

## **The Fulham Shore PLC**

### **Unaudited interim results for the six months ended 27 September 2015**

#### **Chairman's Statement**

I am pleased to announce the unaudited interim results for the 6 months ended 27 September 2015 for The Fulham Shore PLC ("Fulham Shore" or the "Group"). It has been another very busy 6 months for the Group, with both organic expansion and corporate activity.

#### ***Acquisition of Franco Manca***

On 21 April 2015, Fulham Shore acquired 99% of the issued share capital of Franco Manca Holdings Limited, the owner of the Franco Manca group of restaurants, for a consideration of £27.5m made up of £6.2m in cash and £21.3m by the issue of 193.5m ordinary shares in Fulham Shore. Franco Manca specialises in Neapolitan sourdough pizza and currently has 18 restaurants in London.

For accounting purposes, the purchase has been accounted for using the acquisition method. Therefore the unaudited interim results for the 6 months ended 27 September 2015 include just over 5 months of trading from the Franco Manca business. The comparatives for the 6 months ended 28 September 2014 do not include any trading from Franco Manca.

#### ***Franchise agreement with Bukowski***

As announced last month, the Group has entered into a franchise agreement with Bukowski Grill restaurants, a London-based charcoal-grill restaurant and bar, serving breakfasts, burgers and grills. Under the franchise agreement, the Group intends to open a new Bukowski restaurant at its site on D'Arblay Street in Soho, London. Fit-out of the site has commenced and the restaurant is expected to open in spring 2016.

#### ***Results***

For the 6 months ended 27 September 2015, the Group generated revenue of £13.9m (2014: £5.5m) and made headline operating profit for the period amounting to £1.7m (2014: £0.9m).

The results reflect a full 6 months trading from The Real Greek and the Franco Manca restaurant in Tottenham Court Road in London which was run under a franchise agreement and 5 months trading reflecting the post-acquisition results of Franco Manca.

In the 6 months ended 27 September 2015, the Group opened one The Real Greek restaurant in St Martin's Lane in London's West End and 3 Franco Manca pizzeria in Soho, Ealing, and Covent Garden. This took Fulham Shore's restaurant portfolio as at 27 September 2015 to 24 restaurants made up of 9 The Real Greek and 15 Franco Manca pizzeria.

Although the Group did not complete the acquisition of Kefi Limited (the holding company of The Real Greek) until after the comparative period end, under the requirements of IFRS, the acquisition was deemed a reverse acquisition and therefore the comparative results for the six months ended 28 September 2014 is that of Kefi Limited and its subsidiaries.

#### ***Cash flow***

During the period ended 27 September 2015, the Group had net cash inflow from operating activities of £3.0m (2014: £1.5m). During the same period the Group invested £3.4m (2014: £0.5m) on property, plant and equipment. On 21 April 2015, at the same time as completing the acquisition of Franco Manca, the Group completed a placing and subscription raising £4.75m (before expenses). Overall there was a net cash outflow for the period of £1.8m (2014: inflow of £0.7m) resulting in net debt as at 27 September 2015 of £0.3m (2014: £0.8m).

#### ***Dividends***

No 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***

Since 27 September 2015, the Group has opened further Franco Manca restaurants in Earls Court, Bermondsey and Wimbledon. This takes the total number of restaurants operated today by the Group to 27, made up of 9 The Real Greek and 18 Franco Manca pizzeria.

The Group is currently fitting out a further Franco Manca in Stoke Newington which is scheduled to open in March 2016 and the Bukowski franchise restaurant, which is planned to be opened in the spring of 2016.

The Board is excited about the future with the prospect of expanding the Group's excellent restaurant businesses. The Real Greek and Franco Manca are planning to open new restaurants, mainly in London and the Home Counties in the coming year and, for the first time, the Group expects to be opening Franco Manca pizzeria outside London during the financial year to March 2017. Contracts have been exchanged on three fantastic sites in very different locations: groovy Brighton; smart Guildford; and the large office and retail development of Nova Victoria behind Buckingham Palace.

The Board continues to look for new sites, as well as investing in the Group's operational team to support the future growth of our restaurant endeavours. This will necessarily lead to our administrative costs increasing after the current financial year as we grow our business.

In line with the Group's stated aims, the Board continues to seek investment opportunities which have potential for expansion and significant capital growth. We look forward to the conclusion of the financial year with confidence.

**David Page**  
**Chairman**

17 December 2015

### **Contacts:**

**The Fulham Shore PLC**  
David Page

[www.fulhamshore.com](http://www.fulhamshore.com)  
07836 346 934

**Allenby Capital Limited**  
Nick Naylor / Jeremy Porter / James Reeve

020 3328 5656

### **Notes for editors**

#### **Information on The Fulham Shore PLC**

Fulham Shore was incorporated in March 2012. The Directors believe that there are a number of potentially attractive investment opportunities within the restaurant and food service sectors in the UK.

The Directors believe that, given their collective experience in the restaurant and food service sectors, they can take advantage of the opportunities which exist in these sectors and create a profitable and sustainable business.

The ordinary shares of the Company were admitted to trading on AIM in October 2014 in order to capitalise on such opportunities.

Today Fulham Shore currently operates "The Real Greek" ([www.therealgreek.com](http://www.therealgreek.com)) and "Franco Manca" ([www.francomanca.co.uk](http://www.francomanca.co.uk)).

**The Fulham Shore PLC**  
**Unaudited Consolidated Statement of Comprehensive Income**  
**for the six months ended 27 September 2015**

		<b>Six months ended 27 September 2015</b>	<b>Six months ended 28 September 2014</b>	<b>Nine months ended 29 March 2015</b>
	Notes	<b>Unaudited £'000</b>	<b>Unaudited £'000</b>	<b>Audited £'000</b>
<b>Revenue</b>		<b>13,902</b>	<b>5,500</b>	<b>8,310</b>
Cost of sales		(7,560)	(2,939)	(4,485)
<b>Gross profit</b>		<b>6,342</b>	<b>2,561</b>	<b>3,825</b>
Administrative expenses		(4,632)	(1,698)	(3,035)
<b>Headline operating profit</b>		<b>1,710</b>	<b>863</b>	<b>790</b>
Share based payments		(257)	(36)	(194)
Pre-opening costs		(476)	(61)	(195)
Loss on disposal of property, plant and equipment		-	-	(2)
Amortisation of brand		(342)	-	-
Exceptional costs – cost of reverse acquisition		-	-	(374)
Exceptional costs – cost of acquisition		(405)	-	-
<b>Operating profit</b>		<b>230</b>	<b>766</b>	<b>25</b>
Finance income		3	1	6
Finance costs		(46)	(20)	(27)
<b>Profit before taxation</b>		<b>187</b>	<b>747</b>	<b>4</b>
Income tax expense	4	(61)	(119)	(118)
<b>Profit/(loss) for the period</b>		<b>126</b>	<b>628</b>	<b>(114)</b>
Profit/(loss) for the period attributable to:				
Owners of the company		112	622	(118)
Non-controlling interests		14	6	4
		<b>126</b>	<b>628</b>	<b>(114)</b>
Earnings/(loss) per share				
Basic	5	0.0p	0.3p	(0.0p)
Diluted	5	0.0p	0.3p	(0.0p)
Headline Basic	5	0.3p	0.3p	0.2p
Headline Diluted	5	0.3p	0.3p	0.2p

There were no other comprehensive income items.

All operating gains and losses relate to continuing activities.

**The Fulham Shore PLC**  
**Unaudited Consolidated Balance Sheet**  
**as at 27 September 2015**

	Notes	As at 27 September 2015 Unaudited £'000	As at 28 September 2014 Unaudited £'000	As at 29 March 2015 Audited £'000
<b>Non-current assets</b>				
Intangible assets		28,831	125	3,292
Property, plant and equipment		13,793	3,836	4,898
Trade and other receivables		715	276	332
Deferred tax Assets		427	-	193
		<u>43,766</u>	<u>4,237</u>	<u>8,715</u>
<b>Current assets</b>				
Inventories		523	211	261
Trade and other receivables		1,727	548	1,172
Cash and cash equivalents	6	2,083	1,873	3,889
		<u>4,333</u>	<u>2,632</u>	<u>5,322</u>
<b>Total assets</b>		<u><b>48,099</b></u>	<u><b>6,869</b></u>	<u><b>14,037</b></u>
<b>Current liabilities</b>				
Trade and other payables		(7,064)	(1,774)	(2,736)
Income tax payables		(622)	(368)	(490)
Borrowings		(250)	(350)	(350)
		<u>(7,936)</u>	<u>(2,492)</u>	<u>(3,576)</u>
<b>Net current (liabilities)/assets</b>		<u><b>(3,603)</b></u>	<u><b>140</b></u>	<u><b>1,746</b></u>
<b>Non-current liabilities</b>				
Borrowings		(2,160)	(685)	(510)
Deferred tax liabilities		(2,008)	(208)	(470)
		<u>(4,168)</u>	<u>(893)</u>	<u>(980)</u>
<b>Total liabilities</b>		<u><b>(12,104)</b></u>	<u><b>(3,385)</b></u>	<u><b>(4,556)</b></u>
<b>Net assets</b>		<u><b>35,995</b></u>	<u><b>3,484</b></u>	<u><b>9,481</b></u>
<b>Equity</b>				
Share capital		5,692	835	3,325
Share premium account		6,867	1,313	2,650
Merger relief reserve		30,459	-	11,113
Reverse acquisition reserve		(9,469)	(739)	(9,469)
Retained earnings		2,383	2,053	1,840
		<u>35,932</u>	<u>3,462</u>	<u>9,459</u>
Total equity attributable to owners of the company		35,932	3,462	9,459
Non-controlling interest		63	22	22
<b>Total equity</b>		<u><b>35,995</b></u>	<u><b>3,484</b></u>	<u><b>9,481</b></u>

**The Fulham Shore PLC**  
**Unaudited Consolidated Statement of Changes in Equity**  
**for the six months ended 27 September 2015**

Six months ended 27 September 2015

	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Non- Controlling Interests £'000	Total equity £'000
<b>At 29 March 2015</b>	<b>3,325</b>	<b>2,650</b>	<b>11,113</b>	<b>(9,469)</b>	<b>1,840</b>	<b>22</b>	<b>9,481</b>
Profit for the period	-	-	-	-	112	14	126
Total comprehensive income for the period	-	-	-	-	112	14	126
Transactions with owners							
Ordinary shares issued (net of expenses)	2,367	4,217	19,346	-	-	-	25,930
Share based payments	-	-	-	-	257	-	257
Deferred tax on share based payments	-	-	-	-	174	-	174
Non-controlling interests adjustment	-	-	-	-	-	27	27
Total transactions with owners	2,367	4,217	19,346	-	431	27	26,388
<b>At 27 September 2015</b>	<b>5,692</b>	<b>6,867</b>	<b>30,459</b>	<b>(9,469)</b>	<b>2,383</b>	<b>63</b>	<b>35,995</b>

Six months ended 28 September 2014

	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Non- Controlling Interests £'000	Total equity £'000
<b>At 30 March 2014</b>	<b>835</b>	<b>1,314</b>	<b>-</b>	<b>(739)</b>	<b>1,395</b>	<b>16</b>	<b>2,821</b>
Loss for the period	-	-	-	-	622	6	628
Total comprehensive income for the period	-	-	-	-	622	6	628
Transactions with owners							
Ordinary shares issued (net of expenses)	-	(1)	-	-	-	-	(1)
Share based payments	-	-	-	-	36	-	36
Total transactions with owners	-	(1)	-	-	36	-	35
<b>At 28 September 2014</b>	<b>835</b>	<b>1,313</b>	<b>-</b>	<b>(739)</b>	<b>2,053</b>	<b>22</b>	<b>3,484</b>

Nine months ended 29 March 2015

	Share capital £'000	Share premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained earnings £'000	Non- Controlling Interests £'000	Total equity £'000
<b>At 29 June 2014</b>	<b>835</b>	<b>1,313</b>	<b>-</b>	<b>(717)</b>	<b>1,579</b>	<b>18</b>	<b>3,028</b>
Profit for the period	-	-	-	-	(118)	4	(114)
Total comprehensive income for the period	-	-	-	-	(118)	4	(114)
Transactions with owners							
Ordinary shares issued (net of expenses)	2,490	1,337	11,113	-	-	-	14,940
Share based payments	-	-	-	-	194	-	194
Deferred tax on share based payments	-	-	-	-	185	-	185
Reverse acquisition adjustment	-	-	-	(8,752)	-	-	(8,752)
Total transactions with owners	2,490	1,337	11,113	(8,752)	379	-	6,567
<b>At 29 March 2015</b>	<b>3,325</b>	<b>2,650</b>	<b>11,113</b>	<b>(9,469)</b>	<b>1,840</b>	<b>22</b>	<b>9,481</b>

**The Fulham Shore PLC**  
**Unaudited Consolidated Cash Flow Statement**  
**for the six months ended 27 September 2015**

		<b>Six months ended 27 September 2015 Unaudited £'000</b>	<b>Six months ended 28 September 2014 Unaudited £'000</b>	<b>Nine months ended 29 March 2015 Audited £'000</b>
<b>Net cash from operating activities</b>	7	<b>2,964</b>	<b>1,532</b>	<b>1,098</b>
<b>Investing activities</b>				
Acquisition of property, plant and equipment		(3,416)	(543)	(1,178)
Cash flow from acquisition of subsidiaries		(6,249)	-	2,613
<b>Net cash flow (used in)/from investing activities</b>		<b>(9,665)</b>	<b>(543)</b>	<b>1,435</b>
<b>Financing activities</b>				
Proceeds from issuance of new ordinary shares (net of expenses)		4,648	-	125
Repayment of bank borrowings		(1,870)	(275)	(362)
Capital received from bank borrowings		2,160	-	-
Interest received		3	1	6
Interest paid		(46)	(20)	(27)
<b>Net cash from/(used in) financing activities</b>		<b>4,895</b>	<b>(294)</b>	<b>(258)</b>
Net (decrease)/increase in cash and cash equivalents		(1,806)	695	2,275
Cash and cash equivalents at beginning of the period		3,889	1,178	1,614
<b>Cash and cash equivalents at end of period</b>	6	<b>2,083</b>	<b>1,873</b>	<b>3,889</b>

**The Fulham Shore PLC**  
**Notes to the Unaudited Interim Financial Information**  
**for the six months ended 28 September 2014**

1. General information

The Fulham Shore PLC is a public limited company incorporated and domiciled in England and Wales. The address of the registered office is 307-308 Linton House, 164-180 Union Street, London, SE1 0LH, United Kingdom. Copies of this Interim Statement may be obtained from the above address or the investor section of the Group's website at <http://www.fulhamshore.com>.

2. Basis of preparation

The unaudited interim financial information for the six months ended 27 September 2015 has been prepared under the recognition and measurement principles of International Financial Reporting Standards as adopted by the EU ("IFRS") based on the accounting policies consistent with those used in the financial statements for the period ended 29 March 2015, and those to be applied for the year ending 27 March 2016 other than the following accounting policies which were adopted in preparation of these unaudited interim financial information:

*Acquisition Accounting*

Franco Manca, which was acquired during the period, are consolidated from the date that the Group had the power to control and will continue to be consolidated until the date that such control ceases. The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets and liabilities are recognised at their fair values at the acquisition date. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

*Intangible Assets - Brand*

Corporate brands acquired as part of acquisitions of businesses are recognised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life of 10 years.

The unaudited interim financial information was approved by the Board on 17 December 2015.

The unaudited interim financial information for the six months ended 28 September 2014 does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 and should be read in conjunction with the statutory accounts for the period ended 29 March 2015. Statutory accounts for the period ended 29 March 2015 have been delivered to the Registrar of Companies. The audit report on these statutory accounts was unqualified, did not contain an emphasis of matter paragraph, and did not contain a statement either under section 498(2)-(3) of the Companies Act 2006.

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



## 3. Segment information

For the six months ended 27 September 2015	<b>The Real Greek £'000</b>	<b>Franco Manca £'000</b>	<b>All other Segments £'000</b>	<b>Total £'000</b>
External revenue	6,255	7,647	-	13,902
Segment profit before tax	852	1,034	(1,699)	187
For the six months ended 28 September 2014	<b>The Real Greek £'000</b>	<b>Franco Manca £'000</b>	<b>All other Segments £'000</b>	<b>Total £'000</b>
External revenue	5,500	-	-	5,500
Segment profit before tax	747	-	-	747

## 4. Income Tax Expense

	<b>Six months ended 27 September 2015 Unaudited £'000</b>	<b>Six months ended 28 September 2014 Unaudited £'000</b>	<b>Nine months ended 29 March 2015 Audited £'000</b>
Based on the result for the period:			
UK Corporation tax at 20% (2014: 21%)	221	106	164
Adjustment in respect of prior periods	(20)	-	(42)
Total current tax	201	106	122
Deferred taxation:			
Origination and reversal of temporary timing differences	(140)	13	(4)
Total deferred tax	(140)	13	(4)
Total taxation charge	61	119	118

## 5. Earnings/(loss) per share

	<b>Six months ended 27 September 2015 Unaudited £'000</b>	<b>Six months ended 28 September 2014 Unaudited £'000</b>	<b>Nine months ended 29 March 2015 Audited £'000</b>
Profit/(loss) for the purposes of basic and diluted earnings per share:	112	622	(118)
Share based payments	257	36	194
Deferred tax on share based payments	(60)	(7)	(8)
Pre-opening costs	476	61	195
Loss on disposal of property, plant and equipment	21	-	2
Amortisation of brand	342	-	-
Deferred tax on amortisation of brand	(57)	-	-
Exceptional costs – reverse acquisition costs	-	-	374
Exceptional costs – acquisition costs	405	-	-
	<hr/>	<hr/>	<hr/>
Headline profit for the period for the purposes of headline basic and diluted earnings per share:	1,496	712	639
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Six months ended 27 September 2015 Unaudited No. '000</b>	<b>Six months ended 28 September 2014 Unaudited No. '000</b>	<b>Nine months ended 29 March 2015 Audited No. '000</b>
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	540,390	222,255	287,113
Effect of dilutive potential ordinary shares:			
- Share options	52,501	-	17,606
	<hr/>	<hr/>	<hr/>
Weighted average number of shares for the purpose of diluted earnings per share	592,891	222,255	304,719
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Six months ended 27 September 2015 Unaudited</b>	<b>Six months ended 28 September 2014 Unaudited</b>	<b>Nine months ended 29 March 2015 Audited</b>
Earnings/(loss) per share:			
Basic	0.0p	0.3p	(0.0p)
Diluted	0.0p	0.3p	(0.0p)
	<hr/>	<hr/>	<hr/>
Headline basic	0.3p	0.3p	0.2p
Headline diluted	0.3p	0.3p	0.2p
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 6. Cash and cash equivalents

	<b>As at 27 September 2015 Unaudited £'000</b>	<b>As at 28 September 2014 Unaudited £'000</b>	<b>As at 29 March 2015 Audited £'000</b>
Cash at bank and in hand	2,083	1,873	3,889

Bank balances 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.

## 7. Reconciliation of net cash flows from operating activities

	<b>Six months ended 27 September 2015 Unaudited £'000</b>	<b>Six months ended 28 September 2014 Unaudited £'000</b>	<b>Nine months ended 29 March 2015 Audited £'000</b>
Profit before taxation	187	747	4
Adjustments:			
Finance income	(3)	(1)	(6)
Finance costs	46	20	27
Depreciation and amortisation	1,223	191	507
Loss on disposal of property, plant and equipment	21	-	2
Share based payments expense	257	36	194
Cost of reverse acquisition	-	-	374
Cost of acquisition	405	-	-
Operating cash flows before movement in working capital	2,136	993	1,102
Increase in inventories	(49)	(23)	(23)
Decrease/(increase) in trade and other receivables	70	479	(230)
Increase in trade and other payables	1,029	101	214
Cash generated from operations	3,186	1,550	1,063
Income taxes (paid)/received	(222)	(18)	35
Net cash from operating activities	2,964	1,532	1,098

## 8. Acquisition of Franco Manca Holdings Limited

On 21 April 2015, the Group acquired 99% of the issued share capital of Franco Manca Holdings Limited for a consideration of £27,465,054 made up of £6,184,677 in cash and £21,280,377 by the issue of 193,457,975 ordinary shares in the Company at 11p each.

The provisional fair values allocated to the assets and liabilities acquired are as follows:

	<b>21 April 2015 Unaudited £'000</b>
Intangible assets – brand	8,211
Intangible assets – other	30
Property, plant and equipment	6,164
Inventories	213
Trade and other receivables	1,008
Cash and cash equivalents	340
Trade and other payables	(3,960)
Income tax payables	(153)
Borrowings	(600)
Deferred tax liabilities	(1,618)
Total identifiable net assets	<u>9,635</u>
Goodwill on acquisition	17,858
Non-controlling interests	(28)
Total consideration	<u><u>27,465</u></u>

The cost of acquiring Franco Manca Holdings Limited, totalling £405,000, has been recognised in the consolidated statement of comprehensive income.

The intangible asset of £8,211,000 relates to the brand valuation of Franco Manca. The fair value of the brand was determined using a discounted royalty relief model. The key assumptions for the valuation method are those regarding future cash flows, tax rates and discount rates. The royalty stream projections are based on management forecasts for the three years period at the time of the acquisition and an estimate of growth for the following seven years.

The above fair values are provisional pending a full fair value exercise which will be performed prior to the finalisation of financial statements for the full year.