The Clapham House Group PLC

Date: 7 July 2009
On behalf of: The Clapham House Group PLC ('Clapham House' or the 'Company')
Embargoed until: 0700hrs

The Clapham House Group PLC
Unaudited Preliminary Results for the year ended 29 March 2009

The Clapham House Group PLC (AIM: CPH), owner and operator of Gourmet Burger Kitchen ('GBK'), Tootsies and The Real Greek ('TRG'), today announces its unaudited preliminary results for the year ended 29 March 2009.

Financial Highlights:

- Revenue increased 16.7% for the year to £62.2m (2008 restated: £53.3m) driven by continued organic growth
- Headline EBITDA* for the year of £8.7m (2008 restated: £8.7m)
- Gourmet Burger Kitchen headline EBITDA* for the year of £7.9m (2008: £7.1m)
- Headline profit before taxation** for the year of £4.1m (2008 restated: £5.0m)
- Headline diluted EPS** for the year of 8.9p (2008 restated: 10.2p)
- Impairment of goodwill and intangible assets relating to Tootsies of £24.2m
- Net debt as at 29 March 2009 of £13.6m (2008: £16.0m)

All numbers above are shown for continuing operations only.

Operational Highlights:

- Continued successful expansion and growth in EBITDA of the GBK business
- 6 new GBK restaurants opened in the UK and 6 new restaurants opened internationally in FY09
- Successful openings of 2 new The Real Greek restaurants
- Fully minimum wage compliant

Current Trading:

- Sales in first quarter of FY10 6% higher than previous year
- Cautious opening programme for FY10
- Board remains positive about the mid term market prospects for the UK eating out market and in particular the future expansion of GBK across the UK

* *Headline EBITDA is defined as headline profit before taxation and before depreciation and amortisation, finance income and finance costs.*

** *Before impairment of property, plant and equipment, impairment of goodwill and intangible assets, onerous lease costs, restructuring costs, share based payments, deferred taxation on share based payments and pre-opening costs.*

David Page, Executive Chairman, The Clapham House Group PLC, commented:

"Despite consumer confidence in the UK being fragile and the trading outlook remaining uncertain, our sales in the first quarter of FY10 across the Group are 6% higher than in the same period last year. We remain positive about the mid term market prospects for the UK eating out market and in particular the future expansion of GBK across the UK."

The Clapham House Group PLC

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Notes to Editors:

Clapham House operates 79 restaurants across the UK and 11 internationally. It has a portfolio of three brands:

Gourmet Burger Kitchen (www.gbk.co.uk) - with 49 restaurants across the UK and 11 internationally, GBK offers a sophisticated, highly regarded and award winning range of gourmet burgers at an affordable price point.

The Real Greek (www.therealgreek.com) - healthy Eastern Mediterranean cuisine, with seven restaurants across London serving a broad range of meze and TRG's much loved souvlaki.

Tootsies (www.tootsiesrestaurants.co.uk) - offering a family friendly all day menu, the first Tootsies restaurant opened in Holland Park over 35 years ago; today there are 23 Tootsies and Dexters restaurants across the UK.

Chairman's Statement

Results

In the year ended 29 March 2009, the Group's revenue from continuing operations increased 16.7% from £53.3m (restated) to £62.2m. This is a result of the continuing organic growth of our restaurant brands, in particular GBK. The Group's headline EBITDA for the year was broadly unchanged at £8.7m (2008 restated: £8.7m). The comparative results for the year ended 30 March 2008 have been restated to show the impact of discontinued operations following the sale of The Bombay Bicycle Club during the year.

Headline profit before taxation for the year was £4.1m (2008 restated: £5.0m). Pre-opening costs during the year were reduced to £0.6m (2008 restated: £1.1m) as a result of fewer openings. After accounting for pre-opening costs, headline profit before taxation after pre-opening costs was £3.6m (2008 restated: £3.9m). Share based payments amounted to £0.6m (2008 restated: £0.5m).

The Group incurred non-trading charges, all of which were non-cash, consisting of £24.2m impairment of the carrying value of the goodwill and intangible assets relating to the acquisition of the Tootsies business (Urban Dining Limited), £4.2m impairment of property, plant and equipment and £0.7m relating to onerous lease costs.

Headline diluted earnings per share before the non-trading charges set out above, share based payments, deferred taxation arising on share based payments and pre-opening costs were 8.9p (2008 restated: 10.2p). Statutory diluted loss per share for the year was 71.9p (2008 restated: 4.6p).

Openings

We opened eight new restaurant locations in the UK during the year, six GBKs and two TRGs. Our international GBK franchisees also opened six new restaurants. This activity took the total number of Clapham House restaurants to 90 at 29 March 2009 (2008 restated: 79).

We have commenced building a 90 cover GBK restaurant in London's sought after Clink Street and also have one further GBK restaurant location signed and planned for construction later in this financial year.

We are pleased to observe that rental and premium prices are now becoming more realistic than they were six months ago. However, we believe that over the next year there will be significant further realignment in property costs and competition. Our expansion strategy in the immediate future is to consider only prime locations which we can occupy on advantageous lease terms.

Gourmet Burger Kitchen

Our latest openings including Liverpool, Bristol, London Spitalfields Market and Westfield London have all performed well since opening. We remain convinced of the strong and profitable expansion potential for GBK in the UK.

Internationally, we now have 11 restaurants in operation under franchise and we plan to expand GBK's business overseas further during this current financial year. No capital from Clapham House is employed in our international business.

Development Brands

The Real Greek

Two new TRG restaurants were launched at Spitalfields and Westfield. All of The Real Greek restaurants are in central London, mainly in high footfall and tourist orientated locations. The Real Greek menu has recently seen the introduction of a number of new healthy dishes and now incorporates nutritional information across the menu.

Tootsies

A number of initiatives were launched within the Tootsies business during the year including a new menu, an improved food offer, a broader range of classic dishes, a new kids menu in partnership with child nutritionist Annabel Karmel, the introduction of a fixed price menu to drive footfall and localised marketing initiatives. Of all our brands, Tootsies has found recent market conditions the most challenging and therefore we have impaired the carrying value of goodwill and intangible assets relating to this business.

Minimum wage and service charge

We have always paid at least minimum wage to restaurant staff in all of our businesses and are therefore unaffected by the imminent change in regulation in this area.

Furthermore, in order to make our tips practices completely transparent we have phased out the discretionary service charge at Tootsies and TRG.

Costs

Whilst some of the inflationary pressures on food and utility costs appear to be abating, we continue to monitor all supply chain arrangements closely to ensure cost efficiency is maximised.

The introduction of a new management system last year to all our restaurants ensures that labour costs are closely controlled.

Menu pricing and promotional activity

Following the reduction in the VAT rate in December 2008, we introduced new menus across our restaurants passing the benefit of the reduced rate onto our customers. Our current view is that it is unlikely, given the recessionary environment, that we will increase menu prices fully when VAT rates increase again in January 2010.

Our strategy is to continue to offer value promotions to our customers across our formats, although in doing so we are looking to build our loyalty schemes which will enable us to deliver focussed promotions. Across the Group we currently have over 160,000 customers signed up to our web based customer loyalty schemes.

In response to weaker consumer demand, there has been a significant escalation in promotional activity across the UK restaurant sector over the past year, led primarily by the largest operators. This appears to be intensifying and, if it continues, will inevitably impact on margins in the current financial year.

Funding

During the year, we generated a net cash inflow from operating activities of £7.4m (2008 restated: £9.2m) and invested £8.2m (2008: £19.9m) in capital expenditure on new sites and infrastructure.

Net debt at 29 March 2009 was £13.6m (2008: £16.0m). The Company's banking facilities are £21.7 million with the core facility extended in December 2008 to mature in June 2012. Where appropriate we have continued to manage interest rate exposure by fixing rates applicable to a portion of the loan to maturity.

Dividends

No final dividend is being proposed by the Board. It remains the Board's policy that, subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so.

Current trading and outlook

In December 2007, we made the strategic decision to reduce our opening programme for the financial year 2008/09. Whilst we are continuing to grow our business we believe that this more cautious approach is prudent in the current economic climate.

Consumer confidence in the UK remains fragile and the trading outlook remains as uncertain as at any time in recent memory. In addition, discounting activity is putting margins under pressure.

Despite the above our sales in the first quarter across the Group are 6% higher than in the same period last year. We remain positive about the mid-term market prospects for the UK eating out market and in particular the future expansion of GBK across the UK.

David Page
Chairman
7 July 2009

The Clapham House Group PLC
Unaudited Consolidated Income Statement
for the year ended 29 March 2009

	Notes	Year ended 29 March 2009 £'000	Year ended 30 March 2008 Restated £'000
Revenue from continuing operations	4	62,160	53,258
Cost of sales		(36,031)	(30,822)
Gross profit		26,129	22,436
Administrative expenses		(21,090)	(16,713)
Headline operating profit		5,039	5,723
Share based payments		(600)	(489)
Pre-opening costs	5	(562)	(1,064)
Operating profit		3,877	4,170
Impairment of property, plant and equipment	6	(4,234)	(1,343)
Impairment of goodwill and intangible assets	6	(24,218)	-
Onerous lease costs		(686)	-
Restructuring costs	7	(13)	(808)
Finance income		141	59
Finance costs		(1,041)	(735)
(Loss)/Profit before taxation		(26,174)	1,343
Income tax expense	8	(667)	(610)
(Loss)/profit from continuing operations		(26,841)	733
Profit/(loss) from discontinued operations	13	1	(2,446)
Loss for the year attributable to equity shareholders of the parent		(26,840)	(1,713)
(Loss)/earnings per share – continuing operations			
Basic	9	(71.9p)	2.0p
Diluted	9	(71.9p)	2.0p
Loss per share – continuing and discontinued operations			
Basic	9	(71.9p)	(4.6p)
Diluted	9	(71.9p)	(4.6p)

The Clapham House Group PLC
Unaudited Consolidated Balance Sheet
as at 29 March 2009

	Notes	2009 £'000	2008 £'000
Non-current assets			
Goodwill and intangible assets		11,078	36,489
Property, plant and equipment	10	39,331	42,423
Trade and other receivables		505	577
Investments		63	63
		50,977	79,552
Current assets			
Inventories		1,347	1,383
Trade and other receivables		5,191	4,210
Current taxation recoverable		-	6
Cash and cash equivalents		949	2,115
		7,487	7,714
Total assets		58,464	87,266
Current liabilities			
Trade and other payables		(14,170)	(14,552)
Current taxation liabilities		(622)	-
Borrowings	11	(541)	(74)
Provisions		(152)	-
		(15,485)	(14,626)
Net current liabilities		(7,998)	(6,912)
Non-current liabilities			
Borrowings	11	(14,000)	(18,000)
Deferred taxation liabilities		(335)	(289)
Provisions		(534)	-
		(14,869)	(18,289)
Total liabilities		(30,354)	(32,915)
Net assets		28,110	54,351
Equity			
Called up share capital		3,732	3,732
Share premium		49,596	49,596
Retained earnings		(25,218)	1,023
Total equity attributable to equity shareholders of the parent		28,110	54,351

The Clapham House Group PLC
Unaudited Consolidated Statement of Change in Equity
for the year ended 29 March 2009

Attributable to equity holders of the parent

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total equity £'000
At 1 April 2007	3,492	44,061	2,292	49,845
Loss for the year	-	-	(1,713)	(1,713)
Deferred taxation on share options	-	-	(609)	(609)
Current taxation on share options	-	-	537	537
Total recognised income and expense	-	-	(1,785)	(1,785)
Ordinary shares issued (net of expenses)	240	5,535	-	5,775
Share based payments	-	-	516	516
Total change in equity	240	5,535	(1,269)	4,506
At 30 March 2008	3,732	49,596	1,023	54,351
Loss for the year	-	-	(26,840)	(26,840)
Deferred taxation on share options	-	-	(1)	(1)
Total recognised income and expense	-	-	(26,841)	(26,841)
Share based payments	-	-	600	600
Total change in equity	-	-	(26,241)	(26,241)
At 29 March 2009	3,732	49,596	(25,218)	28,110

The Clapham House Group PLC
Unaudited Consolidated Cash Flow Statement
for the year ended 29 March 2009

	Notes	Year ended 29 March 2009 £'000	Year ended 30 March 2008 Restated £'000
Net cash flow from operating activities	12	7,409	9,217
Investing activities			
Acquisition of property, plant and equipment and intangible assets – continuing operations		(8,145)	(18,841)
Acquisition of property, plant and equipment and intangible assets – discontinued operations		(87)	(1,038)
Proceeds on disposal of property, plant and equipment		495	290
Purchase of investments		-	(63)
Disposal/(acquisition) of subsidiary		3,595	(852)
Interest received		141	61
Net cash flow used in investing activities		(4,001)	(20,443)
Financing activities			
Proceeds from issuance of new ordinary shares (net of expenses)		-	5,775
Repayment of borrowings		(4,000)	-
Proceeds of new borrowings		-	9,800
Interest paid		(1,041)	(985)
Net cash flow (used in)/from financing activities		(5,041)	14,590
Net (decrease)/ increase in cash and cash equivalents		(1,633)	3,364
Cash and cash equivalents at the beginning of the year		2,041	(1,323)
Cash and cash equivalents at the end of the year		408	2,041

The Clapham House Group PLC
Notes to the Unaudited Preliminary Results
for the year ended 29 March 2009

1. General information

The Clapham House Group PLC is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is Suite D, 1 Lindsey Street, London, EC1A 9HP, United Kingdom. The Annual Report and Accounts will be made available from the above address or the investor section of the Company's website at http://www.claphamhousegroup.com five working days from the date of release.

2. Basis of preparation

The Group has adopted International Financial Reporting Standards and IFRIC Interpretations ("IFRS") .The Group will apply IFRS as adopted by the European Union.

The preliminary results for the year ended 29 March 2009 do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Statutory accounts for the year ended 29 March 2009 have not been filed with the Registrar of Companies and will be delivered in due course. Statutory accounts for the year ended 30 March 2008 were prepared under IFRS and have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified , did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their reports and did not contain a statement either under section 237(2) or 237(3) of the Companies Act 1985.

The accounting policies used in the preliminary results are consistent with those set out in the statutory accounts for the year ended 28 March 2008.

The comparative results for the year ended 30 March 2008 have been restated to show the impact of discontinued operations.

The preliminary announcement is presented in Pounds Sterling because that is the currency of the primary economic environment in which the group operates. All values are rounded to the nearest thousand Pounds (£'000) except when otherwise indicated.

3. Definition of terms

Operating profit
Operating profit is defined as profits from operations after share based payments and pre-opening costs but before impairment of property, plant and equipment, impairment of goodwill and intangible assets, onerous lease costs, restructuring costs, finance income, finance costs and taxation.

Headline operating profit
Headline operating profit is defined as operating profit before share based payments and pre-opening costs.

Headline EBITDA
Headline EBITDA is defined as headline operating profit before taxation, depreciation and amortisation.

Headline profit before taxation
Headline profit before taxation is defined as profit/loss before taxation before impairment of property, plant and equipment, impairment of goodwill and intangible assets, onerous lease costs, restructuring costs, share based payments and pre-opening costs.

4. Business segments

For management purposes, the Group is currently organised into two operating groups, Core Brand and Developing Brands. These divisions are the basis on which the Group reports its primary segment information. These groups are made up as follows:

Gourmet Burger Kitchen – Gourmet Burger Kitchen and GBK Franchises; and
Development Brands – The Real Greek and Tootsies/Dexters.

	For the year ended 29 March 2009			
	Gourmet Burger Kitchen £'000	Development Brands £'000	Unallocated £'000	Group £'000
Revenue	37,297	24,863	-	62,160
Headline EBITDA	7,906	2,012	(1,247)	8,671
Depreciation and amortisation	(2,156)	(1,343)	(133)	(3,632)
Headline operating profit/(loss)	5,750	669	(1,380)	5,039
Operating profit/(loss)	5,081	399	(1,603)	3,877
Impairment of property, plant and equipment	(590)	(3,644)	-	(4,234)
Impairment of goodwill and intangible assets	-	(24,218)	-	(24,218)
Onerous lease costs	-	(686)	-	(686)
Restructuring costs	-	(1)	(12)	(13)
Segment result	4,491	(28,150)	(1,615)	(25,274)
Finance income				141
Finance costs				(1,041)
Loss before taxation				(26,174)
Income tax expense				(667)
Loss for the year from continuing operations				(26,841)
Profit for the year from discontinued operations (see note 13)				1
Loss for the year				(26,840)
Total assets	43,753	13,634	1,077	58,464
Total liabilities	(7,722)	(6,043)	(16,589)	(30,354)
Net assets	36,031	7,591	(15,512)	28,110
Other segment information				
Capitalised intangible assets additions	77	59	3	139
Capitalised property, plant and equipment additions	5,952	2,324	22	8,298

Profit/(loss) for the year from discontinued operations relates to a business that was previously recognised within development brands.

	For the year ended 30 March 2008			
	Gourmet Burger Kitchen £'000	Development Brands £'000	Unallocated £'000	Group £'000
Revenue	28,041	25,217	-	53,258
Headline EBITDA	7,116	3,041	(1,503)	8,654
Depreciation and amortisation	(1,436)	(1,394)	(101)	(2,931)
Headline operating profit/(loss)	5,680	1,647	(1,604)	5,723
Operating profit/(loss)	4,452	1,531	(1,813)	4,170
Impairment of property, plant and equipment	-	(1,343)	-	(1,343)
Restructuring costs	-	(678)	(130)	(808)
Segment result	4,452	(490)	(1,943)	2,019
Finance income				59
Finance costs				(735)
Profit before taxation				1,343
Income tax expense				(610)
Profit for the year from continuing operations				733
Loss for the year from discontinued operations (see note 13)				(2,446)
Loss for the year				(1,713)
Total assets	40,400	44,914	1,952	87,266
Total liabilities	(7,565)	(5,575)	(19,775)	(32,915)
Net assets	32,835	39,339	(17,823)	54,351
Other segment information				
Capitalised intangible assets additions	196	63	-	259
Capitalised property, plant and equipment additions	16,363	2,856	401	19,620

Profit/(loss) for the year from discontinued operations relates to a business that was previously recognised within development brands.

The Group's two business segments primarily operate in one geographical area which is the Group's home country, United Kingdom.

5. Pre-opening costs

Pre-opening costs represent the costs incurred up to the date of opening a new restaurant that are written off to the income statement in the period in which they are incurred.

6. Impairment

Property, plant and equipment

The impairment losses of £4,234,000 (2008: £1,343,000) recognised in the income statement in respect of property, plant and equipment relate to one restaurant in Gourmet Burger Kitchen and various restaurants within Development Brands.

Goodwill and intangible assets

The impairment losses of £24,218,000 (2008 restated: £Nil) recognised in the income statement in respect of goodwill and intangible assets relate to Tootsies/Dexters which has been tested for impairment using a value in use basis.

7. Restructuring costs

The restructuring costs for the year ended 29 March 2009 and 30 March 2008 represent predominantly the restructuring costs pursuant to the acquisition of Urban Dining PLC. These costs include the restructuring of the management team and the closure and transfer of restaurants for conversion.

8. Income tax expense

	Year ended 29 March 2009 £'000	Year ended 30 March 2008 Restated £'000
Based on the result for the year:		
UK corporation tax at 28% (2008: 30%)	623	538
Adjustment in respect of prior years	(1)	(26)
Total current tax	622	512
Deferred taxation		
Origination and reversal of temporary timing differences	702	111
Effect of decreased taxation rate	-	(13)
Adjustment in respect of prior periods	(657)	-
Total deferred tax	45	98
Total tax expense in the income statement	667	610

Factors affecting tax charge for year:	Year ended 29 March 2009 £'000	Year ended 30 March 2008 £'000
(Loss)/profit before taxation	(26,174)	1,343
Taxation at UK corporation tax rate of 28% (2008: 30%)	(7,329)	403
Tax effect of expenses not deductible for tax purposes	(24)	1
Tax effect of unrecognised temporary differences	1,700	(443)
Tax effect of impairment of goodwill and intangible assets	6,782	-
Tax effect of taxation losses carried forward	31	292
Share based payments not recognised in deferred taxation	168	452
Effect of change in tax rate on deferred taxation assets	-	(69)
Benefit of small company rate	(3)	-
Adjustment of deferred tax charge in respect of previous years	(657)	-
Adjustment of tax charge in respect of previous years	(1)	(26)
Total income tax expense in the income statement	667	610

9. Earnings per share

	Year ended 29 March 2009 £'000	Year ended 30 March 2008 Restated £'000
Earnings/(loss) for the purposes of basic and diluted earnings per share:		
Continuing operations	(26,841)	733
Discontinued operations	1	(2,446)
Loss for the period	(26,840)	(1,713)
Adjustments – continuing operations		
Impairment of property, plant, equipment	4,234	1,343
Impairment of goodwill and intangible assets	24,218	-
Onerous lease costs	686	-
Restructuring costs	13	808
Taxation benefit on restructuring costs	-	(242)
Share based payments	600	489
Deferred taxation on share based payments	-	452
Pre-opening costs	562	1,064
Taxation benefits on pre-opening costs	(157)	(319)
	30,156	3,595
Adjustments – discontinued operations		
Impairment of goodwill	-	1,900
Restructuring costs	-	15
Taxation benefit on restructuring costs	-	(5)
Share based payments	-	27
Deferred taxation on share based payments	-	(44)
Pre-opening costs	-	72
Taxation benefits on pre-opening costs	-	(20)
	-	1,945
Headline earnings of the period of the purposes of headline basic and diluted earnings per share:		
Continuing operations	3,315	4,328
Discontinued operations	1	(501)
Headline earnings for period	3,316	3,827

	Year ended 29 March 2009 £'000	Year ended 30 March 2008 £'000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	37,322	37,137
Effect of dilutive potential ordinary shares:		
- Share options	-	228
Weighted average number of shares for the purposes of diluted earnings per share	37,322	37,365

	Year ended 29 March 2009	Year ended 30 March 2008 Restated
Earnings/(loss) per share:		
- continuing operations		
Basic	(71.9p)	2.0p
Diluted	(71.9p)	2.0p
Headline Basic	8.9p	11.7p
Headline Diluted	8.9p	11.6p
Earnings/(loss) per share:		
- discontinued operations		
Basic	- p	(6.6p)
Diluted	- p	(6.6p)
Headline Basic	- p	(1.4p)
Headline Diluted	- p	(1.4p)
Earnings/(loss) per share:		
- continuing and discontinued operations		
Basic	(71.9p)	(4.6p)
Diluted	(71.9p)	(4.6p)
Headline Basic	8.9p	10.3p
Headline Diluted	8.9p	10.2p

10. Property, plant and equipment

	Leasehold improvements £'000	Assets in the course of construction £'000	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost						
1 April 2007	22,462	1,461	2,192	3,756	173	30,044
Additions	15,779	519	2,263	1,025	34	19,620
Reclassification	2,302	(1,431)	16	(887)	-	-
Disposals	(476)	-	(33)	(323)	(10)	(842)
30 March 2008	40,067	549	4,438	3,571	197	48,822
Additions	6,200	172	1,099	609	13	8,093
Reclassification	199	(199)	1	(1)	-	-
Disposals	(3,383)	(84)	(559)	(375)	(142)	(4,543)
29 March 2009	43,083	438	4,979	3,804	68	52,372
Accumulated depreciation						
1 April 2007	1,019	-	728	303	71	2,121
Charge in the year	1,907	-	701	534	48	3,190
Reclassification	285	-	(10)	(275)	-	-
Impairment	934	-	43	366	-	1,343
Disposals	(72)	-	(17)	(161)	(5)	(255)
30 March 2008	4,073	-	1,445	767	114	6,399
Charge in the year	2,189	-	928	495	25	3,637
Reclassification	(43)	-	43	-	-	-
Impairment	3,566	-	224	444	-	4,234
Disposals	(639)	-	(292)	(212)	(86)	(1,229)
29 March 2009	9,146	-	2,348	1,494	53	13,041
Net book value						
29 March 2009	33,937	438	2,631	2,310	15	39,331
30 March 2008	35,994	549	2,993	2,804	83	42,423

11. Borrowings

	2009 £'000	2008 £'000
Short term borrowings:		
Bank overdraft	541	74
Long term borrowings:		
Bank loans	14,000	18,000
	14,541	18,074

As at 29 March 2009, the Group's committed Sterling borrowing facilities comprises a bank loan facility of £19,000,000 (2008: £19,000,000) expiring between two and five years and a bank overdraft facility of £2,500,000 (2008: £1,000,000) from Barclays Bank PLC which is secured by a mortgage debenture in favour of Barclays Bank PLC representing fixed or floating charges over all assets of the Group. The interest rate applicable on this revolving facility is 1.95% (2008: 1.125%) above three months LIBOR. During the year ended 29 March 2009, the Group purchased an interest rate swap from the bank for £Nil premium to fix the interest rate for £3,450,000 of the loan at 3.71% (before margin) until August 2009. During the year ended 30 March 2008, the Group purchased an interest rate swap from the bank for £Nil premium to fix the interest rate before margin for £10,000,000 of the loan at 5.15% until August 2009. These two swaps have not been included at fair value in the accounts as the directors believe the balances are not material. The interest rate applicable on the overdraft facility is 2.25% (2008: 1.25%) above Barclays Bank PLC base rate. The Group also has two Sterling overdraft facilities together amounting to £150,000 from HSBC Bank PLC with interest rate applicable on the facility of 2.5% (2008: 1.7%) above HSBC Bank PLC base rate.

12. Notes to the consolidated cash flow statement

	Year ended 29 March 2009 £'000	Year ended 30 March 2008 Restated £'000
Reconciliation of net cash flows from operating activities		
Profit before taxation from continuing operations	(26,174)	1,343
Adjustments		
Finance costs	1,041	735
Finance income	(141)	(59)
Depreciation and amortisation	3,632	2,931
Loss on disposal of property, plant and equipment	53	306
Impairment of property, plant and equipment	4,234	1,343
Impairment of goodwill and intangible assets	24,218	-
Onerous lease costs	686	-
Share based payments expense	600	489
Operating cash flows before movements in working capital	8,149	7,088
Increase in inventories	(95)	(390)
Increase in trade and other receivables	(1,273)	(1,087)
Increase in payables	677	3,363
Cash generated from operating activities	7,458	8,974
Income tax paid	-	(7)
Net cash from operating activities - continuing	7,458	8,967
Net cash from operating activities - discontinued	(49)	250
Net cash from operating activities	7,409	9,217

13 Disposals and discontinued operations

On 16 July 2008, the Company completed the disposal of CHG 2 Limited trading as The Bombay Bicycle Club for cash consideration of £4,409,000. Accordingly The Bombay Bicycle Club has been treated as a discontinued operation. A profit of £106,000 arose on disposal, being the proceeds less the carrying value of Bombay Bicycle Club's net assets and attributable goodwill.

	Year ended 29 March 2009 £'000	Year ended 30 March 2008 £'000
Revenue	1,899	6,239
Expenses	(1,924)	(6,391)
Operating profit	(25)	(152)
Restructuring costs	-	(15)
Net finance costs	(80)	(248)
Loss before taxation	(105)	(415)
Income taxation expense	-	(131)
Loss from discontinued operations for the year	(105)	(546)
Impairment of goodwill	-	(1,900)
Profit from disposal of discontinued operations	106	-
Profit/(loss) from discontinued operations	1	(2,446)

Cash flows from discontinued operations included in the consolidated cash flow statement are as follows:

	Year ended 29 March 2009 £'000	Year ended 30 March 2008 £'000
Net cash flows for operating activities	(49)	250
Net cash flows for investing activities	(87)	(1,038)
	(136)	(788)