

Date: 16 July 2010  
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 28 March 2010**

The Clapham House Group PLC (AIM: CPH), owner and operator of Gourmet Burger Kitchen ('GBK') and The Real Greek ('TRG'), today announces its unaudited preliminary results for the year ended 28 March 2010.

#### **Financial highlights for the year:**

- Revenue increased 4.2% to £44.5m (2009 restated: £42.7m)
- Headline EBITDA\* of £6.0m (2009 restated: £7.3m)
- Profit before taxation increased 50% to £1.5m (2009 restated: £1.0m)
- Basic continuing EPS for the year of 2.1p (2009 restated: 0.8p)
- Net debt as at 28 March 2010 of £10.1m (2009: £13.6m)

All numbers above are shown for continuing operations only.

#### **Opening programme and current trading:**

- 2 new GBK restaurants opened in the UK and 5 new international franchised restaurants in FY10
- 1 new GBK restaurant opened and a further GBK site under construction in FY11
- 2 further GBK sites in legals
- Improving sales trend in Q1 interrupted by impact of World Cup in June 2010
- Launch of first GBK retail product through Waitrose and Ocado from July 2010

\* *Headline EBITDA is defined as profit before taxation and before impairment of property, plant and equipment, impairment of goodwill and intangible assets, onerous lease costs, restructuring costs, share based payments, pre-opening costs, depreciation and amortisation, finance income and finance costs.*

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

*"Whilst we saw generally improving trading trends in April and May, the World Cup, as expected, had a negative impact on sales in June. For the remainder of the financial year we expect trading conditions in the UK to remain challenging. Following the placing of shares in May, we will press on with the selective expansion of GBK into high quality locations."*

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**Notes to Editors:**

Clapham House operates 58 restaurants across the UK and 15 internationally.

**Gourmet Burger Kitchen** ([www.gbk.co.uk](http://www.gbk.co.uk)) - with 52 restaurants across the UK and 15 internationally, GBK offers an acclaimed and award winning range of gourmet burgers at an affordable price point.

**The Real Greek** ([www.therealgreek.com](http://www.therealgreek.com)) - healthy Eastern Mediterranean cuisine, with 6 restaurants across London serving a broad range of meze and TRG's much loved souvlaki.

## Chairman's Statement

### Results

In the year ended 28 March 2010, the Group's revenue from continuing operations increased 4.2% from £42.7m (restated) to £44.5m. The Group's headline EBITDA for the year was £6.0m (2009 restated: £7.3m). The comparative results for the year ended 29 March 2009 have been restated to strip out the impact of discontinued operations following the restructuring and disposal of Urban Dining Limited and its subsidiary undertakings (together "UD Group") during the year.

Profit before taxation from continuing operations for the year was £1.5m (2009 restated: £1.0m). Pre-opening costs during the year were £0.2m (2009 restated: £0.5m) as a result of fewer openings. Share based payments amounted to £0.5m (2009 restated: £0.5m).

The Group's continuing operations incurred non-trading charges, all of which were non-cash, consisting of £0.1m impairment of property, plant and equipment relating to the head office of the Group, which relocated to smaller premises following the year end.

Earnings per share from continuing operations increased to 2.1p (2009 restated: 0.8p).

### Tootsies

On 12 October 2009, UD Group, which comprised the business and assets of the Tootsies business, was placed into administration with BDO LLP being appointed as administrators. Subsequent to their appointment, the administrators entered into an agreement to sell 11 of the 21 restaurant units operated by Tootsies to Giraffe Concepts for a consideration of £2.5 million before costs. The administrators have subsequently disposed of 4 of the remaining 10 Tootsies/Dexters restaurants. To date £2.6m has been received by the bank from the administrators and applied to reduce the Group's indebtedness. All other parts of Clapham House, namely GBK and TRG, and our overall banking facilities were unaffected by this action.

### Placing

Following the year end, the Company completed a placing of 3.73m ordinary shares of 10p each raising £2.1m (net of expenses) to support our increased opening programme.

### Openings

We opened two new GBK restaurants in the UK during the year. Our international GBK franchisees opened five new restaurants. At the same time we closed one underperforming TRG restaurant. This activity took the total number of Clapham House restaurants to 73 at 28 March 2010 (2009 restated: 67).

Rental rates in the UK are now more realistic than they were prior to the advent of the UK recession. Following our placing of shares in May 2010, we are looking to accelerate GBK openings over the next two years. We will continue to focus on prime locations which we can occupy on reasonable lease terms.

Since the financial year end, we have opened a new GBK restaurant in Nottingham. We have a further GBK restaurant in build and are in legal on two further GBK locations. Planning for our opening programme for the 2012 financial year has already commenced.

## **Gourmet Burger Kitchen**

Today we have over 50 restaurants throughout the UK and we continue to spread the word about the delights of "the GBK burger".

Our latest UK openings at Nottingham, Clink Street in London and Bluewater have all performed well since opening. Our UK estate is now located across a number of distinct location types (residential, high street, city centre and leisure/shopping malls). Not only has this demonstrated the versatility of the GBK offer but it also provides useful data to plan our immediate future openings and target locations. We remain convinced of the strong and profitable expansion potential for GBK in the UK.

We continue to work hard on controlling our costs. The achievement of supply chain scale efficiencies has ensured that we have been able to continue to invest in and maintain the high quality of GBK food, which remains the backbone of the offer. We have renewed our three year association with the renowned Kiwi chef Peter Gordon who remains GBK's "Chef in Chief".

We have taken the opportunity to develop and refine the GBK brand identity and menu, including the launch of a new website. We have also refurbished seven GBK restaurants as part of a larger programme to be completed over the next 12 months.

New GBK restaurants opened overseas in Istanbul, Athens and Dubai. Further openings are planned in Saudi Arabia later in the year. We now have 15 restaurants in operation under franchise and we plan to expand further GBK's business overseas. No capital from Clapham House is employed in our international business.

## **The Real Greek**

The Real Greek continued to trade satisfactorily during the year.

Post period end we sold the Putney restaurant in June 2010. This enables us to focus on our six remaining TRG restaurants sited in central London, mainly in high footfall and tourist orientated locations. We will look to expand TRG selectively into similar locations over the next few years and are currently negotiating on one such opportunity for the 2012 financial year.

The Real Greek summer menu for 2010 has seen the introduction of a number of new healthy dishes and incorporates nutritional information across the entire menu, including drinks. We believe we are the only UK restaurant brand to offer such comprehensive information to customers. We will continue to offer exciting menu innovation and our autumn menu will include a new selection of dishes in partnership with a highly acclaimed Greek guest chef.

## **Minimum wage and service charge**

We have always paid at least the minimum wage to restaurant staff in all of our businesses and have therefore been unaffected by the changes in regulation during the year in this area.

We do not levy a service charge in any of our restaurants.

## **Costs**

Food cost pressures have eased compared to the previous financial year. However, we continue to focus strongly on cost control bearing in mind factors out of our control such as the continued weakness of Sterling, the increase in VAT in January 2011, the increase in employers' NIC from April 2011 and the introduction of mandatory employer pension contributions from April 2012.

Following a reduction in head office headcount as a result of the administration of the UD Group and the Company's continuing focus on controlling costs, the Clapham House head office was relocated to smaller premises following the year end.

## **Green 500**

We were recently awarded Silver status by the Mayor of London's Green 500 initiative. This scheme reviews each operation and challenges its members to reduce its carbon footprint. Awards are given based on outperforming energy reduction targets, where significant improvements are made in utilising more efficient equipment, working with energy conscious suppliers and incentivising staff to be environmentally aware of their operations. We have rolled out these energy efficiency actions across our UK estate of restaurants.

## **Menu pricing and promotional activity**

The VAT increase in January 2011 will be dealt with through our normal menu price reviews. Given our relatively low spend per head this is not expected to have a material impact on net sales.

In April and May there were signs that voucher discounting, which has been led by the larger groups, was abating. However, June saw a fresh wave of promotional activity across the industry, no doubt partly in response to the combined impact of the World Cup and the warmer weather.

For some time we have been developing our web based customer loyalty clubs and now have over 220,000 customers signed up to these schemes. They enable us to deliver focussed promotions to our most loyal customers.

Beyond pure discounting we continue to promote our brands through a range of creative partnership initiatives, including our involvement with Capital Radio's "Help a London Child" campaign and our recent charitable initiative to support the Whakatane Sanctuary for Kiwi birds in New Zealand.

Our overall strategy is to continue to offer excellent value to customers but to execute this through a carefully constructed marketing plan, where possible avoiding "blanket" voucher discounting.

## **Launch of GBK retail product**

Over recent years there has been an increase in demand in supermarkets for fresh beef burger patties. We are also aware that consumers are eager to recreate restaurant experiences at home and want to be reassured by quality brands.

To date the UK retail burger market currently has had no nationwide fresh restaurant branded product presence. We are delighted to announce the launch of the GBK 100% fresh Aberdeen Angus Pattie. This will go on sale in more than 60 Waitrose stores and Ocado from July 2010.

We believe that this initiative could develop into a potential new profit stream for the GBK brand and also provide us with a route to communicate our brand and values to a much larger audience.

## **Funding**

During the year, we generated a net cash inflow from continuing operating activities of £4.9m (2009 restated: £6.0m); the reduction is a result predominantly of timing differences on the payment of trade creditors at the year end. During the year, we invested £2.1m (2009 restated: £7.8m) in capital expenditure on new sites and infrastructure.

Net debt at 28 March 2010 has been reduced to £10.1m (2009: £13.6m) as a result of our careful cash management and reduced opening programme. 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**

We saw generally improving trading trends in April and May this year. However, as expected, the World Cup had a negative impact on sales in June. For the remainder of the financial year we expect trading conditions in the UK to remain challenging and consumer confidence to remain fragile. Nonetheless, we remain committed to the expansion of GBK and expect returns from new store openings to remain attractive.

**David Page**  
**Chairman**  
**16 July 2010**

**THE CLAPHAM HOUSE GROUP PLC**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 28 March 2010

	Notes	Year ended 28 March 2010 £'000	Year ended 29 March 2009 Restated £'000
<b>Revenue from continuing operations</b>	4	44,484	42,690
Cost of sales		(24,747)	(24,038)
<b>Gross profit</b>		<u>19,737</u>	<u>18,652</u>
Administrative expenses		(16,650)	(14,036)
<b>Headline operating profit</b>		<u>3,087</u>	<u>4,616</u>
Share based payments		(456)	(514)
Pre-opening costs	5	(224)	(534)
<b>Operating profit</b>		<u>2,407</u>	<u>3,568</u>
Impairment of property, plant and equipment		(70)	(1,346)
Onerous lease costs		-	(375)
Finance income	6	8	136
Finance costs	7	(663)	(1,031)
Fair value loss on financial instruments	7	(209)	-
<b>Profit before taxation</b>		<u>1,473</u>	<u>952</u>
Income tax expense	8	(700)	(667)
<b>Profit from continuing operations</b>		<u>773</u>	<u>285</u>
Loss from discontinued operations	15	(2,084)	(27,125)
<b>Loss for the year attributable to equity shareholders of the parent</b>		<u>(1,311)</u>	<u>(26,840)</u>
Earnings per share – continuing operations			
Basic	9	2.1p	0.8p
Diluted	9	2.1p	0.8p
Loss per share – continuing and discontinued operations			
Basic	9	(3.5p)	(71.9p)
Diluted	9	(3.5p)	(71.9p)

**THE CLAPHAM HOUSE GROUP PLC**  
**UNAUDITED CONSOLIDATED BALANCE SHEET**  
**28 March 2010**

	<i>Notes</i>	2010 £'000	2009 £'000
<b>Non-current assets</b>			
Goodwill and intangible assets	10	10,996	11,078
Property, plant and equipment	11	32,797	39,331
Trade and other receivables		353	505
Investments		63	63
		<u>44,209</u>	<u>50,977</u>
<b>Current assets</b>			
Inventories		973	1,347
Trade and other receivables		2,896	5,191
Cash and cash equivalents	12	360	949
		<u>4,229</u>	<u>7,487</u>
<b>Total assets</b>		<u>48,438</u>	<u>58,464</u>
<b>Current liabilities</b>			
Trade and other payables		(9,247)	(14,170)
Current taxation liabilities		(274)	(622)
Borrowings	13	(1,230)	(541)
Provisions		(37)	(152)
		<u>(10,788)</u>	<u>(15,485)</u>
<b>Net current liabilities</b>		<u>(6,559)</u>	<u>(7,998)</u>
<b>Non-current liabilities</b>			
Borrowings	13	(9,250)	(14,000)
Deferred taxation liabilities		(774)	(335)
Provisions		(142)	(534)
Derivatives and financial instruments		(229)	-
		<u>(10,395)</u>	<u>(14,869)</u>
<b>Total liabilities</b>		<u>(21,183)</u>	<u>(30,354)</u>
<b>Net assets</b>		<u>27,255</u>	<u>28,110</u>
<b>Equity</b>			
Called up share capital		3,732	3,732
Share premium		49,596	49,596
Retained earnings		(26,073)	(25,218)
<b>Total equity attributable to equity shareholders of the parent</b>		<u>27,255</u>	<u>28,110</u>

**THE CLAPHAM HOUSE GROUP PLC**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**  
**For the year ended 28 March 2010**

Attributable to equity holders of the parent

	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
At 30 March 2008	3,732	49,596	1,023	54,351
Loss for the year	-	-	(26,840)	(26,840)
Total comprehensive income for the year (restated)	-	-	(26,841)	(26,841)
Transactions with owners				
Deferred taxation on share options	-	-	(1)	(1)
Share based payments	-	-	600	600
Total transactions with owners	-	-	599	599
At 29 March 2009	3,732	49,596	(25,218)	28,110
Loss for the year	-	-	(1,311)	(1,311)
Total comprehensive income for the year	-	-	(1,311)	(1,311)
Transactions with owners				
Deferred taxation on share options	-	-	-	-
Share based payments	-	-	456	456
Total transactions with owners	-	-	456	456
At 28 March 2010	3,732	49,596	(26,073)	27,255

**THE CLAPHAM HOUSE GROUP PLC**  
**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
**28 March 2010**

	<i>Notes</i>	Year ended 28 March 2010	Year ended 29 March 2009 Restated
		£'000	£'000
<b>Net cash flow from operating activities</b>	14	4,541	7,409
<b>Investing activities</b>			
Acquisition of property, plant and equipment and intangible assets – continuing operations		(2,070)	(7,805)
Acquisition of property, plant and equipment and intangible assets – discontinued operations		(68)	(427)
Proceeds on disposal of property, plant and equipment		-	495
Disposal of subsidiary – BBC	15	-	3,595
Cash inflow arising on administration of UD Group	15	1,724	-
Interest received – continuing operations		7	136
Interest received – discontinued operations		1	5
Net cash flow used in investing activities		<u>(406)</u>	<u>(4,001)</u>
<b>Financing activities</b>			
Repayment of borrowings		(4,750)	(4,000)
Interest paid – continuing operations		(662)	(1,031)
Interest paid – discontinued operations		(1)	(10)
Net cash flow used in financing activities		<u>(5,413)</u>	<u>(5,041)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(1,278)</u>	<u>(1,633)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		408	2,041
<b>Cash and cash equivalents at the end of the year</b>	12	<u><u>(870)</u></u>	<u><u>408</u></u>

**THE CLAPHAM HOUSE GROUP PLC**  
**NOTES TO THE UNAUDITED PRELIMINARY RESULTS**  
**For the year ended 28 March 2010**

**1 GENERAL INFORMATION**

The Clapham House Group PLC is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Suite C, 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 financial statements have been prepared under the historical cost convention and, as required by EU Law, the Group's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

The preliminary results for the year ended 28 March 2010 do not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006. Statutory accounts for the year ended 28 March 2010 have not been filed with the Registrar of Companies and will be delivered in due course. Statutory accounts for the year ended 29 March 2009 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 498(2) or 498(3) of the Companies Act 2006.

The accounting policies used in the preliminary results are consistent with those set out in the statutory accounts for the year ended 29 March 2009.

The comparative results for the year ended 29 March 2009 have been restated to show the impact of discontinued operations.

The Company has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to publish its individual profit and loss account.

The consolidated financial statements for the year ended 28 March 2010 are presented in Sterling because that is the primary 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 DEFINITIONS**

**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 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 divisions, Gourmet Burger Kitchen and Development Brand. 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 Brand – The Real Greek.

	For the year ended 28 March 2010			
	Gourmet Burger Kitchen £'000	Development Brand £'000	Unallocated £'000	Group £'000
Revenue	38,048	6,436	-	44,484
Headline EBITDA	6,902	709	(1,655)	5,956
Depreciation and amortisation	(2,402)	(348)	(119)	(2,869)
Headline operating profit/(loss)	4,500	361	(1,774)	3,087
Operating profit/(loss)	4,067	308	(1,968)	2,407
Impairment of property, plant and equipment	-	-	(70)	(70)
Segment result	4,067	308	(2,038)	2,337
Finance income	-	-	8	8
Finance costs	-	-	(663)	(663)
Fair value loss on financial instruments	-	-	(209)	(209)
<b>Profit/(loss) before taxation</b>	<b>4,067</b>	<b>308</b>	<b>(2,902)</b>	<b>1,473</b>
Income tax expense				(700)
<b>Profit for the year from continuing operations</b>				<b>773</b>
Loss for the year from discontinued operations (see note 15)				(2,084)
<b>Loss for the year</b>				<b>(1,311)</b>
Assets	42,057	5,548	833	48,438
Liabilities	(7,466)	(1,916)	(11,801)	(21,183)
<b>Net assets</b>	<b>34,591</b>	<b>3,632</b>	<b>(10,968)</b>	<b>27,255</b>

Loss for the year from discontinued operations relates to a business that was previously recognised as development brands.

For the year ended 29 March 2009  
Restated

	Gourmet Burger Kitchen £'000	Development Brand £'000	Unallocated £'000	Group £'000
Revenue	37,297	5,393	-	42,690
Headline EBITDA	7,906	597	(1,247)	7,256
Depreciation and amortisation	(2,156)	(351)	(133)	(2,640)
Headline operating profit/(loss)	<u>5,750</u>	<u>246</u>	<u>(1,380)</u>	<u>4,616</u>
Operating profit/(loss)	5,081	90	(1,603)	3,568
Impairment of property, plant and equipment	(590)	(756)	-	(1,346)
Onerous lease costs	-	(375)	-	(375)
Segment result	<u>4,491</u>	<u>(1,041)</u>	<u>(1,603)</u>	<u>1,847</u>
Finance income			136	136
Finance costs			(1,031)	(1,031)
<b>Profit/(loss) before taxation</b>	<u>4,491</u>	<u>(1,041)</u>	<u>(2,498)</u>	<u>952</u>
Income tax expense				(667)
<b>Profit for the year from continuing operations</b>				<u>285</u>
Loss for the year from discontinued operations (see note 15)				(27,125)
<b>Loss for the year</b>				<u>(26,840)</u>
Assets	43,753	13,634	1,077	58,464
Liabilities	(7,722)	(6,043)	(16,589)	(30,354)
<b>Net assets</b>	<u>36,031</u>	<u>7,591</u>	<u>(15,512)</u>	<u>28,110</u>

Loss for the year from discontinued operations relates to a business that was previously recognised as development brands.

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

## 5 PRE-OPENING COSTS

Pre-opening costs of £224,000 (2009 restated: £534,000) 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 FINANCE INCOME

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	£'000	£'000
Interest on bank deposits	8	136
	<u>8</u>	<u>136</u>

## 7 FINANCE COSTS

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	£'000	£'000
Interest payable on bank loans and overdrafts	663	1,031
Fair value loss on financial instruments: interest rate swap	209	-
	<u>872</u>	<u>1,031</u>

## 8 INCOME TAX EXPENSE

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	£'000	£'000
Based on the result for the year:		
UK corporation tax at 28% (2009: 28%)	526	623
Adjustment in respect of prior years	-	(1)
Total current tax	<u>526</u>	<u>622</u>
Deferred taxation		
Origination and reversal of temporary timing differences	174	702
Adjustment in respect of prior periods	-	(657)
Total deferred tax	<u>174</u>	<u>45</u>
Total tax expense in the income statement	<u>700</u>	<u>667</u>

**9 EARNINGS/(LOSS) PER SHARE**

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	£'000	£'000
Earnings/(loss) for the purposes of basic and diluted earnings per share:		
Continuing operations	773	285
Discontinued operations	(2,084)	(27,125)
	<u>(1,311)</u>	<u>(26,840)</u>
Loss for the period		
Adjustments – continuing operations		
Impairment of property, plant and equipment	70	1,346
Onerous lease costs	-	375
Share based payments	456	514
Pre-opening costs	224	534
Taxation benefits on pre-opening costs	(63)	(157)
	<u>687</u>	<u>2,612</u>
Adjustments – discontinued operations		
Impairment of property, plant and equipment	3,189	2,888
Impairment of goodwill	-	24,218
Onerous Lease	-	311
Restructuring costs	-	12
Share based payments	-	86
	<u>3,189</u>	<u>27,515</u>
Headline earnings of the period of the purposes of headline basic and diluted earnings per share:		
Continuing operations	1,460	2,897
Discontinued operations	1,105	390
	<u>2,565</u>	<u>3,287</u>
Headline earnings for period	<u><u>2,565</u></u>	<u><u>3,287</u></u>

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	No. '000	No. '000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	37,322	37,322
Effect of dilutive potential ordinary shares:		
- Share options	-	-
	<hr/>	<hr/>
Weighted average number of shares for the purposes of diluted earnings per share	37,322	37,322
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There were no dilutive potential ordinary shares as all share options were underwater therefore non-dilutive.

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
Earnings per share:		
- continuing operations		
Basic	2.1p	0.8p
Diluted	2.1p	0.8p
Headline Basic	3.9p	7.8p
Headline Diluted	3.9p	7.8p
	<hr/>	<hr/>
(Loss)/earnings per share:		
- discontinued operations		
Basic	(5.6p)	(72.7p)
Diluted	(5.6p)	(72.7p)
Headline Basic	3.0p	1.0p
Headline Diluted	3.0p	1.0p
	<hr/>	<hr/>
(Loss)/earnings per share:		
- continuing and discontinued operations		
Basic	(3.5p)	(71.9p)
Diluted	(3.5p)	(71.9p)
Headline Basic	6.9p	8.8p
Headline Diluted	6.9p	8.8p
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**10 GOODWILL AND INTANGIBLE ASSETS**

	Computer software £'000	Trademarks and licences £'000	Brand £'000	Goodwill £'000	Total £'000
<b>Cost</b>					
30 March 2008	207	121	647	37,516	38,491
Additions	92	47	-	-	139
Disposals	(6)	(40)	-	(1,224)	(1,270)
	<u>293</u>	<u>128</u>	<u>647</u>	<u>36,292</u>	<u>37,360</u>
29 March 2009	293	128	647	36,292	37,360
Additions	1	18	-	-	19
Reclassification	48	-	-	-	48
Disposals	(50)	(8)	(647)	(25,565)	(26,270)
	<u>292</u>	<u>138</u>	<u>-</u>	<u>10,727</u>	<u>11,157</u>
28 March 2010	292	138	-	10,727	11,157
<b>Amortisation</b>					
30 March 2008	22	18	62	1,900	2,002
Charged in the year	40	4	32	-	76
Impairment	-	-	553	23,665	24,218
Disposal	(4)	(10)	-	-	(14)
	<u>58</u>	<u>12</u>	<u>647</u>	<u>25,565</u>	<u>26,282</u>
29 March 2009	58	12	647	25,565	26,282
Charged in the year	59	6	-	-	65
Reclassification	38	-	-	-	38
Impairment	-	3	-	-	3
Disposal	(12)	(3)	(647)	(25,565)	(26,227)
	<u>143</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>161</u>
28 March 2010	143	18	-	-	161
<b>Net book value</b>					
28 March 2010	149	120	-	10,727	10,996
	<u>149</u>	<u>120</u>	<u>-</u>	<u>10,727</u>	<u>10,996</u>
29 March 2009	235	116	-	10,727	11,078
	<u>235</u>	<u>116</u>	<u>-</u>	<u>10,727</u>	<u>11,078</u>

Goodwill can be broken down as follows:

	2010 £'000	2009 £'000
Gourmet Burger Kitchen	9,600	9,600
The Real Greek	1,127	1,127
	<u>10,727</u>	<u>10,727</u>

All amortisation charges have been recognised as administrative expenses in the income statement.

**11 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
<b>Cost</b>						
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
Additions	1,406	19	505	176	12	2,118
Reclassification	51	(53)	(48)	2	-	(48)
Disposals	(9,465)	(73)	(483)	(1,884)	-	(11,905)
28 March 2010	35,075	331	4,953	2,098	80	42,537
<b>Accumulated depreciation</b>						
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
Charge in the year	1,933	-	895	304	9	3,141
Reclassification	-	-	(38)	-	-	(38)
Impairment	2,407	-	186	663	-	3,256
Disposals	(7,299)	-	(498)	(1,863)	-	(9,660)
28 March 2010	6,187	-	2,893	598	62	9,740
<b>Net book value</b>						
28 March 2010	28,888	331	2,060	1,500	18	32,797
29 March 2009	33,937	438	2,631	2,310	15	39,331

All depreciation charges have been recognised in administrative expenses in the income statement.

**12 CASH AND CASH EQUIVALENTS**

	2010 £'000	2009 £'000
Cash at bank and in hand	360	656
Short term money market deposits	-	293
Cash and cash equivalents as presented in the balance sheet	<u>360</u>	<u>949</u>
Bank overdrafts	(1,230)	(541)
	<u>(870)</u>	<u>408</u>

Bank balances and money market deposits comprise cash held by the Group on a short term basis with maturity of three months or less. The carrying amount of these assets approximates their fair value.

**13 BORROWINGS**

	2010 £'000	2009 £'000
Short term borrowings:		
Bank overdraft	1,230	541
Long term borrowings:		
Bank loans	9,250	14,000
	<u>10,480</u>	<u>14,541</u>

As at 28 March 2010, the Group's committed Sterling borrowing facilities comprise a bank loan facility of £19,000,000 (2009: £19,000,000) expiring between two and five years and a bank overdraft facility of £2,500,000 (2009: £2,500,000) 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% (2009: 1.95%) above three months LIBOR. During the year, the Group purchased an interest rate swap from the bank for £Nil premium to fix the interest rate for £8,000,000 of the loan at 2.67% (before margin) until June 2012. 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. The interest rate applicable on the overdraft facility is 2.25% (2009: 2.25%) above Barclays Bank PLC base rate. The Group also has one Sterling overdraft facility amounting to £150,000 from HSBC Bank PLC with interest rate applicable on the facility of 2.5% (2009: 2.5%) above HSBC Bank PLC base rate.

**14 CASH FLOWS**

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	£'000	£'000
Reconciliation of net cash flows from operating activities		
Profit before taxation from continuing operations	1,473	952
Adjustments		
Finance costs	663	1,031
Fair value loss on financial instruments	209	-
Finance income	(7)	(136)
Depreciation and amortisation	2,869	2,673
Loss on disposal of property, plant and equipment	12	53
Impairment of property, plant and equipment	71	1,346
Onerous lease costs	-	375
Share based payments expense	456	514
Operating cash flows before movements in working capital	<u>5,746</u>	<u>6,808</u>
Increase in inventories	(49)	(125)
Decrease/(increase) in trade and other receivables	1,054	(1,129)
(Decrease)/increase in payables	<u>(1,239)</u>	<u>443</u>
Cash generated from operating activities	<u>5,512</u>	<u>5,997</u>
Income tax paid	(623)	-
Net cash from operating activities - continuing	<u>4,889</u>	<u>5,997</u>
Net cash from operating activities – discontinued (BBC)	-	(49)
Net cash from operating activities – discontinued (UD Group)	<u>(348)</u>	<u>1,461</u>
Net cash from operating activities	<u><u>4,541</u></u>	<u><u>7,409</u></u>

## 15 DISPOSALS AND DISCONTINUED OPERATIONS

On 16 July 2008, the Company completed the disposal of CHG 2 Limited trading as The Bombay Bicycle Club (“BBC”) for cash consideration of £4,409,000. A profit of £211,000 arose on disposal, being the proceeds less the carrying value of Bombay Bicycle Club’s net assets and attributable goodwill.

On 12 October 2009, the Company’s subsidiaries Urban Dining Limited, Tootsies Holdings Limited, Tootsies Restaurants Limited and TD Scotland Limited (together “UD Group”) appointed administrators and ceased to be part of the Group.

	Year ended 28 March 2010	Year ended 29 March 2009 Restated
	£'000	£'000
Discontinued operations – BBC		
Revenue	-	1,899
Expenses	-	(1,924)
Operating profit	-	(25)
Net finance costs	-	(80)
Loss before taxation	-	(105)
Income taxation expense	-	-
Loss after taxation	-	(105)
Profit from disposal of discontinued operations	105	106
Profit from discontinued operations – BBC	105	1
Discontinued operations – UD Group		
Revenue	9,064	19,470
Expenses	(9,512)	(19,473)
Operating loss	(448)	(3)
Net finance costs	1	(5)
Loss before taxation	(447)	(8)
Income taxation credit	252	-
Loss after taxation	(195)	(8)
Impairment of property, plant and equipment	(3,186)	(2,888)
Impairment of goodwill and intangible assets	(3)	(24,218)
Restructuring costs	-	(12)
Surplus arising on Administration	1,195	-
Loss from discontinued operations – UD Group	(2,189)	(27,126)
Loss from discontinued operations	(2,084)	(27,125)

The net assets of UD Group at the date of administration and at 29 March 2009 were as follows:

	12 October 2009 £'000	29 March 2009 £'000
Intangible assets	5	8
Property, plant and equipment	2,188	5,726
Inventories	14	422
Trade and other receivables	1,642	1,893
Bank and cash	749	(51)
Trade and other payables	(3,135)	(4,115)
	<hr/>	<hr/>
	1,463	3,883
Surplus arising on administration	1,195	<hr/> <hr/>
Total proceeds	<hr/> 2,658	
Satisfied by:	<hr/> <hr/>	
Cash	3,347	
Less costs associated with administration	(689)	
	<hr/> 2,658	
	<hr/> <hr/>	
Net cash inflow arising on disposal:		
Cash proceeds	2,473	
Bank balances and cash disposed of	(749)	
	<hr/> 1,724	
	<hr/> <hr/>	

Cash proceeds shown above were received from the Administrator as a result of the administration of UD Group and has been applied to settle amounts due to Barclays Bank plc, being a secured creditor.