trade Marks £'000</b>
<i>Cost</i>	
At 1 January 2006	-
Additions	8
	<hr/>
At 31 December 2006	8
	<hr/>
<i>Amortisation</i>	
At 1 January 2006	-
Charge for period	1
	<hr/>
At 31 December 2006	1
	<hr/>
<i>Net book values</i>	
At 31 December 2006	7
	<hr/> <hr/>
At 31 December 2005	-
	<hr/> <hr/>
<i>Cost</i>	
At 1 January 2007	8
Additions	4
	<hr/>
At 30 December 2007	12
	<hr/>
<i>Amortisation</i>	
At 1 January 2007	1
Charge for period	1
	<hr/>
At 30 December 2007	2
	<hr/>
<i>Net book values</i>	
At 30 December 2007	10
	<hr/> <hr/>

**Company**

The Company has no intangible fixed assets.

**13 Property, plant and equipment**

<b>Group</b>	<b>Short term leasehold and leasehold improvements £'000</b>	<b>Furniture, fixtures and computer equipment £'000</b>	<b>Assets in the course of construction £'000</b>	<b>Total £'000</b>
<i>Cost</i>				
At 1 January 2006	654	467	-	1,121
Additions	1,097	909	318	2,324
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	1,751	1,376	318	3,445
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2006	59	91	-	150
Charge for period	36	66	-	102
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	95	157	-	252
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book values</i>				
At 31 December 2006	1,656	1,219	318	3,193
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	595	376	-	971
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Cost</i>				
At 1 January 2007	1,751	1,376	318	3,445
Additions	3,472	769	294	4,535
Disposals	(1,020)	(813)	-	(1,833)
Transfers	277	-	(277)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2007	4,480	1,332	335	6,147
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2007	95	157	-	252
Charge for period	129	180	-	309
Disposal	(69)	(165)	-	(234)
Impairment	373	217	-	590
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2007	528	389	-	917
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book values</i>				
At 30 December 2007	3,952	943	335	5,230
	<hr/>	<hr/>	<hr/>	<hr/>

**Company**

The Company has no property, plant and equipment

**14 Pre-paid operating lease charges**

<b>Group</b>	<b>2007</b> <b>£'000</b>	<b>2006</b> <b>£'000</b>
Held within current assets	48	13
Held within non-current assets	1,103	311
	<u>1,151</u>	<u>324</u>

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

**Company**

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

**15 Fixed asset investments****£'000****Company**

Subsidiary undertaking

At 1 January and 30 December 2007

1,942

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The Company has investments in the following subsidiary undertaking:

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

**16 Inventories**

	<b>Group</b> <b>2007</b> <b>£'000</b>	<b>Company</b> <b>2007</b> <b>£'000</b>	<b>Group</b> <b>2006</b> <b>£'000</b>	<b>Company</b> <b>2006</b> <b>£'000</b>
Raw materials and consumables	77	-	37	-
Crockery and utensils	95	-	45	-
	<u>172</u>	<u>-</u>	<u>82</u>	<u>-</u>

The costs of goods sold in the period is £1,578,000 (2006 - £741,000)

**17 Trade and other receivables**

	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006 £'000</b>	<b>Company 2006 £'000</b>
Amounts due from subsidiary undertaking	-	9,269	-	4,304
Trade receivables	200	-	27	-
Other receivables	499	-	475	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total trade and other receivables	699	9,269	502	4,304
Less: non-current portion	(196)	(7,000)	(197)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Current portion	503	2,269	305	4,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At 30 December 2007, trade receivables of £200,000 (2006 – nil) were past due but not impaired. This relates to monies due from a customer who is also a major supplier. These monies have been recovered in full since the balance sheet date.

The ageing analysis of trade receivables is as follows:-

	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006 £'000</b>	<b>Company 2006 £'000</b>
Up to 3 months	200	-	27	-
	<hr/>	<hr/>	<hr/>	<hr/>
	200	-	27	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Non current receivables have no fixed repayment date but are not expected to be recovered within 12 months

**18 Trade and other payables**

	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006 £'000</b>	<b>Company 2006 £'000</b>
Bank overdraft	-	-	227	-
Trade payables	1,033	-	741	-
Taxation and social security	71	-	39	-
Accruals and deferred income	574	-	349	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,678	-	1,356	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Maturity analysis of financial liabilities, measured at amortised cost, is as follows:-

	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006 £'000</b>	<b>Company 2006 £'000</b>
Up to 3 months	1,678	-	1,356	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,678	-	1,356	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**19 Deferred tax**

Deferred tax is calculated on temporary differences under the balance sheet liability method using a tax rate of 20% (2006 – 19%).

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

	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006 £'000</b>	<b>Company 2006 £'000</b>
At 1 January	116	28	95	-
Profit and loss credit/(charge) (note 9)	134	(28)	21	28
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 December	250	-	116	28
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Accelerated capital allowances	(130)	-	(169)	-
Short term timing differences	-	-	35	28
Tax losses carried forward	380	-	250	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	250	-	116	28
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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.

**20 Share capital**

	<b>2007</b>	<b>Authorised</b>	<b>2007</b>	<b>2006</b>
	<b>Number</b>	<b>2006</b>	<b>£'000</b>	<b>£'000</b>
		<b>Number</b>		
Ordinary shares of 10p each	50,000,000	50,000,000	5,000	5,000

  

	<b>2007</b>	<b>Allotted, called up and fully paid</b>		<b>2006</b>
	<b>Number</b>	<b>2006</b>	<b>2007</b>	<b>£</b>
		<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of 10p each	31,169,948	26,011,900	3,117	2,601

All shares carry the same voting rights.

## Movements in share capital

	<b>Number</b>	<b>£'000</b>
At 1 January 2006	-	-
Issue of new ordinary shares	26,011,900	2,601
At 31 December 2006	26,011,900	2,601
At 1 January 2007	26,011,900	2,601
Issue of new ordinary shares	5,158,048	516
At 30 December 2007	31,169,948	3,117

During the period the Company raised £5,018,000 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 two tranches as follows

<b>Date</b>	<b>Number</b>	<b>Nominal value</b>	<b>Price per share</b>	<b>Issue costs</b>	<b>Funds raised</b>
25 May	2,727,273	10p	£1.10	£42,576	£2,957,421
12 November	2,430,775	10p	£0.90	£126,885	£2,060,808

**21 Reserves**

<b>Group</b>	<b>Share capital £'000</b>	<b>Share premium account £'000</b>	<b>Retained deficit £'000</b>	<b>Merger reserve £'000</b>	<b>Total equity £'000</b>
At 1 January 2006	1,942	-	(480)	886	2,348
Issue of ordinary shares	659	4,091	-	-	4,750
Share issue costs	-	(359)	-	-	(359)
Loss for the period	-	-	(231)	-	(231)
Movements on merger reserve	-	-	-	106	106
Share based payment charge	-	-	186	-	186
	<u>2,601</u>	<u>3,732</u>	<u>(525)</u>	<u>992</u>	<u>6,800</u>
Issue of ordinary shares	516	4,671	-	-	5,187
Share issue costs	-	(169)	-	-	(169)
Loss for the period	-	-	(2,847)	-	(2,847)
Share based payment charge	-	-	23	-	23
	<u>3,117</u>	<u>8,234</u>	<u>(3,349)</u>	<u>992</u>	<u>8,994</u>
At 30 December 2007	<u>3,117</u>	<u>8,234</u>	<u>(3,349)</u>	<u>992</u>	<u>8,994</u>

**21 Reserves** (*continued*)

<b>Company</b>	<b>Share capital £'000</b>	<b>Share premium account £'000</b>	<b>Retained deficit £'000</b>	<b>Total equity £'000</b>
At 1 January 2006	1,942	-	-	1,942
Issue of ordinary shares	659	4,091	-	4,750
Share issue costs	-	(359)	-	(359)
Loss for the period	-	-	(246)	(246)
Share based payment charge	-	-	186	186
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	2,601	3,732	(60)	6,273
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Issue of ordinary shares	516	4,671	-	5,187
Share issue costs	-	(169)	-	(169)
Loss for the period	-	-	(103)	(103)
Share based payment charge	-	-	23	23
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 December 2007	3,117	8,234	(140)	11,211
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

As permitted by S230 of Companies Act 1985, the Company has not presented its own income statement.

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

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

**22 Capital commitments**

	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006</b>	<b>Company 2006</b>
Capital commitments contracted for but not provided for in the financial statements	951	-	-	-

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

**23 Operating lease commitments**

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

	<b>Land and buildings</b>		<b>Land and buildings</b>	
	<b>Group 2007 £'000</b>	<b>Company 2007 £'000</b>	<b>Group 2006</b>	<b>Company 2006</b>
Operating leases which expire:				
Within 1 period	903	-	480	-
Within 2 to 5 periods	3,629	-	1,920	-
After 5 periods	15,750	-	7,206	-
	<u>20,282</u>	<u>-</u>	<u>9,606</u>	<u>-</u>

**24 Pensions**

The Group makes contributions to the personal pension plan of one director. The total amount paid during the period was £1,000 (2006 - nil).

**25 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.

	<b>2007</b> <b>Weighted</b> <b>average</b> <b>exercise</b> <b>price</b> <b>(pence)</b>	<b>2007</b> <b>Number</b>	<b>2006</b> <b>Weighted</b> <b>average</b> <b>exercise</b> <b>price</b> <b>(pence)</b>	<b>2006</b> <b>Number</b>
Outstanding at the beginning of the period	35.0	1,072	-	-
Granted during the period	87.5	1,015	35.0	1,072
Exercised during the period	-	-	-	-
Lapsed during the period	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Outstanding at the end of the period	60.5	2,087	35.0	1,072
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The exercise price of options outstanding at the end of the period ranged between 18p and 87.5p (2006 -18p and 52p) and their weighted average remaining contractual life was 10 years (2006 - 10 years).

Of the total number of options outstanding at the end of period, 739,935 (2006 – 869,171) had vested and were exercisable at the end of the period.

No options were exercised during the current period.

The weighted average fair value of each option granted during the period was 37.8 p (2006 – 22.6p).

**25 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.

	<b>2007</b>	<b>2006</b>
<b>Equity-settled</b>		
Option pricing model used	Binomial	Binomial
Weighted average share price at grant date (pence)	87.5	35
Exercise price (pence)	87.5	35
Weighted average contractual life (days)	1,095	1,095
Expected volatility	31%	52%
Expected dividend growth rate	0%	0%
Risk-free interest rate	4.5%	4.8%
	=====	=====

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

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Share based payment charge for the period	23	136
Share based payments charge included under exceptional flotation expenses	-	16
Share based payments charge debited to share premium account as part of professional charges incurred on share placings	-	34
	-----	-----
	23	186
	=====	=====

**26 Related party transactions**

During the period leasehold premiums of £98,000 (2006 - £186,000) and rent of £396,000 (2006 - £67,000) were paid to KLP, a limited liability partnership in which A Kaye and S Kaye, directors of the Company, are members. A leasehold property was also surrendered to KLP for £100,000. All premiums and rents were paid at a commercial rate. No rent remains outstanding at the period end (2006 – nil).

**27 Notes supporting the cash flow statement**

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

	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Cash available on demand	1,679	81
Overdrafts	-	(227)
Short-term deposits	1,700	3,922
	-----	-----
	3,379	3,776
	=====	=====

**28 First time adoptions of international financial reporting standards**

Reconciliation and explanatory notes of how the transition to IFRS has affected profit and net assets previously reported under UK GAAP are given below:

**Cash flow statement**

There are no material differences between the cash flow statement prepared under UK GAAP and the cash flow statement prepared under IFRS for any of the periods concerned, but rather only minor presentational changes required under IAS7.

**Consolidated Income Statement reconciliation for the 52 weeks ended 31 December 2006**

	Under UK GAAP	Adjustment 1	Adjustment 2	Adjustment 3	Under IFRS
	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>	2,676	-	-	-	2,676
<b>Cost of sales</b>	(2,265) *	-	-	(78)	(2,343)
<b>Gross profit</b>	411	-	-	(78)	333
Administrative expenses	(662) *	-	-	-	(662)
<b>Operating loss</b>	(251)	-	-	(78)	(329)
Finance income	77	-	-	-	77
<b>Loss before tax</b>	(174)	-	-	(78)	(252)
Income tax expense	6	-	-	15	21
<b>Loss for the financial period</b>	(168)	-	-	(63)	(231)
Attributable to – equity shareholders	(168)	-	-	(63)	(231)
<b>Earnings per share</b>					
Basic and diluted	(0.83p)				(1.14p)

\* £667,000 of costs which were previously treated as administrative expenses have been reclassified as cost of sales. The change in treatment has no impact on the net loss for the period ended 31 December 2006.

**28 First time adoptions of international financial reporting standards (continued)****Balance Sheet reconciliation as at 1 January 2006 – transition date**

<b>Group</b>	<b>Under UK GAAP £'000</b>	<b>Adjustment 1 £'000</b>	<b>Adjustment 2 £'000</b>	<b>Adjustment 3 £'000</b>	<b>Under IFRS £'000</b>
<b>Non-current assets</b>					
Property, plant and equipment	1,117	(146)	-	-	971
Prepaid operating lease charges	-	140	-	-	140
Deferred tax asset	95	-	-	-	95
Rent deposits	123	-	-	-	123
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total non-current assets</b>	1,335	(6)	-	-	1,329
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Current assets</b>					
Inventories	25	-	-	-	25
Prepayments & accrued income	41	-	-	-	41
Prepaid operating lease charges	45	6	-	-	51
Cash and cash equivalents	1,230	-	-	-	1,230
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total current assets</b>	1,341	6	-	-	1,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	2,676	-	-	-	2,676
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Current liabilities</b>					
Trade & other payables	(162)	-	-	-	(162)
Tax and social security	(44)	-	-	-	(44)
Accruals & deferred income	(116)	-	-	-	(116)
Current tax liabilities	(6)	-	-	-	(6)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total current liabilities</b>	(328)	-	-	-	(328)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Net Assets</b>	2,348	-	-	-	2,348
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Capital and Reserves</b>					
Called-up share capital	1,942	-	-	-	1,942
Merger reserve	886	-	-	-	886
Retained deficit	(480)	-	-	-	(480)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Capital and Reserves</b>	2,348	-	-	-	2,348
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Company**

The Company was not incorporated as at 1 January 2006.

## 28 First time adoptions of international financial reporting standards (continued)

## Balance Sheet reconciliation as at 31 December 2006

Group	Under UK GAAP £'000	Adjustment 1 £'000	Adjustment 2 £'000	Adjustment 3 £'000	Under IFRS £'000
<b>Non-current assets</b>					
Intangible assets	7	-	-	-	7
Property, plant and equipment	3,517	(324)	-	-	3,193
Prepaid operating lease charges	-	311	-	-	311
Deferred tax asset	101	-	-	15	116
Rent deposits	197	-	-	-	197
<b>Total non-current assets</b>	<b>3,822</b>	<b>(13)</b>	<b>-</b>	<b>15</b>	<b>3,824</b>
<b>Current assets</b>					
Inventories	82	-	-	-	82
Trade and other receivables	27	-	-	-	27
Prepayments & accrued income	278	-	-	-	278
Prepaid operating lease charges	-	13	-	-	13
Cash and cash equivalents	4,003	-	-	-	4,003
<b>Total current assets</b>	<b>4,390</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>4,403</b>
<b>Total assets</b>	<b>8,212</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>8,227</b>
<b>Current liabilities</b>					
Trade & other payables	(741)	-	-	-	(741)
Tax and social security	(39)	-	-	-	(39)
Accruals & deferred income	(342)	-	(7)	-	(349)
Bank overdraft	(227)	-	-	-	(227)
<b>Total current liabilities</b>	<b>(1,349)</b>	<b>-</b>	<b>(7)</b>	<b>-</b>	<b>(1,356)</b>
<b>Non-current liabilities</b>					
Accrual for lease incentives	-	-	(71)	-	(71)
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>(71)</b>	<b>-</b>	<b>(71)</b>
<b>Total liabilities</b>	<b>(1,349)</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>(1,427)</b>
<b>Total Net Assets</b>	<b>6,863</b>	<b>-</b>	<b>(78)</b>	<b>15</b>	<b>6,800</b>
<b>Capital and Reserves</b>					
Called-up share capital	2,601	-	-	-	2,601
Share premium account	3,732	-	-	-	3,732
Merger reserve	992	-	-	-	992
Retained deficit	(462)	-	(78)	15	(525)
<b>Total Capital and Reserves</b>	<b>6,863</b>	<b>-</b>	<b>(78)</b>	<b>15</b>	<b>6,800</b>

**28 First time adoptions of international financial reporting standards (continued)****Balance Sheet reconciliation as at 31 December 2006**

<b>Company</b>	<b>Under UK GAAP £'000</b>	<b>Adjustment 1 £'000</b>	<b>Adjustment 2 £'000</b>	<b>Adjustment 3 £'000</b>	<b>Under IFRS £'000</b>
<b>Non-current assets</b>					
Deferred tax asset	28	-	-	-	28
Investments	1,942	-	-	-	1,942
<b>Total non-current assets</b>	<b>1,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,970</b>
<b>Current assets</b>					
Trade and other receivables	4,303	-	-	-	4,303
<b>Total current assets</b>	<b>4,303</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,303</b>
<b>Total assets</b>	<b>6,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,273</b>
<b>Total assets less current liabilities</b>	<b>6,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,273</b>
<b>Total Net Assets</b>	<b>6,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,273</b>
<b>Capital and Reserves</b>					
Called-up share capital	2,601	-	-	-	2,601
Share premium account	3,732	-	-	-	3,732
Retained deficit	(60)	-	-	-	(60)
<b>Total Capital and Reserves</b>	<b>6,273</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,273</b>

**28 First time adoptions of international financial reporting standards** (*continued*)

**Notes to IFRS adjustments reconciliation statements**

**Adjustment 1 – Pre-paid operating lease costs**

The Group incurs certain upfront costs in acquiring property leases, which it had previously treated as additions to tangible fixed assets. Under IFRS advance payments to landlords (or lease premiums) are more correctly defined as pre-paid operating lease costs. Accordingly, on transition such expenses have been reclassified from tangible fixed assets to prepaid lease costs. These prepaid charges are then amortised over the term of the lease, rather than depreciated as fixed assets. This change in treatment therefore has no impact on the amounts recorded in the income statement.

**Adjustment 2 – Lease incentives**

Under UK GAAP the Company's accounting policy with respect to lease incentives (primarily rent free periods) was to treat the value of the rent free period as deferred income from the first day of trading until rent is due to commence and to credit it to the income statement evenly over the period to the first rent review (normally five periods). According to the provisions in SIC 15, under IFRS the value of rent free periods and all similar lease incentives must be spread evenly over the full term of the lease. This resulted in an increase in the loss for the period ended 31 December 2006 of £78,000 and the recognition of an additional £78,000 of deferred income in respect of lease incentives in the balance sheet at that date.

**Adjustment 3 – Deferred taxation**

Under IAS 12 income taxes, deferred tax balances are calculated using the balance sheet liability method with the result that certain deferred tax assets and liabilities which would not be recognised under UK GAAP will be recognised under IFRS.

An additional deferred tax asset of £15,000 has been recognised for the period ended 31 December 2006 in respect of the above accounting policy change. This change in treatment has resulted in a decrease in the loss for the period ended 31 December 2006 of £15,000.

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

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Notice is hereby given that the 2008 Annual General Meeting of Tasty plc will be held at dim t, 2a More London Place, Tooley Street, London SE1 2JP on 12 June 2008 at 9.30 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 30 December 2007, together with the report of the auditors and the directors thereon, be received and adopted.
- 2 THAT, Julia Fleet, who was appointed as a director by the Board, 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, Jonny Plant, who retires in accordance with the Company's articles of association, be re-elected as a director.
- 5 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 6 will be proposed as an ordinary resolution and resolution 7 as a special resolution:

- 6 THAT, the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £1,883,005 during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting), but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unused.
- 7 THAT, the directors be and they are empowered during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting) pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash pursuant to the authority conferred by resolution 6 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
  - (i) the allotment of equity securities for cash up to an aggregate nominal amount of 30 per cent. of the issued share capital of the Company as at the date of the passing of this resolution;
  - (ii) the allotment of equity securities in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange,

but so that this authority shall allow the Company to make offers or agreements before the expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired.

By order of the Board

K Lassman  
Secretary

Date 15 May 2008

Registered Office: 19 Cavendish Square, London W1A 2AW

Notes:

- (i) A Member entitled to attend and vote at the Meeting convened by this Notice is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote in his or her stead. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. To appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY or on telephone number 0870 707 1580. A proxy need not be a member of the Company.
- (ii) In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy but the vote of the first names on the register of members will be accepted to the exclusion of other joint holders.
- (iii) To appoint a proxy you may use the Form of Proxy enclosed with this Notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 9.30 a.m. on 10 June 2008 at the offices of the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY.
- (iv) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the register of members of the Company at the close of business on the day which is two days before the day of the Annual General Meeting (or any adjourned meeting) shall be entitled to attend and vote at the Annual General Meeting in respect of the number of such shares registered in their name at the relevant time. Changes to entries on the register of members after that time shall be disregarded in determining the right of any person to attend and vote at the meeting.
- (v) The service contracts and letters of appointment of the directors of the Company are available for inspection by any person at the registered office of the Company on each business day during normal business hours and will be available on the day of the Annual General Meeting, at the place of such Meeting, from at least 15 minutes prior to such Meeting until its conclusion.