17 August 2021

The Fulham Shore plc
("**Fulham Shore**", the "**Company**" or "**Group**")

Final Results

The Directors of Fulham Shore are pleased to announce the Company's audited results for the year ended 28 March 2021.

Highlights – Year ended 28 March 2021

- Revenue decreased 41.3% to £40.3m (2020: £68.6m), driven by trading restrictions implemented by the UK Government due to the COVID-19 pandemic, which were in place throughout most of the financial year.

- Buoyant trading during the summer of 2020 when restaurants were able to operate across eat-in and outside dining

- Headline EBITDA* of £9.0m (2020: £15.2m) and Adjusted Headline EBITDA* of £1.9m excluding IFRS 16 (2020: £8.3m)

- EBITDA* of £8.7m (2020: £14.3m) and Adjusted EBITDA* of £1.6m excluding IFRS 16 (2020: £7.2m)

- Headline operating loss of £2.2m (2020: profit of £4.4m)

- Impairment charge on property, plant and equipment and change in fair value of investments of £1.0m (2020: £0.5m)

- Operating loss of £4.8m (2020: profit of £1.8m)

- Loss before tax of £7.5m (2020: £0.8m)

- Net debt excluding lease liabilities recognised under IFRS 16 as at 28 March 2021 of £3.6m (2020: £9.5m)

- Two new Franco Manca pizzeria and one new The Real Greek restaurant opened during the year ended 28 March 2021 in the UK (2020: seven Franco Manca pizzeria and two The Real Greek restaurants)

- Post year end highlights:

  - As of August 2021, all of Fulham Shore's 74 restaurants were fully open and trading, supported by additional safety precautions and training for restaurant staff across both brands

  - Two new Franco Manca pizzeria opened in High Holborn, London and in Glasgow, totalling 55 Franco Manca and 19 The Real Greek operated by the Group in the UK

  - One new The Real Greek under construction in Norwich

  - One lease contract exchanged for Franco Manca in Baker Street, London

  - 12 further sites are in solicitors' hands to strengthen the Group's opening pipeline

  - Net cash (excluding lease liabilities recognised under IFRS 16) as at 15 August 2021 was £3.5m

  - Creation of new team to explore and progress the international development of both businesses

The above numbers are for continuing operations.

* Definition of Headline EBITDA, Adjusted Headline EBITDA and EBITDA and Adjusted EBITDA can be found in the Financial Review.

David Page, Executive Chairman at The Fulham Shore commented:

"During an unprecedented year, we are pleased to have navigated through the very challenging trading conditions to deliver this good performance.

This is testament to the popularity and relevance of our Franco Manca and The Real Greek brands, the adaptability of our propositions, and the agility of our teams who I would like to take this opportunity to thank for their hard work and commitment during the year.

Since the beginning of the current financial year commencing 29 March 2021, The Group has continued to trade profitably and ahead of management expectations, driven by strong performances across our suburban restaurants.

We have also added a further two Franco Manca pizzeria to our estate, taking the total number of restaurants to 74.

From July 2021 all restaurants have been open and operating without restrictions, welcoming increasing numbers of customers as the UK's vaccination programme progresses. Momentum has also been maintained across our take away and delivery channels, which continue to outperform 2019 levels.

In line with our long-term expansion strategy we have developed a strong pipeline of new locations, supported by favourable rental terms and the Group's strong cash position. We plan to open 10 locations during the current financial year and have identified more than 150 additional sites in line with our medium-term plans.

Having navigated the impact of the Covid-19 pandemic, the Group is well-positioned to capitalise on emerging opportunities. We are confident that this current financial year will be the start of another exciting period of growth for The Fulham Shore."

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CHAIRMAN'S STATEMENT

Introduction

COVID-19 has had an unprecedented impact on UK society and, in terms of our business, on the hospitality sector in particular. The restaurant sector survivors are those that have been able to pivot their business to respond to customer preferences whilst operating in line with the constantly changing UK Government guidelines.

All our employees have worked tirelessly during this year to keep our businesses cash flow positive and viable during the lock down periods. During the months when the businesses have been allowed to re-open they have served more customers than ever before. It is thanks to them and their adaptability that the Group has emerged stronger than ever from these last 18 months.

Financial year ended 28 March 2021

During the year ended 28 March 2021, Fulham Shore had a year like no other! The Group remained cash flow positive at the year end thanks to the UK Government support, such as the Coronavirus Job Retention Scheme and the Business Rates Retail Discount, the Group's ability to adapt quickly to changing trading circumstances and above all the return of our loyal customers in great numbers when we were allowed to trade without restrictions.

We traded profitably at Headline EBITDA level for the financial year ended 28 March 2021 at £9.0m (2020: £15.2m). This was despite the enforced restaurant closures from the end of March 2020 and then again from the beginning of January 2021 that impacted both revenue and profit across our two businesses.

Net debt excluding lease liabilities recognised under IFRS 16 as at 28 March 2021 reduced by £5.9m to £3.6m from £9.5m in 2020.

Franco Manca traded throughout the year under the various UK Government restrictions which waxed and waned continually. The ability of our sourdough pizza business to pivot entirely to delivery and take out was crucial to the continued performance of Fulham Shore.

The Real Greek has always primarily been a place where parties and family groups meet and socialise, and this of course was prohibited for most of the year. The business entered the COVID-19 year without the benefit of a significant takeaway and delivery platform, which was developed quickly but due to the nature of its customer proposition, did not achieve the revenue and profitability levels delivered by Franco Manca.

Fulham Shore's financial year to 28 March 2021 was a tale of four quarters. The Group was loss making in the first quarter (April, May and June 2020) but returned to profit in the second quarter at Headline EBITDA level, thanks to our customers returning in great numbers. The third quarter (October, November and December 2020) continued the positive progress as we were allowed to open for most of that period, but, although the final quarter to March 2021 once again contributed a loss as we were closed once more to dine in customers, trading and profitability showed significant improvement compared with the first lockdown.

Current trading and outlook

Reopening summer 2021

All our 74 restaurants were open by 7 June 2021. Since restrictions were partially lifted to allow limited outdoor dine in on 12 April 2021, our customer numbers have been increasing in line with the continued successful roll-out of the UK Government's vaccination programme. When our restaurants reopened more fully for dine in customers, our delivery and takeaway sales continued to exceed 2019 levels showing, we believe, that we have gained permanent new customers through both these important channels.

Total Group revenues for the eight weeks from 21 June 2021 to 15 August 2021 averaged over £1.5m per week. This performance represents an increase of over 8% in revenues compared to the equivalent period in 2019 calendar year.

This includes a period where dine in and capacity restrictions were in place until 19 July 2021 and a continued subdued performance by our restaurants in the West End of London and other city centre restaurants around the UK. Our restaurants in these locations are not yet performing at the levels seen during the 2019 calendar year as office workers and tourists have yet to return. Our city centre restaurants are, however, being loyally supported by the geographical spread of our restaurants across the UK.

The disparity of performance between these city centre locations and our other restaurants is stark. The Group's 17 West End of London and city centre office locations saw revenues down 41% on a two year like for like basis for the 8 weeks from 21 June 2021 to 15 August 2021. We believe revenues will recover in the medium term as tourism recovers and the move back to offices recommences after the summer.

For the same reason, some of the Group's restaurant locations outside the major conurbations are over 30% ahead of 2019 figures because of the UK Government's working from home requirement and the rise in coastal town staycations due to restrictions on international travel. Some of our regional and suburban restaurants are currently breaking trading records on a weekly basis. The sites in coastal towns and university cities are especially busy.

We believe there will be sales growth to come from all of our city centre sites from now until June 2022 driven by a return to office working, greater public confidence due to the completion of the vaccination programme and a return of tourists over Winter 2021 and Spring 2022. In effect we expect that the disparity between the two different types of location (suburban and regional towns versus city centre/office locations) will return to something like normal comparative patterns over the next 12 months. In addition, we expect that the substantial growth of delivery and take out services we achieved during the financial year covered in this report will remain at higher than historic levels.

Since the beginning of our current financial year, we have continued to trade profitably at Headline EBITDA level, ahead of our internal expectations even before the further relaxation of restrictions which occurred on 19 July 2021.

In our half year announcement released on 18 December 2020 we emphasised that, although the financial year ended 28 March 2021 covered in this report was crucial to the Group's robust viability, the current year which commenced on 29 March 2021 should be the real guide to our growth prospects. We continue to hold this view.

Market overview

Analysts believe that the UK restaurant market in terms of numbers of locations in 2022 could have diminished by as much as 20% compared to 2019. This will perhaps mirror the contraction of retail space. Over-expansion, paying ever higher rents that were unsustainable and chasing market share were all to blame.

The CVAs and closures that have ensued across the sector have enabled both of our businesses to obtain sites at favourable rent levels and lower capital cost per site. Rents have halved in some cases, and we have opened some sites for less than £500,000 rather than the average of £650,000 which we were budgeting in 2019. Both these reductions should improve our return on capital over the next few years.

We are pleased to be creating jobs and providing the building industry with business opportunities in terms of opening new restaurants. We expect these two endeavours to grow the sales and income of Fulham Shore in the coming years.

We are always careful about our menu pricing. We choose our quality ingredients from local suppliers where possible and intend that our customers will be served by motivated teams of incentivised staff. In addition, we believe that we operate from a well-positioned, carefully chosen, fairly rented estate.

Medium term

The UK economy and consumer spending in particular are forecast to bounce back strongly over the next year. The hospitality sector is predicted to follow in that wake but with reduced capacity in terms of site numbers, supplying an expected greater demand for continuing operators.

We will be looking to open new restaurants in all parts of the UK, in towns and cities from Cardiff to Canterbury and from Newcastle to Norwich.

Property

Landlords are still facing a property glut. There are unlet premises all around the UK in unprecedented numbers. This will eventually recover to a normal supply and demand ratio but this may not happen for some years. Whilst some landlords and their commercial agents are seeing some take up for prime positions by good restaurant operators who are now expanding again, we believe that it will take many years to take up the slack.

More than 80% of our UK based landlords have positively engaged with us regarding waivers or rent forgiveness over the last year and to them we tip our hat. We have come to arrangements with others after dynamic debates, the overall benefit to the Group being lower rents over the next few years.

The Group is being offered many new sites, former retail shops, former ground floor offices, former chain restaurants. We are planning our expansion strategy for the next three years and we are building a pipeline of new locations.

Since the start of the year we have opened two new Franco Manca in High Holborn, London and in Glasgow. We now have 55 Franco Manca and 19 The Real Greek in the UK.

We are building a new The Real Greek restaurant in Norwich and have exchanged contracts on one new Franco Manca in Baker Street, London.

From our current base we have identified over 125 more locations for Franco Manca in the UK and 30 more for The Real Greek. With steady expansion in the medium term, this should bring our total estate to over 230 restaurants in the UK. To this end, and supported by the Group’s current trading performance, a further 12 sites are in solicitors’ hands.

These sites will continue our opening programme for this financial year and into the beginning of 2022, with a view to increasing the number of restaurants we operate in the UK to over 110 by the end of 2025.

Franchising

Over the last few years we have fielded many enquiries regarding opening our restaurants outside the UK. The Board has previous experience of successful expansion outside the UK at PizzaExpress and Gourmet Burger Kitchen and has commenced investing in an experienced team to capitalise on the opportunity to establish our brands overseas.

Dividend policy

Although we were considering putting in place a dividend policy, the impact of COVID-19 has meant that any plans for a dividend policy will be delayed until the full effects of the pandemic are over. No dividend is therefore being proposed for the year ended 28 March 2021.

Financing

It is the Group's intention to re-finance its banking facilities in the second half of the current financial year ahead of March 2022 when one of our facilities will fall for renewal. The Group's bankers, HSBC, continue to be supportive. We have a current combined facilities limit of £24.27m. This is made up of £14.25m revolving credit facility ("RCF"), £9.27m Coronavirus Large Business Interruption Loan ("CLBIL") and £0.75m overdraft facilities. The HSBC CLBIL loan was crucial in enabling the Group to navigate the period impacted by Coronavirus. The Group has started to repay the CLBIL loan with the first repayment of £1.48m made at the beginning of August 2021. It is the Board's intention for the re-financing to wrap the RCF and the CLBIL into one arrangement, enabling the Group to repay the CLBIL loan completely ahead of the original date agreed. The Group intends to fund its expansion programme thereafter from operating cash flow and the utilisation of its bank facilities.

Current outlook

As we write this report the UK Government reduced trading restrictions with effect from 19 July 2021. This has seen an immediate uplift in the number of customers dining at our restaurants.

Franco Manca and The Real Greek have navigated successfully the COVID-19 cocoon of restricted trading. We believe that our two brands are more popular than ever with the UK public and that sales will blossom when COVID-19 subsides.

We aim to keep our prices low. High customer numbers per site make for busy restaurants, fun environments and motivated employees.

We continue to source our food ethically and where we can, locally. This has helped to protect us from the majority of Brexit induced border delays since January 2021.

We have invested our profits in new restaurants, creating jobs and spreading the word about our great food at Franco Manca and The Real Greek.

Fulham Shore has the financial headroom to embark on a controlled expansion programme with our cash balances and borrowing facilities. We are confident that this current financial year will be the start of another exciting period of growth for the Group.

FINANCIAL REVIEW

Fulham Shore's performance in the year ended 28 March 2021 is summarised in the table below:

For continuing operations	Year ended 28 March 2021 £m	Year ended 29 March 2020 £m	Change %
Revenue	**40.3**	**68.6**	**-41.3%**
Headline EBITDA*	**9.0**	**15.2**	**-40.8%**
Adjusted Headline EBITDA*	***1.9***	***8.3***	***-77.1%***
Headline operating (loss)/profit	(2.2)	4.4	-148.5%
EBITDA*	**8.7**	**14.3**	**-39.2%**
Adjusted EBITDA*	***1.6***	***7.2***	***-77.8%***
Operating (loss)/profit	(4.8)	1.8	-366.7%
Loss before taxation	(7.5)	(0.8)	-937.5%
Loss for the year	(6.3)	(1.2)	-525.0%
Basic and diluted earnings per share	(1.1p)	(0.2p)	-550.0%
Headline basic and diluted earnings per share	(0.7p)	0.2p	-450.0%
Cash flow from operating activities	9.7	14.8	-34.5%
Development capital expenditure	1.7	7.2	-76.4%
Net Debt	74.6	77.7	-4.0%
Net Debt (excluding lease liabilities)	**3.6**	**9.5**	**-62.1%**

Number of restaurants operated in the UK	No.	No.	
Franco Manca	53	51	+3.9%
The Real Greek	19	18	+5.5%
	72	69	+4.3%

* Reconciliation of profit before taxation to Adjusted Headline EBITDA and Adjusted EBITDA for continuing operations:

	Year ended 28 March 2021 £m	Year ended 29 March 2020 £m
Loss before taxation	(7.5)	(0.8)
Finance costs	2.8	2.6
Depreciation and amortisation	11.1	10.8
Amortisation of brand	0.8	0.8
Exceptional costs:		
– Change in fair value of investments	-	0.2
– Impairment of property, plant and equipment	1.0	0.3
– Covid-19 related costs	0.5	0.4
EBITDA	**8.7**	**14.3**
Share based payments	0.1	0.2
Pre-opening costs	0.2	0.7
Headline EBITDA	**9.0**	**15.2**
Adjustment for rent expenses	***(7.1)***	***(6.9)***
Adjusted Headline EBITDA	***1.9***	***8.3***
EBITDA	8.7	14.3
Adjustment for rent expenses	(7.1)	(7.1)
Adjusted EBITDA	1.6	7.2

This year ended 28 March 2021 comprised of 52 full weeks of trading (2020: 52 weeks).

Total Group revenue from continuing operations for the year ended 28 March 2021 fell by 41% to £40.3m from £68.6m last year. This reduction was driven by the UK Government's COVID-19 trading restrictions being operational through most of the financial year. These restrictions impacted the Group in two ways: social distancing rules reduced the capacity available in each restaurant by as much as 30% to 40% throughout the financial year; and restaurants were ordered to close to dine-in customers UK wide in three separate lockdowns as well as localised lockdowns. The period of UK wide restrictions on dine-in trade were: 20 March 2020 to 4 July 2020, 5 November 2020 to 2 December 2020 and 5 January 2021 to 17 May 2021, accounting for some 57% of the financial year before the impact of local tiered restrictions.

Since mid-April 2020, the Group, especially Franco Manca, pivoted to takeaway, click and collect and delivery services during the various lockdowns. This has enabled both businesses to trade through the various lockdown periods.

During the year, despite COVID-19 restrictions, we opened two new Franco Manca pizzeria and one new The Real Greek restaurant in London. This takes the total restaurants operated by the Group in the UK to 72 (2020: 69) at year end.

Group Headline EBITDA and Adjusted Headline EBITDA (as defined and reconciled above) continue to be key measures for the Group as well as industry analysts as they are indicative of ongoing EBITDA of the businesses. Headline EBITDA for the year was £9.0m (2020: £15.2m), a decrease of 40.8% while Adjusted Headline EBITDA for the year was £1.9m (2020: £8.3m), a decrease of 77% on the prior year. As the impact of the first lockdown was felt at the beginning of the financial year, the Group implemented effective cost saving measures in both variable and fixed costs to reduce the cost base through the lockdowns.

During the year ended 28 March 2021, the Group benefited from £10.3m (2020: £0.3m) of various UK Government coronavirus support and grants. Of this amount, our staff who were furloughed or flexi furloughed benefited from £8.5m (2020: £0.3m) from the Coronavirus Job Retention Scheme while the remaining grants were applied against fixed costs of the businesses. In addition, the Group's trading in August 2020 benefited from £1.2m from the Eat Out To Help Out Scheme and the resultant increased activity of customers.

Group depreciation and amortisation, excluding amortisation of the Franco Manca brand, increased 2.8% to £11.1m (2020: £10.8m) following the number of new restaurants opened during the year and the previous year. The Group incurred one off costs in the year of £1.0m (2020: £0.3m) from impairment charges for five restaurants (2020: 4) which were impacted by COVID-19 during the year and four of these restaurants were located in Debenhams department stores where the concessions ended with Debenhams' demise. However, these four restaurants are still trading but under short term leases or tenancies at will while negotiations with the ultimate landlords continue. The Group also incurred £0.5m (2020: £0.4m) of exceptional costs relating to the temporary closure of the restaurants primarily from the beginning of the financial year to summer 2020, following instructions received from the UK Government as part of the COVID-19 lockdown that started in the middle of March 2020. These one off costs, even though partially offset by the positive Headline EBITDA, have led to an increase in operating loss to £4.8m (2020: profit of £1.8m).

With our new openings, we have invested £0.2m (2020: £0.9m) in pre-opening costs. Finance costs have increased to £2.8m (2020: £2.6m) as the Group's gross bank debt increased to £15.9m (2020: £11.5m) even though net debt reduced during the year. Overall this has resulted in a loss before taxation of £7.5m (2020: £0.8m).

The Group's tax charge was a credit of £1.2m (2020: charge of £0.4m); deferred tax assets were recognised in the year for tax losses carried forward and on share based payments. The Group's loss after tax was £6.3m (2020: £1.2m).

Our basic and diluted loss per share from continuing operations was 1.1p (2020: 0.2p) while Headline basic and diluted loss per share was 0.7p (2020: earnings per share 0.2p).

Cost inflation

During the year, weakness of Sterling against both the Euro and the US Dollar from uncertainty over Brexit and the need to increase stock levels in case of a hard Brexit has continued to put pressure on food cost inflation. Additionally, volatile demands from the restaurant sector and significantly increased demand from consumers staying at home during COVID-19 restrictions have reduced supply chain capacity thus further putting pressure in the latter half of the financial year on food cost inflation. Where possible, we have benefited from additional volume discounts due to our opening programme and changes in suppliers which have helped to mitigate some of the cost pressures.

We also saw 6.2% (2020: 4.9%) increase in the Government's National Living Wage at the beginning of the financial year for employees over 25 years old. Both of our businesses have chosen to treat all staff members the same irrespective of age and have therefore paid at least the National Living Wage to all employees.

Our other two material cost items are rent and utility costs. Rental inflation of our estate has subsided during the year of COVID-19 lockdowns. This is further impacted by COVID-19 effects going forward as we enter more short term rent deals with landlords during the year and following the year end. New leases entered by the Group have seen improved rental deals. Utility cost inflation continues to be volatile as the wholesale cost of energy has been impacted by the movement of Sterling and global economic adjustments.

Cash flows and balance sheets
The Group's cash flow from operating activities has decreased by £5.1m to £9.7m as a result of reduced trading during the year from the impact of COVID-19 restrictions in the UK.

We invested £1.7m (2020: £7.4m), before right of use assets additions, in development capital. This was primarily in new restaurants but also included investments in outdoor dining spaces for both businesses ahead of the first reopening date post year end of 12 April 2021, and investment in IT systems to introduce an advanced virtual queueing system for Franco Manca in August 2020 and further develop Franco Manca's loyalty app. As at 28 March 2021 there were 209,000 users (2020: 111,000) signed up to Franco Manca's loyalty scheme, an increase of 88%.

In addition we recognised £6.2m (2020: £9.2m) right-of-use assets in relation to the 3 (2020: 9) short term leasehold properties acquired during the year for new restaurant openings. At the same time, equal and opposite additional lease liabilities were recognised on the balance sheet for £6.2m (2020: £9.2m).

On 20 August 2020, the Company completed a facility agreement for an increase in the amount available under its debt facilities with HSBC Bank plc and the waiver of certain banking covenants. Under the new arrangements, the term of the Company's existing £14.25m revolving credit facility was extended by 12 months from March 2021 to March 2022 and the Company increased its banking facilities with HSBC to a total of £25.75m including the existing £0.75m overdraft facility (from £15m). This increase of £10.75m is provided under the government backed Coronavirus Large Business Interruption Loan Scheme, which has a term of three years, with repayments due over the second and third years of the term.

On 20 August 2020, the Company also raised £2,250,000 (before expenses) from the issue of 36,000,000 new ordinary shares in the Company. These new funds, together with the new banking facilities, will give the Group substantial headroom over its net debt at a time of uncertainty of impact from COVID-19.

During the year ended 28 March 2021, the Group has negotiated with its landlords in order to secure support from them during the various lockdowns. Many of these landlords have been supportive and some deals have been completed during the financial year but many were completed following the year end once the third lockdown ended. As at 28 March 2021, short term lease liabilities included £2.8m historic deferred rents.

Resultant net debt from our activities excluding lease liabilities recognised under IFRS 16 as at 28 March 2021 was £3.6m (2020: £9.5m). This is financed by our facilities with HSBC Bank PLC, made up of a £14.25m revolving credit facility ("RCF"), £10.75m Coronavirus Large Business Interruption Loan Scheme, and a £0.75m overdraft. Since the year end, the Group's position improved to net cash (excluding lease liabilities recognised under IFRS 16) as at 15 August 2021 of £3.5m.

Despite the reduced trading as a result of COVID-19 at the end of the financial year, the Group funded its three restaurant openings during the year largely through existing operational cash flow.

Post balance sheet events
In January 2021, the UK Government issued direct instructions to temporarily close all restaurants to dine-in trade again as part of wider ongoing efforts in the fight against Covid-19.

Since 12 April 2021, the date from which the UK Government determined that restaurants could reopen to serve dine-in customers in outside spaces if safe to do so, the Group has undertaken a gradual reopening of its restaurants with outside dining space to dine-in customers, serving customers through a combination of dine-in, takeaway, click and collect and delivery services.

On 17 May 2021, further restaurants reopened as the UK Government allowed indoor dining to reopen. Since mid June 2021, all of the Group's restaurants reopened fully albeit with social distancing still running. These social distancing measures were finally removed on 19 July 2021.

People
During the year, the Group's key operations were within the UK. As detailed above, the Group took advantage of the UK Government's Coronavirus Jobs Retention Scheme and furloughed nearly all operational staff across the Group when the restaurants temporarily closed for the first lockdown and received continued support during the changing lockdowns through flexible furlough. Since June 2021 all our staff were brought back from furlough as we reopened all our restaurants following the most recent lock down.

With our opening programme, the Group continued to create more new jobs in its new restaurants. We continue to invest in our staff through training, incentives and personal development as well as investing in a stronger people and human resource team.

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

COVID-19
The macro economic impact of the COVID-19 pandemic is uncertain, and continues to evolve, with potential disruption to financial markets including currencies, interest rates, borrowing costs and the availability of debt financing. However, the Group's financial risk management strategies seek to reduce our potential exposure in relation to these risks. During the year, the Group, as described above:

- raised further funds of £2.25m from an equity placing and subscription;
- extended the maturity date of the RCF facility by 12 months to March 2022; and
- completed a new loan facility of £10.75m under the UK Government's CLBIL scheme for a three year term.

The combined effect of these actions have added an additional £13m of headroom to the Group's capital structure. In addition, through prudent management of costs and cashflow, the Group has built up a cash balance which further increases available financial headroom for the Group. Overall the headroom will provide a good buffer if another lockdown is introduced by the UK Government. The impact of further lockdowns or different restrictions may affect the carrying values of goodwill and/or property, plant and equipment including right of use assets. However the Group, through its learnings over the last eighteen months, and investment in personal protective equipment, additional training and innovative systems, is prepared to respond to changing situations quickly.

Development programme
The Group's development programme is dependent on securing the requisite number of new properties at sensible rents. Despite the impact on the restaurant sector from COVID-19 and a general trend downwards on rents, the UK restaurant property market remaining competitive at the right locations and rents. To mitigate these issues, the Group has an experienced property team concentrating on securing new sites for the Group.

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 seeks to mitigate this risk through effective supplier selection and an appropriate back-up supply chain. To help mitigate potential delays as a result of more complex customs border controls post Brexit and a reduced number of road haulage drivers, the Group has increased stock levels, where possible, to allow for longer transit times and have changed some of its ingredients to UK grown ingredients.

Employees
The Group's performance depends largely on its management team and its restaurant teams. The inability to recruit people with the right experience and skills could adversely affect the Group's results. The combination of Brexit, new additional immigration controls and the displacement of the workforce as a result of COVID-19 has made recruitment harder. To mitigate these issues the Group has invested in its human resources team and has implemented new innovative incentive schemes designed to retain key individuals.

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

Landlords
The Group operated four restaurants within the Debenhams estate. These restaurants are now operating on a tenancy at will or short term lease basis while negotiations with ultimate landlords continue. Therefore these individually may be at risk from closure if negotiations are not successful. The Group is actively looking for alternative locations in the vicinity of the existing restaurant.

Cyber security
The Group has been operating an online “click and collect” service, an online loyalty programme and various customer relationship management tools which rely on online systems that may experience cyber security failure leading to loss of revenue or reputation loss. The Group utilises robust supplier selection processes and third party reviews and testing on a regular basis to identify weaknesses and improve on existing protection and processes.

Revenues from delivery
The Group revenues from delivery has grown during the various lockdowns. There is a risk of temporary interruption to the third party delivery service provider. The Group utilities two independent delivery platforms to mitigate downtime risk.

Regulatory compliance
The Group is growing and the UK Government is increasing the number of areas requiring additional regulatory compliance including GDPR, ESOS and food labelling. This may increase the Group's expenditure to ensure compliance and the Group may experience a failure to comply thus leading to significant fines. The Group reviews regulatory changes on a regular basis.

Risks are formally reviewed by the Board regularly and appropriate processes are 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 complex 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, bank borrowings and retained earnings. In addition to the financial instruments described above, the Group also has other financial instruments such as trade receivables, trade payables and accruals that arise directly from the Group's operations. Further information is provided in note 15 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, both financial and non-financial, that are reviewed on a regular basis to monitor the development of the Company and the Group are shown in the table at the beginning of this section.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 March 2021

	Notes	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Revenue	1	40,285	68,565
Cost of sales		(25,227)	(40,628)
Gross profit		15,058	27,937
Administrative expenses		(27,479)	(23,785)
Other income	2	10,270	285
Headline operating (loss)/profit		(2,151)	4,437
Share based payments	18	(91)	(157)
Pre-opening costs	2	(212)	(683)
Amortisation of brand	7	(821)	(821)
Exceptional costs:			
– Impairment of property, plant and equipment	8	(1,013)	(260)
– Change in fair value of investment	9	-	(248)
– Cost of acquisition		-	(3)
– COVID-19 related costs	2	(483)	(433)
Operating (loss)/profit	2	(4,771)	1,832
Finance income		10	10
Finance costs	4	(2,754)	(2,596)
Loss before taxation		(7,515)	(754)
Income tax income/(expense)	5	1,209	(421)
Loss for the year		(6,306)	(1,175)
Other comprehensive income		-	-
Total comprehensive loss		(6,306)	(1,175)
Loss for the year and total comprehensive loss attributable to:			
Owners of the company		(6,306)	(1,193)
Non-controlling interests		-	18
		(6,306)	(1,175)
Earnings per share			
Basic and diluted	6	(1.1p)	(0.2p)

CONSOLIDATED AND COMPANY BALANCE SHEETS
28 March 2021

		Group		Parent company	
	Notes	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Non-current assets					
Intangible assets	7	24,127	25,017	-	-
Property, plant and equipment	8	94,958	100,606	122	151
Investments	9	-	-	44,430	44,347
Trade and other receivables	11	935	1,081	9,456	10,567
Deferred tax assets	16	942	9	478	3
		120,962	126,713	54,486	55,068
Current assets					
Inventories	10	1,976	1,906	-	-
Trade and other receivables	11	2,721	2,342	53	150
Cash and cash equivalents	12	12,270	2,056	5,797	1,030
		16,967	6,304	5,850	1,180
Total assets		137,929	133,017	60,336	56,248
Current liabilities					
Trade and other payables	13	(14,177)	(12,480)	(1,994)	(1,309)
Borrowings	14	(11,639)	(5,163)	(3,730)	-
Income tax payable		(10)	(135)	-	-
		(25,826)	(17,778)	(5,724)	(1,309)
Net current (liabilities)/asset		(8,859)	(11,474)	126	(129)
Non-current liabilities					
Borrowings	14	(75,198)	(74,591)	(12,355)	(14,737)
Deferred tax liabilities	16	(1,448)	(1,888)	-	-
		(76,646)	(76,479)	(12,355)	(14,737)
Total liabilities		(102,472)	(94,257)	(18,079)	(16,046)
Net assets		35,457	38,760	42,257	40,202
Equity					
Share capital	17	6,191	5,736	6,191	5,736
Share premium		9,078	6,911	9,078	6,911
Merger relief reserve		30,459	30,459	30,459	30,459
Reverse acquisition reserve		(9,469)	(9,469)	-	-
Retained earnings		(802)	5,123	(3,471)	(2,904)
Total Equity		35,457	38,760	42,257	40,202

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 28 March 2021

	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)	6,897	40,490	125	40,615
Loss for the year	-	-	-	-	(1,193)	(1,193)	18	(1,175)
Total comprehensive income	-	-	-	-	(1,193)	(1,193)	18	(1,175)
Transactions with owners								
Share based payments	-	-	-	-	157	157	-	157
Deferred tax on share based payments	-	-	-	-	(253)	(253)	-	(253)
Acquisition of non-controlling interests	-	-	-	-	(485)	(485)	(143)	(628)
Exercise of share options	22	22	-	-	-	44	-	44
Total transactions with owners	22	22	-	-	(581)	(537)	(143)	(680)
At 29 March 2020	5,736	6,911	30,459	(9,469)	5,123	38,760	-	38,760
Loss for the year	-	-	-	-	(6,306)	(6,306)	-	(6,306)
Total comprehensive income	-	-	-	-	(6,306)	(6,306)	-	(6,306)
Transactions with owners								
Share based payments	-	-	-	-	91	91	-	91
Deferred tax on share based payments	-	-	-	-	290	290	-	290
Issue of share capital (net of costs)	360	1,728	-	-	-	2,088	-	2,088
Exercise of share options	95	439	-	-	-	534	-	534
Total transactions with owners	455	2,167	-	-	(5,925)	(3,303)	-	(3,303)
At 28 March 2021	6,191	9,078	30,459	(9,469)	(802)	35,457	-	35,457

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 28 March 2021

	Share Capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Retained Earnings £'000	Total Equity £'000
At 31 March 2019	5,714	6,889	30,459	(2,069)	40,993
Loss for the year	-	-	-	(739)	(739)
Total comprehensive income for the year	-	-	-	(739)	(739)
Transactions with owners					
Share based payments	-	-	-	157	157
Deferred tax on share based payments	-	-	-	(253)	(253)
Exercise of share options	22	22	-	-	44
Total transactions with owners	22	22	-	(96)	(52)
At 29 March 2020	5,736	6,911	30,459	(2,904)	40,202
Loss for the year	-	-	-	(948)	(948)
Total comprehensive income for the year	-	-	-	(948)	(948)
Transactions with owners					
Share based payments	-	-	-	91	91
Deferred tax on share based payments	-	-	-	290	290
Issue of share capital (net of costs)	360	1,728	-	-	2,088
Exercise of share options	95	439	-	-	534
Total transactions with owners	455	2,167	-	381	3,003
At 28 March 2021	6,191	9,078	30,459	(3,471)	42,257

CONSOLIDATED AND COMPANY CASH FLOW STATEMENT
for the year ended 28 March 2021

		Group		Parent company	
	Notes	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Net cash flow from/(used in) operating activities	19	9,705	14,842	(286)	(724)
Investing activities					
Acquisition of property, plant and equipment		(1,679)	(7,214)	-	(10)
Acquisition of intangible assets		(28)	(145)	-	-
Acquisition of investments		-	(47)	-	-
Acquisition of non-controlling interests		-	(641)	-	(641)
Loan repaid (to)/by subsidiary undertakings		-	-	(1,850)	2,012
Net cash flow (used in)/from investing activities		(1,707)	(8,047)	(1,850)	1,361
Financing activities					
Proceeds from issuance of new ordinary shares (net of expenses)		2,622	44	2,622	44
Capital received from bank borrowings		11,750	1,000	11,750	1,000
Capital repaid on bank borrowings		(7,440)	(700)	(7,440)	(700)
Principal element of lease payments		(1,972)	(4,332)	-	-
Interest received		10	10	478	466
Interest paid		(2,754)	(2,596)	(507)	(439)
Net cash flow from/(used in) financing activities		2,216	(6,574)	6,903	371
Net increase in cash and cash equivalents		10,214	221	4,767	1,008
Cash and cash equivalents at the beginning of the year	12	2,056	1,835	1,030	22
Cash and cash equivalents at the end of the year	12	12,270	2,056	5,797	1,030

ACCOUNTING POLICIES

GENERAL INFORMATION

The Fulham Shore PLC is a public company limited by shares incorporated and domiciled in England and Wales with registration number 07973930 and registered office at 1st Floor, 50-51 Berwick Street, London, W1F 8SJ, United Kingdom. The Company's ordinary shares are traded on the AIM Market.

BASIS OF PREPARATION

The above audited financial information does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The above figures for the period ended 28 March 2021 have been extracted from the Group's financial statements which have been reported on by the Group's auditors and received an audit opinion which was unqualified. The Group's statutory financial statements for the year ended 29 March 2020 have been lodged with the Registrar of Companies. These financial statements received an audit report which was unqualified and did not include any reference to matters to which the auditors drew attention by way of emphasis without qualifying their report or a statement under section 498(2) or section 498(3) of the Companies Act 2006. The financial statements for the year ended 28 March 2021 will be dispatched to the shareholders and filed with the Registrar of Companies. The preliminary announcement was approved by the Board and authorised for issue on 16 August 2021.

The accounting year for the Group runs to a Sunday within seven days of 31 March each year which will be a 52 or 53 week period. The year ended 29 March 2020 was a 52 week period, with the comparative year to 31 March 2019 being a 53 week period.

The Company accounts have been prepared for the same periods as the Group.

The financial statements have been prepared under the historical cost convention and, in accordance with international accounting standards in conformity with the requirements of Companies Act 2006.

The financial statements for the year ended 28 March 2021 are presented in Sterling which is also the functional currency of the Group. The functional currency is the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

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.

NEW STANDARDS

The following new accounting standards are effective for the year ended 28 March 2021 and have been adopted in these financial statements:

Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform Phase 1 (became effective for accounting periods commencing on or after 1 January 2020)
These amendments provide relief from certain hedge accounting requirements in order to avoid unnecessary discontinuation of existing hedge relationships during the period before replacement of an existing interest rate benchmark with an alternative interest rate. These amendments have had no impact on the financial statements.

Amendments to IFRS 3 – Definition of a business (became effective for accounting periods commencing on or after 1 January 2020)
These amendments clarified the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. These amendments have had no impact on the financial statements.

Amendments to IAS 1 and IAS 8 - Definition of material (became effective for accounting periods commencing on or after 1 January 2020)
The changes clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. These amendments have had a minimal impact on the financial statements.

Amendments to IFRS 16 – Covid-19-related rent concessions (became effective for annual periods beginning on or after 1 June 2020 but has been adopted early in these accounts)
These amendments provides an option to apply a simplified accounting treatment for lessees not to treat eligible rent concessions that are a direct consequence of the COVID-19 as lease modifications. The amendment has had no impact on retained earnings in the financial statement for the year.

NEW STANDARDS THAT ARE NOT YET EFFECTIVE

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

IFRS 9 (Amendment)	Interest rate benchmark reform phase 2
IAS 39 (Amendment)	Interest rate benchmark reform phase 2
IFRS 7 (Amendment)	Interest rate benchmark reform phase 2
IFRS 4 (Amendment)	Interest rate benchmark reform phase 2
IFRS 16 (Amendment)	Interest rate benchmark reform phase 2
IFRS 3 (Amendment)	Reference to the conceptual framework
IAS 16 (Amendment)	Proceeds before intended use
IAS 37 (Amendment)	Cost of fulfilling a contract
IAS 1 (Amendment)	Classification of liabilities as current or non-current

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

GOING CONCERN
The consolidated financial statements have been prepared on a going concern basis. The Board has reviewed the risk analysis set out in the Financial Review, the Group's net current liabilities position as at 28 March 2021, the forecasts for the next financial year, other longer term plans, financial resources including undrawn but available short term and long term facilities described in note 14, the availability of future equity funding if required and operational cash flow where cash from revenues are received within 7 days. Although negotiations on renewal of the Revolving Credit Facility, which expires in March 2022, is ongoing, the forecasts were prepared with the assumption that such facility will not be renewed.

COVID-19 and government action from 20 March 2020 has significant impact on trading and therefore forecasts used for going concern analysis. Since 19 July 2021, trading restrictions previously in place on dine in trade have been lifted. The Directors have reviewed the rapidly evolving situation relating to COVID-19 and have modelled a series of downside case scenarios. These downside cases represent increasingly severe scenarios and include assumptions relating to the estimates of the impact of:

- The closure of all restaurants to dine-in for a period of 13 weeks and then a reopening programme over 2 months;
- The closure of all restaurants to dine-in for a period of 26 weeks and then a reopening programme over 2 months;

These downside cases, whilst considered by the Directors to be extremely prudent, as to date the Government has not fully closed restaurants to takeaway and delivery sales, have a significant adverse impact on sales, margin and cash flow. In response, the Directors have taken immediate and significant actions, all within management's control, to reduce costs and optimise the Group's cash flow and liquidity. Amongst these are the following mitigating actions: reducing capital and investment expenditure through postponing or pausing projects and change activity; deferring or cancelling discretionary spend; freezing non-essential recruitment and reducing marketing spend; and reducing indirect costs and central costs. Even in the most severe scenario where restaurants are closed for 26 weeks, the Group has adequate liquidity to cover the losses and recommence trading as we have done following the initial lockdown. Any other scenario where the Group is only closing restaurants to dine-in and allowed to be open for takeaway and delivery service, the impact on cash flow is significantly lower.

Taking the reviews and analysis, 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 period. Subsidiaries acquired are consolidated from the date that the Group has the power to control, exposure or rights to variable returns, and the ability to use its power over the returns and will continue to be consolidated until the date that such control ceases.

Although the legal form of the transaction during the period ended 29 June 2015 was an acquisition of Kefi Limited by The Fulham Shore PLC, the substance was the reverse of this. Accordingly the business combination was accounted for using reverse acquisition accounting.

The acquisition of other 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. Any costs directly attributable to the business combination are expensed to the Statement of Comprehensive Income. The acquiree’s identifiable assets and liabilities are recognised at their fair values at the acquisition date.

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

INTANGIBLE ASSETS
Goodwill
Goodwill arising on the acquisition of an entity represents the excess of the cost of an acquisition over the Group’s interest in the fair value attributed to the identifiable net assets at acquisition. Goodwill is not subject to amortisation but is tested for impairment at least annually. After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill is allocated to an associated operating segment made up of a group of cash generating units for the purpose of impairment testing. Each of these groups of cash generating units represents the Group’s investment in a subsidiary which is equivalent to an operating segment of the Group. On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Trademarks and licences
The fair value of the intangible assets acquired through the reverse acquisition was determined using discounted cash flow models. The key assumptions for the valuation method are those regarding future cash flows, tax rates and discount rates. The cash flow projections were based on management forecasts for the subsequent four years period. The estimated useful lives range from 4 to 20 years, amortised on a straight-line basis.

Brand
The fair value of the brand intangible assets acquired through an acquisition of a subsidiary was determined using discounted royalty relief models. The key assumptions for the valuation method are those regarding future cash flows, tax rates and discount rates. The cash flow projections were based on management forecasts for the subsequent ten year period.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of brand from the beginning of the financial year that they are available for use. The estimated useful lives are 10 years on a straight-line basis.

Computer software
Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over their estimated useful lives, being between 3 and 5 years. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and directly attributable overheads. Software integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programmes are recognised as an expense when they are incurred.

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.

Right-of-use assets arising from the Group's lease arrangements are depreciated over the earlier of the useful life or their reasonably certain lease term, as determined under the Group's leases policy.

IMPAIRMENT OF ASSETS
Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, assets which have separately identifiable cash flows, known as cash generating units, are grouped into their operating segment. If the recoverable amount of a group of cash generating units is less than the carrying amount of that group's assets, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the group of cash generating units and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset in the group. Impairment losses recognised for goodwill are not reversed in a subsequent period. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

IMPAIRMENT OF ASSETS (continued)
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, predominantly an individual restaurant for the purposes of property, plant and equipment, 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.

OTHER INVESTMENTS
Other investments comprising debt and equity instruments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe. Other investments are initially measured at fair value, including transaction costs and subsequently remeasured less any impairment.

Debt securities that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest method, less any impairment. Debt securities that do not meet the criteria for amortised cost are measured at fair value through profit and loss.

Equity securities are classified and measured at fair value through other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of the investment.

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
Trade receivables represent amounts owed by customers where the right to payment is conditional only on the passage of time and are recorded at amortised cost. Other receivables represent amounts owed by third parties and intra group balances in the parent company where the right to payment is conditional on the passage of time and the occurrence of certain event. The carrying value of all trade and other receivables recorded at amortised cost is reduced by allowances for lifetime estimated credit losses other than expected credit losses on group balances which are based on expected 12 month credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balances, historical experience and forward looking considerations. Individual balances are written off when management deems them not to be collectible.

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.

MERGER RELIEF RESERVE
In accordance with Companies Act 2006 S.612 'Merger Relief', the company issuing shares as consideration for a business combination, accounted at fair value, is obliged, once the necessary conditions are satisfied, to record the excess of the consideration received over the nominal value of the shares issued to the merger relief reserve.

REVERSE ACQUISITION RESERVE
Reverse accounting under IFRS 3 'Business Combinations' requires the difference between the equity of the legal parent and the issued equity instruments of the legal subsidiary pre-combination to be recognised as a separate component of equity.

RETAINED EARNINGS
Retained earnings represents the cumulative profit and loss net of distributions.

NON-CONTROLLING INTERESTS
Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 profit or loss.

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.

TAXATION (continued)
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.

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
When the Group leases an asset, a right of use asset is recognised for the leased item and a lease liability is recognised for any lease payments to be paid over the lease term at the lease commencement date. The right of use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and less any lease incentives received. Right of use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is reasonably certain to exercise any extension options. The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment. If right of use assets are considered to be impaired, the carrying value is reduced accordingly. Lease liabilities are initially measured at the value of the lease payments over the lease term that are not paid at the commencement date and are discounted for the portfolio of leases using the incremental borrowing rate of the Group as the rate implicit in individual leases is not readily ascertainable. After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group's assessment of the lease term changes; any changes in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Covid-19 related rent concessions
The Group has applied COVID-19 related rent concessions – amendment to IFRS16. The Group applies the simplified accounting treatment not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concession in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

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
The Group's revenue is derived from the sale of food and drink in its restaurants, or as deliveries or takeaways. The performance obligation is fulfilled when control is transferred to the customer at the point of sale. All sales are settled at the point of sale and the group does not, therefore, have any contract assets or liabilities. Revenue is recognised net of VAT, discounts, returns and deferred revenue for the Group's loyalty scheme's unsatisfied performance obligations.

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.

EXCEPTIONAL COSTS
The Group discloses certain financial information excluding exceptional costs. This presentation allows a better understanding of the underlying trading performance of the Group as these exceptional costs are one off non recuring costs. Exceptional costs are identified by virtue of the nature and magnitude of the event giving rise to them through consideration of quantitative and qualitative factors including where related costs or income are current disclosed. Examples of exceptional costs that meet the above definition and which have been presented as exceptional costs include, but are not restricted to: impairment of property, plant and equipment, Changes in fair value of investment, costs of acquisition, one off COVID-19 related costs.

GOVERNMENT GRANTS
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

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.

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 ESTIMATES AND JUDGEMENTS

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:

Assessment of the recoverable amounts in respect of assets tested for impairment

The Group tests goodwill for impairment on an annual basis or more frequently if there are indications that amounts may be impaired. For property, plant and equipment, including right of use assets and intangible assets, other than goodwill, the Group tests for impairment when there is an indication of impairment and for assets previously impaired.

The impairment analysis for such assets is principally based upon discounted estimated future cash flows from the use and eventual disposal of the assets (see notes 7 and 8). Such an analysis includes an estimation of the future anticipated results and cash flows, annual growth rates, whether short term or long term, future capital expenditures and the appropriate discount rates (see notes 7 and 8 for key assumptions). Changes in the estimates which underpin the Group's forecasts and selection of appropriate discount rate could have an impact on the value in use of the cash generating units and group of cash generating units being tested.

Previously impaired assets will be reversed should the original conditions for impairment change and there are strong indicators supporting the estimated future cash flows from its use and eventual disposal of the assets.

Finite lived intangible assets

Intangible assets include amounts spent by the Group acquiring brands and the costs of purchasing and/or developing computer software.

Where intangible assets are acquired through business combinations and no active market for the assets exists, the fair value of these assets is determined by discounting estimated future net cash flows generated by the asset. Estimates relating to the future cash flows and discount rates used may have a material effect on the reported amounts of finite lived intangible assets.

The useful life over which intangible assets are amortised depends on management's estimate of the period over which economic benefit will be derived from the asset. Reducing the useful life will increase the amortisation charge in the consolidated income statement. Useful lives are periodically reviewed to ensure that they remain appropriate. For a one year reduction in useful life of the brand, an additional £91,000 of amortisation would be charged to the income statement.

Property, plant and equipment
Property, plant and equipment represents 68.8% (2020: 75.6%) of the Group's total assets; estimates and assumptions made may have a material impact on their carrying value and related depreciation charge. The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed periodically. Increasing an asset's expected life or residual value would result in a reduced depreciation charge in the consolidated income statement. Management determines the useful lives and residual values for assets, other than right of use assets, when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology. The useful life of equipment is assumed not to exceed the duration of restaurant property lease unless there is a reasonable expectation of renewal or ability for the equipment to be transferred for use in another restaurant.

Lease accounting
Lease accounting under IFRS 16 is significantly more complex than under previous reporting requirements under IAS 17 and necessitates the collation and processing of very large amounts of data and the increased use of management judgements and estimates to produce financial information. The most significant accounting judgements are disclosed below:

- The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by a break clause to terminate the lease, if it is reasonably certain not to be exercised.
- When the interest rate implicit in the lease is not readily determinable, the Group estimates the incremental borrowing rate ("IBR") 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 IBR of 3.3% applied to the leases.

Loyalty programme
The Group operates a loyalty programme in its Franco Manca business. The scheme enables members to earn stamps from each qualifying purchase from a Franco Manca restaurant. Rewards that can be used against future purchases are earnt on collection of a number of stamps. The Group recognises deferred revenue in an amount that reflects the scheme's unsatisfied performance obligations, valued at the stand-alone selling price of the future benefit to the member. The amount of revenue recognised and deferred is impacted by 'breakage'. On an annual basis the Group estimate the number of rewards that will never be consumed ('breakage'). Significant estimation uncertainty exists in projecting members' future consumption activity.

OPERATING SEGMENTS
The Group considers itself to have two key operating segments, being the management and operation of The Real Greek restaurants and the management and operation of Franco Manca restaurants. The Group operates in only one geographical segment, being the United Kingdom.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

The Group uses alternative performance measures which are designed to show the normalised underlying trading performance for the period, including an adjustment to take account of property costs on an accruals basis, as below:

OPERATING (LOSS)/PROFIT
Operating (loss)/profit is defined as (loss)/profit before taxation, finance income and finance costs.

HEADLINE OPERATING (LOSS)/PROFIT
Headline operating (loss)/profit is defined as operating profit before amortisation of brand, impairment of property, plant and equipment, impairment of goodwill and intangible assets, impairment and changes in fair value of investments, COVID-19 related 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.

HEADLINE (LOSS)/PROFIT BEFORE TAXATION
Headline (loss)/profit before taxation is defined as (loss)/profit before taxation before amortisation of brand, impairment of property, plant and equipment, impairment of goodwill and intangible assets, impairment and changes in fair value of investments, COVID-19 related costs, restructuring costs, costs of reverse acquisition, costs of acquisition, share based payments, loss on disposal of property, plant and equipment 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 recognised in the profit and loss account in the period in which they are incurred.

HEADLINE EBITDA
Headline EBITDA is defined as EBITDA before COVID-19 related costs and grants received against COVID-19 related costs, restructuring costs, costs of reverse acquisition, cost of acquisition, share based payments, loss on disposal of property, plant and equipment, impairment of property, plant and equipment and pre-opening costs.

ADJUSTED HEADLINE EBITDA
Adjusted Headline EBITDA is defined as Headline EBITDA less rent expense calculated on an accrual basis, which excludes the effect of IFRS 16.

EBITDA
EBITDA is defined as Headline EBITDA less share based payments and pre-opening costs.

ADJUSTED EBITDA
Adjusted EBITDA is defined as EBITDA less rent expense calculated on an accrual basis, which excludes the effect of IFRS 16.

HEADLINE EPS
Headline basic EPS and Headline diluted EPS are defined in note 6.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 March 2021

1 SEGMENT INFORMATION

For management purposes, the Group was organised into two operating divisions during the year ended 28 March 2021. 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 year ended 28 March 2021:

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
Revenue from:				
External customers	9,007	30,779	499	40,285
Headline EBITDA	1,578	8,091	(670)	8,999
Depreciation and amortisation	(3,190)	(7,932)	(28)	(11,150)
Headline operating (loss)/profit	(1,612)	159	(698)	(2,151)
Share based payments	(19)	(64)	(8)	(91)
Pre-opening costs	(31)	(181)	-	(212)
Amortisation of brand	-	(821)	-	(821)
Impairment of property plant and equipment	(321)	(692)	-	(1,013)
COVID-19 related costs	(57)	(27)	(399)	(483)
Operating loss	(2,040)	(1,626)	(1,105)	(4,771)
Finance income	6	4	-	10
Finance costs	(694)	(1,607)	(453)	(2,754)
Segment loss before taxation	(2,728)	(3,229)	(1,558)	(7,515)
Income tax credit				1,209
Loss for the year from continuing operations				(6,306)
Assets	33,574	97,905	6,450	137,929
Liabilities	(25,172)	(59,306)	(17,994)	(102,472)
Net assets	8,402	38,599	(11,544)	35,457
Capital additions to PPE	1,382	6,464	-	7,846
Capital additions to PPE excluding right of use assets	456	1,223	-	1,679

In addition to the revenues generated from external customers, The Real Greek segment also generated internal revenues from another segment to the value of £542,000 (2020: £643,000).

Within revenue from external customers, there was Eat Out To Help Out income of £1,195,000 (2020: £Nil)

1 SEGMENT INFORMATION (continued)

For the year ended 29 March 2020:

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
Revenue from:				
External customers	20,004	48,525	36	68,565
Headline EBITDA	3,655	12,229	(690)	15,194
Depreciation and amortisation	(2,898)	(7,828)	(31)	(10,757)
Headline operating profit/(loss)	757	4,401	(721)	4,437
Share based payments	(66)	(87)	(4)	(157)
Pre-opening costs	(120)	(563)	-	(683)
Amortisation of brand	-	(821)	-	(821)
Impairment of property plant and equipment	(189)	(71)	-	(260)
Change in fair value of investments	-	(248)	-	(248)
Cost of acquisition	(1)	(2)	-	(3)
COVID-19 related costs	(106)	(317)	(10)	(433)
Operating profit/(loss)	275	2,292	(735)	1,832
Finance income	4	6	-	10
Finance costs	(724)	(1,564)	(308)	(2,596)
Segment profit/(loss) before taxation	(445)	734	(1,043)	(754)
Income tax expense				(421)
Loss for the year from continuing operations				(1,175)
Assets	32,712	98,972	1,333	133,017
Liabilities	(25,254)	(55,982)	(13,021)	(94,257)
Net assets	7,458	42,990	(11,688)	38,760
Capital additions to PPE	5,678	10,698	9	16,385
Capital additions to PPE excluding right of use assets	1,650	5,555	9	7,214

Head office and PLC costs 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.

2 OPERATING (LOSS)/ PROFIT

	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Operating (loss)/profit is stated after charging:		
Staff costs (note 3)	12,767	25,524
COVID-19 related costs (note 3)	9,521	285
Other income:		
Coronavirus Job Retention Scheme grants (note 3)	(8,479)	(285)
..Other COVID-19 grants	(1,791)	-
Share based payments	91	157
Depreciation of property, plant and equipment		
Owned assets	4,883	4,657
Leased assets	6,171	6,025
Amortisation of intangible assets:		
Trademarks, licenses and franchises	97	74
Brand	821	821
Operating lease rentals:		
Short leases	188	-
Inventories – amounts charged as an expense	6,509	12,710
Auditor's remuneration:		
for statutory audit services	149	169
for other assurance services	8	-
for tax compliance services	-	42
for transactional services	9	-
Pre-opening costs	212	683
Exceptional costs:		
change in fair value of investments	-	248
impairment of property, plant and equipment	1,013	260
COVID-19 related costs	483	433

COVID-19 related costs of £483,000 (2020: £433,000) include the one off cost of temporarily closing of all restaurants following UK government instructions (such as stock wastage and other costs), one off property related costs and certain provisions made against expected credit losses arising from the impact of the COVID-19 pandemic.

3 EMPLOYEES

	Year ended 28 March 2021 No.	Year ended 29 March 2020 No.
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Administration and management	29	32
Restaurants	1,069	1,243
	1,098	1,275
The average monthly number of persons (including Directors) employed by the Company during the year was:		
Administration and management	7	7

	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Staff costs for above persons		
Salaries and fees	11,619	23,379
Defined contribution pension costs	218	407
Social security costs	930	1,738
	12,767	25,524
Share based payments	91	157
	12,858	25,681
Furlough related costs and grants		-
Furlough salaries and fees	8,783	267
Furlough defined contribution pension costs	591	4
Furlough social security costs	147	14
Coronavirus Job Retention Scheme grants	(8,479)	(285)
	1,042	-
	13,900	25,681

During the year ended 28 March 2021, the majority of staff were on furlough or flexi-furlough. The Group received grants from the UK Government under the Coronavirus Job Retention Scheme to enable such staff to be placed on furlough rather than made redundant as a result of the UK Government putting the UK under lockdown in the fight against the COVID-19 pandemic. Costs of employees on furlough have been recognised in Administrative Expenses while Coronavirus Job Retentions Scheme grants have been recognised within Other Income.

3 EMPLOYEES (continued)

DIRECTORS' REMUNERATION

The remuneration of Directors, who are the key management personnel of the company, is set out in aggregate and on a paid basis below. Further details of directors' emoluments can be found in the Report on Directors' Remuneration.

	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Salaries, fees and other short term employee benefits	608	942
Defined contribution pension costs	22	22
Social security costs	105	115
	735	1,079

In light of the impact of COVID-19 and the majority of staff on furlough or flexi-furlough during the year ended 28 March 2021, the Directors each waived 20% of their salaries throughout the whole of the financial year.

Included above are fees paid to related parties for the provision of directors' services which are further described in note 22.

Four Directors received pension contributions during the year (2020: Four).

During the year four directors (2020: two) exercised share options for a total of 9,440,470 (2020: 2,231,944) ordinary shares of the Company.

4 FINANCE COSTS

	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Interest expenses on bank loans and overdrafts	457	309
Interest on lease liabilities recognised under IFRS 16	2,297	2,287
	2,754	2,596

5 INCOME TAX EXPENSE

	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Income tax expense on continuing operations		
Based on the result for the year:		
UK corporation tax at 19% (2020: 19%)	-	446
Adjustment in respect of prior periods	(127)	(28)
Total current taxation	(127)	418
Deferred taxation:		
Origination and reversal of temporary timing differences		
Current year	(1,082)	3
Total deferred tax	(1,082)	3
Total tax (credit)/expense on (loss)/profit on continuing operations	(1,209)	421

Further information on the movement on deferred taxation is given in note 16.

5 INCOME TAX EXPENSE (continued)

Factors affecting tax charge for year:	Year ended 28 March 2021	Year ended 29 March 2020
	£'000	£'000
Loss before taxation from continuing operations	(7,515)	(754)
Taxation at UK corporation tax rate of 19% (2020: 19%)	(1,428)	(143)
Expenses not deductible for tax purposes	89	56
Depreciation/impairment on non-qualifying fixed assets	225	231
Tax effect from right of use asset accounting	228	205
Share based payments	(197)	70
Rate change on deferred tax liability	-	30
Adjustment to tax charge in respect of previous periods	(126)	(28)
Total income tax (credit)/expense in the income statement	(1,209)	421

Factors that may affect deferred tax charges are disclosed in note 16 including a breakdown of the adjustment to previously recognised deferred tax.

The UK corporation tax rate is expected to increase to 25% from 1 April 2023 but this has not yet been substantively enacted therefore deferred taxation does not take this rate into account. If enacted, it will increase the deferred tax recognised in the income statement.

6 EARNINGS PER SHARE

	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Loss for the purposes of basic and diluted earnings per share:	(6,306)	(1,193)
Share based payments	91	157
Deferred tax on share based payments	(214)	39
Pre-opening costs	212	683
Amortisation of brand	821	821
Deferred tax on amortisation of brand	(137)	(137)
Loss on disposal	3	
Exceptional costs		
– change of fair value of investment	-	248
– impairment of property, plant and equipment	1,013	260
– cost of acquisition	-	3
– COVID-19 related costs (net)	483	433
Headline (loss)/profit for the year for the purposes of headline basic and diluted earnings per share:	(4,034)	1,314

	Year ended 28 March 2021 No. '000	Year ended 29 March 2020 No. '000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	596,214	572,885
Effect of dilutive potential ordinary shares from share options	23,225	1,030
Weighted average number of ordinary shares in issue for the purposes of diluted earnings per share	619,439	573,915

6 EARNINGS PER SHARE (continued)

Further details of the share options that could potentially dilute basic earnings per share in the future are provided in note 18.

	Year ended 28 March 2021	Year ended 29 March 2020
Earnings per share:		
Basic and diluted	(1.1p)	(0.2p)
Headline Basic and diluted	(0.7p)	0.2p

During a period where the Group or Company makes a loss, accounting standards require that 'dilutive' shares for the Group be excluded in the earnings per share calculation, because they will reduce the reported loss per share; consequently, all per-share measures in the current period are based on the weighted number of ordinary shares in issue.

7 INTANGIBLE ASSETS

Group	Trademarks, License and franchises £'000	Software £'000	Brand £'000	Goodwill £'000	Total £'000
Cost					
31 March 2019	63	197	8,211	20,705	29,176
Additions	-	145	-	-	145
29 March 2020	63	342	8,211	20,705	29,321
Additions	5	23	-	-	28
28 March 2021	68	365	8,211	20,705	29,349
Accumulated amortisation					
31 March 2019	37	88	3,284	-	3,409
Charge in the year	5	69	821	-	895
29 March 2020	42	157	4,105	-	4,304
Charge in the year	8	89	821	-	918
28 March 2021	50	246	4,926	-	5,222
Net book value					
28 March 2021	18	119	3,285	20,705	24,127
29 March 2020	21	185	4,106	20,705	25,017

The amortisation charges for trademarks, license and franchises and software for the year are recognised within administrative expenses. The amortisation charges for brand for the year are presented after Headline Operating (Loss)/Profit.

As at 28 March 2021 brand intangible assets which relates to Franco Manca has a remaining amortisation period of 4 years (2020: 5 years).

Goodwill of £1,774,000 relates to The Real Greek and is attributable to its group of cash generating units.

Goodwill of £18,931,000 relates to the acquisition of Franco Manca Holdings Limited ("Franco Manca Holdings"). The goodwill is attributable to the cash generating units held within Franco Manca 2 UK Limited.

7 INTANGIBLE ASSETS (continued)

For the purposes of impairment testing, the Directors consider each of Franco Manca and The Real Greek, operating segments of the Group, as the lowest level within the Group at which the goodwill is monitored for internal management purposes. Each of these segments is made up of a group of separate restaurants which are cash generating units (CGUs) in their own right.

The recoverable amount for each segment and group of CGUs was determined using a value in use calculation based upon management forecasts for the trading results for that segment. Value in use calculations are based on:

- cash flow forecasts derived from the most recent financial forecasts for the 2022 and 2023 financial years for the sites open at the end of March 2021;
- extrapolated cash flow forecasts over the following twenty three years, an appropriate timeframe for branded restaurant businesses, using forecast growth rates based on the long term industry growth rate of 2%;
- less estimated annual capital expenditure required to maintain the existing restaurants' look and feel in each segment based on historic refurbishment programmes and investments in IT systems;
- a pre-tax discount rate of 10.25% (2020: 6.9%) which is the rate believed by the Directors to reflect the risks associated with the group of CGUs using a WACC model, and comparison to other available restaurant businesses.

Other than as disclosed below and any further impact on trade from COVID-19, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of any segment to materially exceed its recoverable amount. The estimated recoverable amount of The Real Greek and Franco Manca segments exceed their carrying values by £31,601,000 and £64,482,000 respectively. There are no reasonably plausible scenarios in which a change in the assumptions would lead to an impairment loss being recognised for the year ended 28 March 2021.

Similarly, following the impact of COVID-19 on trading during the year, it would be unlikely for all restaurants in each CGU to close temporarily to trading for the significant amount of time that would lead to an impairment loss being recognised.

8 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements £'000	Right of use assets £'000	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Assets under construction £'000	Total £'000
Cost						
31 March 2019	34,291		6,361	2,614	784	44,050
Recognition on adoption of IFRS 16	-	64,388	-	-	-	64,388
1 April 2019	34,291	64,388	6,361	2,614	784	108,438
Additions	4,879	9,171	1,366	656	313	16,385
Reclassification	551	-	36	97	(684)	-
Disposals	-	-	(8)	-	(26)	(34)
29 March 2020	39,721	73,559	7,755	3,367	387	124,789
Additions	1,043	5,329	355	162	119	7,008
Remeasurements	-	838	-	-	-	838
Reclassification	46	-	-	26	(72)	-
Disposals	(3)	(2,111)	(3)	-	-	(2,117)
28 March 2021	40,807	77,615	8,107	3,555	434	130,518
Accumulated depreciation and impairment						
31 March 2019	8,728	-	3,364	1,152	-	13,244
Charge in the year	2,892	6,025	1,300	465	-	10,682
Impairment	260	-	-	-	-	260
Disposals	-	-	(3)	-	-	(3)
29 March 2020	11,880	6,025	4,661	1,617	-	24,183
Charge in the year	3,145	6,171	1,242	496	-	11,054
Impairment	1,013	-	-	-	-	1,013
Disposals	(1)	(687)	(2)	-	-	(690)
28 March 2021	16,037	11,509	5,901	2,113	-	35,560
Net book value						
28 March 2021	24,770	66,106	2,206	1,442	434	94,958
29 March 2020	27,841	67,534	3,094	1,750	387	100,606

Right of use assets comprises assets relating to property leases.

8 PROPERTY, PLANT AND EQUIPMENT (continued)

An impairment review of property, plant and equipment is carried out when there is indication of impairment. For the purposes of impairment testing of property, plant and equipment, the Directors consider each restaurant unit as a separate cash generating units (CGUs). The recoverable amount for each CGU was determined using a value in use calculation based upon management forecasts for the trading results for those restaurants. Value in use calculations are based on:

- cash flow forecasts derived from the most recent financial forecasts for the 2022 financial year for the site being tested at the end of March 2021;
- extrapolated cash flow forecasts over the remaining unexpired length of the lease years using forecast growth rates based on run rate expectations for the initial five years that then reduce to the long term industry growth rate of 2%;
- incorporate any expected trading or cash flow impact from COVID-19;
- less estimated annual capital expenditure required to maintain the existing restaurants' look and feel in each segment based on historic refurbishment programmes;
- a pre-tax discount rate to cash flow projections of 10.25% (2020: 6.9%) which is the rate believed by the Directors to reflect the risks associated with the CGU using a WACC model with comparison to other available restaurant businesses.

The Group has also conducted a sensitivity analysis on the impairment test of the CGU carrying value including reducing sales level by reducing long term growth rate by 1 % and there is no reasonably expected change that would give rise to an impairment charge other than the CGUs listed below, where the overall impairment charge would increase by £191,000.

The following impairment charges have been recognised in the Statement of Comprehensive Income as exceptional costs – impairment of property, plant and equipment.

	28 March 2021 £'000 Impairment charge	28 March 2021 £'000 Recoverable amount	29 March 2020 £'000 Impairment charge	29 March 2020 £'000 Recoverable amount
For continuing operations				
Franco Manca restaurant 1	-	-	71	1,869
Franco Manca restaurant 2	240	-	-	-
Franco Manca restaurant 3	252	-	-	-
Franco Manca restaurant 4	56	130	-	-
Franco Manca restaurant 5	144	83	-	-
Total for Franco Manca operating segment	692	213	71	1,869
The Real Greek restaurant 1	-	-	20	1,278
The Real Greek restaurant 2	-	-	10	110
The Real Greek restaurant 3	-	-	159	1,383
The Real Greek restaurant 4	321	-	-	-
Total for The Real Greek operating segment	321	-	189	2,771
Total for the Group	1,013	213	260	4,640

8 PROPERTY, PLANT AND EQUIPMENT (continued)

The recoverable amounts shown above include the right of use assets recognised under IFRS 16 relating to the relevant CGU.

During the year ended 28 March 2021, the Group impaired the short term leasehold improvements in relation to one (2020: 2) property trading as Franco Manca, which is trading financially below management expectations. The remaining 3 (2020: Nil) restaurants trading as Franco Manca and one as The Real Greek (2020: Nil) were impaired following the closure of Debenhams where these sites were located as a concession. These sites continue to trade under short term leases or tenancies at will.

Parent Company	Leasehold improvements £'000	Plant and equipment £'000	Furniture, fixtures and fittings £'000	Total £'000
Cost				
31 March 2019	205	59	25	289
Additions	1	8	1	10
Disposals	-	(1)	-	(1)
29 March 2020	206	66	26	298
Additions	-	-	-	-
28 March 2021	206	66	26	298
Accumulated depreciation				
31 March 2019	59	47	10	116
Charge in the year	21	7	3	31
28 March 2020	80	54	13	147
Charge in the year	21	5	3	29
28 March 2021	101	59	16	176
Net book value				
28 March 2021	105	7	10	122
29 March 2020	126	12	13	151

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

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

9 INVESTMENTS

	28 March 2021 £'000	29 March 2020 £'000
Group		
Unlisted shares	-	245
Change in fair value	-	(245)
Loans at cost	-	83
Impairment of investments and loans	-	(83)
Carrying amount	-	-

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, including transaction costs and subsequently measured.

Following a further funding round during the year ended 29 March 2020, the Group holds 24% of the equity of Made of Dough Limited. Although the investment is for more than 20% of the investee and includes one board representation, the structure of the investee board, the shareholder agreement and the start up nature of the business operations has led the Group to conclude that the Group does not have significant influence over its operations and therefore it is not an associate.

Other investments classified as financial assets are stated at amortised cost using the effective interest method, less any impairment. During the year ended 29 March 2020, the Group recognised a movement in fair value of the unlisted shares in Made of Dough Limited given the uncertainty in valuation due to the ongoing impact of COVID-19 on the sector. Also during the year ended 29 March 2020, the Group recognised an impairment of the loan investment based on estimated future credit loss.

	28 March 2021 £'000	29 March 2020 £'000
Parent Company		
Cost and net book value		
Opening position	44,347	43,563
Investment in subsidiaries	83	784
Closing position	44,430	44,347

9 INVESTMENTS (continued)

As at 28 March 2021, the Company had the following subsidiary undertakings which are all registered at 1st Floor, 50-51 Berwick Street, London W1F 8SJ:

Name of subsidiary	Class of Holding	Proportion of shares held, ownership interest and voting power	Nature of business
Incorporated in England and Wales			
10DAS Limited	Ordinary	100%	Dormant
Café Pitfield Limited	Ordinary	100%	Dormant
CHG Brands Limited*	Ordinary	100%	Dormant
FM6 Limited*	Ordinary	100%	Restaurant property
FM98 LTD Limited*	Ordinary	100%	Operation of restaurants
FM111 Limited*	Ordinary	100%	Restaurant property
FM Catherine The Great Limited*	Ordinary	100%	Restaurant property
FM High Holborn Limited	Ordinary	100%	Restaurant property
FM London Bridge Limited	Ordinary	100%	Restaurant property
Franco Manca Holdings Limited	Ordinary	100%	Dormant
Franco Manca International Limited*	Ordinary	100%	Dormant
Franco Manca 1 UK Limited	Ordinary	100%	Restaurant property
Franco Manca 2 UK Limited*	Ordinary	100%	Operation of restaurants
Kefi Limited	Ordinary	100%	Dormant
Souvlaki & Bar Limited*	Ordinary	100%	Restaurant property
The Real Greek Bracknell Limited	Ordinary	100%	Restaurant property
The Real Greek Food Company Limited*	Ordinary	100%	Operation of restaurants
The Real Greek International Limited*	Ordinary	100%	Dormant
The Real Greek (Norwich) Limited*	Ordinary	100%	Dormant
The Real Greek Wine Company Limited*	Ordinary	100%	Restaurant property

* Held by subsidiary undertaking

10 INVENTORIES

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Raw materials	532	528	-	-
Consumables	1,444	1,378	-	-
	1,976	1,906	-	-

Inventories are charged to cost of sales in the consolidated comprehensive statement of income.

11 TRADE AND OTHER RECEIVABLES

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Included within non-current assets:				
Amounts receivable from subsidiaries	-	-	9,456	10,567
Other receivables	935	1,081	-	-
	935	1,081	9,456	10,567
Included within current assets:				
Trade receivables	1,009	606	-	-
Other receivables	491	235	-	61
Prepayments and accrued income	1,221	1,501	53	89
	2,721	2,342	53	150
	3,656	3,423	9,509	10,717

Other receivables due after more than one year relate to rent deposits.

Amounts receivable from subsidiaries in the Company due after more than one year are unsecured and earn interest at 3.5% above LIBOR.

Receivables are denominated in sterling.

The Group and Company hold no collateral against these receivables at the balance sheet date. The Directors consider that the carrying amount of receivables are recoverable in full and approximates to their fair value. As the risk of a credit loss is low there is no material ECL adjustment required.

12 CASH AND CASH EQUIVALENTS

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Cash at bank and in hand	12,270	2,056	5,797	1,030

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 to their fair value.

13 TRADE AND OTHER PAYABLES

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Included in current liabilities:				
Trade payables	5,670	5,386	60	83
Other taxation and social security payable	765	1,661	96	86
Other payables	971	808	95	-
Accruals	6,771	4,625	1,743	1,140
	14,177	12,480	1,994	1,309

Trade payables are all denominated in sterling and comprise amounts outstanding for trade purchases and ongoing costs and are non-interest bearing.

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

14 BORROWINGS

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Short term borrowings:				
Bank loans	3,730	-	3,730	-
Lease liabilities	7,909	5,163	-	-
	11,639	5,163	3,730	-
Long term borrowings:				
Bank loans	12,120	11,540	12,120	11,540
Lease liabilities	63,078	63,051	-	-
Amounts owed to subsidiary undertakings	-	-	235	3,197
	75,198	74,591	12,355	14,737
	86,837	79,754	16,085	14,737

As at 28 March 2021, the Group's committed Sterling borrowing facilities comprises a revolving credit facility of £14,250,000 (2020: £14,250,000), a Coronavirus Large Business Interruption Loan facility ("CLBIL") of £10,750,000 (2020: £Nil), both expiring between one and five years and a bank overdraft facility, repayable on demand, of £750,000 (2020: £750,000) from HSBC Bank PLC ("HSBC") which are secured by a mortgage debenture in favour of HSBC representing fixed or floating charges over all assets of the Group. The Group benefited from covenant waivers from HSBC during the year ended 28 March 2021.

The interest rate applicable on the revolving credit facility is 2.50% above LIBOR and the CLIBIL is 1.95% above LIBOR. The interest rate applicable on the bank overdraft is 2.5% over base rate. The overdraft facility was undrawn as at 28 March 2021.

Amounts owed to subsidiary undertakings are amounts borrowed from The Real Greek Food Company Limited, a subsidiary of the Company and are repayable on 29 March 2021. The interest rate applicable on the amounts owed to subsidiary undertakings is 3.5%.

14 BORROWINGS (continued)

The maturity profile of the Group's lease liabilities as at 28 March 2021 was as follows:

	28 March 2021 £'000	29 March 2020 £'000
Within one year	7,909	5,163
In more than one year but less than two years	5,086	5,354
In more than two years but less than three years	5,060	5,270
In more than three years but less than four years	5,173	5,085
In more than four years but less than five years	5,084	4,778
In more than five years	45,047	44,899
	73,359	70,549
Effect of discounting	(2,372)	(2,335)
Lease liabilities	70,987	68,214

There are no committed lease liabilities not yet commenced at 28 March 2021.

Interest expense on borrowings for the year is disclosed in Note 4 finance costs.

15 CAPITAL AND FINANCIAL MANAGEMENT

The Group is exposed to financial risks which could affect the Group's future financial performance.

This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them.

The Group finances its operations through equity, borrowings and cash generated from operations. For borrowings other than lease liabilities, the Group's policy is to borrow centrally using a mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries.

15 CAPITAL AND FINANCIAL MANAGEMENT (continued)

Financial assets and liabilities
The Group and Company had the following financial assets and liabilities:

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Non-current financial assets				
Amounts owed by subsidiary undertakings	-	-	9,456	10,567
Other receivables	935	1,081	-	-
Current financial assets				
Cash at bank and in hand	12,270	2,056	5,797	1,030
Trade and other receivables*	1,500	841	-	-
	14,705	3,978	15,253	11,597
Current financial liabilities				
At amortised cost – borrowings	11,639	5,163	3,730	-
At amortised cost – payables**	13,412	10,819	1,898	1,223
Non-current financial liabilities				
At amortised cost – borrowings	75,198	74,591	12,120	11,540
At amortised cost – payables	-	-	235	3,197
	100,249	90,573	17,983	15,960

* excludes other taxation and social security receivable and prepayments included in trade and other receivables in note 11.
** excludes other taxation and social security and deferred income included in trade and other payables in note 13.

15 CAPITAL AND FINANCIAL MANAGEMENT (continued)

The maturity analysis table below analyses the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

For the year ended 28 March 2021

	Less than 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000	Total £'000
Cash at bank and in hand	12,270	-	-	12,270
Trade and other receivables	1,500	117	818	2,435
Bank loans and overdrafts	(3,730)	(12,120)	-	(15,850)
Lease liabilities	(2,930)	(2,867)	(65,190)	(70,987)
Trade and other payables	(13,412)	-	-	(13,412)
	(6,302)	(14,870)	(64,372)	(85,544)

For the year ended 29 March 2020

	Less than 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000	Total £'000
Other investments	2,056	-	-	2,056
Cash at bank and in hand	841	93	988	1,922
Trade and other receivables	-	(11,540)	-	(11,540)
Bank loans and overdrafts	(30)	(4,056)	(64,128)	(68,214)
Trade and other payables	(10,819)	-	-	(10,819)
	(7,952)	(15,503)	(63,140)	(86,595)

The financial instruments recognised on the balance sheets and shown above are all loans and receivables and financial liabilities at amortised cost.

15 CAPITAL AND FINANCIAL MANAGEMENT (continued)

The maturity analysis table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

For the year ended 28 March 2021

	Less than 1 year £'000	Between 1 and 5 years £'000	Total £'000
Cash at bank and in hand	5,797	-	5,797
Trade and other receivables	-	9,456	9,456
Bank loans and overdrafts	(3,730)	(12,120)	(15,850)
Trade and other payables	(1,898)	(235)	(2,133)
	169	(2,899)	(2,730)

For the year ended 29 March 2020

	Less than 1 year £'000	Between 1 and 5 years £'000	Total £'000
Cash at bank and in hand	1,030	-	1,030
Trade and other receivables	-	10,567	10,567
Bank loans and overdrafts	-	(11,540)	(11,540)
Trade and other payables	(1,223)	(3,197)	(4,420)
	(193)	(4,170)	(4,363)

The financial instruments recognised on the balance sheets and shown above are all loans and receivables and financial liabilities at amortised cost.

Liquidity Risks
The Group and Company had a committed long term revolving credit facility of £14,250,000 (2020: £14,250,000), a committed long term Coronavirus Large Business Interruption Loan facility of £10,750,000 (2020: £Nil) and short term bank overdraft facilities available to manage its liquidity as at 28 March 2021 of £750,000 (2020: £750,000).

15 CAPITAL AND FINANCIAL MANAGEMENT (continued)

Market Risks
The Group's market risk exposure arises mainly from its floating interest rate interest bearing borrowings. Only the following financial assets and liabilities were interest bearing:

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Floating rate				
Cash at bank and in hand	12,270	2,056	5,797	1,030
Bank loans	(15,850)	(11,540)	(15,850)	(11,540)
	(3,580)	(9,484)	(10,053)	(10,510)

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

Weighted average interest rates paid for bank loans during the year ended 28 March 2021 were 2.2% and year ended 29 March 2020 were 1.9% and the weighted average interest rates paid for bank overdrafts during the year ended 28 March 2021 were 2.5% and year ended 29 March 2020 were 2.5%.

The Group has performed a sensitivity analysis based on a 0.5% variance in LIBOR element of floating interest rates. The annualised impact of an increase in LIBOR by 0.5% applied to the balance of floating rate bank loans at the year end would result in increased finance costs of £79,250 (2020: £57,700).

Foreign Exchange Risks
During the years ended 28 March 2021 and 29 March 2020, the Group did not receive or pay significant amounts denominated in foreign currencies. As purchasing from foreign franchised territories that is not denominated or agreed in Sterling increase to a significant level, the Group will implement a foreign exchange management policy.

15 CAPITAL AND FINANCIAL MANAGEMENT (continued)

Credit Risks

The Group's exposure to credit risk arises mainly from as follows:

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Cash at bank and in hand	12,270	2,056	5,797	1,030
Trade receivables and other receivables	1,500	841	9,456	10,567
	13,770	2,897	15,253	11,597

The Group estimated that a future credit loss was likely in relation to a deposit made (2020: credit loss in relation to the other investments held by the Group). Therefore the Group has recognised an impairment of £69,000 during the year ended 28 March 2021 (2020: £3,000). The carrying amounts of the other financial assets above are considered to be recoverable in full and approximate to their fair value. They are neither past due nor impaired and the expected credit loss is not considered to be material.

The majority of the Group's cash balances have been held in current accounts savings accounts at HSBC Bank PLC during the years ended 28 March 2021 and 29 March 2020 and did not earn any significant interest. The Group estimates that there is no material expected credit loss.

The majority of the Group's trade receivables are due for settlement within 7 days and largely comprise amounts receivable from credit and debit card clearing houses and online food delivery companies. As the Group has no material credit facilities granted to customers no credit losses have been estimated.

The Group's other receivables predominantly comprises of deposits held by landlords and suppliers and the Group estimates that there is no material expected credit loss on these.

The Company's trade and other receivables are made up of loans to its subsidiary undertaking, Franco Manca 2 UK Limited. The Company has undertaken procedures to determine whether there has been a significant increase in credit risk. Where these procedures identify a significant increase in credit risk, the loss allowance is measured based on the risk of a default occurring over the expected life of the instrument. The Company estimates that there is no increase in credit risk identified given the nature of the balances held and there is no additional credit risk expected from the impact of COVID-19.

COVID-19 risks

The macro economic impact of the COVID-19 pandemic is uncertain, and continues to evolve, with potential disruption to financial markets including to currencies, interest rates, borrowing costs and the availability of debt financing. However, the Group's financial risk management strategies seek to reduce our potential exposure in relation to these risks. During the year, the Group:

- raised further funds from an equity placing and subscription;
- extended the maturity date of the RCF facility by 12 months to March 2022; and
- completed a new loan facility under the UK Government's CLBIL scheme for a three year term.

15 CAPITAL AND FINANCIAL MANAGEMENT (continued)

The combined effect of these actions have added an additional £13m of headroom to the Group's capital structure.

Fair Values of Financial Assets and Financial Liabilities
The fair value amounts of the Group's and Company's financial assets and liabilities as at 28 March 2021 and 29 March 2020 did not materially vary from the carrying value amounts.

16 DEFERRED TAXATION

Analysis of movements in net deferred tax balance during the period:

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
As at 29 March 2020	(1,879)	(1,623)	3	287
Tax on share based payments	290	(253)	290	(253)
Transfer from/(to) reserves	290	(253)	290	(253)
Movement in accelerated capital allowances	303	(101)	-	-
Tax on share based payments	214	(39)	185	(31)
Tax on losses	429	-	-	-
Tax on intangible assets	137	137	-	-
Transfer from/(to) profit and loss	1,083	(3)	185	(31)
Net deferred tax (liability)/asset	(506)	(1,879)	478	3

During the year ended 28 March 2021, the Group and Company transferred £290,000 deferred tax charge to reserves (2020: £253,000 from reserves) in relation to deferred tax on share based payments.

16 DEFERRED TAXATION (continued)

The Group's deferred taxation liability disclosed above relates to the following:

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Deferred tax assets				
Share options	513	9	478	3
Tax losses	429	-	-	-
Deferred taxation assets	942	9	478	3
Deferred tax liabilities				
Accelerated capital allowances	901	1,203	-	-
Intangible assets	547	684	-	-
Deferred taxation liabilities	1,448	1,887	-	-

The Company has losses of 981,000 (2020: £285,000) which, subject to agreement with HM Revenue & Customs, are available to offset against the respective Company's future profits. A deferred taxation asset in respect of these losses of £186,000 (2020: £54,000) has not been recognised in the financial statements. Although the directors are confident that the Company will achieve future profitability in line with current expectations the timing of such profits is uncertain and therefore the directors have not recognised the entire deferred tax asset. The Directors have recognised deferred tax assets in relation to the share based payment charge recognised in the year as such deferred tax asset may be used against future group tax relief.

17 SHARE CAPITAL

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Allotted, issued called up and fully paid: 619,057,651 (2020: 573,617,181) ordinary shares of 1p each	6,191	5,736	6,191	5,736

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

On 20 August 2020, the Company issued 36,000,000 Ordinary Shares of £0.01 and were allotted for cash at £0.0625 per Ordinary Share.

On 24 February 2021, the Company issued 3,392,772 Ordinary Shares of £0.01 which were allotted for cash at £0.05 per Ordinary Share following the exercise of certain share options in the Company. On the same day, the Company issued a further 3,332,842 Ordinary Shares of £0.01 which were allotted for cash at £0.06 per Ordinary Shares following the exercise of certain share options in the Company.

On 3 March 2021, the Company issued 2,714,856 Ordinary shares of £0.01 which were allotted for cash at £0.06 per Ordinary Share following the exercise of certain share options in the Company.

18 SHARE BASED PAYMENTS

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

The Group operates four share plans:

- The Fulham Shore Enterprise Management Incentive ("EMI") Share Option Plan;
- The Fulham Shore Unapproved Share Option Plan ("Unapproved Plan");
- The Fulham Shore Company Share Option Plan ("CSOP"); and
- The Fulham Shore Share Incentive Plan ("SIP")

The Group's Share Plans provide for a grant price equal to the market price of the Company shares on the date of grant. The vesting period on all Share Plans except the SIP is 3 years with an expiration date 7 to 10 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. For the SIP, the vesting period ranges from 1 day to 3 years with an expiration date 10 years from the date of grant. For the initial grant under the SIP, the shares are not forfeited if the employee leaves the Group before vesting. On all schemes, there are no other material vesting conditions.

The charge recorded in the financial statements of the Group in respect of share-based payments is £91,000 (2020: £157,000).

The Fulham Shore EMI, Unapproved Plan and CSOP

Outstanding share options under The Fulham Shore EMI, The Fulham Shore Unapproved Share Option Plan and The Fulham Shore CSOP to acquire ordinary shares of 1 pence each as at 28 March 2021 are as follows:

	Year ended 28 March 2021	Year ended 29 March 2020
	'000	'000
At the beginning of the year	64,851	63,808
Granted during the year	-	4,225
Exercised during the year	(9,441)	(2,232)
Lapsed during the year	(2,115)	(950)
At the end of the year	53,295	64,851

18 SHARE BASED PAYMENTS (continued)

Weighted average exercise price

	Year ended 28 March 2021 £	Year ended 29 March 2020 £
At the beginning of the year	0.10	0.09
Granted during the year	-	0.11
Exercised during the year	(0.06)	(0.02)
Lapsed during the year	(0.14)	(0.15)
At the end of the year	0.10	0.10

Outstanding and exercisable share options to acquire ordinary shares of 1 pence each as at 28 March 2021 under various Group share plans are as follows:

For the year ended 28 March 2021

Range of exercise prices	Options outstanding			Options exercisable		
	Number of shares '000	Weighted average exercise price £	Weighted average remaining contractual life months	Number of shares '000	Weighted average exercise price £	Weighted average remaining contractual life months
EMI						
£0.06	3,332	0.0600	7	3,332	0.0600	7
	3,332	0.0600	7	3,332	0.0600	7
Unapproved						
£0.06	13,805	0.0600	43	13,805	0.0600	43
£0.1015	1,492	0.1015	87	-	-	-
£0.11	23,373	0.1100	49	23,373	0.1100	49
£0.1125	1,595	0.1125	100	-	-	-
£0.17625	785	0.1763	75	785	0.1763	75
£0.1775	162	0.1775	71	162	0.1775	71
£0.1825	1,421	0.1825	63	1,421	0.1825	63
	42,633	0.0975	52	39,546	0.0967	48
CSOP						
£0.1015	1,518	0.1015	87	-	-	-
£0.1125	2,180	0.1125	100	-	-	-
£0.17625	915	0.1763	75	915	0.1763	75
£0.1775	538	0.1775	71	538	0.1775	71
£0.1825	2,179	0.1825	63	2,179	0.1825	63
	7,330	0.1438	81	3,632	0.1802	67

18 SHARE BASED PAYMENTS (continued)

For the year ended 29 March 2020

Range of exercise prices	Options outstanding Number of shares '000	Weighted average exercise price £	Weighted average remaining contractual life months	Options exercisable Number of shares '000	Weighted average exercise price £	Weighted average remaining contractual life months
EMI						
£0.05	2,779	0.0500	11	2,779	0.0500	11
£0.06	9,440	0.0600	19	9,440	0.0600	19
	12,219	0.0519	14	5,011	0.0519	14
Unapproved						
£0.05	554	0.0500	11	554	0.0500	11
£0.06	13,805	0.0600	19	13,805	0.0600	19
£0.1015	1,692	0.1015	99	-	-	-
£0.11	23,873	0.1100	25	23,873	0.1100	25
£0.1125	1,695	0.1125	112	-	-	-
£0.17625	1,085	0.1763	87	-	-	-
£0.1775	162	0.1775	83	162	0.1775	83
£0.1825	1,557	0.1825	75	1,557	0.1825	75
	44,423	0.0979	33	39,951	0.0950	25
CSOP						
£0.1015	1,733	0.1015	99	-	-	-
£0.1125	2,530	0.1125	112	-	-	-
£0.17625	915	0.1763	87	-	-	-
£0.1775	638	0.1775	83	638	0.1775	83
£0.1825	2,393	0.1825	75	2,393	0.1825	75
	8,209	0.1427	93	3,031	0.1814	77

During the year ended 28 March 2021, the market price of ordinary shares in the Company ranged from £0.0475 (2020: £0.0450) to £0.1650 (2020: £0.1290). The share price as at 28 March 2021 was £0.1525 (2020: £0.055).

The fair value of the options is estimated at the date of grant using a Black-Scholes valuation model. There were no options issued during the year ended 28 March 2021.

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.

18 SHARE BASED PAYMENTS (continued)

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 for the grants were as follows:

	Year ended 28 March 2021	Year ended 29 March 2020
Weighted average expected life	-	3 years
Weighted average exercise price	-	11.25 pence
Risk free rate	-	0.75%
Expected volatility	-	52.5%
Expected dividends	-	-

The Fulham Shore SIP

The Fulham Shore SIP was introduced during the year ended 27 March 2015. Outstanding ordinary shares of 1 pence each granted under The Fulham Shore SIP as at 28 March 2021 are as follows:

	Year ended 28 March 2021 '000	Year ended 29 March 2020 '000
At the beginning of the year	591	591
Exercised during the year	(12)	-
At the beginning and end of the year	579	591

For the year ended 28 March 2021

Range of exercise prices	SIP shares outstanding: Number of shares '000	SIP shares outstanding: Weighted average exercise price £	SIP shares outstanding: Weighted average remaining contractual life months	SIP shares exercisable: Number of shares '000	SIP shares exercisable: Weighted average exercise price £	SIP shares exercisable: Weighted average remaining contractual life months
Nil	579	-	49	579	-	49
	579	-	49	579	-	49

18 SHARE BASED PAYMENTS (continued)

For the year ended 29 March 2020

Range of exercise prices	SIP shares outstanding			SIP shares exercisable		
	Number of shares ‘000	Weighted average exercise price £	Weighted average remaining contractual life months	Number of shares ‘000	Weighted average exercise price £	Weighted average remaining contractual life months
Nil	591	-	61	591	-	61
	591	-	61	591	-	61

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

19 NOTE TO CASH FLOW STATEMENTS

Reconciliation of net cash flows from operating activities

	Group		Parent company	
	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
Loss for the year	(6,306)	(1,175)	(948)	(739)
Income tax (credit)/expense	(1,209)	421	(185)	31
Loss before tax	(7,515)	(754)	(1,133)	(708)
Finance income	(10)	(10)	(479)	(466)
Finance costs	2,754	2,596	507	439
Operating (loss)/profit for the year	(4,771)	1,832	(1,105)	(735)
Adjustments				
Depreciation and amortisation	11,972	11,577	29	31
Impairment	1,013	263	-	-
Change in fair value	-	245	-	-
Loss on disposal of fixed assets	3	23	-	1
Share based payments expense	91	157	8	4
Cost of acquisition	-	14	-	10
Operating cash flows before movements in working capital	8,308	14,111	(1,068)	(689)
Increase in inventories	(70)	(142)	-	-
(Increase)/decrease in trade and other receivables	(233)	(59)	97	(32)
Increase/(decrease) in trade and other payables	1,700	1,307	685	(3)
Cash generated from/(used in) operations	9,705	15,217	(286)	(724)
Income taxes paid	-	(375)	-	-
Net cash flow from/(used in) operating activities	9,705	14,842	(286)	(724)

19 NOTE TO CASH FLOW STATEMENTS (continued)

Changes in net debt from financing activities

Group	Cash and Cash Equivalents £'000	Lease liabilities due within 1 year £'000	Lease liabilities due after 1 year £'000	Bank loans due within 1 year £'000	Bank loans due after 1 year £'000	Total £'000
Net debt as at 31 March 2019	1,835	-	-	-	(11,240)	(9,405)
IFRS 16 transitional adjustment	-	(4,668)	(58,715)	-	-	(63,383)
Net debt as at 1 April 2019	1,835	(4,668)	(58,715)	-	(11,240)	(72,788)
Cash flows	221	4,332	-	-	(300)	4,253
Additions to lease liabilities	-	(4,827)	(4,336)	-	-	(9,163)
Net debt as at 29 March 2020	2,056	(5,163)	(63,051)	-	(11,540)	(77,698)
Cash flows	10,214	1,972	-	-	(4,310)	7,876
Reallocation	-	(4,915)	4,915	(3,730)	3,730	-
Additions to lease liabilities	-	(141)	(5,188)	-	-	(5,329)
Remeasurements to lease liabilities	-	(131)	(707)	-	-	(838)
Reduction of lease liabilities	-	469	953	-	-	1,422
Net debt as at 28 March 2021	12,270	(7,909)	(63,078)	(3,730)	(12,120)	(74,567)

Net debt before lease liabilities recognised under IFRS 16 as at 28 March 2021 was £3,580,000 (2020: £9,484,000).

19 NOTE TO CASH FLOW STATEMENTS (continued)

Parent Company	Cash and Cash Equivalents £'000	Bank loans due within 1 year £'000	Bank loans due after 1 year £'000	Total £'000
Net debt as at 31 March 2019	22	-	(13,721)	(13,699)
Cash flows	1,008	-	(1,016)	(8)
Net debt as at 29 March 2020	1,030	-	(14,737)	(13,707)
Cash flows	4,767	-	(1,348)	3,419
Reallocation	-	(3,730)	3,730	-
Net debt as at 28 March 2021	5,797	(3,730)	(12,355)	(10,288)

20 LEASE COMMITMENTS

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

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Land and buildings within one year	100	6	-	-
	100	6	-	-

The commitment included above relates to annual lease commitments under short term leases that have not been included in borrowings and will be included as operating lease rentals in the following year. Within the terms of the leases for land and buildings are commitments for variable pay that are dependent on turnover. These have not been disclosed in the above table due to the variable nature of these payments.

21 CAPITAL COMMITMENTS

The Group capital expenditure contracted for but not provided in the financial statements as follows:

	Group		Parent company	
	28 March 2021 £'000	29 March 2020 £'000	28 March 2021 £'000	29 March 2020 £'000
Committed new restaurant builds	902	503	-	-

22 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, and in note 3. Details of share options granted to Directors are also shown in the Report on Directors' Remuneration.

Transactions with Directors other than compensation
During the year ended 28 March 2021, DM Page, NAG Mankarious, N Wong and N Donaldson, directors of the Company, exercised options over 9,440,470 ordinary shares (2020: DM Page and NAG Mankarious exercised options over 2,231,944 ordinary shares). The aggregate gains made on the exercise of the options during the year was £561,000 (2020: £223,000).

During the year ended 29 March 2020, the Group acquired approximately 1% minority interests in its two subsidiaries: Kefi Limited ("Kefi"), which owns the subsidiary that owns and operates The Real Greek; and Franco Manca Holdings Limited (formerly Rocca Limited) ("FM Holdings"), which owns the subsidiary that owns and operates Franco Manca, for a total consideration of £628,026 in cash from DM Page and NAG Mankarious, both directors of the Company.

Other related party transactions
During the year, the Group was invoiced £58,000 (2020: £101,000) for the services of NJ Donaldson by London Bridge Capital Partners LLP, a business in which NJ Donaldson is a partner, and the balance outstanding at 28 March 2021 was £Nil (2020: £18,000). This arrangement ended on 31 December 2020.

22 RELATED PARTY DISCLOSURES (continued)

During the year the Group invoiced £71,000 (2020: £71,000) in rent relating to a property leased to Meatailer Limited, a company in which DM Page and NAG Mankarious are directors and shareholders and NJ Donaldson and NCW Wong are shareholders. No COVID-19 related support was granted to Meatailer Limited during the year. The balance outstanding as at 28 March 2021 owed by Meatailer Limited was £Nil (2020: £1,000). During the year Meatailer Limited invoiced the Group and Company £48,000 (2020: £30,000) for a volume rebate received by the Group that was attributable to Meatailer Limited on a joint purchasing deal earned from a third party supplier and the Group £Nil (2020: £2,000) for a staff Christmas Party. The balance outstanding as at 28 March 2021 owed to Meatailer was £Nil (2020: £2,000).

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 provided restaurant management services to the following subsidiaries:

Amounts invoiced (including VAT)

	Parent company	
	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
The Real Greek Food Company Limited	623	636
Franco Manca 2 UK Limited	1,302	845
	1,925	1,481

22 RELATED PARTY DISCLOSURES (continued)

During the year the Company also loaned amounts to the following subsidiaries:

Amounts loaned/(repaid)

	Parent company	
	Year ended 28 March 2021 £'000	Year ended 29 March 2020 £'000
10DAS Limited	2	(1)
The Real Greek Food Company Limited	2,959	(716)
Franco Manca 2 UK Limited	(1,111)	(1,296)
	1,850	(2,013)

Amounts outstanding at year end

	Parent company	
	28 March 2021 £'000	29 March 2020 £'000
10DAS Limited	(14)	(16)
The Real Greek Food Company Limited	(221)	(3,180)
Franco Manca 2 UK Limited	9,456	10,567
	9,221	7,371

The Company was a legal guarantor and a party to an agreement in which 10DAS Limited during the year, a subsidiary company, entered into a lease of a restaurant space. The total potential aggregate minimum lease payments that has been called under this guarantee at the end of the year were £Nil (2020: £Nil).

23 SUBSEQUENT EVENTS

Impact of Covid-19

On 6 January 2021, the UK Government issued direct instructions to again temporarily close all restaurants to dine-in trade as part of wider efforts in the fight against Covid-19. All of the Group's restaurants therefore once again closed to dine in trade with a handful of restaurants fully closed.

Following the financial year end and since 12 April 2021, the date from which the UK Government determined that restaurants could reopen to serve dine-in customers outdoors if safe to do so, the Group has undertaken a gradual reopening of its restaurants to dine in customers. On 17 May 2021 , the UK Government allowed restaurants to reopen indoor dining areas, with social distancing rules, if safe to do so. The Group has since early June reopened all restaurants to dine-in customers but with social distancing rules applied thus with fewer available covers. On 19 July 2021, social distancing rules were removed by the UK Government thus allowing all restaurants to increase capacity back to similar levels to those prior to the start of the pandemic in March 2020.