The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

The Fulham Shore PLC

Unaudited interim results for the six months ended 29 September 2019

The Directors of The Fulham Shore PLC (“Fulham Shore” or the “Group”) are pleased to announce unaudited interim results for the six months ended 29 September 2019.

Financial Highlights

- Revenues increased 9.3% to £36.0m (2018: £33.0m)
- Headline EBITDA* of £8.4m after adoption of IFRS 16 and £5.0m before adoption of IFRS 16** (2018: £4.6m)
- EBITDA* of £7.8m after adoption of IFRS 16 and £4.2m before adoption of IFRS 16** (2018: £4.1m)
- Operating profit of £2.1m after adoption of IFRS 16 and £1.5m before adoption of IFRS 16** (2018: £1.6m)
- Profit after tax of £0.4m after adoption of IFRS 16 and £1.0m before adoption of IFRS 16** (2018: £0.9m)
- Operating cash inflow of £9.4m after adoption of IFRS 16 and £5.6m before adoption of IFRS 16** (2018: £4.9m)
- Net debt (excluding lease liabilities) of £8.8m (2018: £8.9m); down from £9.4m at 31 March 2019

* Definition of Headline EBITDA and EBITDA can be found in note 3 to the unaudited interim financial information.
** The Group adopted IFRS 16 accounting standard for leases during the year but in line with transitional rules, the comparatives have not been restated. Further details on the impact of IFRS 16 can be found in note 9 to the unaudited interim financial information.

Operational Highlights

- Opened 6 new Franco Manca pizzeria
- Opened 1 new The Real Greek restaurant
- Post the period end:
    - 1 further Franco Manca opened today located just off Bishopsgate, London
    - 1 further The Real Greek opened by Tower Bridge, London
    - Launched Franco Manca loyalty scheme and mobile app with more than 55,000 users registered to date

David Page, Chairman of Fulham Shore, said:
“We are pleased to have delivered good performance during the first half of the current financial year with revenue increasing by 9.3% across the Group. The performance was driven by seven successful new restaurant openings as well as increased customer numbers in our restaurants. This demonstrates the exceptional quality and value-for-money proposition at both Franco Manca and The Real Greek.

Looking ahead, the Board remains confident that Fulham Shore is well positioned for continued growth and a great future. We look forward to continuing this positive momentum in the period ahead.”

Contacts:

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Notes for editors

Information on The Fulham Shore PLC

Fulham Shore was incorporated in March 2012. The Directors believed that there were attractive investment opportunities within the restaurant sector in the UK and that, given their collective experience in the restaurant sector, they could take advantage of the opportunities which existed.

The ordinary shares of the Company were admitted to trading on AIM in October 2014 in order to capitalise on such opportunities and to give the company's employees, customers and public the ability to share in the enterprise.

Today, Fulham Shore owns and operates "The Real Greek" (www.therealgreek.com) and "Franco Manca" (www.francomanca.co.uk) restaurants.

The Real Greek

Since its foundation in London in 1999, The Real Greek business has grown steadily, now offering modern Greek cuisine in 18 restaurants across London and Southern England.

The Real Greek food centres on the delicious, healthy diet of the Eastern Mediterranean, staying true to the Greek ethos of food, family and friends. Dishes are created using premium ingredients sourced from Greece and Cyprus whenever possible, and developed by Tonia Buxton, the face of Greek food in the UK.

The Real Greek's menu and atmosphere retain the spirit of eating in Greece, encouraging diners to take their time eating amongst friends and family, be it a relaxed dinner, family get-together, or a fully catered party.

Franco Manca

Franco Manca opened its first restaurant in 2008 and now has 51 restaurants, primarily in London, but with recent openings in Edinburgh, Manchester, Birmingham and Leeds. Other locations outside London are planned for the next 12 months. Franco Manca also has a franchised pizzeria on the island of Salina in Italy.

Franco Manca's pizza is made from slow-rising sourdough and is baked in an oven that produces high heat. The slow levitation and blast cooking process lock in the flour's natural aroma and moisture, giving a soft and easily digestible crust. Where possible, locally sourced and organic ingredients are used. Pizza prices start from £5.00.

Franco Manca has received the following accolades:

- Winner of the R200 Best Value Restaurant Operator- Over 20 Sites Award 2019 and 2017

- Winner of the CGA Peach Hero and Icon Awards Best Concept award 2016

Chairman's statement

Introduction

I am pleased to announce the unaudited interim results for the six months ended 29 September 2019 for The Fulham Shore PLC.

Fulham Shore has had a successful first half of the financial year. During the six months ended 29 September 2019 (the "Half Year") revenue grew to £36.0m, up 9.3% (2018: £33.0m).

IFRS 16

This is the first period in which we are reporting our figures after adopting the new IFRS 16 accounting standard for leases ("IFRS 16"). IFRS 16 came into effect for accounting periods commencing on or after 1 January 2019.

The main impact of the standard is to capitalise the Group's property rental leases as "right-of-use assets" within non-current assets along with corresponding lease liabilities representing the leases' cash flow obligations. The right-of-use assets are then depreciated over the life of the lease and a notional interest charge is recorded on the lease liabilities.

The standard allows for different transition options and the Group has adopted the modified retrospective approach where the cumulative effect of initially applying IFRS 16 is recognised at the date of initial application (1 April 2019) and the right of use asset is calculated based on the corresponding lease liability. Therefore, the Group has not restated the comparatives. The impact of IFRS 16 on the Half Year is summarised below (further information can also be found in note 9 to the unaudited interim financial information):

	Six months ended 29 September 2019 (IFRS 16) Unaudited £m	**Six months ended 29 September 2019 (IAS 17) Unaudited £m**	**Six months ended 23 September 2018 (IAS 17) Unaudited £m**
Revenue	36.0	36.0	33,0
Headline EBITDA*	8.4	5.0	4.6
EBITDA	7.8	4.2	4.1
Operating profit	2.1	1.5	1.6
Profit before taxation	0.7	1.4	1.5
Profit after taxation	0.4	1.0	0.9
Operating cash inflow	9.4	6.0	4.9
Net Assets	40.7	39.2	38.9

Trading performance

Headline EBITDA* increased to £8.4m (2018: £4.6m) incorporating the application of IFRS 16. If we had not adopted IFRS 16, our Headline EBITDA** for the Half Year would have been £5.0m (2018: £4.6m). During the Half Year, we opened 7 new restaurants (2018: 2) leading to an increase in pre-opening costs to £0.5m (2018: £0.2m). Although operating profit for the Half Year was up 25.7% to £2.1m (2018: £1.6m) incorporating the application of IFRS 16, in line with the higher pre-opening costs operating profit before adoption of IFRS 16 was £1.5m (2018: £1.6m).

Strategic progress

Franco Manca traded satisfactorily during the Half Year, increasing revenue and profits. This robust performance was driven by six new restaurant openings (in Greenwich, Birmingham, Exeter, Leeds, Edinburgh and Manchester) during the Half Year as well as increased customer numbers in our existing Franco Manca pizzeria. This demonstrates the continued success of Franco Manca's clear growth strategy, popular appeal and strong value-for-money proposition.

As previously reported, trading at The Real Greek proved difficult during summer 2019. A number of terraces were not consistently useable during this period and this softer trading was compounded by particularly strong revenue comparatives against the glorious summer of 2018. The Real Greek opened one new restaurant in the Strand, London at the end of the Half Year, which is trading well. Since the Summer, we have seen improving trends across our Real Greek restaurants.

Cash flow

During the period, the Group generated higher cash inflow from operating activities of £9.4m (2018: £4.9m) due mainly to the adoption of IFRS 16. The cash inflow from operating activities, before the adoption of IFRS 16, increased 23.2% to £6.0m (2018: £4.9m). As a result of the recognition of £5.2m of short term lease liabilities and associated adjustments from the adoption of IFRS 16, the net current liabilities of the Group have increased to £12.6m (2018: £5.1m reported under IAS 17). The cash flow of the Group has not changed following adoption of IFRS 16 other than for categorisation on the consolidated cash flow statement.

The Group increased its capital expenditure, before right-of-use assets, investing £4.6m (2018: £1.7m), the majority of which was in new restaurant openings.

During the Half Year, the Group acquired the remaining minority interests (approximately 1% each) in Kefi Limited, which owns the subsidiary that owns and operates The Real Greek restaurants, and Franco Manca Holdings Limited, which owns the subsidiary that owns and operates the Franco Manca pizzeria, from two directors of the Company for a total sum of £0.6m in cash.

Overall net cash outflow for the period was £0.1m (2018 net cash inflow of: £2.9m) due primarily to our increased opening schedule. Despite this, net debt (excluding lease liabilities) remained at a manageable level as planned. As at 29 September 2019, net debt was £8.8m (24 September 2019: £8.9m), down from £9.4m as at 31 March 2019.

Dividends

No dividend is being proposed by the Board in line with its 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. As previously indicated, a modest dividend will be considered by the Board at the year-end, if it is considered prudent to do so.

Current trading and outlook

Current trading remains satisfactory but the sector’s outlook is not helped by poor consumer confidence.

Following the Half Year, we have opened two restaurants in London: a new Franco Manca on Middlesex Street, just off Bishopsgate, and a The Real Greek on the south side of Tower Bridge.

This brings the current group total to 69 restaurants in the UK, comprising 51 Franco Manca and 18 The Real Greek. We are close to agreeing terms on further sites due to open in calendar years 2020 and 2021 in London and around the UK.

Our opening plan contemplates growing the UK business by 8 to 10 new restaurants in the next financial year. Over the next couple of years, we will seek to establish one of our businesses internationally.

Following the Half Year, Franco Manca launched its loyalty scheme and phone app. The investment in this system has already attracted more than 55,000 users and, going forward, will provide an excellent platform for the business to build on customer engagement and to encourage more regular visits.

As a growing restaurant business, our central team also continues to grow, ensuring that we have the necessary resources to make this expansion successful. We continue to invest in our team members through providing better career pathways, training and support.

The Directors believe that Fulham Shore, underpinned by the strength of its popular restaurant businesses and the widespread appeal of our value and quality proposition, is well placed to continue to address the challenges faced by the UK restaurant sector. As a profitable, growing restaurant company, we look forward to the second half of our financial year with confidence.

David Page
Chairman

16 December 2019

* Definition of Headline EBITDA can be found in note 3 to the unaudited interim financial information.
** Headline EBITDA calculated before application of IFRS 16 can be found in note 9 to the unaudited interim financial information.

The Fulham Shore PLC
Unaudited Consolidated Statement of Comprehensive Income
for the six months ended 29 September 2019

	Notes	Six months ended 29 September 2019 (IFRS 16) Unaudited £'000	Six months ended 23 September 2018 (IAS 17) Unaudited £'000	Year ended 31 March 2019 (IAS 17) Audited £'000
Revenue		**36,034**	**32,978**	**63,985**
Cost of sales		(21,035)	(19,632)	(38,237)
Gross profit		**14,999**	**13,346**	**25,748**
Administrative expenses		(11,905)	(10,887)	(22,253)
Headline operating profit		**3,094**	**2,459**	**3,495**
Share based payments		(82)	(93)	(138)
Pre-opening costs		(532)	(188)	(386)
Amortisation of brand		(411)	(411)	(821)
Exceptional costs				
– cost of acquisition		(14)	-	-
– impairment of property, plant and equipment		-	-	(130)
– impairment of investment		-	-	(80)
– loss on disposal of property, plant and equipment		-	(137)	(187)
Operating profit		**2,055**	**1,630**	**1,753**
Finance income		6	2	8
Finance costs	4	(1,318)	(155)	(327)
Profit before taxation		**743**	**1,477**	**1,434**
Income tax expense	5	(357)	(537)	(714)
Profit for the period		**386**	**940**	**720**
Profit for the period attributable to:				
Owners of the company		369	921	698
Non-controlling interests		17	19	22
		386	**940**	**720**
Earnings per share				
Basic	6	0.1p	0.2p	0.1p
Diluted	6	0.1p	0.2p	0.1p
Headline Basic	6	0.2p	0.3p	0.4p
Headline Diluted	6	0.2p	0.3p	0.4p

There were no other comprehensive income items.

The Fulham Shore PLC
Unaudited Consolidated Balance Sheet
as at 29 September 2019

	Notes	As at 29 September 2019 Unaudited £'000	As at 23 September 2018 Unaudited £'000	As at 31 March 2019 Audited £'000
Non-current assets				
Intangible assets		25,401	26,198	25,767
Property, plant and equipment		33,142	31,390	30,806
Right of use assets	9	69,795	-	-
Investments		203	281	201
Trade and other receivables		1,116	981	1,020
Deferred tax assets		319	362	301
		129,976	59,212	58,095
Current assets				
Inventories		1,932	1,586	1,764
Trade and other receivables		5,055	4,054	3,597
Cash and cash equivalents	7	1,709	3,249	1,835
		8,696	8,889	7,196
Total assets		**138,672**	**68,101**	**65,291**
Current liabilities				
Trade and other payables		(15,656)	(12,989)	(11,881)
Lease liability	9	(5,215)	-	-
Income tax payables		(474)	(961)	(93)
		(21,345)	(13,950)	(11,974)
Net current liabilities		**(12,649)**	**(5,061)**	**(4,778)**
Non-current liabilities				
Trade and other payables		-	(1,378)	(1,601)
Lease liability	9	(64,421)	-	-
Borrowings		(10,540)	(12,100)	(11,240)
Deferred tax liabilities		(1,676)	(1,724)	(1,733)
		(76,637)	(15,202)	(14,574)
Total liabilities		**(97,982)**	**(29,152)**	**(26,548)**
Net assets		**40,690**	**38,949**	**38,743**
Equity				
Share capital		5,736	5,714	5,714
Share premium account		6,911	6,889	6,889
Merger relief reserve		30,459	30,459	30,459
Reverse acquisition reserve		(9,469)	(9,469)	(9,469)
Retained earnings		7,053	5,234	5,025
Total equity attributable to owners of the company		40,690	38,827	38,618
Non-controlling interest		-	122	125
Total equity		**40,690**	**38,949**	**38,743**

The Fulham Shore PLC
Unaudited Consolidated Statement of Changes in Equity
for the six months ended 29 September 2019

Six months ended 29 September 2019
Unaudited

	Attributable to owners of the Company							
	Share capital £'000	**Share premium £'000**	**Merger Relief Reserve £'000**	**Reverse Acq-uisition Reserve £'000**	**Retained earnings £'000**	**Equity Share-holders ' Funds £'000**	**Non-Control-ling Interests £'000**	**Total equity £'000**
At 31 March 2019	5,714	6,889	30,459	(9,469)	5,025	38,618	125	38,743
Profit for the period	-	-	-	-	369	369	17	386
Total comprehensive income for the period	-	-	-	-	369	369	17	386
Transactions with owners:								
Share based payments	-	-	-	-	82	82	-	82
- Lease incentives on adoption of IFRS 16	-	-	-	-	2,062	2,062	-	2,062
Acquisition of non-controlling interests	-	-	-	-	(485)	(485)	(142)	(627)
Exercise of share options	22	22	-	-	-	44	-	44
Total transactions with owners	22	22	-	-	1,659	1,703	(142)	1,561
At 29 September 2019	**5,736**	**6,911**	**30,459**	**(9,469)**	**7,053**	**40,690**	**-**	**40,690**

Six months ended 23 September 2018
Unaudited

	Attributable to owners of the Company							
	Share capital £'000	**Share premium £'000**	**Merger Relief Reserve £'000**	**Reverse Acq-uisition Reserve £'000**	**Retained earnings £'000**	**Equity Share-holders' Funds £'000**	**Non-Control-ling Interests £'000**	**Total equity £'000**
At 25 March 2018	5,714	6,889	30,459	(9,469)	3,936	37,529	103	37,632
Profit for the period	-	-	-	-	921	921	19	940
Total comprehensive income for the period	-	-	-	-	921	921	19	940
Transactions with owners:								
Share based payments	-	-	-	-	93	93	-	93
Deferred tax on share based payments	-	-	-	-	284	284	-	284
Total transactions with owners	-	-	-	-	377	377	-	377
At 23 September 2018	**5,714**	**6,889**	**30,459**	**(9,469)**	**5,234**	**38,827**	**122**	**38,949**

Year ended 31 March 2019
Audited

	Share Capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Reverse Acq-uisition Reserve £'000	Retained Earnings £'000	Equity Share-holders ' Funds £'000	Non-Control-ling Interests £'000	Total Equity £'000
				Attributable to owners of the Company				
At 25 March 2018	**5,714**	**6,889**	**30,459**	**(9,469)**	**3,936**	**37,529**	**103**	**37,632**
Profit for the year	-	-	-	-	698	698	22	720
Total comprehensive income	-	-	-	-	698	698	22	720
Transactions with owners:								
Share based payments	-	-	-	-	138	138	-	138
Deferred tax on share based payments	-	-	-	-	253	253	-	253
Total transactions with owners	-	-	-	-	391	391	-	391
At 31 March 2019	**5,714**	**6,889**	**30,459**	**(9,469)**	**5,025**	**38,618**	**125**	**38,743**

The Fulham Shore PLC
Unaudited Consolidated Cash Flow Statement
for the six months ended 29 September 2019

	Notes	Six months ended 29 September 2019 Unaudited £'000	Six months ended 23 September 2018 Unaudited £'000	Year ended 31 March 2019 Audited £'000
Net cash from operating activities	**8**	**9,356**	**4,888**	**6,132**
Investing activities				
Acquisition of property, plant and equipment		(4,615)	(1,710)	(3,457)
Acquisition of intangible assets		(75)	(77)	(99)
Acquisition of investments		(2)	-	-
Acquisition of non-controlling interest		(642)	-	-
Disposal of property, plant and equipment		-	(137)	-
Disposal of discontinued operation		-	329	329
Net cash flow used in investing activities		**(5,334)**	**(1,595)**	**(3,227)**
Financing activities				
Proceeds from issuance of new ordinary shares (net of expenses)		44	-	-
Capital repaid on bank borrowings		(700)	(250)	(1,110)
Cash outflow for leases		(2,180)	-	-
Interest received		6	2	8
Interest paid		(1,318)	(155)	(327)
Net cash used in financing activities		**(4,148)**	**(403)**	**(1,429)**
Net (decrease)/increase in cash and cash equivalents		(126)	2,890	1,476
Cash and cash equivalents at beginning of the period		1,835	359	359
Cash and cash equivalents at end of period	**7**	**1,709**	**3,249**	**1,835**

The Fulham Shore PLC
Notes to the Unaudited Interim Financial Information
for the six months ended 29 September 2019

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 1st Floor, 50-51 Berwick Street, London, W1F 8SJ, 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 29 September 2019 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 31 March 2019 with the exception of IFRS16 which has been adopted by the group on 1 April 2019, and those to be applied for the period ending 29 March 2020 but does not include all of the information required for a complete set of IFRS financial statements.

The unaudited interim financial information was approved and authorised for issue by the Board on 16 December 2019.

The unaudited interim financial information for the six months ended 29 September 2019 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 31 March 2019. The information for the year ended 31 March 2019 has been extracted from the statutory accounts for that year which 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.

Changes in accounting policies and disclosures:

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (became effective for accounting periods commencing on or after 1 January 2019)
This standard clarifies how to apply the recognition and measurement requirements in IAS12 when there is uncertainty over income tax treatments. The Group has adopted this accounting standard during the year and the implementation has not had a material impact on the Group.

IFRS 16 Leases (became effective for accounting periods commencing on or after 1 January 2019)
The Group has adopted the standard for the first time using the modified retrospective approach. In doing so, the Group initially applied the standard at the date of the initial application on 1 April 2019 where the cumulative effect of initially applying IFRS 16 is recognised at this date of initial application.

Under IFRS 16, on commencement of a contract that gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability except for low value leases (for assets that are of value less than £5,000 that do not highly depend on other assets) and those with a term of less than 12 months. Such contracts were previously treated as operating leases under IAS17 Leases. Further disclosures on such contracts can be found in Note 9.

A right-of-use asset is recognised at commencement of the lease and is initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease, any lease payments made at or before the leased asset is available for use by the Group less any lease incentives received, plus any estimate of costs to be incurred in respect of dismantling or restoring the underlying asset to its original condition.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated straight line over the shorter of the period of the lease term or the remaining useful life of the underlying asset. Termination, extension and purchase options are considered in determining the appropriate remaining lease term. The right-of-use asset is depreciated from the date it is 'available for use' even if the entity does not use it until a later date.

Impairment losses are determined and accounted for in accordance with IAS 36 'Impairment of Assets' An estimate of costs to be incurred in restoring the right-of-use asset to the condition required under the terms and conditions of the lease is recognised as part of the cost of the right-of-use asset when the Group incurs the obligation for these costs. The provision is measured at the best estimate of the expenditure required to settle the obligation.

Initial measurement of lease liabilities

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the incremental borrowing rate. The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that are dependent on an index (such as retail price index) or a rate and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the right-of-use asset is available for use. Turnover rents on property leases are not included in the above calculation and are therefore written off to the Statement of Comprehensive Income.

Subsequent measurement of lease liabilities

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments.

Interest on the lease liability is recognised in profit or loss, and variable lease payments not included in the measurement of the lease liability are also recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

Significant judgements and key sources of estimation uncertainty

Determining the discount rate

When the interest rate implicit in the lease is not readily determinable, the Group estimates the incremental borrowing rate based on a risk-free rate adjusted for the effect of the Group's theoretical credit risk. As the Group has external borrowings, judgement is required to compute an appropriate discount rate which was calculated based on UK bank borrowings and adjusted by an indicative credit premium that reflects the credit risk of the Group. This has resulted in a weighted average incremental borrowing rate of 3.3% applied to the leases.

3. Segment information

For management purposes, the Group was organised into two operating divisions during the 6 months ended 29 September 2019. These divisions, The Real Greek and Franco Manca, are the basis on which the Group reports its primary segment information as identified by the chief operating decision maker which is the Group's board of directors.

For the six months ended 29 September 2019 (Unaudited)

	The Real Greek segment £'000	**Franco Manca segment £'000**	**Other unallocated £'000**	**Total £'000**
External revenue	10,951	25,083	-	36,034
Headline EBITDA*	2,245	6,791	(606)	8,430
Depreciation and amortisation	(1,429)	(3,891)	(16)	(5,336)
Headline operating profit/(loss)	816	2,900	(622)	3,094
Share based payments	(33)	(47)	(2)	(82)
Pre-opening costs	(49)	(483)	-	(532)
Amortisation of brand	-	(411)	-	(411)
Exceptional costs	(1)	(3)	(10)	(14)
Operating profit/(loss)	733	1,956	(634)	2,055
Finance income	1	5	-	6
Finance costs	(371)	(786)	(161)	(1,318)
Segment profit/(loss) before taxation	363	1,175	(795)	743
Income tax expense	-	-	(357)	(357)
Profit/(loss) for the period	363	1,175	(1,152)	386
Assets	34,792	103,193	687	138,672
Liabilities	(26,722)	(59,154)	(12,106)	(97,982)
Net assets	8,070	44,039	(11,419)	40,690
Capital expenditure (including Right-of-use assets)	4,489	8,627	5	13,121

For the six months ended 23 September 2018 (Unaudited)

	The Real Greek segment £'000	**Franco Manca segment £'000**	**Other unallocated £'000**	**Total £'000**
External revenue	11,896	21,082	-	32,978
Headline EBITDA*	2,014	2,952	(401)	4,565
Depreciation and amortisation	(515)	(1,575)	(16)	(2,106)
Headline operating profit/(loss)	1,499	1,377	(417)	2,459
Share based payments	(39)	(47)	(7)	(93)
Pre-opening costs	-	(188)	-	(188)
Amortisation of brand	-	(411)	-	(411)
Exceptional costs	-	(137)	-	(137)
Operating profit/(loss)	1,460	594	(424)	1,630
Finance income	1	1	-	2
Finance costs	-	(1)	(154)	(155)
Segment profit/(loss) before taxation	1,461	594	(578)	1,477
Income tax expense	-	-	(537)	(537)
Profit/(loss) for the period from continuing operations	1,461	594	(1,115)	940
Assets	13,061	54,285	755	68,101
Liabilities	(4,881)	(11,147)	(13,124)	(29,152)
Net assets	8,180	43,138	(12,369)	38,949
Capital expenditure	296	1,415	-	1,711

For the year ended 31 March 2019 (Audited)

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
Revenue	21,950	43,285	-	65,235
Headline EBITDA*	2,746	5,814	(742)	7,818
Depreciation and amortisation	(1,048)	(3,242)	(33)	(4,323)
Headline operating profit/(loss)	1,698	2,572	(775)	3,495
Share based payments	(52)	(73)	(13)	(138)
Pre-opening costs	-	(386)	-	(386)
Amortisation of brand	-	(821)	-	(821)
Impairment investments	-	(80)	-	(80)
Impairment of property, plant and equipment	(29)	(101)	-	(130)
Loss on disposal of property, plant and equipment	-	(187)	-	(187)
Operating profit/(loss)	1,617	924	(788)	1,753
Finance income	3	5	-	8
Finance costs	-	-	(327)	(327)
Segment profit/(loss) before taxation	1,620	929	(1,115)	1,434
Income tax expense			(714)	(714)
Profit for the year from continuing operations	1,620	929	(1,829)	720
Assets	11,408	53,281	602	65,291
Liabilities	(3,814)	(10,177)	(12,557)	(26,548)
Net assets	7,594	43,104	(11,955)	38,743
Capital expenditure	407	3,046	4	3,457

Head office and PLC costs, previously treated as an operating segment, are not related to the Group's two business segments and are therefore included in other unallocated and are not part of a business segment.

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

*Headline EBITDA is a key measure for the Group as well as industry analysts as it is indicative of ongoing EBITDA generation of the businesses. Headline EBITDA is defined as EBITDA before amortisation of brand, impairment of property, plant and equipment, impairment of goodwill and intangible assets, onerous lease costs, restructuring costs, costs of reverse acquisition, cost of acquisition, share based payments, loss on disposal of property, plant and equipment and pre-opening costs.

	Six months ended 29 September 2019 Unaudited £'000	**Six months ended 23 September 2018 Unaudited £'000**	**Year ended 31 March 2019 Audited £'000**
Profit before taxation	**743**	**1,477**	**1,434**
Finance costs	1.318	155	327
Finance income	(6)	(2)	(8)
Operating profit	**2,055**	**1,630**	**1,753**
Depreciation and amortisation	5,336	2,106	4,323
Amortisation of brand	411	411	821
EBITDA	**7,802**	**4,147**	**6,897**
Share based payments	82	93	138
Pre-opening costs	532	188	386
Exceptional costs:			
– impairment of property, plant and equipment	-	-	130
– impairment of investments	-	-	80
– loss on disposal of property, plant and equipment	-	137	187
– cost of acquisition	14		
Headline EBITDA	**8,430**	**4,565**	**7,818**

Headline EBITDA before adoption of IFRS16 is disclosed in Note 9.

4. Finance costs

	Six months ended 29 September 2019 Unaudited £'000	**Six months ended 23 September 2018 Unaudited £'000**	**Year ended 31 March 2019 Audited £'000**
Interest expenses on bank loans and overdrafts	162	155	327
Interest on lease liabilities recognised under IFRS16	1,156	-	-
	1,318	155	327

5. Income Tax Expense

	Six months ended 29 September 2019 Unaudited £'000	**Six months ended 23 September 2018 Unaudited £'000**	**Year ended 31 March 2019 Audited £'000**
Income tax expense on continuing operations			
Based on the result for the period:			
UK Corporation tax at 19% (2018: 19%)	431	478	669
Adjustment in respect of prior periods	-	-	(54)
Total current tax	431	478	615
Deferred taxation:			
Origination and reversal of temporary differences			
Current year	(74)	59	99
Total deferred tax	(74)	59	99
Total taxation expense on profit from continuing operations	357	537	714
The above is disclosed as:			
Income tax expense – current year	357	537	714
	357	537	714

During the period ended 29 September 2019, the Group recognised deferred taxation on share based payments crediting equity of £Nil (2018: credit of £284,000)

6. Earnings per share

	Six months ended 29 September 2019 Unaudited £'000	Six months ended 23 September 2018 Unaudited £'000	Year ended 31 March 2019 Audited £'000
Profit for the purposes of basic and diluted earnings per share (continuing operations):	369	921	698
Share based payments	82	93	138
Deferred tax on share based payments	(18)	(115)	146
Pre-opening costs	532	188	386
Amortisation of brand	411	411	821
Deferred tax on amortisation of brand	(68)	(68)	(137)
Exceptional costs			
– impairment of investments	-	-	80
– impairment of property, plant and equipment	-	-	130
– cost of acquisition	14	-	-
Exceptional costs – loss on disposal of property, plant and equipment	-	137	187
Headline profit for the period for the purposes of Headline basic and diluted earnings per share	1,322	1,567	2,449

	Six months ended 29 September 2019 Unaudited No. '000	Six months ended 23 September 2018 Unaudited No. '000	Year ended 31 March 2019 Audited No. '000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	572,150	571,385	571,385
Effect of dilutive potential ordinary shares:			
- Share options	13,529	7,909	10,230
Weighted average number of shares for the purpose of diluted earnings per share	585,679	579,294	581,615

	Six months ended 29 September 2019 Unaudited	Six months ended 23 September 2018 Unaudited	Year ended 31 March 2019 Audited
Earnings per share:			
Basic earnings per share	0.1p	0.2p	0.1p
Diluted earnings per share	0.1p	0.2p	0.1p
Headline basic	0.2p	0.3p	0.4p
Headline diluted	0.2p	0.3p	0.4p

7. Cash and cash equivalents

	As at 29 September 2019 Unaudited £'000	As at 23 September 2018 Unaudited £'000	As at 31 March 2019 Audited £'000
Cash at bank and in hand	1,709	3,249	1,835
Cash and cash equivalents as presented in the balance sheet	1,709	3,249	1,835
Bank overdraft	-	-	-
	1,709	3,249	1,835

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.

8. Reconciliation of net cash flows from operating activities

	Six months ended 29 September 2019 Unaudited £'000	Six months ended 23 September 2018 Unaudited £'000	Year ended 31 March 2019 Audited £'000
Profit for the period	386	940	720
Adjustments:			
Income tax expense	357	537	714
Finance income	(6)	(2)	(8)
Finance costs	1,318	155	327
Operating profit for the period	2,055	1,630	1,753
Depreciation and amortisation	5,746	2,517	5,144
Cost of acquisition	14	-	-
Impairment of property, plant and equipment	-	-	130
Impairment of investments	-	-	80
Loss on disposal of property, plant and equipment	-	138	27
Share based payments expense	82	93	138
Operating cash flows before movement in working capital	7,897	4,378	7,272
Increase in inventories	(168)	(96)	(274)
Increase in trade and other receivables	(2,806)	(767)	(349)
Increase in trade and other payables	4,483	1,376	491
Cash generated from operations	9,406	4,891	7,140
Income taxes paid	(50)	(3)	(1,008)
Net cash from operating activities	9,356	4,888	6,132

9. Right of use assets

	Right of use assets £'000
Cost	
Recognition on adoption of IFRS16	64,388
Additions	8,433
29 September 2019	72,821
Accumulated depreciation	
Charge in the year	3,026
29 September 2019	3,026
Net book value	
31 March 2019	69,795
31 March 2019 and 23 September 2018	-

Adoption of IFRS 16 accounting standard for leases

During the period ended 29 September 2019, the Group has adopted and applied IFRS 16 using the modified retrospective approach, and therefore comparative information has not been restated and continues to be reported under IAS 17 'Leases'. The Group has applied this approach subject to the transition provisions set out below:

- A single discount rate has been applied to portfolios of leases with similar characteristics;
- The right-of-use assets have not been assessed for impairment at 1 April 2019 but have been reduced by the amount of any onerous lease provisions at that date, if any;
- Initial direct costs have been excluded from the measurement of the right-of-use assets at the date of initial application;
- Hindsight has been applied in determining the lease term for contracts that contain lease extension or termination options;
- Right-of-use assets and lease liabilities for short term leases that have a lease term of less than 12 months have not been recognised; and
- Right-of-use assets and lease liabilities for a lease term ending within twelve months of the date of initial application have been recognised.

As at the date of initial application, for all contracts, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group identified 70 open contracts at the date of initial application that are, or contain, a lease. On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using applicable discount rates as of 31 March 2019. Corresponding right of use assets were recognised based on these calculated lease liabilities.

In determining the lease liability, management considered any lease extension option or break clauses that management is reasonably certain to exercise or not to exercise. In doing so, the Group considered all relevant factors that create an economic incentive to do so. At the date of initial application, management was of the view that break clauses for 4 leases would not be exercised.

The impact on the Consolidated Balance Sheet on adoption of IFRS16 is summarised below:

	As at 31 March 2019 Audited £'000	**IFRS16 Adjustments On adoption Unaudited £'000**	**Post IFRS16 As at 31 March 2019 Unaudited £'000**
Right-of-use assets	-	64,388	64,388
Current trade and other receivables	3,597	(1,252)	2,345
Current trade and other payables	(11,881)	708	(11,173)
Non-current trade and other payables	(1,601)	1,601	-
Current lease liability	-	(4,668)	(4,668)
Non-current lease liability	-	(58,715)	(58,715)
	(9,885)	2,062	(7,823)

The impact on the Group's retained earnings reserves on adoption of IFRS 16 is summarised below:

	Unaudited £'000
Lease incentives previously recognised	1,890
Rent review liabilities previously recognised	172
Adjustment to reserves on adoption of IFRS 16	2,062

Reconciliation of the Group's operating lease liabilities on transition:

	Unaudited £'000
Operating lease commitments at 31 March 2019	78,274
Add lease liabilities in respect of lease breaks unlikely to be taken	688
Additional leases identified	1,587
Less effect of discounting payments included in the operating lease commitment	(17,166)
Lease liability opening balance reported at 1 April 2019	63,383

The impact on the Consolidated Statement of Comprehensive Income on adoption of IFRS16 is summarised below for the six months ended 29 September 2019:

	Headline EBITDA Unaudited £'000	**EBITDA Unaudited £'000**	**Operating Profit Unaudited £'000**	**Profit before Taxation Unaudited £'000**
Under IAS 17 policy	5,022	4,245	1,524	1,368
Removal of rent expenses	3,408	3,557	3,557	3,557
IFRS 16 Depreciation	-	-	(3,026)	(3,026)
IFRS 16 Interest expense	-	-	-	(1,156)
Under IFRS 16 policy	8,430	7,802	2,055	743