

# THE FULHAM SHORE PLC

## REPORT AND FINANCIAL STATEMENTS

Year ended 30 March 2014

Company Registration No. 07973930

# THE FULHAM SHORE PLC

## BACKGROUND AND HIGHLIGHTS

for the year ended 30 March 2014

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### Background

The Fulham Shore PLC (the “Company” or “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 and the ordinary shares of the Company were admitted to trading on the ISDX Growth Market in February 2013 in order to capitalise on such opportunities.

David Page and Nabil Mankarious have over thirty years’ experience of founding, operating and building successful restaurant and food service businesses in the UK. Together with Nicholas Donaldson, who has sat on the boards of and advised businesses operating in the restaurant and food service sectors for some twenty years, they founded the Company to be the platform from which to identify, invest in and operate a range of growth restaurant businesses in the UK, each driven by skilled and incentivised restaurant entrepreneurs and management teams.

They have been joined on the board by Nicholas Wong as Finance Director and Martin Chapman as Non-Executive Director.

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.

### Highlights

- Net cash as at 30 March 2014 of £1,675,000 (2013: £785,000)
- First restaurant opened during the year in London, a Franco Manca franchise
- Revenues for the year ended 30 March 2014 of £543,000 (2013: £Nil)
- Loss for the year ended 30 March 2014 of £164,000 (2013: £126,000)
- Placing raising £580,000 and £661,000 (before expenses) in April 2013 and February 2014

# THE FULHAM SHORE PLC

## CHAIRMAN'S STATEMENT

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Your board is pleased to report revenues for the year of £543,000 (2013: £Nil) and the narrowing of Headline Operating Loss to £115,000 (2013: £125,000) for the year ended 30 March 2014.

The Group opened its first trading concern during the year. This was a Franco Manca pizzeria franchise at 98 Tottenham Court Road in London. This restaurant has traded profitably since opening on 19 November 2013.

We will look to use the trading profits from our one restaurant business to cover the central costs of the Group in the current financial year to March 2015.

### **Placing**

During the year ended 30 March 2014, we bolstered our balance sheet by raising capital by means of two placings. The first, in April 2013, raised £580,000 (before expenses) from the issue of 14.50m ordinary shares of 1p each at 4p per share. The second, in February 2014 raised £661,000 (before expenses) from the issue of 13.21m ordinary shares of 1p each at 5p per share.

### **Cash flow**

During the year, net cash outflow from operations narrowed to £58,000 (2013: £99,000) while we invested £284,000 (2013: £33,000) on property, plant and equipment. Overall, there was a net cash inflow of £890,000 (2013: £785,000) resulting in net cash as at 30 March 2014 of £1,675,000 (2013: £785,000).

### **Current trading and outlook**

We continue to look at a number of restaurant concepts which, in line with our stated aims, we would purchase, invest in and expand. The targets would then benefit from our access to capital and experience.

**David Page**  
Chairman

6 August 2014

# THE FULHAM SHORE PLC

## BOARD OF DIRECTORS

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The Directors of The Fulham Shore PLC are:

### **David Page**

*Chairman*

David trained as both a cartographer and a teacher. He then spent 30 years with PizzaExpress and was the owner and managing director of the largest franchisee organisation - the G&F Group - from 1973 to 1993. The flotation of PizzaExpress for £23m on the London Stock Exchange took place in 1993. David became chief executive of PizzaExpress on flotation and then chairman in 1998. Following the sale of PizzaExpress in 2003, David founded and was chairman of The Clapham House Group PLC from 2003 to 2010, the owner of Gourmet Burger Kitchen, Bombay Bicycle Club and other restaurant brands. David's current investment portfolio includes shareholdings in a range of restaurants, including: Franco Manca, Rocca di Papa, Bukowski, Wishbone Brixton, Chillbox and The Real Greek. David is also a Director of Meatailer Limited and a non-executive director of Young & Co's Brewery, P.L.C., the AIM quoted pub company which has approximately 230 pubs in its portfolio.

### **Nabil Mankarious**

*Director*

Nabil came to the United Kingdom from Alexandria, Egypt in 1986 to study medicine. Whilst a student he started work in the kitchen of a PizzaExpress restaurant and rose through the ranks to become Regional Director for PizzaExpress London in 2001. From 2006 until 2011 Nabil was head of Group Purchasing at The Clapham House Group PLC and head of operations at Gourmet Burger Kitchen, its largest subsidiary company.

### **Nicholas Donaldson**

*Director*

Nick, a barrister by profession, has spent the majority of his career in the corporate finance field. Nick worked as Head of Corporate Finance and M&A at Credit Lyonnais Securities from 1996 until 2000. Thereafter he was Head of Investment Banking in Europe for Robert W. Baird and subsequently Head of Corporate Finance at Arbuthnot Securities. In 2004 he co-founded Capital Markets Group, a corporate finance business, whose activities he transferred to London Bridge Capital in 2010.

### **Nicholas Wong**

*Finance Director*

Nick Wong qualified as a chartered accountant with Baker Tilly and specialised, pre and post qualification in corporate finance. From 2004 to 2013, Nick was the Finance Director and Company Secretary of The Clapham House Group PLC and worked on the acquisitions of several restaurant businesses including Gourmet Burger Kitchen. During this time GBK grew from 6 to 60 restaurants in the UK. Between 2010 and 2013, Nick also looked after the online strategy of GBK introducing numerous loyalty and social media systems into the business.

### **Martin Chapman**

*Non-executive Director*

In November 2012, Martin exercised his option to take early retirement after a highly rewarding and successful 38 year career with HSBC Bank plc. For the 12 years prior to his retirement, Martin held the position of Head of Corporate Banking for HSBC's largest Corporate Banking team based in the West End of London. In addition to managing and leading a large team of senior managers, Martin had ultimate responsibility for managing the Bank's relationship with a substantial number of corporate customers covering almost all industry sectors and included in excess of 100 publicly quoted companies. As well as the general mid market corporate business, Martin was also responsible for the Bank's Corporate Real Estate business for Southern England as well the Bank's Corporate Hotel business for the whole of the UK. Martin has spent the majority of his career in Corporate Banking where he has gained considerable experience in leading strategic discussion with management teams/shareholders and stakeholders in exploring debt financing options and Capital Market solutions for supporting growth, whether organically or by way of acquisition or merger activities. Martin is also a Non Executive Director of Weston Group plc, Senior Advisor to MXC Capital Limited and a Consultant with The Erith Group.

# THE FULHAM SHORE PLC

## STRATEGIC REPORT

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The Directors present their Strategic Report for the year ended 30 March 2014.

### **Introduction**

The Group intends to assemble a group of distinct restaurant businesses operating in the UK, each driven by a skilled and incentivised team. We aim to grow shareholder value by increasing both the profitability and the value of each individual business.

### **Review of the business**

The results for the period ended 30 March 2014 are set out in the statement of comprehensive income on page 17.

During the period, we opened our first restaurant, a Franco Manca franchise, on Tottenham Court Road, London.

The Group reported revenues for the year of £543,000 (2013: £Nil) representing 4 months of trading of the restaurant opened during the year. Headline Operating Loss narrowed to £115,000 (2013: £125,000) and loss after taxation amounted to £164,000 (2013: £126,000).

A further review of the business and its financial performance is provided in the Chairman's Statement on page 3.

### **Principal risks and uncertainties**

The Directors consider the following to be the principal risks faced by the Group:

#### *Economic Conditions*

The Group's performance depends on the economic conditions and consumer confidence in the UK. The UK economy is in a period of growth with reducing levels of unemployment and expectation of stronger consumer spending. However there continues to be rapid changes to the UK economy. The Group's existing restaurant offers an exceptional customer value experience which positions the business well in dealing with the continued volatility in the UK economy.

#### *Supply chain*

The Group focuses on the freshness and quality of the produce used in its restaurants. It is exposed to potential supply chain disruptions due to the delay or losses of inventory in transit. The Group mitigates this risk through effective supplier selection and an appropriate back-up supply chain.

#### *Employees*

The Group's performance depends largely on its management team and its restaurant team. The inability to recruit people with the right experience and skills could adversely affect the Group's results. To mitigate these issues the Group has implemented a number of incentive schemes designed to retain key individuals.

#### *Competition*

The Group operates in a very competitive and fragmented market which regularly sees new concepts come to the market. However the Directors believe that the strength of the existing restaurant's brand, value offer and constant strive towards delivering the best product and service will help the business to mitigate competitive risk.

#### *Investment programme*

The Group's investment programme is dependent on securing suitable acquisition targets.

# THE FULHAM SHORE PLC

## STRATEGIC REPORT

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Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

### **Financial risk management**

The Board regularly reviews the financial requirements of the Group and the risks associated therewith. The Group does not use complicated financial instruments, and where financial instruments are used it is for reducing interest rate risk. The Group does not trade in financial instruments. Group operations are primarily financed from equity funds raised and retained earnings. In addition to the financial instruments described above, the Group also has other financial instruments such as receivables, trade payables and accruals that arise directly from the Group's operations. Further information is provided in note 11 to the financial statements.

### **Key performance indicators**

The Board receives a range of management information delivered in a timely fashion. The principal measures of progress that are reviewed on a regular basis to monitor the development of the Company and the Group are shown in the Highlights section on page 2.

By order of the Board

**Nicholas Donaldson**  
Company Secretary  
6 August 2014

# THE FULHAM SHORE PLC

## DIRECTORS' REPORT

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The Directors have pleasure in presenting their report on the affairs of the Group together with the audited financial statements for the year ended 30 March 2014.

### Principal activity

The principal activity of the Group and Company is the operation and management of restaurants.

### Review of the business and future developments

Information about the progress of the business and the Group's corporate activities is given in the Chairman's Statement on page 3 and the Strategic Report on pages 5 and 6.

### Results and dividends

The results for the year ended 30 March 2014 are set out in the consolidated statement of comprehensive income on page 17.

The Group reported revenues for the year of £543,000 (2013: £Nil) and a loss after taxation amounting to £164,000 (2013: £126,000).

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.

### Directors

The following Directors have held office since 1 April 2013:

DM Page  
NAG Mankarious  
NJ Donaldson  
NCW Wong (appointed 13 January 2014)  
MA Chapman (appointed 1 July 2014)

The Directors at the date of this report, together with their biographical details, are set out on page 4.

### Directors' interests in shares

Directors' interests in the shares of the Company, including family interests, were as follows:

Director	As at 30 March 2014		As at 31 March 2013 or date of appointment, if later	
	<i>Ordinary shares of 1p each</i>	%	<i>Ordinary shares of 1p each</i>	%
DM Page	15,400,100	18.44%	12,200,100	21.86%
NAG Mankarious	17,300,000	20.72%	13,400,000	24.01%
NJ Donaldson	5,300,000	6.35%	3,100,000	5.56%
NCW Wong *	6,800,000	8.14%	4,300,000	6.12%
MA Chapman *	-	-%	-	-%

\* appointed during the year

Details of the Directors' interests in share options during the year are disclosed in the Report on Directors' Remuneration on pages 12 to 14.

# THE FULHAM SHORE PLC

## DIRECTORS' REPORT

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### Directors' liability insurance and indemnity

The Group has arranged insurance cover in respect of legal action against its Directors. To the extent permitted by UK law, the Group also indemnifies the Directors. These provisions were in force throughout the year and in force at the date of this report.

### Substantial shareholders

The Directors' interests in the shares of the Company have been disclosed above. On 5 August 2014, the Company had been notified of the following interests in the ordinary share capital of the Company:

	As at 5 August 2014	
	<i>Ordinary shares</i>	<i>%</i>
	<i>Of 1p each</i>	
S Collins	4,400,000	5.27%

No other person has reported an interest of more than 3% in the ordinary shares.

### Supplier policy

The Group's policy is to agree the terms of payment with suppliers when agreeing the terms of each transaction. Trade creditors were equivalent to 37 (2013: 47) days' purchases, based on the average daily amount invoiced by suppliers during the year.

### Employment policy

The Group's policies respect the individual regardless of gender, age, race or religion. Where reasonable and practical under the existing legislation, all persons, including disabled persons, have been treated fairly and consistently, including matters relating to employment, training and career development.

The Group takes a positive view of employee communication and has established systems for employee consultation and communication of developments. The Group encourages the involvement of employees in the Group's performance.

### Corporate governance

The UK Corporate Governance Code is not mandatory for companies traded on the ISDX Growth Market. However, the Board of The Fulham Shore PLC recognises the importance of sound corporate governance. The Group intends to comply with the QCA Guidelines so far as is practicable and appropriate for a public Group of its size and nature. As the Group grows, the Directors intend that the Group should develop policies and procedures which reflect the principles of good governance and other requirements set out in the UK Corporate Governance Code, to the extent that they are appropriate to the size and nature of the Group.

At present, due to the Group's size, the risk and audit management functions will be addressed by the Board. As the Group grows, the Board will consider establishing audit, risk management and remuneration committees.

During the year the Board has appointed a Finance Director, Nicholas Wong, who oversees the outsourced accounting function.

The Company has adopted, and will operate where applicable, a share dealing code to ensure that directors and relevant employees and their respective families and connected persons (each as defined in the ISDX Rules) comply with Rules 46 and 72 of the ISDX Rules and do not deal in Ordinary Shares in a close period (as defined in the ISDX Rules) or otherwise on considerations of a short term nature.



# THE FULHAM SHORE PLC

## DIRECTORS' REPORT

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### **Independence of the Auditor**

The Board undertakes a formal assessment of the auditor's independence each year which will include:

- a review of non-audit services provided to the Group and related fees;
- discussion with the auditor of a written report detailing all relationships with the Group and any other parties which could affect independence or the perception of independence;
- a review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditor that, in their professional judgment, they are independent.

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 1 to the financial statements.

### **Political and charitable contributions**

During the year the Group made no political or charitable contributions.

### **Annual general meeting**

On pages 42 to 43 is a notice convening the annual general meeting of the Company for 29 August 2014 and the notice sets out the resolutions to be proposed at that meeting. The Board believes that the proposed resolutions to be put to the annual general meeting to be held on 29 August 2014 are in the best interests of shareholders and, accordingly, recommends that shareholders vote in favour of the resolutions.

### **Statement as to disclosure of information to auditors**

The Directors who were in office on the date of approval of these financial statements have confirmed that as far as they are aware, there is no relevant audit information of which the auditors are unaware. The Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### **Going concern**

The Company's and Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 5 to 6. In addition, note 11 to the financial statements includes the company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Directors have reviewed the financial resources and facilities available to deal with its business risks. The Directors therefore feel well placed to manage the business risks successfully within its present financial arrangements.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# THE FULHAM SHORE PLC

## DIRECTORS' REPORT

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### **Auditors**

UHY Hacker Young Manchester LLP has indicated its willingness to continue in office.

By order of the Board

**Nicholas Donaldson**  
Company Secretary  
6 August 2014

# THE FULHAM SHORE PLC

## STATEMENT ON DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the Group financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on The Fulham Shore PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

**Nicholas Donaldson**  
Director  
6 August 2014

# THE FULHAM SHORE PLC

## REPORT ON DIRECTORS' REMUNERATION

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### **Introduction**

At present, due to the Company's size, the risk function will be addressed by the Board. As the Company grows, the Board will consider establishing a remuneration committee.

### **Remuneration Policy**

The Company's executive remuneration packages are designed to attract, motivate and retain personnel of the high calibre needed to create value for shareholders. There are three components to the executive Directors' remuneration, being basic salary and benefits, annual bonus scheme and share based incentive schemes. The performance measurement of the executive Directors and key members of senior management and the determination of their annual remuneration packages is undertaken by the Board until such time as a remuneration committee is established.

### **Directors' Service Agreements**

DM Page was appointed as a Director in March 2012. Under a service agreement, entered into at that time, he was appointed Executive Chairman. The agreement is terminable on 3 months notice to be given by either party.

NAG Mankarious was appointed as a Director in March 2012. Under a service agreement, entered into at that time, he was appointed an Executive Director. The agreement is terminable on 3 months notice to be given by either party,

NJ Donaldson was appointed as a Director in March 2012. Under a service agreement, entered into with London Bridge Capital, he was appointed an Executive Director. The agreement is terminable on 3 months notice to be given by either party,

NCW Wong was appointed as a Director in January 2014. Under a service agreement, entered into at the time, he was appointed as Finance Director. The agreement is terminable on 3 months notice to be given by either party,

MA Chapman was appointed as a Director in July 2014. Under a service agreement, entered into at the time, he was appointed as Non-Executive Director. The agreement is terminable on 3 months notice to be given by either party.

### **Incentive Arrangements**

The Directors and employees of the Group also participate in incentive arrangements to reward individuals if shareholder value is created.

Under these arrangements certain Directors are entitled to performance related bonuses and participation in share based incentive schemes. The details of the share based incentive schemes are given in note 14.

# THE FULHAM SHORE PLC

## REPORT ON DIRECTORS' REMUNERATION

### Directors' Remuneration

	2014	Salary	2014	Fees	2014	Benefits	2014	Total
	£'000	2013	£'000	2013	£'000	2013	£'000	2013
		£'000		£'000		£'000		£'000
Executive Directors								
DM Page	15	1	-	-	-	-	15	1
NAG Mankarious	15	1	-	-	-	-	15	1
NJ Donaldson	-	-	15	1	-	-	15	1
NCW Wong	15	-	-	-	-	-	15	-
	<u>45</u>	<u>2</u>	<u>15</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>3</u>

No pension contributions were payable to any of the Directors during the year.

The fees in respect of NJ Donaldson were paid to London Bridge Capital Limited for his services as a director.

### Directors' interests in Group share based incentive schemes

The interests of the Directors under the Group's share based incentive schemes as at 30 March 2014 were as follows:

	Options outstanding	Options granted	Options outstanding	Exercise Price	Exercisable Date	Expiry Date
	31 March 2013	during year	30 March 2014	£		
<i>Enterprise Management Incentives</i>						
DM Page	1,115,972	-	1,115,972	0.02	1/3/2016	1/3/2020
	-	554,200	554,200	0.05	25/02/2017	25/02/2021
NAG Mankarious	1,115,972	-	1,115,972	0.02	1/3/2016	1/3/2020
	-	554,200	554,200	0.05	25/02/2017	25/02/2021
NCW Wong	-	1,670,172	1,670,172	0.05	25/02/2017	25/02/2021
<i>Unapproved</i>						
NJ Donaldson	1,115,972	-	1,115,972	0.02	1/3/2016	1/3/2020
	-	554,200	554,200	0.05	25/02/2017	25/02/2021

All share options above have been issued at the market price of the ordinary shares at the date of grant. During the year ended 30 March 2014, the market price of ordinary shares in the Company ranged from £0.07 (2013: £0.02) to £0.115 (2013: £0.08). The share price as at 30 March 2014 was £0.115 (2013: £0.08).

The total share based payments charge in relation to the Directors' interest in share options recognised in the year was £7,000 (2013: £1,000).

# THE FULHAM SHORE PLC

## REPORT ON DIRECTORS' REMUNERATION

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Details of the Directors' shareholdings are given in the Directors' Report on page 7.

### **Approval**

This report was approved by the Board of Directors on 6 August 2014 and signed on its behalf by:

**Nicholas Donaldson**  
Director

## INDEPENDENT AUDITORS' REPORT



**Registered Auditor**  
UHY Hacker Young Manchester LLP  
St James Building  
79 Oxford Street  
Manchester M1 6HT

6 August 2014

### **To the members of The Fulham Shore Plc**

We have audited the financial statements of The Fulham Shore Plc for the year ended 30 March 2014 which comprise the Statement of Comprehensive Income, the Balance Sheets, the Cash Flow Statements, the Statements of Changes in Equity, the Accounting Policies and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the Group's and parent Company's affairs as at 30 March 2014 and of the Group's and parent Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITORS' REPORT (continued)

### ***Matters on which we are required to report by exception***

We have nothing to report in respect of the following.

Under the Companies Act 2006 we are required to report to you if in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement, with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Michael Wasinski**  
**Senior Statutory Auditor**

**for and on behalf of**  
**UHY Hacker Young Manchester LLP**  
Chartered Accountants and Statutory Auditor



**THE FULHAM SHORE PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 March 2014

		Year ended 30 March 2014	Period ended 31 March 2013
	Notes	£'000	£'000
<b>Revenue</b>		543	-
Cost of sales		(332)	-
<b>Gross profit</b>		<u>211</u>	<u>-</u>
Administrative expenses		(326)	(125)
<b>Headline operating loss</b>		<u>(115)</u>	<u>(125)</u>
Share based payments		(7)	(1)
Pre-opening costs		(27)	-
<b>Operating loss and loss before taxation</b>	1	<u>(149)</u>	<u>(126)</u>
Income tax expense	3	(15)	-
<b>Loss for the year attributable to owners of the company</b>		<u>(164)</u>	<u>(126)</u>
Loss per share			
Basic	4	(0.2p)	(0.3p)
Diluted	4	N/A	N/A

There were no other comprehensive income items.

All operating gains and losses relate to continuing activities.

**THE FULHAM SHORE PLC**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
30 March 2014

	Notes	2014 £'000	Group 2013 £'000	Parent company 2014 £'000	2013 £'000
<b>Non-current assets</b>					
Property, plant and equipment	5	284	32	28	32
Investments in subsidiaries	6	-	-	-	-
Trade and other receivables	8	41	-	-	-
		<u>325</u>	<u>32</u>	<u>28</u>	<u>32</u>
<b>Current assets</b>					
Inventories	7	22	-	-	-
Trade and other receivables	8	95	37	789	37
Cash and cash equivalents	9	1,675	785	1,051	785
		<u>1,792</u>	<u>822</u>	<u>1,840</u>	<u>822</u>
<b>Total assets</b>		<u>2,117</u>	<u>854</u>	<u>1,868</u>	<u>854</u>
<b>Current liabilities</b>					
Trade and other payables	10	(235)	(62)	(43)	(62)
		<u>(235)</u>	<u>(62)</u>	<u>(43)</u>	<u>(62)</u>
<b>Net current assets</b>		<u>1,557</u>	<u>760</u>	<u>1,797</u>	<u>760</u>
<b>Non-current liabilities</b>					
Deferred tax liabilities	12	(15)	-	-	-
		<u>(15)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>		<u>(250)</u>	<u>(62)</u>	<u>(43)</u>	<u>(62)</u>
<b>Net assets</b>		<u>1,867</u>	<u>792</u>	<u>1,825</u>	<u>792</u>
<b>Equity</b>					
Share capital	13	835	558	835	558
Share premium		1,314	359	1,314	359
Retained earnings		(282)	(125)	(324)	(125)
<b>Total equity attributable to owners of the company</b>		<u>1,867</u>	<u>792</u>	<u>1,825</u>	<u>792</u>

The financial statements on pages 17 to 40 were approved by the board of Directors and authorised for issue on 6 August 2014 and are signed on its behalf by:

**Nicholas Donaldson**  
Director  
Company registration number: 07973930

**THE FULHAM SHORE PLC**  
**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**  
for the year ended 30 March 2014

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	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
Loss for the period	-	-	(126)	(126)
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>(126)</u>	<u>(126)</u>
Transactions with owners				
Ordinary shares issued (net of expenses)	558	359	-	917
Share based payments	-	-	1	1
<b>Total transactions with owners</b>	<u>558</u>	<u>359</u>	<u>1</u>	<u>918</u>
<b>At 31 March 2013</b>	<u>558</u>	<u>359</u>	<u>(125)</u>	<u>792</u>
Loss for the year	-	-	(164)	(164)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>(164)</u>	<u>(164)</u>
Transactions with owners				
Ordinary shares issued (net of expenses)	277	955	-	1,232
Share based payments	-	-	7	7
<b>Total transactions with owners</b>	<u>277</u>	<u>955</u>	<u>7</u>	<u>1,239</u>
<b>At 30 March 2014</b>	<u>835</u>	<u>1,314</u>	<u>(282)</u>	<u>1,867</u>

**THE FULHAM SHORE PLC**  
**COMPANY STATEMENT OF CHANGE IN EQUITY**  
for the year ended 30 March 2014

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	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total Equity £'000
Loss for the period	-	-	(126)	(126)
<b>Total comprehensive income for the period</b>	<u>-</u>	<u>-</u>	<u>(126)</u>	<u>(126)</u>
Transactions with owners				
Ordinary shares issued (net of expenses)	558	359	-	917
Share based payments	-	-	1	1
<b>Total transactions with owners</b>	<u>558</u>	<u>359</u>	<u>1</u>	<u>918</u>
<b>At 31 March 2013</b>	<u>558</u>	<u>359</u>	<u>(125)</u>	<u>792</u>
Loss for the year	-	-	(206)	(206)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>(206)</u>	<u>(206)</u>
Transactions with owners				
Ordinary shares issued (net of expenses)	277	955	-	1,232
Share based payments	-	-	7	7
<b>Total transactions with owners</b>	<u>277</u>	<u>955</u>	<u>7</u>	<u>1,239</u>
<b>At 30 March 2014</b>	<u>835</u>	<u>1,314</u>	<u>(324)</u>	<u>1,825</u>

**THE FULHAM SHORE PLC**  
**CONSOLIDATED AND COMPANY CASH FLOW STATEMENT**  
for the year ended 30 March 2014

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	<i>Notes</i>	Year ended 30 March 2014 £'000	Group Period ended 31 March 2013 £'000	Year ended 30 March 2014 £'000	Parent Period ended 31 March 2013 £'000
<b>Net cash from operating activities</b>	15	(58)	(99)	(961)	(99)
<b>Investing activities</b>					
Acquisition of property, plant and equipment		(284)	(33)	(5)	(33)
Net cash flow used in investing activities		<u>(284)</u>	<u>(33)</u>	<u>(5)</u>	<u>(33)</u>
<b>Financing activities</b>					
Proceeds from issuance of new ordinary shares (net of expenses)		1,232	917	1,232	917
Net cash flow from financing activities		<u>1,232</u>	<u>917</u>	<u>1,232</u>	<u>917</u>
<b>Net increase in cash and cash equivalents</b>		<u>890</u>	<u>785</u>	<u>266</u>	<u>785</u>
<b>Cash and cash equivalents at the beginning of the year</b>	9	785	-	785	-
<b>Cash and cash equivalents at the end of the year</b>	9	<u>1,675</u>	<u>785</u>	<u>1,051</u>	<u>785</u>

# THE FULHAM SHORE PLC

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

The Fulham Shore PLC is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on ISDX Growth Market.

### BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and, as permitted by EU Law, the Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

The financial statements for the year ended 30 March 2014 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.

The parent company has not presented its own income statement, statement of total comprehensive income and related notes as permitted by section 408 of the Companies Act 2006.

At the date of authorisation of these financial statements, the following Standards and Interpretations relevant to the Group operations that have not been applied in these financial statements were in issue but not yet effective:

IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 12	Disclosure of interest on other entities
IFRS 14	Regulatory deferral accounts
IAS 19 (Amendment)	Employee benefits
IAS 32 (Amendment)	Offsetting financial assets and financial liabilities
IAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
IAS 39 (Amendment)	Novation of derivatives and continuation of hedge accounting
IFRIC 21	Levies

The Directors anticipate that the adoption of these Standards and Interpretations as appropriate in future years will have no material impact on the financial statements of the Group.

### GOING CONCERN

The financial statements have been prepared on a going concern basis. The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore the Board is satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

### SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of The Fulham Shore PLC and all of its subsidiary undertakings for the year. Subsidiaries acquired during the year are consolidated from the date that the Group has 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.

# THE FULHAM SHORE PLC

## ACCOUNTING POLICIES

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All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

### **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at historical cost less depreciation and any recognised impairment loss. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is provided on property, plant and equipment at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold properties and improvements	over lease term or renewal term
Plant and equipment	20% to 33% straight line
Furniture, fixtures and fittings	10% to 20% straight line

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate on an annual basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

### **IMPAIRMENT OF ASSETS**

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

### **FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

### **INVENTORIES**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

### **TRADE AND OTHER RECEIVABLES**

Receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow, discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the income statement.

# THE FULHAM SHORE PLC

## ACCOUNTING POLICIES

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### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash in hand and call deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### **TRADE AND OTHER PAYABLES**

Payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

### **SHARE CAPITAL**

Share capital represents the nominal value of ordinary shares issued.

### **SHARE PREMIUM**

Share premium represents the amounts subscribed for share capital in excess of nominal value less the related costs of share issue.

### **FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated into sterling, the presentational and functional currency of the Group, at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

### **FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Interest bearing loans and overdrafts are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowing. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

### **TAXATION**

Income tax expense represents the sum of the current tax payable and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because some items of income or expense are taxable or deductible in different years or may not be taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit or the accounting profit.

The carrying amount 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.



# THE FULHAM SHORE PLC

## ACCOUNTING POLICIES

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Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

### **LEASES**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the income statement.

Rentals payable under operating leases are charged to the income statement on a straight line basis or other systematic basis if representative of the time pattern of the user's benefit over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

### **PROVISIONS**

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

### **RETIREMENT BENEFITS**

The amount charged to the income statement in respect of pension costs is the contributions payable to money purchase schemes in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **REVENUE RECOGNITION**

Revenue represents the fair value of the consideration received or receivable, net of Value Added Tax, for goods sold and services provided to customers outside the Group after deducting discounts. Revenue is recognised when the significant risks and rewards of ownership are transferred.

### **INTEREST INCOME**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### **SHARE BASED PAYMENTS**

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

# THE FULHAM SHORE PLC

## ACCOUNTING POLICIES

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Fair value is measured using a Black-Scholes valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

### **ACCOUNTING PERIOD**

The accounts have been prepared for the year from 1 April 2013 to 30 March 2014 with the comparative period being from incorporation on 2 March 2012 to 31 March 2013.

### **ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies, described above, with respect to the carrying amounts of assets and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. These judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

The judgements, estimates and assumptions which are of most significance to the Group are detailed below:

#### *Valuation of share based payments*

The charge for share based payments is calculated in accordance with the methodology described in note 14. The model requires highly subjective assumptions to be made including the future volatility of the Company's share price, expected dividend yield and risk-free interest rates.

### **OPERATING SEGMENTS**

The group considers itself to have a single purpose, the management and operation of restaurants, and therefore concludes that it has only one business segment and only one geographical segment

### **DEFINITIONS**

#### *OPERATING PROFIT*

Operating profit is defined as profits from operations after share based payments 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 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 and share based payments and pre-opening costs.

#### *PRE-OPENING COSTS*

The restaurant pre-opening costs represent costs incurred up to the date of opening a new restaurant that are written off to the profit and loss account in the period in which they are incurred.

# THE FULHAM SHORE PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 March 2014

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### 1 OPERATING LOSS

	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Operating loss is stated after charging:		
Depreciation of owned property, plant and equipment	32	1
Operating lease rentals:		
Land and buildings	27	-
	<u>          </u>	<u>          </u>

Amounts payable to UHY Hacker Young Manchester LLP and their associates in respect of both audit and non-audit services:

	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Audit services		
- Statutory audit of company accounts	8	7
- Statutory audit of subsidiary	7	-
Other services relating to taxation		
- Compliance services	2	1
Corporate finance transaction services		
- Company flotation	-	3
- Other services	16	-
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

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**2 EMPLOYEES**

	Year ended 30 March 2014	Period ended 31 March 2013
	No.	No.
The average monthly number of persons (including Directors) employed by the company during the year was:		
Administration and management	3	3
Restaurants	14	-
	<u>17</u>	<u>3</u>
	<u><u>17</u></u>	<u><u>3</u></u>
	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Staff costs for above persons		
Salaries and fees	222	4
Social security costs	16	-
Share based payments	7	1
	<u>245</u>	<u>5</u>
	<u><u>245</u></u>	<u><u>5</u></u>

**DIRECTORS' REMUNERATION**

The remuneration of Directors, who are the key management personnel of the company, is set out in aggregate below. Further details of directors' emoluments can be found in the Report on Directors' Remuneration on pages 12 to 14.

	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Salaries, fees and other short term employee benefits	60	3
Share based payments	7	1
	<u>67</u>	<u>4</u>
	<u><u>67</u></u>	<u><u>4</u></u>

No directors exercised any share options in the year ended 30 March 2014 and no directors received any pension benefits.

Included above are fees of £15,000 (2013: £1,250) paid to London Bridge Capital Limited for providing the services of NJ Donaldson as a director.

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

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**3 INCOME TAX EXPENSE**

	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Deferred taxation:		
Current year	15	-
Total tax expense in the income statement	<u>15</u>	<u>-</u>
Factors affecting tax charge for year:		
	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Loss before taxation	(149)	(126)
Taxation at UK corporation tax rate of 20%	<u>(30)</u>	<u>(25)</u>
Tax effect of loss carried forward	41	25
Expenses not deductible for taxation purposes	2	-
Share based payments not recognised in deferred taxation	2	-
Total income tax expense in the income statement	<u>15</u>	<u>-</u>

Factors that may affect tax charges are disclosed in note 12.

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

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**4 LOSS PER SHARE**

	Year ended 30 March 2014	Period ended 31 March 2013
	£'000	£'000
Loss for the purposes of basic and diluted earnings per share:	(164)	(126)
Share based payments	7	1
Pre-opening costs	27	-
	<u>          </u>	<u>          </u>
Headline loss for the year of the purposes of headline basic and diluted earnings per share:	(130)	(125)
	<u>          </u>	<u>          </u>
	Year ended 30 March 2014	Period ended 31 March 2013
	No.	No.
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	70,341,107	37,860,185
	<u>          </u>	<u>          </u>

As the company reports a loss for the period, under IAS33, the share options in issue during the year are not considered dilutive. Further details of the share options that could potentially dilute basic earnings per share in the future are provided in note 14.

	Year ended 30 March 2014	Period ended 31 March 2013
Loss per share:		
Basic	(0.2p)	(0.3p)
Headline Basic	(0.2p)	(0.3p)
	<u>          </u>	<u>          </u>

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

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**5 PROPERTY, PLANT AND EQUIPMENT**

Group	Leasehold improvements £'000	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Assets under construction £'000	Total £'000
Cost					
Additions	3	26	4	-	33
31 March 2013	<u>3</u>	<u>26</u>	<u>4</u>	<u>-</u>	<u>33</u>
Additions	184	71	27	2	284
Reclassification	-	(2)	2	-	-
30 March 2014	<u>187</u>	<u>95</u>	<u>33</u>	<u>2</u>	<u>317</u>
Accumulated depreciation					
Charge in the period	-	1	-	-	1
31 March 2013	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Charge in the year	17	13	2	-	32
30 March 2014	<u>17</u>	<u>14</u>	<u>2</u>	<u>-</u>	<u>33</u>
Net book value					
30 March 2014	<u>170</u>	<u>81</u>	<u>31</u>	<u>2</u>	<u>284</u>
31 March 2013	<u><u>3</u></u>	<u><u>25</u></u>	<u><u>4</u></u>	<u><u>-</u></u>	<u><u>32</u></u>

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

**5 PROPERTY, PLANT AND EQUIPMENT (continued)**

Parent Company	Leasehold improvements £'000	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Total £'000
Cost				
Additions	3	26	4	33
31 March 2013	<u>3</u>	<u>26</u>	<u>4</u>	<u>33</u>
Additions	-	3	2	5
Reclassification	-	(2)	2	-
30 March 2014	<u>3</u>	<u>27</u>	<u>8</u>	<u>38</u>
Accumulated depreciation				
Charge in the period	-	1	-	1
31 March 2013	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
Charge in the year	1	7	1	9
30 March 2014	<u>1</u>	<u>8</u>	<u>1</u>	<u>10</u>
Net book value				
30 March 2014	2	19	7	28
31 March 2013	<u>3</u>	<u>25</u>	<u>4</u>	<u>32</u>

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

All non-current assets are located in the United Kingdom.

**6 INVESTMENTS IN SUBSIDIARIES**

	2014 £'000	2013 £'000
Parent Company		
Cost and net book value 1 April 2013	-	-
Investment in subsidiary	-	-
As at 30 March 2014	<u>-</u>	<u>-</u>



**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

**6 INVESTMENTS IN SUBSIDIARIES (continued)**

As at 30 March 2014, the Company had the following principal trading subsidiary undertakings:

Name of subsidiary	Class of Holding	Proportion of shares held, ownership interest and voting power	Nature of business
<i>Incorporated in England and Wales</i> FM98 LTD Limited	Ordinary	100%	Operation of restaurants

**7 INVENTORIES**

	2014 £'000	Group 2013 £'000	Parent company 2014 £'000	Parent company 2013 £'000
Raw materials and consumables	22	-	-	-
	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>

**8 TRADE AND OTHER RECEIVABLES**

	2014 £'000	Group 2013 £'000	Parent company 2014 £'000	Parent company 2013 £'000
Included within non-current assets:				
Other receivables	41	-	-	-
	<u>41</u>	<u>-</u>	<u>-</u>	<u>-</u>
Included within current assets:				
Trade receivables	17	-	-	-
Amounts receivable from subsidiaries	-	-	770	-
Other receivables	23	1	-	1
Other taxation and social security costs	-	28	13	28
Prepayments and accrued income	55	8	6	8
	<u>95</u>	<u>37</u>	<u>789</u>	<u>37</u>
	<u>95</u>	<u>37</u>	<u>789</u>	<u>37</u>

At 30 March 2014 and 31 March 2013, none of the Group's trade receivables were past due. The £17,000 (2013: £Nil) was receivable within one month.

Receivables are denominated in sterling. The Board believes that the balances are recoverable in full and therefore no impairments are required.

The Group and Company hold no collateral against these receivables at the balance sheet date. The Directors consider that the carrying amount of receivables approximates to their fair value.

# THE FULHAM SHORE PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 March 2014

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### 9 CASH AND CASH EQUIVALENTS

	2014	Group	Parent company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Cash at bank and in hand	1,675	785	1,051	785
Cash and cash equivalents as presented in the balance sheet	<u>1,675</u>	<u>785</u>	<u>1,051</u>	<u>785</u>

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

### 10 TRADE AND OTHER PAYABLES

	2014	Group	Parent company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Included in current liabilities:				
Trade payables	127	50	6	50
Other taxation and social security payable	37	-	3	-
Accruals and deferred income	71	12	34	12
	<u>235</u>	<u>62</u>	<u>43</u>	<u>62</u>

Payables were all denominated in sterling and comprise amounts outstanding for trade purchases and ongoing costs.

The Directors consider that the carrying amount of trade payables approximate to their fair value.

### 11 FINANCIAL INSTRUMENTS

The Group's policies as regards financial instruments are set out in the accounting policies. The Group does not trade in financial instruments.

#### *Capital Risk Management*

The Group manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the capital structure.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Company.

The Group is not subject to any externally imposed capital requirements.

# THE FULHAM SHORE PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 March 2014

### 11 FINANCIAL INSTRUMENTS (continued)

#### *Liquidity Risks*

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group has no undrawn facilities at its disposal.

Trade and other receivables and trade and other payables are all non-interest bearing.

Weighted average interest rates paid during the year for sterling cash deposits were 0% (2013: 0%).

#### *Foreign Exchange Risks*

The Group had no currency exposures at 30 March 2014.

#### *Credit Risks*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

#### *Fair Values of Financial Assets and Financial Liabilities*

The fair value amounts of the Group's financial assets and liabilities as at 30 March 2014 did not materially vary from the carrying value amounts.

### 12 DEFERRED TAXATION

	2014	Group	Parent company	
	£'000	2013	2014	2013
		£'000	£'000	£'000
Accelerated tax depreciation	17	6	-	6
Tax losses	(2)	(6)	-	(6)
	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

The Company has losses of £266,000 (2013: £150,000) which, subject to agreement with HM Revenue & Customs, are available to offset against future profits. A deferred taxation asset in respect of these losses of £53,000 (2013: £24,000) has not been recognised in the financial statements. Although the directors were confident that the company would achieve future profitability in line with current expectations, the timing of such profits was uncertain and therefore the directors did not recognise the entire deferred tax asset.

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

**13 SHARE CAPITAL**

	2014 £'000	2013 £'000
Allotted, issued called up and fully paid: 83,508,600 (2013: 55,798,600) ordinary shares of 1p each	835	558

The Company has one class of ordinary share which carries no rights to fixed income.

On 30 April 2013, the Company issued 14,500,000 Ordinary Shares of £0.01 each at £0.04 per Ordinary Share, credited as fully paid.

On 25 February 2014, a further 13,210,000 Ordinary Shares of £0.01 were issued by the Company and were allotted for cash at £0.05 per Ordinary Share, credited as fully paid.

**14 SHARE BASED PAYMENTS**

The Group currently uses a number of equity settled share plans to grant options to its Directors and employees.

The Group operates two share option plans:

- Enterprise Management Incentive (“EMI”) Share Option Plan;
- Unapproved Share Option Plan

The Group’s Share Option Plans provide for a grant price equal to the average quoted market price of the Company shares on the date of grant. The vesting period on all Share Option Plans is 3 years with an expiration date 7 years from the date of grant. Furthermore, share options are forfeited if the employee leaves the Group before the options vest unless forfeiture is waived at the discretion of the Remuneration Committee, if established, or the Board.

Outstanding share options to acquire ordinary shares of 1 pence each as at 30 March 2014 are as follows:

	2014 '000	2013 '000
At the beginning of the year	3,348	-
Granted during the year	3,333	3,348
At the end of the year	<u>6,681</u>	<u>3,348</u>
Weighted average exercise price	2014 £	2013 £
At the beginning of the year	0.02	-
Granted during the year	0.05	0.02
At the end of the year	<u>0.03</u>	<u>0.02</u>

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

**14 SHARE BASED PAYMENTS (continued)**

Outstanding and exercisable share options to acquire ordinary shares of 1 pence each as at 30 March 2014 are as follows:

For the year ended 30 March 2014

Range of exercise prices	Number of shares '000	Options outstanding		Number of shares '000	Options exercisable	
		Weighted average exercise price £	Weighted average remaining contractual life months		Weighted average exercise price £	Weighted average remaining contractual life months
EMI						
£0.02	2,232	0.02	71	-	-	-
£0.05	2,779	0.05	83	-	-	-
	<u>5,011</u>	<u>0.04</u>	<u>79</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unapproved						
£0.02	1,116	0.02	71	-	-	-
£0.05	554	0.05	83	-	-	-
	<u>1,670</u>	<u>0.03</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>

For the year ended 31 March 2013

Range of exercise prices	Number of shares '000	Options outstanding		Number of shares '000	Options exercisable	
		Weighted average exercise price £	Weighted average remaining contractual life months		Weighted average exercise price £	Weighted average remaining contractual life months
EMI						
£0.02	2,232	0.02	83	-	-	-
Unapproved						
£0.02	1,116	0.02	83	-	-	-

During the year ended 30 March 2014, the market price of ordinary shares in the Company ranged from £0.07 (2013: £0.02) to £0.115 (2013: £0.08). The share price as at 30 March 2014 was £0.115 (2013: £0.08).

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

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**14 SHARE BASED PAYMENTS (continued)**

The fair value of the options is estimated at the date of grant using a Black-Scholes valuation model.

Expected life of options used in the model is based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Expected volatility was determined by calculating the historical 90 days volatility of the Group's share price over the previous 180 days. The inputs to the Black Scholes model were as follows:

	Year ended 30 March 2014	Period ended 31 March 2013
Weighted average expected life	5 years	5 years
Weighted average exercise price	5 pence	2 pence
Risk free rate	0.40%	0.34%
Expected volatility	21.9%	32.5%
	<u>          </u>	<u>          </u>

**Warrants**

Outstanding share warrants to acquire ordinary shares of 1 pence each as at 30 March 2014 are as follows:

	2014 '000	2013 '000
At the beginning of the year	1,116	-
Granted during the year	-	1,116
At the end of the year	<u>1,116</u>	<u>1,116</u>

The warrants are exercisable at 2 pence per ordinary shares until February 2017.

**THE FULHAM SHORE PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 March 2014

**15 NOTE TO CASH FLOWS STATEMENTS**

	Year ended 30 March 2014	Group Period ended 31 March 2013	Parent company Year ended 30 March 2014	Parent company Period ended 31 March 2013
	£'000	£'000	£'000	£'000
Reconciliation of net cash flows from operating activities				
Loss before taxation	(149)	(126)	(206)	(126)
Adjustments				
Depreciation and amortisation	32	1	9	1
Share based payments expense	7	1	7	1
Operating cash flows before movements in working capital	(110)	(124)	(190)	(124)
Increase in inventories	(22)	-	-	-
Increase in trade and other receivables	(99)	(37)	(752)	(37)
Increase in payables	173	62	(19)	62
Net cash from operating activities	(58)	(99)	(961)	(99)

**16 COMMITMENTS UNDER OPERATING LEASES**

The Group had aggregate minimum lease payments under non-cancellable operating leases which fall due as follows:

	2014 £'000	Group 2013 £'000	Parent company 2014 £'000	Parent company 2013 £'000
Land and buildings				
within one year	74	-	-	-
in two to five years	455	-	-	-
	529	-	-	-

Included above are certain annual lease commitments relating to a subsidiary company that have been guaranteed by the parent company.

Operating lease payments for land and buildings represent rent payable by the Group for a restaurant property. Leases either negotiated as a new lease or acquired through lease assignment have an average term of 5 years and rentals are fixed for an average of 5 years.

The Group has entered into an agreement to lease a restaurant property for £125,000 per annum. The grant of the lease for a 15 year term is conditional upon the grant of planning consent and the grant of a premises license. If these conditions are not met, the agreement would terminate.

At the balance sheet date, the Group and Company had no outstanding capital commitments contracted for but not provided for in the financial statements.

# THE FULHAM SHORE PLC

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 March 2014

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### 17 RELATED PARTY DISCLOSURES

#### *Remuneration of key management personnel*

The remuneration of the directors, who are the key management personnel of the Group is provided in the Report on Directors Remuneration on pages 12 to 14, and in note 2. Details of share options granted to Directors are also shown in the Report on Directors Remuneration.

#### *Other related party transactions*

During the year ended 30 March 2014, the Group and Company received office services on normal commercial terms from The Real Greek Food Company Limited, a company in which DM Page, NAG Mankarious and NJ Donaldson are directors. For these services, the Group and Company was invoiced £15,000 (2013: £9,000) plus VAT by The Real Greek Food Company Limited during the year and the balance outstanding at 30 March 2014 was £4,000 (2013: £5,000).

During the year ended 30 March 2014, the Group and Company received consultancy services on normal commercial terms from London Bridge Capital Limited, a company in which NJ Donaldson is a Director, For the provision of NJ Donaldson's services during the year, the Company was invoiced £15,000 (2013: £1,250) plus VAT by London Bridge Capital Limited. For the provision of services as the joint Financial Advisor of the Group and Company, the Group and Company was invoiced £Nil (2013: £10,000) plus VAT by London Bridge Capital Limited during the year. The balance outstanding at 30 March 2014 was £4,000 (2013: £Nil).

During the year ended 30 March 2014, the sum of £NIL (2013: £19,086) was loaned to the Company by David Page, a director of the Company and was repaid by the Group and Company during the year.

During the year ended 30 March 2014, the Group operated, on normal commercial terms, a franchise of Franco Manca granted by Franco Manca 2 UK Limited, a company in which DM Page and NAG Mankarious are directors. The Group was invoiced franchise fees of £27,000 (2013: £Nil) plus VAT and setup costs of £62,000 (2013: £Nil) plus VAT by Franco Manca 2 UK Limited during the year and the balance outstanding at 30 March 2014 was £9,000 (2013: £Nil). At 30 March 2014, Franco Manca 2 UK Limited owed the Group £10,000 (2013: £Nil).

During the period ended 30 March 2014, DM Page invoiced the Group a site finder's fee of £15,000 (2013: £Nil) on normal commercial terms and the balance outstanding at 30 March 2014 was £Nil (2013: £Nil).

Included in other receivables are amounts of £Nil (2013: £531) due from companies in which DM Page and NAG Mankarious are materially interested.

#### *Transactions between the Company and its subsidiaries*

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

During the year, the Company has paid trading expenses for FM98 LTD Limited amounting to £770,000 (2013: £Nil). The amount outstanding at 30 March 2014 was £770,000 (2013: £Nil).



# THE FULHAM SHORE PLC

## DIRECTORS, OFFICERS AND ADVISERS

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### DIRECTORS

DM Page	Chairman
NAG Mankarious	Director
NJ Donaldson	Director
NCW Wong	Director
MA Chapman	Non-executive Director

### COMPANY SECRETARY

NJ Donaldson

### REGISTERED OFFICE

307/308 Linton House  
164-180 Union Street  
London SE1 0LH

### REGISTERED IN ENGLAND

Number 07973930

### AUDITOR

UHY Hacker Young Manchester LLP  
St James Building  
79 Oxford Street  
Manchester M1 6HT

### SOLICITORS

Marriott Harrison LLP  
11 Staple Inn  
London WC1V 7QH

### ISDX CORPORATE ADVISER, JOINT FINANCIAL ADVISER AND BROKER

Allenby Capital Limited  
3 St. Helen's Place  
London EC3A 6AB

### JOINT FINANCIAL ADVISER

London Bridge Capital Limited  
4th floor  
33 Glasshouse Street  
London W1B 5DG

### REGISTRARS

Equiniti David Venus Limited  
(trading as SLC Registrars)  
Thames House  
Portsmouth Road  
Esher  
Surrey KT10 9AD

### BANKERS

HSBC Bank PLC  
70 Pall Mall  
London  
SW1Y 5EY

# THE FULHAM SHORE PLC

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the Annual General Meeting of the Company will be held at 9.00am on 29 August 2014 at Franco Manca, 98 Tottenham Court Road, London W1T 4TR for the following purposes:

Ordinary business

To consider and if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. to receive and adopt the Report of the Directors, the financial statements and the report of the auditors for the year ended 30 March 2014.
2. to receive and approve the Report on Directors' Remuneration for the year ended 30 March 2014.
3. to re-appoint Mr Nicholas Wong, who was appointed a director of the Company during the year.
4. to re-appoint Mr Martin Chapman, who was appointed a director of the Company during the year.
5. to re-appoint UHY Hacker Young Manchester LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company and to authorise the Directors to determine their remuneration.

BY ORDER OF THE BOARD

**NJ Donaldson**  
Company Secretary  
307-308 Linton House  
164-180 Union Street  
London SE1 0LH

6 August 2014

Notes

1. Shareholders entitled to attend and vote at the AGM may appoint a proxy or proxies to attend and speak on their behalf. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.
2. To appoint more than one proxy you may photocopy the proxy form which accompanies this notice. Investors who hold their shares through a nominee may wish to attend the AGM as a proxy, or to arrange for someone else to do so for them, in which case they should discuss this with their nominee or stockbroker.
3. Completion of the proxy form will not prevent a shareholder from attending and voting at the AGM if subsequently he/she finds they are able to do so. To be effective, it must be deposited at SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey, KT10 9AD by not later than 9:00am on 27 August 2014 or, in the case of an adjournment, 48 hours prior to the time of the adjourned AGM (Saturdays and Public Holidays excluded).
4. Representatives of shareholders which are corporations attending the AGM should produce evidence of their appointment by an instrument executed in accordance with section 44 of the Companies Act 2006 or signed on behalf of the corporation by a duly authorised officer or agent and in accordance with article 36 of the Company's Articles of Association.
5. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that (i) if a corporate shareholder has appointed the chairman of the AGM as its corporate representative to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the AGM, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the AGM but the corporate shareholder has not appointed the chairman of the AGM as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and

# THE FULHAM SHORE PLC

## NOTICE OF ANNUAL GENERAL MEETING

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Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure.

6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of ordinary shares in the capital of the Company registered in the register of members of the Company at 9:00am on 27 August 2014 (being 48 hours prior to the time fixed for the AGM) shall be entitled to attend and vote at the AGM in respect of such number of shares registered in their name at that time. Changes to entries in the register of members after 9:00am on 27 August 2014 shall be disregarded in determining the rights of any person to attend or vote at the AGM.
7. Details of those Directors seeking re-election are given on page 4 of the Report and Financial Statements. The details of the service contracts for the Executive Directors are set out in the Report on Directors' Remuneration on pages 12 to 14 of the Report and Financial Statements. The Register of Directors' Interests and the Directors' service agreements will be available for inspection during usual business hours on any weekday (Saturdays and Public Holidays excluded) at the registered office of the Company until the date of the Annual General Meeting and at the place of the meeting for 15 minutes prior to and until the termination of the meeting.