THE FULHAM SHORE PLC

ANNUAL REPORT

YEAR ENDED 27 MARCH

2022

OUR RESTAURANTS

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Background
The Fulham Shore PLC (the “Group”, the “Company” or “Fulham Shore”) was incorporated in March 2012 to invest in high potential businesses across the UK restaurant and food service sector. The ordinary shares of Fulham Shore were admitted to trading on AIM in October 2014.

Fulham Shore currently operates 89 restaurants in the UK: 23 The Real Greek (www.therealgreek.com) and 66 Franco Manca (www.francomanca.co.uk).

Highlights – Year ended 27 March 2022

- Revenue increased 105% to £82.7m (2021: £40.3m) with pandemic related trading restrictions implemented by the UK Government which were completely lifted in mid July 2021; these had been in place throughout most of the previous financial year
- Increasing number of customers served by the Group gathering momentum towards the end of the year
- Six new Franco Manca pizzeria and four new The Real Greek restaurants opened during the year ended 27 March 2022 in the UK (2021: two Franco Manca pizzeria and one The Real Greek restaurant)
- Entered into first Franco Manca franchise agreement for Greece, with two new Franco Manca pizzeria opened under franchise (2021: none)
- Total restaurants operated by the Group as at 27 March 2022 were 82 (2021: 72) in the UK and 84 (2021: 72) globally
- Headline EBITDA* of £20.3m (2021: £9.0m) and Adjusted Headline EBITDA* of £12.4m excluding IFRS 16 (2021: £1.9m)
- EBITDA* of £19.5m (2021: £8.7m) and Adjusted EBITDA* of £11.4m excluding IFRS 16 (2021: £1.6m)
- Headline operating profit of £9.0m (2021: loss of £2.2m)
- Impairment charge on property, plant and equipment of £0.6m (2021: £1.0m)
- Operating profit of £6.7m (2021: loss of £4.8m)
- Profit before tax of £3.9m (2021: loss of £7.5m)
- Strong financial position with net cash excluding lease liabilities recognised under IFRS 16 as at 27 March 2022 of £4.3m (2021: net debt £3.6m), an improvement of £7.9m

- Post year end highlights:
  - Seven new Franco Manca pizzeria opened across the UK, taking total to 66 Franco Manca in the UK and 68 globally
  - Four more Franca Manca are being fitted out in Chichester, Hove, Lincoln and Windsor
  - One new The Real Greek opened and one closed due to a lack of return to pre-pandemic footfall in the retail leisure park, taking total to 23 The Real Greek in the UK
  - Two new The Real Greek under construction in Solihull and Gloucester Quays
  - 16 further sites are in solicitors' hands, extending the Group's strong opening pipeline
  - Net cash (excluding lease liabilities recognised under IFRS 16) as at 19 July 2022 was £5.1m
  - Group continues to trade in line with management expectations in Q1 of FY2023

The above numbers are for continuing operations.

* Definition of Headline EBITDA, Adjusted Headline EBITDA and EBITDA and Adjusted EBITDA can be found on pages 10 and 54.

Introduction
Over the past two years since March 2020, COVID-19 has had an unprecedented impact on UK society and on the hospitality sector in particular.

We believe that we are one of the success stories emerging from this difficult period. Led by our experienced Board and senior management team, we were able to pivot our two businesses to respond to our customers' preferences and operate within government safety guidelines. We are now operating a greater number of restaurants than two years ago.

All our employees worked tirelessly during those two years to keep our businesses going and, whenever we were allowed to open, our customers chose to come back to us in great numbers.

We remained cash flow positive and viable during all the lockdown periods, and as can be seen from our consolidated cashflow statement, we have turned from a net debt position two years ago to a positive net cash position now.

The Group has emerged stronger than ever from the last two years of turmoil.

Financial year ended 27 March 2022
The year ended 27 March 2022 began with some government restrictions still in place but come mid July 2021 the Group's restaurants were allowed to trade as normal. Trading was impacted again in December 2021 and January 2022 by the government's working from home advice, however we benefited from support measures including lower VAT rates and business rates relief during the year. The Group's revenue for the year ended 27 March 2022 was £82.7m, up 105% from last year's £40.3m last year and up 20.6% from £68.6m for the year ended 29 March 2020.

The Group remained cash flow positive during the financial year. Net cash, excluding lease liabilities recognised under IFRS 16, as at 27 March 2022 was £4.3m. This was a positive swing of £7.9m during the financial year from a net debt position of £3.6m in March 2021 and an even bigger change, of some £13.8m, from the net debt position of £9.5m in March 2020.

Franco Manca traded encouragingly throughout the year and is now serving record numbers of well over 100,000 customers each week. More than 310,000 customers are registered to the Franco Manca loyalty app, an increase of almost 50% compared to the prior year.

The Real Greek performed even more strongly, helped by some fantastic new openings which increased the business' profile throughout the UK. These included two new restaurants in Manchester which opened within a few weeks of each other and quickly became amongst the Group's strongest performing Real Greek sites by revenue.

Fulham Shore's financial year to 27 March 2022 was underpinned by the steadily rising number of customers per week.

Current trading and outlook

As at 20 July 2022, the Group operated 89 restaurants. We aim to have around 100 locations by the spring of 2023, including the 18 new sites we plan to open in the current financial year to March 2023.

We are now regularly taking over £2m per week in net group revenues.

With help of the return of overseas tourists, the disparity between suburban and regional towns versus city centre locations has narrowed with some city centre locations returning to comparatively 'normalised' patterns. For instance, our St Paul's and Covent Garden Franco Manca sites are generating record weekly sales thanks to UK and overseas tourists, more than making up for any reduction in office staff customers at these locations.

In the three months since the beginning of our current financial year, we have continued to trade well at Headline EBITDA level, in line with management expectations.

Market overview

Analysts believe that the number of casual dining outlets across the UK restaurant market could have contracted by as much as 17% over the last two years.

The contraction of retail space has resulted in over 14% of the high street retail space being vacant. CVAs and closures that have ensued across the restaurant sector have enabled both of our businesses to obtain sites at favourable rent levels.

We are benefiting from this by taking over not only some former restaurants but also some former retail locations. The cost to convert the latter sites is higher as they don't have extract systems, toilets, utility supply capacity, etc., but they are sometimes the most prominent locations within towns and therefore the turnover they contribute to the Group is commensurately higher.

Of the seven new Franco Manca openings in the last few months, three sites were vacated by restaurant businesses, three by retail businesses and one by a bank. Of the last five new The Real Greek opened, all five sites were vacated by restaurant businesses. Each opening provides jobs not only to those in hospitality but also the UK building industry.

Medium term

The UK economy and consumer spending are predicted to enter a period of turbulence in the coming months. Recent market analysis has detailed a shift in consumer spending to experiences and social outings rather than clothing or big-ticket items. We keep our prices at, or sometimes below, a basket of our competitors' menus. We believe our customers approve of this particularly as household incomes become increasingly squeezed. As a result, with our low menu price points, we have not seen any shift in customer demand.

With the 17% reduced supply capacity of UK casual dining restaurant site numbers, we expect a continuing demand for successful restaurant operators. Our aim is to keep prices across both Franco Manca and The Real Greek at a level that presents both propositions as a viable financial alternative to eating at home, at least once a week.

We still source our quality ingredients from local suppliers where possible and we have motivated teams of incentivised staff despite a tight labour market.

Property

Landlords will continue to face an uphill task over the next few years and we believe rents will continue to decline under pressure from empty retail and restaurant space.

There continues to be un-let premises all around the UK in unprecedented numbers. As pointed out above by our list of recent openings, we and others will benefit from this. The vacant high street sites will be let at lower rents to smaller expanding chains and independents.

This will lead to a revitalisation of town centres - Kingston upon Thames and Peterborough are prime examples of where this is happening - helped by enlightened local planning and positive local council measures.

The normal balance of the supply and demand ratio for property sites alongside tenants may, however, not happen for some years.

Whilst some landlords are seeing demand for London West End areas increase, driven by the return of tourists and the cheap pound, others will have to wait a long time for even prime positions around the country to be taken up by good restaurant operators. We believe that this will take many years.

We have now reached agreement with all our UK based landlords regarding waivers or rent concessions over the last two years. Rent reviews that are coming due are almost all being agreed at nil increases.

As a result of static or reducing rental values, we are agreeing rates reductions on our existing and new properties.

All this should lead to maintaining or reducing the Group's property costs in percentage terms for our existing estate over the next few years. This will offset some of the impact of the energy cost inflation that we are experiencing.

The Group continues to be offered many new sites, former retail shops, former ground floor offices and former chain restaurants.

Given the improved trading and popularity of our two businesses we continue to adapt our expansion strategy for the next three years keeping in mind the number of suitable sites available and the cash generation of the Group. We are building a strong pipeline of new locations to support this opening programme.

Since the start of the new financial year to March 2023 we have opened Franco Manca in Canterbury, Kingston Upon Thames, Edinburgh Stockbridge, Peterborough and three in Manchester (Didsbury, King Street and Trafford Centre). We have opened one The Real Greek in Newcastle and closed the small Greek on the Street unit in Boxpark Croydon as footfall has still not recovered.

We now have 66 Franco Manca and 23 The Real Greek in the UK.

We are fitting out four new Franco Manca in Chichester, Hove, Lincoln and Windsor and two new The Real Greek restaurants in Solihull and Gloucester Quays.

From the firm foundation of our current estate, we have identified many more excellent locations in the UK for both Franco Manca and for The Real Greek.

To this end, and supported by the Group's current trading performance, a further 16 sites are in solicitors' hands.

These sites will continue our existing opening programme for this financial year and the next to March 2024, with a view to operating over 120 restaurants in the UK by the spring of 2025.

With steady expansion, this should bring our total estate to over 250 restaurants in the UK.

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 this year made investment in an experienced team to capitalise on the opportunity to establish our brands overseas.

During the financial year ended 27 March 2022, Franco Manca entered into a franchise agreement for expansion within Greece. The franchisee has plans for a minimum of six restaurants to be opened over the next three years with the first two pizzeria opened during the financial year.

The Group continues to explore a number of additional international territories where franchised restaurants could be opened, and is currently in discussions regarding territories in Europe, the Middle East, and Africa.

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 by the Board for the year ended 27 March 2022.

Due to our strong cash generation, the Board intends to review the suitability of a dividend policy, as well as a small share buy back programme, during this financial year to March 2023.

Financing
The Group financial position continues to be healthy and its bankers, HSBC, continue to be supportive of the Group's opening programme. We have current undrawn facilities of around £15.9m. This is made up of a revolving credit facility of £17.0m, of which £1.85m is drawn and an overdraft facility of £0.75m.

During the financial year ended 27 March 2022, the Group repaid the remaining £9.3m UK Government backed CLBIL facility that supported the business during the height of lockdown uncertainty.

Net cash, excluding lease liabilities recognised under IFRS 16, as at 27 March 2022 was £4.3m (2021: net debt of £3.6m).

As at 19 July 2022, net cash (excluding lease liabilities recognised under IFRS 16) was £5.1m. Together with undrawn facilities, the Group has financial headroom of some £21m.

The Group intends to continue to fund its expansion programme primarily from operating cash flow and will utilise its existing bank facilities as and when required.

Current outlook
As we write this report the UK Government has been in disarray for a few weeks: the Prime Minister has resigned and there is increasing pressure on the UK consumer.

Our restaurants are still crowded with customers seeking a great experience and importantly value for money in the current inflationary climate.

We always aim to keep our prices low. This drives high customer numbers per site making for busy restaurants, a fun atmosphere for all, and motivated employees.

We continue to source our food ethically and where we can, locally. This combined with higher volumes in our restaurants and therefore for our suppliers has helped to mitigate some raw ingredients price rises. Together with menu inflation and successful rent reviews, the Company maintained its margin expectations for the full year.

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

Fulham Shore has the financial headroom to continue our controlled expansion programme with our cash balances and borrowing facilities.

We look forward with confidence to the continued growth of the Group.

DM Page
Chairman

20 July 2022

Fulham Shore's performance in the year ended 27 March 2022 is summarised in the table below:

For continuing operations	Year ended 27 March 2022 £m	Year ended 28 March 2021 £m	Change %
Revenue	**82.7**	**40.3**	**105.2%**
Headline EBITDA*	**20.3**	**9.0**	**125.6%**
Adjusted Headline EBITDA*	***12.4***	***1.9***	***5526%***
Headline operating profit/(loss)	9.0	(2.2)	
EBITDA*	**19.5**	**8.7**	**124.1%**
Adjusted EBITDA*	***11.4***	***1.6***	***612.5%***
Operating profit/(loss)	6.7	(4.8)	
Profit/(loss) before taxation	3.9	(7.5)	
Profit/(loss) for the year	3.7	(6.3)	
Basic earnings per share	0.6p	(1.1p)	
Diluted earnings per share	0.6p	(1.1p)	
Headline basic earnings per share	0.9p	(0.7p)	
Headline diluted earnings per share	0.9p	(0.7p)	
Cash flow from operating activities	24.5	9.7	152.6%
Development capital expenditure	7.8	1.7	358.8%
Net debt	80.1	74.6	7.4%
(Net cash)/Net debt (excluding lease liabilities)	**(4.3)**	**3.6**	

Number of restaurants operated in the UK	No.	No.	
Franco Manca	59	53	+11.3%
The Real Greek	23	19	+21.1%
	82	72	+13.9%

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

	Year ended 27 March 2022 £m	Year ended 28 March 2021 £m
Profit/(loss) before taxation	3.9	(7.5)
Finance costs	2.9	2.8
Depreciation and amortisation	11.3	11.1
Amortisation of brand	0.8	0.8
Exceptional costs:		
– Impairment of property, plant and equipment	0.6	1.0
– Covid-19 related costs	–	0.5
EBITDA	**19.5**	**8.7**
Share based payments	0.1	0.1
Pre-opening costs	0.7	0.2
Headline EBITDA	**20.3**	**9.0**
Adjustment for rent expenses	*(7.9)*	*(7.1)*
Adjusted Headline EBITDA	***12.4***	***1.9***
EBITDA	19.5	8.7
Adjustment for rent expenses	(8.1)	(7.1)
Adjusted EBITDA	11.4	1.6

This year ended 27 March 2022 comprised 52 full weeks of trading (2021: 52 weeks).

Total Group revenue from continuing operations for the year ended 27 March 2022 increased by 105% to £82.7m from £40.3m last year. This increase was driven by the return to unrestricted trading since the middle of July 2021 versus UK Government's COVID-19 trading restrictions being in place through most of the previous financial year.

These restrictions impacted the Group in three ways:

- social distancing rules reduced the capacity available in each restaurant by as much as 40% throughout the first 16 weeks of the year ended 27 March 2022 and throughout the entire previous financial year;

- up until 12 April 2021, restaurants were ordered to stay closed to dine-in customers UK wide while some of the Group's restaurants offered takeaway, click and collect and delivery services, then until 17 May 2021, some restaurants with outdoor seating provided a restricted outdoor dining service;

- Working from home advice over December 2021 and January 2022 reduced dine in footfall.

The Group's revenues also benefited from the reduced VAT rate on food sales and certain soft drinks sales during the year ended 27 March 2022.

During the year, despite the impact of COVID-19 restrictions on the Group in the early part of the financial year, we opened six new Franco Manca pizzeria and four new The Real Greek restaurant across the UK. This takes the total restaurants operated by the Group in the UK to 82 (2021: 72) at year end.

Group Headline EBITDA and Adjusted Headline EBITDA (as defined in page 54 of the financial statements and reconciled on page 10) 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 £20.3m (2021: £9.0m), an increase of 125.6% while Adjusted Headline EBITDA for the year was £12.4m (2021: £1.9m), an increase of 552.6% on the prior year. As the impact of the lockdowns was felt at the beginning of the financial year, the Group's effective cost saving measures in both variable and fixed costs reduced the cost base of the Group.

During the year ended 27 March 2022, the Group benefited from £2.4m (2021: £10.3m) of other income which included various UK Government coronavirus support and grants. Of this amount, our staff who were furloughed or flexi furloughed benefited from £0.8m (2021: £8.5m) from the Coronavirus Job Retention Scheme while the remaining grants were applied against fixed costs of the businesses. In addition, the Group benefited from business rates holiday on restaurant properties. The Group is also very grateful for the continued support of many of our landlords who offered rent concessions during the affected periods.

Group depreciation and amortisation, excluding amortisation of the Franco Manca brand, increased 1.9% to £11.4m (2021: £11.1m) following the number of new restaurants opened during the year and the previous year. The Group incurred one off costs in the year of £0.6m (2021: £1.0m) from impairment charges for one restaurant (2021: 5) which was previously impacted by COVID-19 during the year and has not recovered at the same rate as other Group restaurants since the return to normal trading. The Group's four restaurants, that were subject of impairment charges in the previous financial year, located in Debenhams department stores prior to the COVID-19 pandemic are still trading but under short term leases or tenancies at will while negotiations with the ultimate landlords continue for a longer-term solution. In the year ended 27 March 2022, the Group did not incur any exceptional costs (2021: £0.5m) relating to the temporary closure of the restaurants. These one off costs, have been offset by the positive Headline EBITDA, leading to an increase in adjusted operating profit to £6.7m (2021: loss of £4.8m).

With our new openings, we have invested £0.7m (2021: £0.2m) in pre-opening costs. Finance costs have increased to £2.9m (2021: £2.8m). The Group's gross bank debt decreased to £1.9m (2021: £15.9m) with net debt reduced during the year. Overall this has resulted in a profit before taxation of £3.9m (2021: loss £7.5m).

The Group's tax charge was £0.2m (2021: credit of £1.2m). The tax charge for the year was particularly low primarily due to the tax deductibility of the exercise of share options in the year as well as the recognition of the deferred tax asset on IFRS16 leases. The Group's profit after tax was £3.7m (2021: loss £6.3m).

Our basic and diluted earnings per share from continuing operations was 0.6p (2021: basic and diluted loss 1.1p) whilst Headline basic and diluted earnings per share was 0.9p (2021: basic and diluted loss per share 0.7p).

Cost inflation
During the year, weakness of Sterling against both the Euro and the US Dollar from uncertainty over Brexit, the post COVID-19 demand growth and supply crunch from the war in Ukraine and closed borders in China has continued to drive 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 a 5.6% (2021: 6.2%) 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 therefore pay at least the National Living Wage to all employees. This positions the Group as an industry employer of choice during a challenging time for the UK hospitality industry's labour market.

The Group's other two material cost items are rent and utility costs. Rental inflation of our estate at rent review has subsided as a result of the COVID-19 impact on the commercial rental market. New leases entered by the Group have seen improved rental deals as well as longer rent frees and significant landlord contributions. During the year the Group benefited from landlord contributions totalling over £1.2m on new sites acquired. Utility cost inflation continues to be volatile as the wholesale cost of energy has been impacted by the movement of global economic adjustments and the war in Ukraine. The majority of restaurants in the Group benefit from fixed price contracts until October 2022.

During the last few months, the Group has seen significant inflation in building materials for its fitting out projects due primarily to a combination of commodity prices and supply issues. However as more of the Group's projects are existing restaurants, the reduced requirement for building materials mitigates part of this inflation. Overall average fit out costs have increased by approximately 12% compared to a year ago.

Cash flows and balance sheets
The Group's cash flow from operating activities has increased by £14.8m to £24.5m primarily as a result of a return to normal trading during the year following the impact of COVID-19 restrictions in the UK.

We invested £7.8m (2021: £1.7m), before right of use asset additions, in development capital. This was primarily in new restaurants but also included investments in outdoor dining spaces for both businesses, and investment in IT systems including further development of the Franco Manca loyalty app. As at 27 March 2022 there were 290,000 users (2021: 209,000) signed up to Franco Manca loyalty scheme, an increase of 39%. This has now grown to over 310,000 users today.

In addition, we recognised £19.7m (2021: £6.2m) right-of-use assets in relation to the 13 (2021: 3) 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 £19.7m (2021: £6.2m).

Following the repayment of the Company's facility under the government backed Coronavirus Large Business Interruption Loan Scheme, on 3 November 2021, the Company completed an amendment and restatement of its revolving credit facility agreement for an increase in the amount available under its debt facility with HSBC Bank plc from £14.25m to £17.0m. Under the new arrangements, the term of the Company's revolving credit facility was also extended by 32 months from March 2022 to November 2024. The Company banking facilities with HSBC now total £17.75m including the existing £0.75m overdraft facility.

During the year ended 27 March 2022, the Company received funds on exercise of outstanding share options of £0.5m (2021: £0.5m).

During the years ended 27 March 2022 and 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 the majority of concession deals have been completed during this period. As at 27 March 2022, short term lease liabilities included £0.4m historic deferred rents (2021: £2.8m).

Resultant net cash from our activities excluding lease liabilities recognised under IFRS 16 as at 27 March 2022 was £4.3m (2021: net debt £3.6m). Since the year end, as at 19 July 2022, the Group's net cash (excluding lease liabilities recognised under IFRS 16) position improved to £5.1m.

People
During the year, the Group's key operations were within the UK. As detailed above, the Group continued to benefit from the UK Government's Coronavirus Jobs Retention Scheme and the flexible furlough of some operational staff across the Group during the first quarter of financial year when the restaurants were either temporarily closed or restricted from trading fully.

With the Group's opening programme, the Group continued to create more new jobs in its new restaurants. Although staff recruitment continues to be challenging, the impact on the Group's openings has not been as great since most of the openings are outside London and the Southeast where the impact has been more pronounced. 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.

During the year ended 27 March 2022, both businesses introduced a service charge on dine in bills on reopening at the beginning of the financial year. This enabled staff to participate in the service charge through a tronc scheme in each business.

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, extended the maturity date of the RCF facility by 32 months to November 2024.

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 two years, 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 remains 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 has changed some of its ingredients to UK grown ingredients.

Inflation
The impact of inflation on cost increases across food, drink and utilities can be significant. To mitigate these issues, the Group undertake alternative supplier selection, securing longer term contracts to fix pricing or purchasing negotiations taking into account benefits from volume growth arising from significant number of new openings. Utility contracts have been fixed for the majority of the Group's restaurants to October 2022.

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 as well as enhanced training programmes.

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 have 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.

Allergens
The Group relies on its team members following allergen policies and procedures to ensure our customers do not suffer from inaccurate or insufficient information concerning allergens. To mitigate this risk, all restaurants are provided detailed allergen information for all foods and drink served and all staff undertake allergen training across all businesses.

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, accruals that arise directly from the Group's operations and property leases. 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.

Approved on behalf of the Board.

NCW Wong
Finance Director

20 July 2022

Throughout the year, in performance of its duties, the Board has had regard to the interests of the Group's key stakeholders and taken account of the potential impact on these stakeholders of the decisions it has made. Details of how the Board had regard to the following matters under Section 172 of the Companies Act 2006 ("S172 Matters") are as follows:

S172 Matters	Specific examples
(a) The likely consequences of any decision in the long term	● The Board's focus on Fulham Shore's positioning for successful growth in the future ● Our corporate governance framework as described in this annual report ● Communications with our shareholders through our website, circulars, our AGM and investor meetings
(b) The interests of the Group's employees	● Protecting our teams in the COVID-19 pandemic, for example, by providing personal protective equipment, furloughing many staff during the periods of lockdown, and when required encouraging working from home where possible ● Employee engagement through newsletters, communication tools, surveys and career development opportunities ● Improving the Group's ongoing training and development programmes ● Established whistleblowing procedures
(c) The need to foster the Group's business relationships with suppliers, customers and others	● Partnering and regular communications with suppliers including proactive discussions around macro-economic issues e.g. inflation ● Protecting our customers and suppliers during the COVID-19 pandemic ● Encouraging and responding to customer feedback through websites, social media and our feedback management system ● The successful launch and continuing development of the loyalty application in Franco Manca ● The successful launch of the virtual queue application in Franco Manca
(d) The impact of the Group's operations on the community and the environment	● Local community action, for example working with food banks and donating pizza and souvlakis to NHS workers during the COVID-19 pandemic ● Recruitment undertaken locally ● Local sourcing of some products to establish stronger bonds with the local community ● Ongoing focus on environmentally friendly operating procedures, for example undertaking an Energy Savings Opportunity Scheme audit (carried out by an independent third party specialist) during the course of the 2022 Financial Year

S172 Matters	Specific examples
(e) The desirability of the Group maintaining a reputation for high standards of business	● Upholding ethical standards in HR practices and ingredients sourcing ● Regular compliance updates at Board meetings ● Ongoing staff training and communication ● Regular restaurant visits ● Strong audit processes covering food safety, human resource compliance and financial process compliance amongst others
(f) The need to act fairly as regards stakeholders in the company	● Shareholder and, more widely, stakeholder engagement ● Maintaining an open dialogue with our shareholders and other interested parties ● One class of share capital ensures that all shareholders are treated equally

Approved on behalf of the Board.

DM Page
Chairman

20 July 2022

The Directors of The Fulham Shore PLC are:

David Page – *Executive Chairman*
David trained as both a cartographer and a teacher. He was the owner and managing director of the largest PizzaExpress franchisee organisation – the G&F Group – from 1973 to 1993. The flotation of PizzaExpress PLC took place in 1993. David was chief executive of PizzaExpress and then chairman until it was acquired by a private equity house in 2002. Following the sale of PizzaExpress in 2003, David founded and was chairman of The Clapham House Group PLC from 2003 to 2010, the owner of Gourmet Burger Kitchen ("GBK") and Bombay Bicycle Club. David's investment portfolio in the sector includes shareholdings in a range of restaurants, including: Rocca di Papa and MEATliquor.

Nabil Mankarious – *Managing Director*
Nabil came to the United Kingdom from Alexandria, Egypt in 1986 to study medicine. Whilst a student, he started work in the kitchen of a PizzaExpress restaurant and rose through the ranks to become Regional Director for PizzaExpress London in 2001. From 2006 until 2011, Nabil was head of Group Purchasing at The Clapham House Group PLC and head of operations at GBK, its largest subsidiary company. Nabil has a number of business interests, both in hospitality and also in other fields including shareholdings in Rocca di Papa, MEATliquor, Trafilia (The Pasta Factory) and La Piccola Deli.

Nicholas Donaldson – *Director and Company Secretary*
Nick, a barrister by profession, has spent the majority of his career in the corporate finance field. Nick worked as Head of Corporate Finance and M&A at Credit Lyonnais Securities from 1996 until 2000. Thereafter he was Head of Investment Banking in Europe for Robert W. Baird and subsequently Head of Corporate Finance at Arbuthnot Securities. Nick has spent the majority of his career providing strategic advice to companies in a range of sectors, including the restaurant sector. Nick is non-executive chairman of AIM quoted DP Poland PLC. He was a co-founder of The Clapham House Group PLC, which was the subject of a recommended takeover in 2010.

Nicholas Wong – *Finance Director*
Nick qualified as a chartered accountant with Baker Tilly and specialised, pre and post qualification, in corporate finance. From 2005 to 2013, Nick was the Group Finance Director and Company Secretary of The Clapham House Group PLC and worked on the acquisitions of several restaurant businesses including GBK, the disposal of several restaurant businesses and the recommended takeover of The Clapham House Group PLC in 2010. During this time GBK grew from 6 to over 60 restaurants in the UK and over 10 internationally. Nick also looked after the IT and online strategy of various restaurant businesses, introducing numerous loyalty and social media systems into those businesses.

Martin Chapman – *Independent Non-executive Director*
In November 2012, Martin exercised his option to take early retirement after a 38 year career with HSBC Bank plc. For the 10 years prior to his retirement, Martin held the position of Head of Corporate Banking for HSBC's largest Corporate Banking team based in the West End of London. In addition to managing and leading a large team of senior managers, Martin had ultimate responsibility for managing the Bank's relationship with a large number of corporate customers covering almost all industry sectors and included a substantial number of publicly quoted companies. As well as the general mid market corporate business, Martin was also responsible for the Bank's Corporate Real Estate business for Southern England as well the Bank's Corporate Hotel business for the whole of the UK. Martin has spent the majority of his career in Corporate Banking where he has gained considerable experience in leading strategic discussion with management teams/shareholders and stakeholders in exploring debt financing options and Capital Market solutions for supporting growth, whether organically or by way of acquisition or merger activities. Martin is also a non executive director of Weston Group plc and Octagon Developments Limited.

Des Gunewardena – *Independent Non-executive Director*
Des qualified as a chartered accountant at Ernst & Young and was responsible for financial planning at property conglomerate Heron International during the mid-1980's. In 1991 he joined design entrepreneur Sir Terence Conran as his business partner and CEO. During their 15 year period together Terence and Des built Conran from a small design company into a global restaurant, retail, hotel and design company employing 2,000 staff in the major cities of the world. In 2006 Des, as its Chairman and CEO led a buyout of Conran Restaurants (now renamed D&D London), a luxury restaurant group that owns and operates over 40 venues in London, Leeds, Manchester, Bristol, Paris and New York. D&D also owns South Place, an 80 bedroom luxury hotel in the City of London. Des and business partner David Loewi are current UK group restauranteurs of the year. Des has previously held non-executive directorships of publicly listed restaurant and design companies. For a number of years Des has been listed as one the Evening Standard's Top 1,000 most influential Londoners and in 2013 was shortlisted as EY's London Entrepreneur of the year.

I have pleasure in introducing the Company's Corporate Governance Statement. As an AIM quoted company the Board of The Fulham Shore PLC recognises the importance of ethical behaviour groupwide and of sound corporate governance. In line with updated AIM Rules, the Company adopted the Quoted Companies Alliance ("QCA") Guidelines during our 2019 Financial Year. As Chairman I am responsible for ensuring that the Board operates effectively and that a high standard of corporate governance is upheld throughout the Group. The Board is accountable to the Company's shareholders for good governance, and our Directors hold each other to account in maintaining a high ethical standard in their behaviour and decision making. We believe that our corporate culture is consistent with the Company's objectives, its strategy and business model. We work hard to ensure that the whole Fulham Shore team is properly engaged with our business, including our risks and opportunities. Through our in-house training systems, regular communications to staff members and through visiting our restaurants 'ad hoc' and speaking to the staff there, we believe that we have a good understanding of the mood and the aspirations of the Fulham Shore team. We believe that, thanks to these processes and despite COVID-19, we have a consistent, strong corporate culture, appropriate for a business which operates two successful consumer brands in a growing number of communities. The enthusiasm to grow our business remains strong.

The Board

The Board is the body responsible for the Group's objectives, its policies and the stewardship of its resources. The Board comprises four executive directors and two non-executive directors. The profiles of the Board members appear on pages 17 and 18 of this report. These indicate the high level and range of business experience held by the directors which enables the Group to be managed effectively. Details of the Directors' shareholdings in the Company are given on page 27. All members of the Board have access to the services and advice of the company secretary.

The Board has a schedule of matters reserved for its decision, which includes material capital commitments, business acquisitions and disposals and Board appointments. Directors are given appropriate information for each Board meeting, including reports on the current financial and trading position. The Board is required to act in the way it considers would be most likely to promote the success of the Company for the benefit of its members as a whole, and in so doing, to have regard to the interests of certain stakeholders and the other matters set out in section 172 of the Companies Act 2006.

As noted in the section headed "Principal risks and uncertainties" in the "Strategic Report – Financial Review" on pages 13 and 14 of this report, the Board has in place effective procedures for identifying and addressing risks which might affect the business of the Group.

Board Committees

The Board considers its governance framework to be appropriate for the Group at the present time. The Board has delegated authority to the following Committees and there are written terms of reference for each committee outlining its authority and duties:

The Audit Committee

The Audit Committee comprises the Company's two non-executive directors: DAL Gunewardena, who acts as chairman of the Audit Committee, and MA Chapman. A quorum shall be two members of the Audit Committee. The Audit Committee will meet at least twice a year and at such other times as the chairman of the Audit Committee shall deem necessary. The Audit Committee receives and reviews reports from management and the Company's auditors relating to the interim and annual accounts and keeps under review the accounting and internal controls which the Company has in place.

Remuneration Committee
The Remuneration Committee comprises the Company's two independent non-executive directors: MA Chapman, who acts as chairman of the Remuneration Committee, and DAL Gunewardena. A quorum shall be two members of the Remuneration Committee. The Remuneration Committee will meet at such times as the chairman of the Remuneration Committee or the Board deem necessary. The Remuneration Committee shall determine and review the terms and conditions of service of the executive directors and the non-executive directors. The Remuneration Committee will also review the terms and conditions of any proposed share incentive plans, to be approved by the Board and the Company's shareholders.

Board appointments
The Company does not have a Nomination Committee. Any Board appointments are dealt with by the Board itself. Any Director appointed during the year is required to retire and seek election by shareholders at the next Annual General Meeting following their appointment. The Articles of Association of the Company provide that any Directors who were not appointed or re-appointed at one of the two preceding Annual General Meetings must retire and may offer themselves for re-appointment.

Board attendance
Directors are expected to attend all of the meetings of the Board and the Committees on which they sit, and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors. In the event that Directors are unable to attend a meeting, their comments on board papers to be considered at the meeting are discussed in advance with the Chairman or the Finance Director so that their contribution can be included in the wider Board discussions.

Attendance of each board member during the financial year ended 27 March 2022 was as follows:

	Attended Meetings	Full Board Meetings % of Meetings Attended	Attended Meetings	Audit Committee % of Meetings Attended	Attended Meetings	Remuneration Committee % of Meetings Attended
DM Page	12	100%	N/A	N/A	N/A	N/A
NAG Mankarious	12	100%	N/A	N/A	N/A	N/A
NJ Donaldson	12	100%	N/A	N/A	N/A	N/A
NCW Wong	12	100%	N/A	N/A	N/A	N/A
MA Chapman	12	100%	2	100%	2	100%
DAL Gunewardena	11	100%	2	100%	2	100%

During periods of UK lockdown in the early part of the financial year, the Board had in place a weekly video call to monitor COVID-19 developments, the Group's performance and to discuss and agree appropriate, rapid responses. All Board members, executive and non-executive, attended these calls. The attendance of members of the Board at these weekly calls was consistently at a high level.

External appointments
Executive Directors are permitted to accept external appointments with the prior approval of the Board, where there is no adverse impact on their role with the Group. Such appointments should broaden their experience. Any fees arising from such roles may be retained by the Director.

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

Board performance evaluation
During the year, notwithstanding the UK Government's mandate to work from home where possible, the Board undertook informal internal performance evaluation of the Directors and the Board Committees addressing, above all, the effectiveness and continuing commitment of the Directors.

The Board continues to believe that the Company has a well-balanced Board with a good range of skills. Mindful of the above, the Board continues to believe that the performance of Fulham Shore's directors is effective. The non-executive directors continue to demonstrate their independence, and all directors continue to demonstrate their continued commitment to the role.

The Board believes that the Board and its Committees continue to work well together with the right balance of skills and expertise. Succession planning continues to be a key area of focus to support the Company's long-term plans.

Independence of the Auditor
The Audit Committee undertakes a formal assessment of the auditor's independence each year which will include:

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

An analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in note 2 to the financial statements.

Annual General Meeting
Shareholders are encouraged to attend and vote at the Company's General Meetings so that they can discuss strategy and governance with the Board. The full Board usually attends the Annual General Meeting and is available to answer shareholders' questions.

DM Page
Chairman

20 July 2022

Remuneration Committee
The Remuneration Committee is authorised by the Board to determine the Company's remuneration policy on executive and non-executive Directors' service contracts and remuneration including share based incentive awards. The Remuneration Committee is chaired by MA Chapman, independent non-executive director. DAL Gunewardena also served on the committee during the year.

The Company has chosen to apply the Corporate Governance Code published by the Quoted Companies Alliance. This report has been prepared taking account of the latest revision of the QCA Code.

External advisers
The Remuneration Committee seeks and considers advice from independent remuneration advisers where appropriate. The appointed advisers, FIT Remuneration Consultants ("FIT"), were selected following a thorough process led by the Chairman of the Remuneration Committee at the time and were appointed by the Remuneration Committee in 2019. The Chairman of the Remuneration Committee has direct access to the advisers as and when required. The advice and recommendations of the external advisers are used as a guide, but do not serve as a substitute for thorough consideration of the issues by each Remuneration Committee member. Advisers attend committee meetings occasionally, as and when required by the Remuneration Committee.

FIT is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees.

FIT was appointed to advise on market practice; governance; provision of market data on executive reward; reward consultancy; advice specific to remuneration matters in the context of COVID-19; and performance analysis.

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

Directors' remuneration
Below is a summary of the pay packages awarded to the Directors including bonuses, if any, earned in respect of the financial year (which will be paid in cash in the following year).

Year ended 27 March 2022

	Salary £'000	Waived* £'000	Bonus £'000	Benefits £'000	Pensions £'000	Total £'000
Executive Directors						
DM Page	200	(10)	151	9	–	350
NAG Mankarious	217	(11)	164	4	11	385
NJ Donaldson	61	(3)	46	7	–	111
NCW Wong	194	(10)	147	2	10	343
	672	(34)	508	22	21	1,189
Non-executive Director						
MA Chapman	49	(2)	–	–	1	48
DAL Gunewardena	39	(2)	–	–	1	38
	760	(38)	508	22	23	1,275

Year ended 28 March 2021

	Salary £'000	Fees £'000	Waived* £'000	Bonus £'000	Benefits £'000	Pensions £'000	Total £'000
Executive Directors							
DM Page	195	–	(39)	–	6	–	162
NAG Mankarious	212	–	(42)	–	3	11	184
NJ Donaldson**	15	44	(12)	–	5	–	52
NCW Wong	189	–	(38)	–	1	9	161
	611	44	(131)	–	15	20	559
Non-executive Director							
MA Chapman	47	–	(9)	–	–	1	39
DAL Gunewardena	38	–	(7)	–	–	1	32
	696	44	(147)	–	15	22	630

* In light of trading during the year ended 27 March 2022, the usual annual review on 1 April 2021 was not undertaken and all Directors and certain members of the senior management agreed to waive 20% of their basic salary from 29 March 2021 up until 30 June 2021 (in addition to that waived during the year ended 28 March 2021) at which time all Group restaurants had reopened for trading and all staff had to return to work from furlough. The Executive Directors additionally waived their bonuses for this same quarter. The annual review was undertaken with effect from 1 July 2021.

** The fees, bonus and benefits in respect of NJ Donaldson were paid to London Bridge Capital Partners LLP for his services as a Director of the Company up to 31 December 2020. From 1 January 2021, NJ Donaldson was remunerated directly by the Company.

Retirement benefits
During the year ended 27 March 2022, the Company made pension contributions for eligible directors into a defined contribution scheme at a rate of 3% to 5% of basic salary. The Company also provided death in service benefits to all Directors and certain members of the senior management team.

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

Under these arrangements, certain Directors are entitled to performance related bonuses and participation in share based incentive schemes. The performance related bonuses for Executive Directors are based 70% on achieving and overdelivering on the Group's budgeted Headline EBITDA for the financial year and 30% on non-financial performance (based on board effectiveness, successful restaurant openings and customer satisfaction). The details of the share based incentive schemes are given in note 18 to the Financial Statements.

Directors' interests in Group share based incentive schemes
The interests of the Directors under the Group's share based incentive schemes as at 27 March 2022 were as follows:

	Options outstanding as at 28 March 2021 No.	Options exercised during the year No.	Options outstanding as at 27 March 2022 No.	Exercise Price £	Exercisable Date	Expiry Date
Enterprise Management Incentives						
DM Page	3,332,842	(3,332,842)	–	0.06	20/10/2017	20/10/2022
Unapproved						
DM Page	1,647,256	(1,647,256)	–	0.06	20/10/2017	20/10/2024
	4,732,795	–	4,732,795	0.11	21/04/2018	21/04/2025
NAG Mankarious	1,647,256	(1,647,256)	–	0.06	20/10/2017	20/10/2024
	4,732,795	–	4,732,795	0.11	21/04/2018	21/04/2025
NCW Wong	2,205,242	(2,205,242)	–	0.06	20/10/2017	20/10/2024
	4,732,795	–	4,732,795	0.11	21/04/2018	21/04/2025
NJ Donaldson	4,980,098	(4,980,098)	–	0.06	20/10/2017	20/10/2024
	4,732,795	–	4,732,795	0.11	21/04/2018	21/04/2025
MA Chapman	3,325,135	(3,325,135)	–	0.06	20/10/2017	20/10/2024
	2,366,397	–	2,366,397	0.11	21/04/2018	21/04/2025

During the year ended 27 March 2022, the market price of ordinary shares in the Company ranged from £0.144 (2021: £0.0475) to £0.1985 (2021: £0.1650). The share price as at 27 March 2022 was £0.155 (2021: £0.1525). There are no performance conditions attached to vesting of the share options.

DM Page, NAG Mankarious, NCW Wong, NJ Donaldson and MA Chapman exercised options over 17,137,829 ordinary shares during the year ended 27 March 2022 (2021: DM Page and NAG Mankarious exercised options over 9,440,470 ordinary shares). The aggregate gains made on the exercise of options during the year was £2,056,539 (2021: £599,756).

The total share based payments charge in relation to the Directors' interest in share options recognised in the Group during the year was £Nil (2021: £Nil).

Details of the Directors' shareholdings are given in the Directors' Report on page 27.

Arrangements for 2023
Board remuneration is reviewed annually to take effect from 1 April each year. The Remuneration Committee applied an inflationary increase for the Board with effect from 1 April 2022.

As it has been three years since the last remuneration benchmarking exercise, the Remuneration Committee will engage FIT to benchmark the Company's remuneration packages for executive directors in the second half of the current financial year.

The Remuneration Committee last reviewed the Company's long term incentive scheme in February 2021 with the assistance of FIT when the Remuneration Committee explored a number of alternative schemes to the current share option plans. Following the introduction in February 2021 of net settlement for the existing Unapproved Share Option Scheme, to reduce the dilutive effect on exercise and the cost of implementation of a new and more complex scheme, the Remuneration Committee took the decision to continue with the current share option plans for the Executive Directors and certain members of the senior management team. All share option grants will be within existing approved limits and will be made after the full year's results announcement where applicable. The Remuneration Committee will review the Company's long term incentive scheme again in 2023.

Directors' service agreements
There were no changes to the terms of all other Executive Directors' service agreements during the year ended 27 March 2022. All such service agreements are also terminable on 12 months' notice to be given by either party.

There were also no changes to the terms of all Non-Executive Directors' service agreements during the year ended 27 March 2022. Their service agreements are terminable on 3 months' notice to be given by either party.

Approval
This report was approved by the Board of Directors on 20 July 2022 and signed on its behalf by:

MA Chapman
Chairman of the Remuneration Committee

The Directors have pleasure in presenting their report on the affairs of the Group, together with the audited financial statements for the year ended 27 March 2022.

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

Review of the business and future developments
Information about the progress of the business and the Group's corporate activities is given in the Chairman's Statement on pages 4 to 8 and the Financial Review on pages 9 to 14.

Matters of strategic importance
The business review and future outlook, key performance indicators, principal risks and uncertainties required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have been included in the separate Strategic Report in accordance with section 414C (11) of the Companies Act 2006. Information on how the business has fostered the Group's business relationships with suppliers, customers and others can also be found in the Strategic Report.

Results and dividends
Revenue for the year ended 27 March 2022 was £82,702,000 (2021: £40,825,000), Headline operating profit/(loss) for the same period was £8,971,000 (2021: (£2,151,000)) and operating profit/(loss) for the same period was £6,735,000 (2021: (£4,771,000)).

No final dividend is being proposed by the Board. It remains the Board's policy that, subject to the availability of distributable reserves, dividends will be paid to shareholders when the Directors believe it is appropriate and prudent to do so.

Directors
The following Directors of the Company have held office since 28 March 2021:

DM Page
NAG Mankarious
NJ Donaldson
NCW Wong
MA Chapman
DAL Gunewardena

The Directors at the date of this report, together with their biographical details, are set out on pages 17 and 18.

At the 2022 Annual General Meeting, in accordance with the Company's Articles of Association, DM Page and NJ Donaldson will retire from the Board. Being eligible, and with the Board's recommendation, they will offer themselves for re-election.

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

Director	As at 27 March 2022 *Ordinary shares of 1p each*	%	As at 28 March 2021 *Ordinary shares of 1p each*	%
DM Page	83,515,120	13.16%	83,515,120	13.49%
NAG Mankarious	116,879,434	18.41%	116,879,434	18.88%
NJ Donaldson	14,998,573	2.36%	14,998,573	2.42%
NCW Wong	12,388,449	1.95%	12,388,449	2.00%
MA Chapman	1,086,818	0.17%	1,086,818	0.18%
DAL Gunewardena	774,545	0.12%	774,545	0.13%

Details of the Directors' interests in share options during the year are disclosed in the Report on Directors' Remuneration on pages 22 to 25.

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

Substantial shareholders
The Directors' interests in the shares of the Company have been disclosed above. On 20 July 2022, the Company had been notified of the following interests over 3% in the ordinary share capital of the Company:

	As at 20 July 2022 *Ordinary shares of 1p each*	%
NAG Mankarious	116,879,434	18.41%
S Wasif	84,870,414	13.37%
DM Page	83,515,120	13.16%
Unicorn Asset Management Limited	31,500,000	4.96%
Canaccord Genuity Group Inc	31,276,902	4.93%
P Solari	22,670,250	3.57%
G Mascoli	21,677,246	3.41%

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

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

The Group takes a positive view of employee communication and has established and maintains systems for employee consultation, feedback and communication of developments in each business and as a Group. These systems include:

- Line manager briefings and weekly bulletins;
- Communication forums and roadshows held by functions or brands across the Group;
- A dedicated intranet system and e-mail news alerts; and
- Focus groups and staff surveys.

The Group operates employee share schemes and a number of profit-related pay schemes as a means of further encouraging the involvement of employees in the Group's performance.

Political and charitable contributions
During the year ended 27 March 2022 the Group made no political contributions (2021: £Nil). The Group made charitable donations during the year ended 27 March 2022 by contributing £5,000 (2021: £5,000) to local charities and good causes.

In addition, Franco Manca donated over 15,000 (2021: 15,000) pizzas to local food banks and homeless shelters throughout the year.

Energy Consumption
The Group presents its greenhouse gases ("GHG") emissions and energy use data under Streamlined Energy and Carbon Reporting ("SECR") for the year ended 27 March 2022:

	Year ended 27 March 2022 UK Only tCO2€	Year ended 28 March 2021 UK Only t€ (e)
Energy consumption used to calculate emissions:		
Scope 1 – Natural Gas	924	447
Scope 2 – Electricity	2,170	1,065
Scope 3	42	15
Total	3,136	1,527
Energy Intensity (Tonnes CO2e per £1,000 of Revenue)	0.04	0.04

The Group's total energy consumption for the year ended 27 March 2022 was 14,769,952 kWh (2021: 7,218,318 kWh). The increase in the total energy consumption and the calculated CO2 emissions are driven by the restricted COVID-19 trading conditions during the previous year and new restaurant openings. The Board expects that the emissions levels will increase in the next financial year as more restaurants open but continue to focus on how the Group can improve its energy efficiency.

As the Group only controls operations within the UK, no data is presented for non-UK consumption.

Annual general meeting
On pages 94 to 95 is a notice convening the annual general meeting of the Company for 31 August 2022 and the notice sets out the resolutions to be proposed at that meeting. The Board believes that the proposed resolutions to be put to the annual general meeting to be held on 31 August 2022 are in the best interests of shareholders and, accordingly, recommends that shareholders vote in favour of the resolutions.

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

Going concern
The Company's and Group's business activities, together with the factors likely to affect their future development, performance and position are set out in the Strategic Report on pages 4 to 16. In addition, note 15 to the financial statements includes the company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

At the end of financial year ended 27 March 2022, the Group was trading within its banking covenants and significantly within its debt facilities.

The Group's net current liabilities position at the year end has increased from the prior year as the Group's trading has returned to normal trading by the year end and cash balances built up in the previous financial year have been applied to the repayment of the Group's CLBIL loan. Net current liabilities can be covered by day to day operational cash flow, where revenues are normally received in cash within 7 days of recognition, short term overdraft facilities and utilising undrawn long term borrowing facilities. The main long term revolving credit facility was extended during the financial year and does not require repayment before November 2024,

COVID-19 and government action over the last two years have had a significant impact on trading. The forecasts used for going concern analysis has been prepared based on normal trading without COVID-19 restrictions similar seasonally to the year ended March 2020. The Directors have reviewed the rapidly evolving situation relating to COVID-19 and do not believe significant closures will be repeated. As detailed in the Strategic report, various mitigating actions were taken by the Board during the various national lockdowns which can be redeployed if there are any future lockdowns.

The Directors have reviewed the Group's net current liabilities position, forecasts, sensitivity to any further impact of COVID-19, availability of potential equity funding, other longer term plans and the financial resources and bank facilities in place that are available to deal with the business risks of the Company and the Group along with the significant covenant headroom. The Group had net funds, before lease liabilities recognised under IFRS 16, as at 19 July 2022 of £5.1m thus having headroom of some £21m available. Additionally, the Group's opening programme can be adjusted fluidly to take account of business risks and the wider economic risks. The Directors feel well placed to manage the business risks successfully within the present financial arrangements.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. being a period of at least twelve months from the approval date of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditors
RSM UK Audit LLP has indicated its willingness to continue in office.

Approved on behalf of the Board.

DM Page
Chairman

20 July 2022

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

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

In preparing each of the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

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

On behalf of the Board.

DM Page
Chairman

20 July 2022

Opinion

We have audited the financial statements of The Fulham Shore Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 27 March 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Consolidated and Company Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 27 March 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** ● Impairment of property, plant and equipment ● Revenue recognition **Parent Company** ● None
Materiality	**Group** ● Overall materiality: £412,000 (2021: £279,000) ● Performance materiality: £309,000 (2021: £209,000) **Parent Company** ● Overall materiality: £274,000 (2021: £256,000) ● Performance materiality: £205,000 (2021:£192,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 98% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of property, plant and equipment

Key audit matter description	*Refer to Accounting Estimates - Assessment of the recoverable amounts in respect of assets tested for impairment, Note 2 - Operating profit, Note 8 - Property, plant and equipment* The total carrying value of property, plant and equipment (PPE) at the year-end was £110.5m (2021: £95.0m), including Right of Use assets totalling £78.5m (2021: £66.1m). Given the continued effects of the Covid-19 pandemic, as well as the impacts of the increase in the cost of living on the economy and the resultant difficulties facing the leisure and hospitality sector as a whole, there is a risk that PPE is impaired at the year-end date. Management consider individual restaurants as the smallest cash generating unit (CGU) for impairment testing. For those individual sites which showed indications of impairment, management carried out detailed impairment testing to consider whether assets attributable to the underperforming restaurants were impaired at the year-end. During the year ended 27 March 2022, management has recognised a total impairment charge of £0.6m (2021: £1.0m) in respect of one (2021: five) sites. For the impairment testing at 27 March 2022 a pre-tax discount rate based on a weighted average cost of capital (WACC) and comparisons to the Group's peers of 9% (2021: 10.25%) was used. Management has stated in the Accounting Policies note that this discount rate is the rate considered by the Board to reflect the risk associated with each CGU. There is a significant degree of estimation involved in forecasting the cash flows, and in considering the potential changes in consumer demand and habits which underpin the assumptions used in the impairment review, as well as consideration of any non-financial indicators of impairment. These estimates could have a material impact on the financial statements and this was therefore determined to be a key audit matter. Furthermore, this matter has had a significant impact on allocation of audit resources.

How the matter was addressed in the audit	Our audit approach included: ● Reviewing management's initial assessment of indicators of impairment for the CGUs and challenging management on those sites not identified as potentially impaired but showing possible signs of impairment. ● For those sites for which triggers for impairment testing were noted, obtaining and checking management's detailed impairment reviews, comparing their discounted cash flow forecasts to the carrying value of property, plant and equipment and right of use asset of each CGU. ● Agreeing the mathematical accuracy and integrity of calculations. ● Obtaining and challenging management's key assumptions and discussing with management and personnel outside the finance team the performance of individual sites to determine whether there were any non-financial indicators of impairment. ● Comparing forecast cash flows with actual results observed post year end to assess the reasonableness of management's assumptions and the accuracy of forecasting. ● Challenging management in respect of potential reversal of past impairments recognised. ● Reviewing disclosures in the financial statements.

Revenue recognition

Key audit matter description	*Refer to Accounting policies – revenue and Note 1 - Segment information* The Group's revenue consists of a high volume of relatively low value transactions, a significant proportion of which are in cash. The nature of these transactions is such that there is very little judgement involved in revenue recognition. There is, however, a risk, that cash may be misappropriated or that cash sales are not recorded. There is also a risk over the occurrence and accuracy of reported revenue, with incentive to overstate revenue in the business. Furthermore, this matter has had a significant impact on the allocation of audit resources.
How the matter was addressed in the audit	Our audit approach included: ● Gaining an understanding of the processes and controls operated by the group over revenue, and performing walk through tests, including controls at individual sites. ● Obtaining and assessing management's reconciliation between the EPOS system and the accounting records ● Obtaining and assessing management's reconciliation of the total of cash and card receipts to total sales for the year ● Testing a sample of daily site sales reconciliations and confirming whether management's key control of daily sales reconciliations to bank statements is operating effectively. ● Reviewing daily sales by site for any significant or unusual trends

Our application of materiality
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£412,000 (2021: £279,000)	£274,000 (2021: £256,000)
Basis for determining overall materiality	3.3% of Adjusted Headline EBITDA (pre-IFRS 16)	2% of net assets (restricted for Group purposes)
Rationale for benchmark applied	Adjusted Headline EBITDA is considered to be the primary measure used by the shareholders and management in assessing the performance of the Group.	The parent company does not trade and therefore net assets is considered to be the most appropriate benchmark
Performance materiality	£309,000 (2021: £209,000)	£205,000 (2021: £192,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £21,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £14,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
The group consists of seven non dormant components, all of which are based in the UK.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	3	100%	100%	98%
Total	3	100%	100%	98%

Analytical procedures at group level were performed for the remaining four components.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included reviewing and evaluating management's trading and cash flow forecasts to March 2024, challenging the assumptions made, comparing actual results to budget for the prior year and the period immediately post year end, reviewing management's sensitivity analysis, assessing forecast compliance with covenants and repayment of facilities during the forecast period in line with the facility agreements. In addition, we considered the headroom in the facilities held by the Group and its ability to repay those facilities.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Review of the Group's draft tax computations Consultation with our tax specialists in respect of compliance with corporation tax and VAT legislation.
Food Safety	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance (as noted above) and inspection of legal and regulatory correspondence, if any. We carried out searches in respect of food hygiene ratings to identify any sites poorly rated and indication of potential breaches.

	We obtained and reviewed third party audit reports in respect to hygiene regulations. We held discussions with management and reviewed minutes to confirm whether there had been any reported significant breaches in respect of food safety.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	**Audit procedures performed by the audit engagement team:**
Revenue recognition	See our response to this key audit matter above.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

GEOFF WIGHTWICK (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 20 July 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 27 March 2022

	Notes	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Revenue	1	82,702	40,285
Cost of sales		(51,093)	(25,227)
Gross profit		31,609	15,058
Administrative expenses		(25,039)	(27,479)
Other income	2	2,401	10,270
Headline operating profit/(loss)		8,971	(2,151)
Share based payments	18	(80)	(91)
Pre-opening costs	2	(733)	(212)
Amortisation of brand	7	(821)	(821)
Exceptional costs:			
– Impairment of property, plant and equipment	8	(602)	(1,013)
– COVID-19 related costs	2	–	(483)
Operating profit/(loss)	2	6,735	(4,771)
Finance income		2	10
Finance costs	4	(2,863)	(2,754)
Profit/(loss) before taxation		3,874	(7,515)
Income tax (expense)/income	5	(211)	1,209
Profit/(loss) and total comprehensive income/(expense) for the year attributable to owners of the company		3,663	(6,306)
Earnings per share			
Basic	6	0.6p	(1.1p)
Diluted	6	0.6p	(1.1p)

		Group		Parent company	
	Notes	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Non-current assets					
Intangible assets	7	23,233	24,127	–	–
Property, plant and equipment	8	110,499	94,958	101	122
Investments	9	66	–	44,494	44,430
Trade and other receivables	11	672	935	4,164	9,456
Deferred tax assets	16	806	942	244	478
		135,276	120,962	49,003	54,486
Current assets					
Inventories	10	2,399	1,976	–	–
Trade and other receivables	11	4,308	2,721	397	53
Cash and cash equivalents	12	6,141	12,270	63	5,797
		12,848	16,967	460	5,850
Total assets		148,124	137,929	49,463	60,336
Current liabilities					
Trade and other payables	13	(20,707)	(14,177)	(2,775)	(1,994)
Borrowings	14	(6,527)	(11,639)	–	(3,730)
Income tax payable		(368)	(10)	–	–
		(27,602)	(25,826)	(2,775)	(5,724)
Net current (liabilities)/assets		(14,754)	(8,859)	(2,315)	126
Non-current liabilities					
Borrowings	14	(79,702)	(75,198)	(5,821)	(12,355)
Deferred tax liabilities	16	(1,455)	(1,448)	–	–
		(81,157)	(76,646)	(5,821)	(12,355)
Total liabilities		(108,759)	(102,472)	(8,596)	(18,079)
Net assets		39,365	35,457	40,867	42,257
Equity					
Share capital	17	6,348	6,191	6,348	6,191
Share premium		9,376	9,078	9,376	9,078
Merger relief reserve		30,459	30,459	30,459	30,459
Reverse acquisition reserve		(9,469)	(9,469)	–	–
Retained earnings		2,651	(802)	(5,316)	(3,471)
Total Equity		39,365	35,457	40,867	42,257

The loss for the financial year dealt with in the financial statements of the Company is £1,635,000 (2021: £948,000). The financial statements on pages 39 to 92 were approved by the board of Directors and authorised for issue on 20 July 2022 and are signed on its behalf by:

DM Page
Chairman

Company registration number: 07973930

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 27 March 2022

	Attributable to owners of the Company					
	Share Capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Reverse Acquisition Reserve £'000	Retained Earnings £'000	Equity Share-holders' Funds £'000
At 29 March 2020	5,736	6,911	30,459	(9,469)	5,123	38,760
Loss for the year	–	–	–	–	(6,306)	(6,306)
Total comprehensive income	–	–	–	–	(6,306)	(6,306)
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	–	–	(5,925)	(3,303)
At 28 March 2021	6,191	9,078	30,459	(9,469)	(802)	35,457
Profit for the year	–	–	–	–	3,663	3,663
Total comprehensive income	–	–	–	–	3,663	3,663
Transactions with owners						
Share based payments	–	–	–	–	80	80
Deferred tax on share based payments	–	–	–	–	(290)	(290)
Exercise of share options	157	298	–	–	–	455
Total transactions with owners	157	298	–	–	3,453	3,908
At 27 March 2022	6,348	9,376	30,459	(9,469)	2,651	39,365

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 27 March 2022

	Share Capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Retained Earnings £'000	Total Equity £'000
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
Loss for the year	–	–	–	(1,635)	(1,635)
Total comprehensive income for the year	–	–	–	(1,635)	(1,635)
Transactions with owners					
Share based payments	–	–	–	80	80
Deferred tax on share based payments	–	–	–	(290)	(290)
Exercise of share options	157	298	–	–	455
Total transactions with owners	157	298	–	(210)	245
At 27 March 2022	6,348	9,376	30,459	(5,316)	40,867

		Group		Parent company	
	Notes	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Net cash flow from/(used in) operating activities	19	24,453	9,705	(1,015)	(286)
Investing activities					
Acquisition of property, plant and equipment		(7,799)	(1,679)	(7)	–
Acquisition of intangible assets		(2)	(28)	–	–
Acquisition of investments		(66)	–	–	–
Loan repaid by/(to) subsidiary undertakings		–	–	9,028	(1,850)
Net cash flow (used in)/from investing activities		(7,867)	(1,707)	9,021	(1,850)
Financing activities					
Proceeds from issuance of new ordinary shares (net of expenses)		455	2,622	455	2,622
Capital received from bank borrowings		–	11,750	–	11,750
Capital repaid on bank borrowings		(14,000)	(7,440)	(14,000)	(7,440)
Principal element of lease payments		(6,309)	(1,972)	–	–
Interest received		2	10	242	478
Interest paid		(2,863)	(2,754)	(437)	(507)
Net cash flow (used in)/from financing activities		(22,715)	2,216	(13,740)	6,903
Net increase in cash and cash equivalents		(6,129)	10,214	(5,734)	4,767
Cash and cash equivalents at the beginning of the year	12	12,270	2,056	5,797	1,030
Cash and cash equivalents at the end of the year	12	6,141	12,270	63	5,797

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 Fulham Shore PLC is presenting audited consolidated financial statements for the year ended 27 March 2022. The comparative period presented is audited financial statements for the year ended 28 March 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 27 March 2022 was a 52 week period, with the comparative year to 28 March 2021 being a 52 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 UK-adopted International Accounting Standards and applicable law.

The financial statements for the year ended 27 March 2022 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 and amended accounting standards were effective for the year ended 27 March 2022:

Amendments to IFRS 9, IAS39, IFRS 7, IFRS 4 and IFRS 16 – Interest rate benchmark reform phase 2 (effective for annual periods beginning on or after 1 January 2021)
These amendments provide accounting relief when changes in the basis for determining contractual cash flows result directly from IBOR reform, and a series of exemptions from certain aspect of the hedge accounting requirements. It also provides relief for lease modification. These amendments have had no impact on the financial statements.

Amendment to IFRS 16 – Covid-19-related rent concessions beyond 30 June 2021 (effective for accounting periods commencing on or after 1 January 2021)
This amendment extends the time period over which the practical expedient introduced by earlier amendments is available for use to 30 June 2022. The amendment has had no impact on retained earnings in the financial earnings in the financial statement in 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 3 (Amendment)	Reference to the conceptual framework
IAS 16 (Amendment)	Property, plant and equipment: proceeds before intended use
IAS 37 (Amendment)	Cost of fulfilling a contract
IAS 1 (Amendment)	Classification of liabilities as current or non-current
IAS 1 (Amendment)	Disclosure of accounting policies
IAS 8 (Amendment)	Definition of accounting estimates
IAS 12 (Amendment)	Deferred tax related to assets and liabilities arising from a single transaction
IFRS 17 (Amendment)	Insurance contracts

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 with the exception of IAS 12 (Amendment). This will impact the Group with recognition of deferred tax on IFRS 16 balances and clarity over treatment of new leases post transition. The Group estimate the deferred tax asset would increase to £1.5m from £0.5m as at 27 March 2022 if the standard were effective. The Group has decided not to early adopt the amendment.

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 Strategic Report on pages 13 to 14, the Group's net current liabilities position as at 27 March 2022, 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.

At the end of financial year ended 27 March 2022, the Group was trading within its banking covenants and significantly within its debt facilities.

The Group's net current liabilities position at the year end has increased from the prior year as the Group's trading has returned to normal trading by the year end and cash balances built up in the previous financial year have been applied to the repayment of the Group's CLBIL loan. Net current liabilities can be covered by day to day operational cash flow, where revenues are normally received in cash within 7 days of recognition, short term overdraft facilities and utilising undrawn long term borrowing facilities. The main long term revolving credit facility was extended during the financial year and does not require repayment before November 2024,

COVID-19 and government action over the last two years have had a significant impact on trading. The forecasts used for going concern analysis has been prepared based on normal trading without COVID-19 restrictions similar seasonally to the year ended March 2020. The Directors have reviewed the rapidly evolving situation relating to COVID-19 and do not believe significant closures will be repeated. As detailed in the Strategic report, various mitigating actions were taken by the Board during the various national lockdowns which can be redeployed if there are any future lockdowns.

The Directors have reviewed the Group's net current liabilities position, forecasts, sensitivity to any further impact of COVID-19, availability of potential equity funding, other longer term plans and the financial resources and bank facilities in place that are available to deal with the business risks of the Company and the Group along with the significant covenant headroom. The Group had net funds, before lease liabilities recognised under IFRS 16, as at 19 July 2022 of £5.1m thus having headroom of some £21m available. Additionally, the Group's opening programme can be adjusted fluidly to take account of business risks and the wider economic risks. The Directors feel well placed to manage the business risks successfully within the present financial arrangements.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual 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.

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 as described below.

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.

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.

FINANCIAL INSTRUMENTS

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

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 events. 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 acquisition 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.

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 leases. 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 performance information excluding exceptional costs. This presentation allows a better understanding of the underlying trading performance to the users of the accounts. Exceptional costs are identified by virtue of the nature, magnitude and expected frequency 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 UK-adopted international accounting standards 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 74.9% (2021: 68.8%) 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 complex 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 4.3% (2021: 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 PROFIT/(LOSS)
Operating (loss)/profit is defined as (loss)/profit before taxation, finance income and finance costs.

HEADLINE OPERATING PROFIT/(LOSS)
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 PROFIT/(LOSS) 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.

NET CASH/NET DEBT EXCLUDING LEASE LIABILITIES
Net cash or net debt excluding lease liabilities are defined in note 19 by removing lease liabilities recognised under IFRS16 from total net cash or net debt.

1 SEGMENT INFORMATION

For management purposes, the Group was organised into two operating divisions during the year ended 27 March 2022. 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 27 March 2022:

	The Real Greek segment £'000	Franco Manca segment £'000	Other unallocated £'000	Total £'000
Revenue from:				
External customers	29,121	53,465	116	82,702
Headline EBITDA	7,635	14,157	(1,454)	20,338
Depreciation and amortisation	(3,285)	(8,055)	(27)	(11,367)
Headline operating profit/(loss)	4,350	6,102	(1,481)	8,971
Share based payments	(27)	(37)	(16)	(80)
Pre-opening costs	(346)	(387)	–	(733)
Amortisation of brand	–	(821)	–	(821)
Impairment of property plant and equipment	(602)	–	–	(602)
Operating profit/(loss)	3,375	4,857	(1,497)	6,735
Finance income	–	2	–	2
Finance costs	(855)	(1,649)	(359)	(2,863)
Segment profit/(loss) before taxation	2,520	3,210	(1,856)	3,874
Income tax				(211)
Profit for the year from continuing operations				3,663
Assets	43,753	103,091	1,279	148,124
Liabilities	(36,566)	(67,567)	(4,625)	(108,759)
Net assets	7,187	35,524	(3,346)	39,365
Capital additions to PPE	12,814	14,679	7	27,500
Capital additions to PPE excluding right of use assets	3,313	4,479	7	7,799

Within Franco Manca includes £88,000 (2021: £nil) of revenue generated from the company's franchisee operating in a geographic region outside of the UK.

1 SEGMENT INFORMATION (continued)

In addition to the revenues generated from external customers, The Real Greek segment also generated internal revenues from another segment, Franco Manca, to the value of £330,000 (2021: £542,000).

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 income				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

Within revenue from external customers, there was Eat Out To Help Out income of: £1,195,000.

1 SEGMENT INFORMATION (continued)

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 PROFIT/(LOSS)

	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Operating profit/(loss) is stated after charging/(crediting):		
Staff costs (note 3)	29,625	12,767
Coronavirus Job Retention Scheme related costs (note 3)	804	9,521
Other income:		
Coronavirus Job Retention Scheme grants (note 3)	(755)	(8,479)
Other government grants	(1,522)	(1,791)
Insurance claims	(124)	–
Share based payments	80	91
Depreciation of property, plant and equipment:		
Owned assets	4,423	4,883
Leased assets	6,869	6,171
Amortisation of intangible assets:		
Trademarks, licenses and franchises	75	97
Brand	821	821
Operating lease rentals of short term leases	241	188
Inventories – amounts charged as an expense	14,690	6,509
Auditor's remuneration:		
for statutory audit services	151	149
for other assurance services	9	8
for transactional services	–	9
Pre-opening costs	733	212
Exceptional costs:		
impairment of property, plant and equipment	602	1,013
COVID-19 related costs	–	483

COVID-19 related costs of £nil (2021: £483,000) include the one off cost of temporarily closing 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 27 March 2022 No.	Year ended 28 March 2021 No.
The average monthly number of persons (including Directors) employed by the Group during the year was:		
Administration and management	35	29
Restaurants	1,610	1,069
	1,645	1,098
The average monthly number of persons (including Directors) employed by the Company during the year was:		
Administration and management	8	7

	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Staff costs for above persons		
Salaries and fees	27,066	11,619
Defined contribution pension costs	472	218
Social security costs	2,087	930
	29,625	12,767
Share based payments	80	91
	29,705	12,858
Furlough related costs and grants		
Furlough salaries and fees	804	8,783
Furlough defined contribution pension costs	–	591
Furlough social security costs	–	147
Coronavirus Job Retention Scheme grants	(755)	(8,479)
	49	1,042
	29,754	13,900

During the first quarter of the year ended 27 March 2022 some staff were on flexi-furlough whilst during the year ended 28 March 2021, the majority of staff were on either 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 Group and Company, is set out in aggregate and on a paid basis below. Further details of directors' emoluments can be found in the tables of directors' remuneration on pages 23 to 24.

	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Salaries, fees and other short term employee benefits	1,252	608
Defined contribution pension costs	23	22
Social security costs	231	105
	1,506	735

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 and during the year ended 27 March 2022, from 1 April 2021 up until 30 June 2021, the Directors each waived 20% of their basic salaries totalling £38k (2021: £147k) during the same period staff were receiving furlough or flexi-furlough.

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

The highest paid director during the year received £385,000 (2021: £184,000) as well as gains of £198,000 (2021: £39,000) from the exercise of share options during the year.

Four Directors received pension contributions during the year (2021: Four).

During the year five directors (2021: four) exercised share options for a total of 17,137,829 (2021: 9,440,470) ordinary shares of the Company. The aggregate gains made on the exercise of options during the year was £2,057,000 (2021: £600,000).

4 FINANCE COSTS

	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Interest expenses on bank loans and overdrafts	362	457
Interest on lease liabilities	2,501	2,297
	2,863	2,754

5 INCOME TAX EXPENSE

	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Income tax expense on continuing operations		
Based on the result for the year:		
UK corporation tax at 19% (2021: 19%)	627	–
Adjustment in respect of prior periods	(269)	(127)
Total current taxation	358	(127)
Deferred taxation:		
Origination and reversal of temporary timing differences		
Current year	(147)	(1,082)
Total deferred tax	(147)	(1,082)
Total tax expense/(credit) on profit/(loss) on continuing operations	211	(1,209)

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 27 March 2022 £'000	Year ended 28 March 2021 £'000
Profit/(loss) before taxation from continuing operations	3,874	(7,515)
Taxation at UK corporation tax rate of 19% (2021: 19%)	736	(1,428)
Expenses not deductible for tax purposes	3	89
Depreciation/impairment on non-qualifying fixed assets	353	225
Tax effect from right of use asset accounting	(652)	228
Share based payments	(506)	(197)
Movement on unrecognised deferred tax	546	–
Adjustment to tax charge in respect of previous periods	(269)	(126)
Total income tax (credit)/expense in the income statement	211	(1,209)

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 currently 19% but will increase to 25% from 1 April 2023. The rate increase has been substantively enacted and therefore the deferred taxation balances have been recognised at the rate they are expected to reverse at.

6 EARNINGS PER SHARE

	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Profit/(loss) for the purposes of basic and diluted earnings per share:	3,663	(6,306)
Share based payments	80	91
Deferred tax on share based payments	(81)	(214)
Pre-opening costs	733	212
Amortisation of brand	821	821
Deferred tax on amortisation of brand	(137)	(137)
Loss on disposal	64	3
Exceptional costs		
– impairment of property, plant and equipment	602	1,013
– COVID-19 related costs (net)	–	483
Headline profit/(loss)for the year for the purposes of headline basic and diluted earnings per share:	5,745	(4,034)

	Year ended 27 March 2022 No. '000	Year ended 28 March 2021 No. '000
Weighted average number of ordinary shares in issue for the purposes of basic earnings per share	626,794	596,214
Effect of dilutive potential ordinary shares from share options	12,386	23,225
Weighted average number of ordinary shares in issue for the purposes of diluted earnings per share	639,180	619,439

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 27 March 2022	Year ended 28 March 2021
Earnings per share:		
Basic and diluted	0.6p	(1.1p)
Diluted	0.6p	(1.1p)
Headline basic and diluted	0.9p	(0.7p)
Headline diluted	0.9p	(0.7p)

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, diluted earnings per share are the same as basic earnings per share for the year ended 28 March 2021.

7 INTANGIBLE ASSETS

Group	Trademarks, License and franchises £'000	Software £'000	Brand £'000	Goodwill £'000	Total £'000
Cost					
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
Additions	2	–	–	–	2
27 March 2022	70	365	8,211	20,705	29,351
Accumulated amortisation					
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
Charge in the year	5	70	821	–	896
27 March 2022	55	316	5,747	–	6,118
Net book value					
27 March 2022	15	49	2,464	20,705	23,233
28 March 2021	18	119	3,285	20,705	24,127

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 Profit/(loss).

As at 27 March 2022 brand intangible asset which relates to Franco Manca has a remaining amortisation period of 3 years (2021: 4 years).

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

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 unit 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 2023 and financial year for the sites open at the end of March 2022;
- extrapolated cash flow forecasts over the following twenty four 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 9.0% (2021: 10.25%) 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.

The estimated recoverable amount of The Real Greek and Franco Manca segments exceed their carrying values by £74,970,000 and £134,800,000 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 27 March 2022.

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						
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
Additions	4,008	18,712	1,433	867	1,491	26,511
Remeasurements	–	989	–	–	–	989
Reclassification	222	–	15	22	(259)	–
Disposals	(7)	–	–	(63)	–	(70)
27 March 2022	45,030	97,316	9,555	4,381	1,666	157,948
Accumulated depreciation and impairment						
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
Charge in the year	2,805	6,869	1,119	499	–	11,292
Impairment	162	440	–	–	–	602
Disposals	–	–	–	(5)	–	(5)
27 March 2022	19,004	18,818	7,020	2,607	–	47,449
Net book value						
27 March 2022	26,026	78,498	2,535	1,774	1,666	110,499
28 March 2021	24,770	66,106	2,206	1,442	434	94,958

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 unit (CGU). 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 board approved financial forecasts for the 2023 financial year for the site being tested at the end of March 2022;
- extrapolated cash flow forecasts over the remaining unexpired length of the lease years using forecast growth rates based on 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 9.0% (2021: 10.25%) 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 the 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 and one CGU that had previously had an impairment charge, where the overall impairment charge would increase by £348,000.

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

	27 March 2022 £'000	27 March 2022 £'000	28 March 2021 £'000	28 March 2021 £'000
	Impairment charge	Recoverable amount	Impairment charge	Recoverable amount
For continuing operations				
Franco Manca restaurant 1	–	–	240	–
Franco Manca restaurant 2	–	–	252	–
Franco Manca restaurant 3	–	–	56	130
Franco Manca restaurant 4	–	–	144	83
Total for Franco Manca operating segment	–	–	692	213
The Real Greek restaurant 1	–	–	321	–
The Real Greek restaurant 2	602	528	–	–
Total for The Real Greek operating segment	602	528	321	–
Total for the Group	602	528	1,013	213

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 27 March 2022, the Group impaired the property plant and equipment in relation to nil (2021: one) property trading as Franco Manca and one (2021: nil) property trading as The Real Greek, which are trading financially below management expectations. In the prior year ended 28 March 2021, three restaurants trading as Franco Manca and one as The Real Greek were impaired following the closure of Debenhams where these sites were located as concessions. 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				
29 March 2020 and 28 March 2021	206	66	26	298
Additions	–	7	–	7
27 March 2022	206	73	26	305
Accumulated depreciation				
29 March 2020	80	54	13	147
Charge in the year	21	5	3	29
28 March 2021	101	59	16	176
Charge in the year	21	4	3	28
27 March 2022	122	63	19	204
Net book value				
27 March 2022	84	10	7	101
28 March 2021	105	7	10	122

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

	27 March 2022 £'000	28 March 2021 £'000
Group		
Unlisted shares	66	–
Change in fair value	–	–
Loans at cost	–	–
Impairment of investments and loans	–	–
Carrying amount	66	–

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.

During the year ended 27 March 2022, the Group made an additional investment of £66,000 (2021: £nil) to Made of Dough Limited as part of a rights issue. The Group as at 27 March 2022 holds 24% (2021: 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.

	27 March 2022 £'000	28 March 2021 £'000
Parent Company		
Cost and net book value		
Opening position	44,430	44,347
Investment in subsidiaries	64	83
Closing position	44,494	44,430

9 INVESTMENTS (continued)

As at 27 March 2022, 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 Chelmsford Limited	Ordinary	100%	Restaurant property
Franco Manca Holdings Limited	Ordinary	100%	Dormant
Franco Manca International Limited*	Ordinary	100%	Restaurant franchising
Franco Manca Peterborough Limited	Ordinary	100%	Restaurant property
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 27 March 2022 £'000	Group 28 March 2021 £'000	Parent company 27 March 2022 £'000	Parent company 28 March 2021 £'000
Raw materials	827	532	–	–
Consumables	1,572	1,444	–	–
	2,399	1,976	–	–

Inventories are charged to cost of sales in the consolidated comprehensive statement of income. Amounts recognised as an expense during the period ended 27 March 2022 £14,690,000 (2021: £6,509,000).

11 TRADE AND OTHER RECEIVABLES

	Group 27 March 2022 £'000	Group 28 March 2021 £'000	Parent company 27 March 2022 £'000	Parent company 28 March 2021 £'000
Included within non-current assets:				
Amounts receivable from subsidiaries	–	–	4,164	9,456
Other receivables	672	935	–	–
	672	935	4,164	9,456
Included within current assets:				
Trade receivables	2,603	1,009	247	–
Other receivables	293	491	–	–
Prepayments and accrued income	1,412	1,221	150	53
	4,308	2,721	397	53
	4,980	3,656	4,561	9,509

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

Amounts receivable from subsidiaries in the Company included within non-current assets 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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Cash at bank and in hand	6,141	12,270	63	5,797

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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Included in current liabilities:				
Trade payables	8,577	5,670	109	60
Other taxation and social security payable	891	765	82	96
Other payables	1,622	971	38	95
Accruals	9,617	6,771	2,546	1,743
	20,707	14,177	2,775	1,994

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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Short term borrowings:				
Bank loans	–	3,730	–	3,730
Lease liabilities	6,527	7,909	–	–
	6,527	11,639	–	3,730
Long term borrowings:				
Bank loans	1,850	12,120	1,850	12,120
Lease liabilities	77,852	63,078	–	–
Amounts owed to subsidiary undertakings	–	–	3,971	235
	79,702	75,198	5,821	12,355
	86,229	86,837	5,821	16,085

As at 27 March 2022, the Group's committed Sterling borrowing facilities comprise a revolving credit facility of £17,000,000 (2021: £14,250,000), a Coronavirus Large Business Interruption Loan facility ("CLBIL") of £Nil (2021: £10,750,000), expiring between one and five years and a bank overdraft facility, repayable on demand, of £750,000 (2021: £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 27 March 2022.

The interest rate applicable on the revolving credit facility is up to 2.60% above SONIA. The interest rate applicable on the bank overdraft is 2.1% over base rate. The overdraft facility was undrawn as at 27 March 2022.

Amounts owed to subsidiary undertakings are amounts borrowed from The Real Greek Food Company Limited, a subsidiary of the Company and are repayable on 27 March 2022. 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 27 March 2022 was as follows:

	27 March 2022 £'000	28 March 2021 £'000
Within one year	9,153	10,039
In more than one year but less than two years	8,906	7,051
In more than two years but less than three years	8,903	6,861
In more than three years but less than four years	8,694	6,807
In more than four years but less than five years	8,166	6,552
In more than five years	63,024	51,439
	106,846	88,749
Effect of unearned interest	(22,467)	(17,762)
Lease liabilities	84,379	70,987

There are no committed lease liabilities not yet commenced at 27 March 2022.

Interest expense on borrowings for the year is disclosed in Note 4 finance costs whilst capital payments for the year is disclosed in Note 19.

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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Non-current financial assets				
Amounts owed by subsidiary undertakings	–	–	4,164	9,456
Other receivables	672	935	–	–
Current financial assets				
Cash at bank and in hand	6,141	12,270	63	5,797
Trade and other receivables*	2,896	1,500	247	–
	9,709	14,705	4,474	15,253
Current financial liabilities				
At amortised cost – borrowings	6,527	11,639	–	3,730
At amortised cost – payables**	19,816	13,412	2,693	1,898
Non-current financial liabilities				
At amortised cost – borrowings	79,702	75,198	1,850	12,120
At amortised cost – payables	–	–	3,971	235
	106,045	100,249	8,514	17,983

* 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 27 March 2022

	Less than 1 year £'000	Between 1 and 5 years £'000	More than 5 years £'000	Total £'000
Cash at bank and in hand	6,141	–	–	6,141
Trade and other receivables	2,896	153	519	3,568
Bank loans and overdrafts	–	(1,850)	–	(1,850)
Lease liabilities	(532)	(4,187)	(102,127)	(106,846)
Trade and other payables	(19,816)	–	–	(19,816)
	(11,311)	(5,884)	(101,608)	(118,803)

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)	(3,271)	(82,548)	(88,749)
Trade and other payables	(13,412)	–	–	(13,412)
	(6,302)	(15,274)	(81,730)	(103,306)

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 27 March 2022

	Less than 1 year £'000	Between 1 and 5 years £'000	Total £'000
Cash at bank and in hand	63	–	63
Trade and other receivables	247	4,164	4,411
Bank loans and overdrafts	–	(1,850)	(1,850)
Trade and other payables	(2,693)	(3,971)	(6,664)
	(2,383)	(1,657)	(4,040)

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)

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 £17,250,000 (2021: £14,250,000), a committed long term Coronavirus Large Business Interruption Loan facility of £Nil (2021: £10,750,000) and short term bank overdraft facilities available to manage its liquidity as at 27 March 2022 of £750,000 (2021: £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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Floating rate				
Cash at bank and in hand	6,141	12,270	63	5,797
Bank loans	(1,850)	(15,850)	(1,850)	(15,850)
	4,291	(3,580)	(1,787)	(10,053)

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 27 March 2022 were 2.0% and year ended 28 March 2021 were 2.2% and the weighted average interest rates paid for bank overdrafts during the year ended 27 March 2022 and 2021 were 2.5%.

The Group has performed a sensitivity analysis based on a 0.5% variance in SONIA element of floating interest rates. The annualised impact of an increase in SONIA by 0.5% applied to the balance of floating rate bank loans at the year end would result in increased finance costs of £42,084 (2021: £79,250).

Foreign Exchange Risks
During the years ended 27 March 2022 and 28 March 2021, 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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Cash at bank and in hand	6,141	12,270	63	5,797
Trade receivables and other receivables	3,568	2,435	4,164	9,456
	9,709	14,705	4,227	15,253

The Group has made a number of deposits and estimates that there are no further credit loss likely in relation to these deposits made. In the year ended 28 March 2021 the Group recognised an impairment of £69,000) in relation to other investment held by the Group. 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 27 March 2022 and 28 March 2021 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.

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 27 March 2022 and 28 March 2021 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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
As at 28 March 2021	(506)	(1,879)	478	3
Tax on share based payments	(290)	290	(290)	290
Transfer from/(to) reserves	(290)	290	(290)	290
Movement in accelerated capital allowances	(294)	285	–	–
Tax on share based payments	81	214	56	185
Tax on losses	(429)	429	–	–
Tax on intangible assets	136	137	–	–
Tax on leases	653	18		
Transfer from profit and loss	147	1,083	56	185
Net deferred tax (liability)/asset	(649)	(506)	244	478

During the year ended 27 March 2022, the Group and Company transferred £290,000 deferred tax charge to reserves (2021: £290,000 from reserves) in relation to deferred tax on share based payments.

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

	Group		Parent company	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Deferred tax assets				
Share options	304	513	244	478
Leases	502	–	–	–
Tax losses	–	429	–	–
Deferred taxation assets	806	942	244	478
Deferred tax liabilities				
Accelerated capital allowances	(1,044)	(750)	–	–
Intangible assets	(411)	(547)	–	–
Leases	–	(151)	–	–
Deferred taxation liabilities	(1,455)	(1,448)	–	–

16 DEFERRED TAXATION (continued)

The Company has losses of £1,984,000 (2021: £981,000) 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 £496,000 (2021: £186,000) 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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Allotted, issued called up and fully paid: 634,820,577 (2021: 619,057,651) ordinary shares of 1p each	6,348	6,191	6,348	6,191

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

During the year ended 27 March 2022, the Company issued the following ordinary shares following the exercise of certain share options in the Company:

Amount paid per share	Type of shares	Nominal value per ordinary share £	Number of ordinary shares No.
£0.01	Ordinary	0.01	11,131,070
£0.06	Ordinary	0.01	3,332,842
£0.1015	Ordinary	0.01	1,130,000
£0.1775	Ordinary	0.01	169,014
			15,762,926

18 SHARE BASED PAYMENTS

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

The Group operated four share plans during the year:

- 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 £80,000 (2021: £91,000).

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 27 March 2022 are as follows:

	Year ended 27 March 2022 No. ‘000	Year ended 28 March 2021 No. ‘000
At the beginning of the year	53,295	64,851
Granted during the year	400	–
Exercised during the year	(21,113)	(9,441)
Lapsed during the year	(2,375)	(2,115)
At the end of the year	30,207	53,295

18 SHARE BASED PAYMENTS (continued)

Weighted average exercise price

	Year ended 27 March 2022 £	Year ended 28 March 2021 £
At the beginning of the year	0.10	0.10
Granted during the year	0.16	–
Exercised during the year	(0.07)	(0.06)
Lapsed during the year	(0.15)	(0.14)
At the end of the year	0.12	0.10

Outstanding and exercisable share options to acquire ordinary shares of 1 pence each as at 27 March 2022 under various Group share plans are as follows:

For the year ended 27 March 2022

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
Unapproved						
£0.1015	72	0.1015	75	72	0.1015	75
£0.11	22,097	0.1100	37	22,097	0.1100	37
£0.1125	1,175	0.1125	88	–	–	–
£0.16	95	0.1600	109	–	–	–
£0.17625	585	0.1763	63	585	0.1763	63
£0.1775	81	0.1775	59	81	0.1775	59
£0.1825	921	0.1825	51	921	0.1825	51
	25,026	0.1147	41	23,756	0.1146	38
CSOP						
£0.1015	388	0.1015	75	388	0.1015	75
£0.1125	1,725	0.1125	88	–	–	–
£0.16	305	0.1600	109	–	–	–
£0.17625	815	0.1763	63	815	0.1763	63
£0.1775	369	0.1775	59	369	0.1775	59
£0.1825	1,579	0.1825	51	1,579	0.1825	51
	5,181	0.1505	71	3,151	0.1703	58

18 SHARE BASED PAYMENTS (continued)

For the year ended 28 March 2021

Range of exercise prices	Options outstanding Number of shares '000	Options outstanding Weighted average exercise price £	Options outstanding Weighted average remaining contractual life months	Options exercisable Number of shares '000	Options exercisable Weighted average exercise price £	Options exercisable 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

During the year ended 27 March 2022, the market price of ordinary shares in the Company ranged from £0.144 (2021: £0.0475) to £0.1985 (2021: £0.1650). The share price as at 27 March 2022 was £0.155 (2021: £0.1525). The average share price for options exercised during the year was £0.179 (2021: £0.12).

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

Following the exercise of the outstanding options within the EMI plan during the year ended 27 March 2022, this scheme will no longer operate moving forwards.

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 27 March 2022	Year ended 28 March 2021
Weighted average expected life	3 years	–
Weighted average exercise price	16 pence	–
Risk free rate	0.01%	–
Expected volatility	0.78%	–
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 27 March 2022 are as follows:

	Year ended 27 March 2022 '000	Year ended 28 March 2021 '000
At the beginning of the year	579	591
Exercised during the year	(15)	(12)
At the beginning and end of the year	564	579

For the year ended 27 March 2022

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	564	–	37	564	–	37
	564	–	37	564	–	37

18 SHARE BASED PAYMENTS (continued)

For the year ended 28 March 2021

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	579	–	49	579	–	49
	579	–	49	579	–	49

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 27 March 2022 £'000	Year ended 28 March 2021 £'000	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
Profit/(loss) for the year	3,663	(6,306)	(1,635)	(948)
Income tax expense/(credit)	211	(1,209)	(57)	(185)
Profit/(loss) before tax	3,874	(7,515)	(1,692)	(1,133)
Finance income	(2)	(10)	(242)	(479)
Finance costs	2,863	2,754	437	507
Operating profit/(loss) for the year	6,735	(4,771)	(1,497)	(1,105)
Adjustments				
Depreciation and amortisation	12,188	11,972	28	29
Impairment	602	1,013	–	–
Loss on disposal of fixed assets	65	3	–	–
Share based payments expense	80	91	16	8
Operating cash flows before movements in working capital	19,670	8,308	(1,453)	(1,068)
Increase in inventories	(423)	(70)	–	–
(Increase)/decrease in trade and other receivables	(1,324)	(233)	(343)	97
Increase in trade and other payables	6,530	1,700	781	685
Cash generated from/(used in) operations	24,453	9,705	(1,015)	(286)
Income taxes paid	–	–	–	–
Net cash flow from/(used in) operating activities	24,453	9,705	(1,015)	(286)

19 NOTE TO CASH FLOW STATEMENTS (continued)

Changes in net debt from financing activities

Group	Cash and Cash Equivalents £'000	Bank loans due within 1 year £'000	Bank loans due after 1 year £'000	Total before lease liabilities £'000	Lease liabilities due within 1 year £'000	Lease liabilities due after 1 year £'000	Total £'000
Net cash/(debt) as at 29 March 2020	2,056	–	(11,540)	(9,484)	(5,163)	(63,051)	(77,698)
Cash flows	10,214	–	(4,310)	5,904	1,972	–	7,876
Reallocation	–	(3,730)	3,730	–	(4,915)	4,915	–
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 cash/(debt) as at 28 March 2021	12,270	(3,730)	(12,120)	(3,580)	(7,909)	(63,078)	(74,567)
Cash flows	(6,129)	–	14,000	7,871	6,309	–	14,180
Reallocation	–	3,730	(3,730)	–	(3,242)	3,242	–
Additions to lease liabilities	–	–	–	–	(1,662)	(17,050)	(18,712)
Remeasurements to lease liabilities	–	–	–	–	(23)	(966)	(989)
Net cash/(debt) as at 27 March 2022	6,141	–	(1,850)	4,291	(6,527)	(77,852)	(80,088)

Net cash/(net debt) before lease liabilities recognised under IFRS 16 as at 27 March 2022 was net cash of £4,291,000 (2021: net debt of (£3,580,000)).

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 cash/(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 cash/(debt) as at 28 March 2021	5,797	(3,730)	(12,355)	(10,288)
Cash flows	(5,734)	–	10,264	4,530
Reallocation	–	3,730	(3,730)	–
Net cash/(debt) as at 27 March 2022	63	–	(5,821)	(5,758)

20 LEASE COMMITMENTS

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

	Group		Parent company	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Land and buildings				
within one year	–	100	–	–
	–	100	–	–

The commitment included above relates to annual lease commitments under short term leases that have not been included in borrowings and will be charged to the profit and loss. 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	
	27 March 2022 £'000	28 March 2021 £'000	27 March 2022 £'000	28 March 2021 £'000
Committed new restaurant builds	4,343	902	–	–

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 on pages 22 to 25, 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 27 March 2022, DM Page, NAG Mankarious, N Wong and N Donaldson, directors of the Company, exercised options over 17,137,829 ordinary shares (2021: DM Page, NAG Mankarious, N Wong and N Donaldson exercised options over 9,440,470 ordinary shares). The aggregate gains made on the exercise of the options during the year was £2,056,539 (2021: £561,000).

Other related party transactions
During the year, the Group was invoiced £nil (2021: £58,000) for the services of NJ Donaldson by London Bridge Capital Partners LLP, a business in which NJ Donaldson is a partner. This arrangement ended on 31 December 2020 and from 1 January 2021, NJ Donaldson was remunerated directly by the Group

22 RELATED PARTY DISCLOSURES (continued)

During the year the Group invoiced £43,500 (2021: £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. The balance outstanding as at 27 March 2022 owed by Meatailer Limited was £Nil (2021: £Nil). During the year Meatailer Limited invoiced the Group and Company £nil (2021: £48,000) 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. The balance outstanding as at 27 March 2022 owed to Meatailer was £Nil (2021: £Nil).

During the year ended 27 March 2022, the Group made an additional investment of £66,000 (2021: £nil) to Made of Dough Limited as part of a rights issue. The Group as at 27 March 2022 holds 24% (2021: 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.

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 27 March 2022 £'000	Year ended 28 March 2021 £'000
The Real Greek Food Company Limited	688	623
Franco Manca 2 UK Limited	920	1,302
	1,608	1,925

22 RELATED PARTY DISCLOSURES (continued)

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

Amounts loaned/(repaid)	Parent company	
	Year ended 27 March 2022 £'000	Year ended 28 March 2021 £'000
10DAS Limited	–	2
The Real Greek Food Company Limited	(3,736)	2,959
Franco Manca 2 UK Limited	(5,292)	(1,111)
	(9,028)	1,850

Amounts outstanding at year end	Parent company	
	27 March 2022 £'000	28 March 2021 £'000
10DAS Limited	(14)	(14)
The Real Greek Food Company Limited	(3,957)	(221)
Franco Manca 2 UK Limited	4,164	9,456
	193	9,221

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 (2021: £Nil).

DIRECTORS

DM Page	Executive Chairman
NAG Mankarious	Managing Director
NJ Donaldson	Director
NCW Wong	Finance Director
MA Chapman	Independent Non-executive Director
DAL Gunewardena	Independent Non-executive Director

COMPANY SECRETARY

NJ Donaldson

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BANKERS

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Notice is hereby given that the Annual General Meeting of the Company will be held at 09.00am on Wednesday 31 August 2022 at The Real Greek, The Corn Exchange, Exchange Square, Manchester M4 3TR to consider, and if thought fit, pass the following resolutions. Resolutions 1, 2, 3, 4, 5, and 6 shall be proposed as ordinary resolutions and resolution 7 as a special resolution:

ORDINARY RESOLUTIONS

1. To receive and adopt the Report of the Directors, the financial statements and the report of the auditors for the period ended 27 March 2022.

2. To receive and approve the Report on Directors' Remuneration for the period ended 27 March 2022.

3. To re-appoint Mr David Page, who retires by rotation under the Company's Articles of Association, as a director of the Company.

4. To re-appoint Mr Nicholas Donaldson, who retires by rotation under the Company's Articles of Association, as a director of the Company.

5. To re-appoint RSM UK Audit LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which financial statements are laid before the Company and to authorise the Directors to determine their remuneration.

6. In accordance with section 551 of the Companies Act 2006, the directors of the Company (the "Directors") be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company within the meaning of that section on and subject to such terms as the Directors may determine up to an aggregate nominal amount of £3,174,103 provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Company's next annual general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

7. Subject to and conditional upon the passing of resolution 6 and in accordance with section 570 of the Companies Act 2006 (the "Act"), the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 6, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal value of £952,231. This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

BY ORDER OF THE BOARD

DM Page
Chairman
The Fulham Shore PLC
1st Floor
50-51 Berwick Street
London W1F 8SJ

5 August 2022

Notes

1. Shareholders entitled to attend and vote at the AGM may appoint a proxy or proxies to attend and speak on their behalf. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company.

2. Investors who hold their shares through a nominee may wish to appoint a proxy, in which case they should discuss this with their nominee or stockbroker.

3. To be effective, a form of proxy must be deposited at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by not later than 09:00am on 26 August 2022 or, in the case of an adjournment, 48 hours prior to the time of the adjourned AGM (Saturdays and Public Holidays excluded).

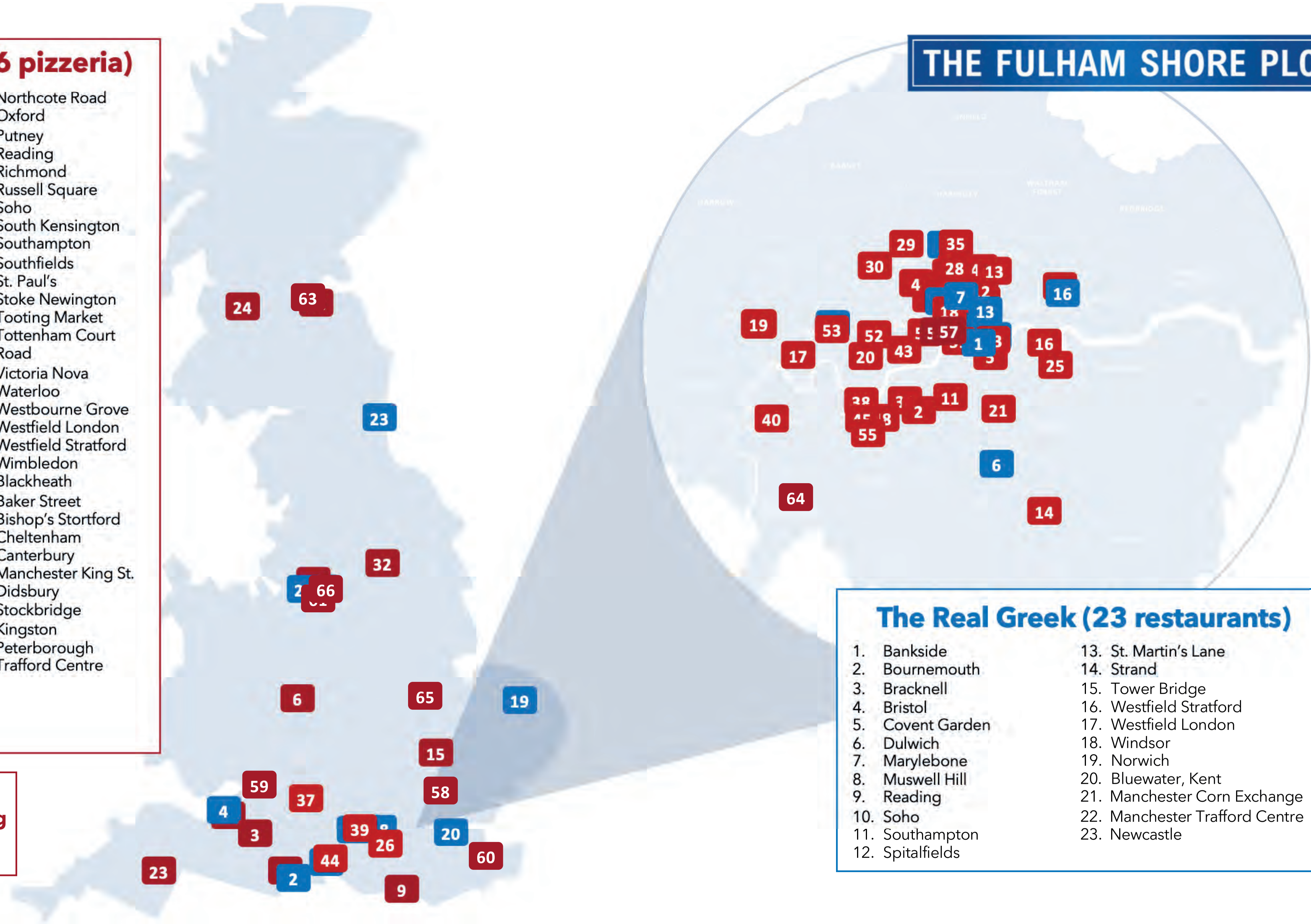
4. It is possible for you to submit your proxy votes via the internet. You can do so by visiting www.investorcentre.co.uk/eproxy. You will require the control number, your unique PIN and Shareholder Reference Number ("SRN"). This information can be found on your form of proxy, or if you receive communications from us electronically, voting information will be contained within your email broadcast.

5. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) no later than 09:00am on 26 August 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those holders of ordinary shares in the capital of the Company registered in the register of members of the Company at 6:30pm (London time) on 29 August 2022 or, in the case of an adjournment, at close of business on the date which is two days before the day of the adjourned general meeting, shall be entitled to attend and vote at the AGM in respect of such number of shares registered in their name at that time. In each case, changes to entries in the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

7. Details of those Directors seeking re-election are given on page 26 of the Report and Financial Statements. The details of the service contracts for the Executive Directors are set out in the Report on Directors' Remuneration on pages 22 to 25 of the Report and Financial Statements. The Register of Directors' Interests and the Directors' service agreements will be available for inspection during usual business hours on any weekday (Saturdays and Public Holidays excluded) at the registered office of the Company until the date of the Annual General Meeting and at the place of the meeting for 15 minutes prior to and until the termination of the meeting.

THE FULHAM SHORE PLC



Franco Manca (66 pizzeria)

1. Aldwych
2. Balham
3. Bath
4. Belsize Park
5. Bermondsey
6. Birmingham
7. Bishopsgate
8. Bournemouth
9. Brighton
10. Bristol
11. Brixton
12. Broadgate Circle
13. Broadway Market
14. Bromley
15. Cambridge
16. Canary Wharf
17. Chiswick
18. Covent Garden
19. Ealing
20. Earl's Court
21. East Dulwich
22. Edinburgh
23. Exeter
24. Glasgow
25. Greenwich
26. Guildford
27. Holborn
28. Islington
29. Kentish Town
30. Kilburn
31. King's Cross
32. Leeds
33. London Bridge
34. Manchester
35. Muswell Hill
36. Northcote Road
37. Oxford
38. Putney
39. Reading
40. Richmond
41. Russell Square
42. Soho
43. South Kensington
44. Southampton
45. Southfields
46. St. Paul's
47. Stoke Newington
48. Tooting Market
49. Tottenham Court Road
50. Victoria Nova
51. Waterloo
52. Westbourne Grove
53. Westfield London
54. Westfield Stratford
55. Wimbledon
56. Blackheath
57. Baker Street
58. Bishop's Stortford
59. Cheltenham
60. Canterbury
61. Manchester King St.
62. Didsbury
63. Stockbridge
64. Kingston
65. Peterborough
66. Trafford Centre

Franco Manca International Franchising

Athens, Greece x2

The Real Greek (23 restaurants)

1. Bankside
2. Bournemouth
3. Bracknell
4. Bristol
5. Covent Garden
6. Dulwich
7. Marylebone
8. Muswell Hill
9. Reading
10. Soho
11. Southampton
12. Spitalfields
13. St. Martin's Lane
14. Strand
15. Tower Bridge
16. Westfield Stratford
17. Westfield London
18. Windsor
19. Norwich
20. Bluewater, Kent
21. Manchester Corn Exchange
22. Manchester Trafford Centre
23. Newcastle

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