

8 December 2021

**Real Good Food plc**  
**("RGF" or "the Company")**

**Half year results for six months ended 30 September 2021**

***Strong revenue growth and improved underlying performance***

Real Good Food plc, (AIM: RGD) the diversified food business, today announces its half year results for the six months ended 30 September 2021.

**Financial highlights:**

- Revenue from continuing operations increased by 29.9% to £19.9 million (2020: £15.4 million).
- Underlying adjusted EBITDA\* for the Group was £0.7 million (continuing operations), compared to a loss last year and more than double 2019's pre-pandemic performance.
- Loss before tax reduced significantly to £1.2 million (2020: loss of £4.7 million).
- Disposal of Brighter Foods for a cash consideration of £43 million on the 11 May 2021 (of which £35.7 million attributable to the Group). This broadly equated to 8.6 times FY20 EBITDA and 11.7 times (unaudited) FY21 EBITDA.
- Net debt significantly reduced, following the disposal, to £24.9 million at 30 September 2021 (30 September 2020: £45.1 million; 31 March 2021: £48.8 million).
- A £8.5 million payment was also made in May 2021 to eliminate the pension deficit, at that time.

**Operational highlights:**

- Cake Decoration (Renshaw and Rainbow Dust) – underlying adjusted EBITDA\* of £1.1 million (2020: £0.6 million loss).
- Revenues are ahead of both 30 September 2020 and 30 September 2019, up 29.9% and 0.7%, respectively.
- Innovation continues to drive revenue growth with 39 new products launched in the first six months of the financial year, producing revenues of £0.4 million (£1.4 million annualised).
- Overhead costs were £0.6 million lower than the same period last year, excluding any furlough benefit.

**Current trading and outlook:**

- Revenue has bounced back to pre-covid levels and are projected to exceed last year.
- The launch of new products will continue at pace during the second half of the year.
- Increased revenues and selective price increases are expected to largely mitigate the impact of higher logistics, raw material, packaging, and labour costs.
- During the second half, £0.7 million of additional capex is planned to support and accelerate recent progress.
- The Board remains committed to reducing the Group's debt burden and reviewing all initiatives to improve and simplify its capital structure.

*\* Underlying adjusted EBITDA represents earnings before depreciation, amortisation, impairments, significant items, finance costs and tax.*

**Mike Holt, Executive Chairman, said:**

“We have made a good start to the year and the Group is in good shape for the seasonally busier second half of the year. Our turnaround activities are gaining traction, enabling Renshaw to regain its reputation as a product innovator and first choice provider of quality products, both branded and private label. Overall, prospects for the remainder of the year are good and we are confident of being able to report on further progress being made. In addition, the Board has committed to spend £0.9 million this year on capex to accelerate the progress being achieved.”

**Enquiries:**

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**About Real Good Food**

Real Good Food plc is a food manufacturing business serving several market sectors including retail (branded and private label), manufacturing and export. The Group has two businesses that make up the Cake Decoration division, Renshaw, and Rainbow Dust Colours, with leading brands in their chosen markets. <http://www.realgoodfoodplc.com>

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

## Chairman's Statement

I am pleased to report that the Group has started the year positively; revenue and EBITDA are well ahead of last year's first half performance, but more importantly revenue is back to pre-covid levels (H1 FY20), and profitability was improved. For the first six months, underlying adjusted EBITDA was £0.7 million compared to a (covid impacted) loss of £0.8m last year and an EBITDA profit of £0.2 million for the first half of FY20.

Our plan for the year is to accelerate operational changes made within Renshaw over the last two years and to generate revenue growth from new products and better customer service delivery. This is happening, albeit some of the benefit is being masked by abnormally high logistics costs and supply chain shortages arising from short-term challenges.

To date, there have been 39 new product launches this year which are expected to add about £1.4 million to revenue on an annualised basis, principally with Marks and Spencer, Tesco, Asda, Aldi and Lidl. Whilst the impact of covid-19 has undoubtedly abated, it has continued to impact operational performance through higher-than-normal employee absence rates and its impact on productivity; looking beyond this year, margins should bounce back as these temporary effects lift.

To support further revenue growth and profit generation, the Board has recently approved capital expenditure of £0.6 million on three projects, including a new Innovation Centre next to the main production facility, and expects capex for the year to be £0.9 million (FY21: £0.5 million). This will be funded by the sale of Wavertree which is expected to complete in the next couple of months, a sale having been agreed.

During my tenure as Chairman, the Group's strategy has been to maximise value for shareholders by leveraging productive capacity by growing revenue (through product innovation and new customers) and improving operational performance. The Group has also been open to divesting parts of the business for the right value at the right time. This was clearly demonstrated by the sale of Brighter Foods Limited on 11 May 2021, which produced proceeds of £35.7 million to the Group and which valued the business at £43 million (equating to 8.6 times annualised FY20 EBITDA and 11.7 times (unaudited) FY21 EBITDA). This enabled the Group to repay £23.1 million to Loan Note Holders and to eliminate the pension deficit at that time with a payment of £8.5 million.

In September 2021, the Independent Directors also agreed a further extension with the Group's three principal investors to extend the repayment dates of Investor Loans and Convertible Loan Notes from 19 May 2022 to 19 May 2023; this provides additional financial flexibility for the Group to continue its balance sheet restructuring, and to accelerate and maximise the value of the remaining Group businesses.

At the AGM held on 20 October 2021, the special resolution to cancel admission of the Company's shares on AIM was withdrawn once it became clear that there was insufficient shareholder support on the current shareholder register. The Board whilst reflecting on this result, nonetheless still believes, as stated in my Chairman's Letter included within the Notice of the AGM, that cancellation is in the best interests of the Company and reiterates that it remains focussed on reviewing all initiatives to continue to improve the capital structure of the Group.

Prospects for the remainder of the year are good and the Board is confident of being able to report on further progress being made. It is also encouraging to note that the business is being recognised for its innovation and quality of new products within the industry.

## Overview

### Results

Revenue for the first six months of the year was ahead of the pre covid-19 levels by 0.7% to £19.9 million (2020: £19.8 million). Cake Decoration continued to place new products in the market working closely with their customers. In the first six months of FY22, there have been 39 products placed generating £0.4m of sales. The restructure in the Cake Decoration business has resulted in an overhead saving of £1.4 million versus FY20 and £0.8 million versus FY20 (not including any furlough benefit). Overall, a profit was reported at the Group underlying adjusted EBITDA level (underlying adjusted EBITDA is defined as earnings before significant items, impairment, interest, tax, depreciation, and amortisation) of £0.7 million (2020: loss of £0.8 million);

2019: profit of £0.2 million). Measuring the Group's performance against underlying adjusted EBITDA shows the operational performance of the Group without the distorting effects of the costs of finance and other significant items.

The loss before tax is £1.2 million (2020: loss of £4.7 million; 2019: loss of £4.1 million). In addition to the increased revenues in the six months to September 2021 of £4.6 million versus the prior year, lower overheads, and lower interest costs on the investor loans, reduced the loss before tax. Based on our review at the half year, there has been no impairment of the Cake Decoration business. The Directors are confident that the business has strong long-term growth potential and that it will be restored to greater profitability over the coming trading periods.

|  | 6 months ended 30<br>Sept 2021<br>£000's | 6 months ended 30<br>Sept 2020<br>£000's | 6 months ended 30<br>Sept 2019<br>£000's |
|--|--|--|--|
| <b>Loss before tax from continuing operations</b>            | <b>(1,214)</b>                           | <b>(4,699)</b>                           | <b>(4,058)</b>                           |
| Depreciation of property, plant and equipment                | 667                                      | 848                                      | 782                                      |
| Amortisation of intangibles                                  | 7  | 23                                       | 33                                       |
| Impairment   | -  | -  | -  |
| Significant items  | 75                                       | 361                                      | 547                                      |
| Finance costs  | 1,044                                    | 2,547                                    | 2,855                                    |
| Other finance costs  | 75                                       | 91                                       | 88                                       |
| <b>Underlying adjusted EBITDA from continuing operations</b> | <b>654</b>                               | <b>(829)</b>                             | <b>247</b>                               |

The Group has a credit facility with Leumi ABL Limited of £8.87 million, which as part of our covid-19 cash planning, had been increased by £2.0 million secured on the debtors of Brighter Foods. Following the sale of Brighter Foods in May 2021, the facility was reduced back to the original amount of £8.87 million.

#### Investment in growth

During the height of covid-19, Capex was restricted to essential spend. The business is now looking forward to making investments in projects highlighted as part of the operational review.

#### Outlook and Current Trading

Following the easing of the covid-19 restrictions, revenues have increased across most sectors. Retail and international sales continue to perform well in the year to date, whilst manufacturing sector customers have been slower to ramp up. For the year to date, the performance of the businesses is aligned with the Board's expectations and central costs remain within budget.

The cake decoration market in the UK, particularly in the retail sector, remains competitive, but we are confident that we are delivering what our customers want and need. The new product developments have been successful and there is a healthy pipeline. The Cake Decoration business is continuing to see the benefits of the recent restructure and cost saving initiatives. Covid-19 did delay some of the operational improvements, however these will start to be implemented over the coming months.

Brexit has caused challenges for many companies, and RGF is no exception. The biggest challenge faced has been the transporting of goods to Europe and the new customs' documentation, increasing delivery times. This is starting to ease but is likely to continue for the rest of this year.

The challenges with international logistics to the United States of America are improving but there remains a lack of containers which is increasing costs, with surcharges in excess of 100% of the pre covid-19 costs being incurred. The expectation is that these excess costs will reduce during 2022.

Revenue is ahead of the Board's expectation; however, the additional logistics charges mean the additional delivered margin is not evident in the results.

Overall, the Board remains optimistic and confident that the Cake Decoration business has a clear growth strategy and the leadership and resources to deliver on them. With a lower cost base in place, and new customers being gained, the business is well placed to accelerate profitable growth.

## Finance Review

| <i>Results of continuing operations:</i> | 6 months ended 30 | 6 months ended 30 | 6 months ended 30 |
|--|-------------------|-------------------|-------------------|
|  | Sept 2021         | Sept 2020         | Sept 2019         |
|  | £000's            | £000's            | £000's            |
| External Revenue                         | 19,949            | 15,354            | 19,818            |
| Gross profit                             | 8,655             | 5,690             | 8,833             |
| Underlying adjusted EBITDA               | 654               | (829)             | 247               |
| Operating loss                           | (95)              | (2,061)           | (1,115)           |
| Operating loss %                         | (0.5)%            | (13.4)%           | (5.6)%            |
| Loss before tax                          | (1,214)           | (4,699)           | (4,058)           |

Group revenue for the six months ended 30 September 2021 is £19.9 million (2020: £15.4 million), £4.5 million (30.2%) ahead of September 2020, and slightly ahead of September 2019, the pre-covid period. Revenues are returning to pre covid-19 levels with the main challenges in the first six months being on costs and material and labour availability. Materials from overseas have been delayed owing to labour shortages resulting from self-isolating employees, which affected our suppliers as well as the Cake Decoration business itself. Logistics remains a challenge when delivering overseas. The launch of new products has continued with 39 delivered to customers so far this year and an exciting pipeline for the coming months.

Underlying adjusted EBITDA for continuing operations at £0.7 million was ahead of the prior year by £1.5 million as a result of the increased revenues and margin offset by the additional logistics, material and labour costs. The cost savings initiated last year have resulted in overheads falling £1.4m compared to FY20. Loss before tax for the six months ended 30 September 2021 was £1.2 million, an improvement of £3.5 million on the same period in the prior year, reflecting the increased revenues and lower overheads and financing costs.

### Covid-19

It is difficult to identify the true cost of covid-19 and the lockdowns, however the Cake Decoration business has seen revenues return to pre covid-19 levels in the first six months of FY22. The challenge remains logistics and this is partly covid-19 related as well as Brexit effected.

Where the business deferred PAYE payments (£0.9m) and business rates, in line with the government assistance schemes, to conserve cash during the lockdown period, the Group is happy to report that it has repaid these amounts.

### Dividend

No dividend is proposed for the six months ended 30 September 2021 (2020: nil).

### Pension Scheme

The Group offers a defined contribution scheme for all current employees that is funded on a monthly basis. In addition, the Company operates a defined benefit scheme that was closed to new members in 2000.

Following the sale of Brighter Foods in May 2021, the Company agreed with the Trustee of the Napier Brown Retirement Benefits Plan to make a payment of £8.5million to the Plan. This eliminated the deficit, as measured on a prudent ongoing funding basis, at the time. This was made up of £6.7million due under the previous agreement reached with the Trustee on the sale of Brighter Foods, with the balance to be used as a prepayment of amounts due under the schedule of contributions.

The Board and the Trustee are in the process of putting in place a new contribution schedule for the actuarial valuation as at 31 March 2021. As the new contribution schedule is not yet formally in place, IFRIC14 accounting rules require that a liability of £6.0million, being the value of contributions due under the old contribution schedule, is recognised on the company's balance sheet. This is a technical requirement, and the liability will be rebased once the 31 March 2021 valuation,

and a new contribution schedule have been agreed. Even with more prudent assumptions than previously, the new valuation is expected to show a much smaller deficit than the £6.0 million liability currently shown.

The plan assets increased by £8.9 million to £23.4 million during the period. The plan liabilities are £29.4 million including the additional IFRIC14 liability compared to £22.0 million on 31 March 2021 (see note 6).

### Cash Flow

The net decrease in cash and cash equivalents for the period since 30 September 2020 was £0.1 million. Net debt on 30 September 2021 amounted to £24.9 million (2020: £45.1 million). The decrease in net debt arose from the repayment of shareholder loans following the sale of Brighter Foods in May 2021. Net debt is principally represented by the loans and accrued interest from shareholders of £7.0 million, convertible loan notes (“CLNs”) at fair value of £15.8 million, asset financing of £1.6 million, leased asset commitments of £0.04 million and revolving credit facilities of £3.1 million. Cash in the bank stood at £2.7 million. Net debt is calculated as total borrowings less cash and cash equivalents (see note 8).

## Divisional Business Review

### Cake Decoration

*Cake Decoration manufactures sugarpaste, marzipan, soft icings, mallow, and caramels, under the Renshaw Professional brand and for private label. The division also produces a range of edible glitters, dusts, powders, food paints and pens for the sugar craft sector, through the Rainbow Dust Colours brand. Renshaw Europe and Renshaw Americas sell these products in their respective territories.*

|                            | 6 months ended 30<br>Sept 2021<br>£000's | 6 months ended 30<br>Sept 2020<br>£000's | 6 months ended 30<br>Sept 2019<br>£000's |
|----------------------------|--|--|--|
| External Revenue           | 19,949                                   | 15,319                                   | 19,922                                   |
| Underlying adjusted EBITDA | 1,087                                    | (637)                                    | 637                                      |
| Profit / (Loss) before tax | 315                                      | (1,729)                                  | (571)                                    |

External revenue was £19.9 million (2020: £15.3 million), an increase of £4.6 million (29.9%). Following the easing of the lockdown period in the UK and Europe the sectors that had been most affected, wholesale, manufacturing and Europe started to open up, albeit they were reliant on their own customers reopening. The retail sector had already been performing to pre-covid levels during the pandemic and with the upturn in wholesale and manufacturing, the business has returned to pre covid revenue levels in the first six months. There have been covid and Brexit challenges, particularly in logistics both in receiving materials from overseas and delivering goods to customers. This has had an impact on margins. We consider the container cost surcharges to be ‘abnormal’ and expect these to return to normal once container availability and port challenges are resolved. UK sales were up by £2.7 million (26 %) in the first six months, with Europe up by £1.9 million (12%) and the rest of world sales up by £1.6 million (54%).

The sector is also facing challenges, with pressure on revenues in icing and marzipan driven by underlying market decline; however, during the six months the Cake Decoration business bucked this trend. The sale of soft icings is a growing market and one that Renshaw is benefitting from, with sales year on year up by 1% (while the market declined by 1%); with the growing new product development (NPD) pipeline there is no reason why this should not continue. The underlying adjusted EBITDA profit of £1.1 million is an increase of £1.7 million on the prior year, driven by the increased revenues of £4.6 million and the savings made in overheads. Further savings are expected once the rollout of the delayed operational improvements start.

### Impairment Review

The Cake Decoration division has over the past two years undergone an operational improvement programme to increase its margins and profitability on a sustainable basis. The impact of covid-19 affected the business as it did with many others, however revenues continue to grow and margins improved owing to the changes made, including strengthening the commercial functions including new product development. With covid restrictions lifted and the increased revenues and profits, there is no impairment required for the interim period to the 30 September 2021.

## Head Office

*The Group functions comprise only Finance, in addition to the plc Board.*

|                            | 6 months ended 30<br>Sept 2021<br>£000's | 6 months ended 30<br>Sept 2020<br>£000's | 6 months ended 30<br>Sept 2019<br>£000's |
|----------------------------|--|--|--|
| External Revenue           | -  | 35                                       | 11                                       |
| Underlying adjusted EBITDA | (433)                                    | (192)                                    | (390)                                    |
| Loss before tax            | (1,529)                                  | (2,970)                                  | (3,487)                                  |

The underlying adjusted EBITDA loss was higher by £0.2 million than the prior year; this was a result of a release in FY21 of £0.2m. The loss before tax of £1.5 million reflects the reduction in interest costs on the investor loans that were reduced from 1 January 2021.

This report was approved by the Board on 8 December 2021 and is signed on its behalf by:

**Mike Holt**

Executive Chairman

## Independent review report to Real Good Food plc

### Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

### Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

### Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
Manchester  
United Kingdom  
8 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Consolidated Statement of Comprehensive Income – Continuing operations

|   | Notes | unaudited<br>6 months<br>ended<br>30 Sept 2021<br>£000's | unaudited<br>6 months<br>ended<br>30 Sept 2020<br>(restated*)<br>£000's | audited<br>12 months<br>ended<br>31 Mar 2021<br>£000's |
|---|-------|--|---|--|
| <b>Revenue</b>  |       | <b>19,949</b>  | <b>15,354</b>   | <b>37,292</b>  |
| Cost of sales   |       | (11,294)   | (9,664)   | (22,128)   |
| <b>Gross profit</b>   |       | <b>8,655</b>   | <b>5,690</b>  | <b>15,164</b>  |
| Furlough Income   |       | 24   | -   | 1,205  |
| Other operating income  |       | 12   | -   | 48   |
| Distribution expenses   |       | (2,069)  | (1,287)   | (3,615)  |
| Administrative expenses   |       | (6,642)  | (6,103)   | (14,266)   |
| Significant items   | 7     | (75)   | (361)   | 203  |
| <b>Operating loss</b>   |       | <b>(95)</b>  | <b>(2,061)</b>  | <b>(1,261)</b>   |
| Finance costs   |       | (1,044)  | (2,547)   | (4,665)  |
| Other finance costs   |       | (75)   | (91)  | (182)  |
| <b>Loss before tax</b>  |       | <b>(1,214)</b>   | <b>(4,699)</b>  | <b>(6,108)</b>   |
| Income tax credit   |       | -  | 17  | 27   |
| <b>Loss from continuing operations</b>                          |       | <b>(1,214)</b>   | <b>(4,682)</b>  | <b>(6,081)</b>   |
| Profit from discontinued operations                             |       | <b>20,056</b>  | <b>724</b>  | <b>2,617</b>   |
| <b>Net profit / (loss)</b>                                      |       | <b>18,842</b>  | <b>(3,958)</b>  | <b>(3,464)</b>   |
| <b>Attributable to:</b>   |       |  |   |  |
| Owners of the parent  |       | 18,842   | (4,071)   | (3,856)  |
| Non-controlling interests                                       |       | -  | 113   | 392  |
| <b>Net profit / (loss)</b>                                      |       | <b>18,842</b>  | <b>(3,958)</b>  | <b>(3,464)</b>   |
| <b>Items that will not be reclassified to profit or loss</b>    |       |  |   |  |
| Foreign exchange differences on translation of subsidiaries     |       | (10)   | (25)  | 65   |
| Actuarial gain / (loss) on defined benefit plan                 |       | 77   | (708)   | (910)  |
| Pension provision IFRIC 14                                      |       | (7,001)  | -   | 803  |
| Tax relating to items which will not be reclassified            |       | 75   | 133   | (102)  |
| <b>Other comprehensive loss</b>                                 |       | <b>(6,859)</b>   | <b>(600)</b>  | <b>(144)</b>   |
| <b>Total comprehensive profit / (loss) for the period</b>       |       | <b>11,983</b>  | <b>(4,558)</b>  | <b>(3,608)</b>   |
| <b>Attributable to:</b>   |       |  |   |  |
| Owners of the parent  |       | 11,983   | (4,671)   | (4,000)  |
| Non-controlling interests                                       |       | -  | 113   | 392  |
| <b>Total comprehensive profit / (loss) for the period</b>       |       | <b>11,983</b>  | <b>(4,558)</b>  | <b>(3,608)</b>   |
|   |       | <b>30 Sept 2021</b>                                      | <b>30 Sept 2020</b>   | <b>31 Mar 2021</b>                                     |
| <b>Basic and diluted loss per share - continuing operations</b> | 3     | <b>(8.11)p</b>   | <b>(24.84)p</b>   | <b>(6.50)p</b>   |
| Basic earnings per share - discontinued operations              |       | 20.14p   | 0.73p   | 2.63p  |
| Diluted earnings per share - discontinued operations            |       | 6.00p  | 0.23p   | 0.82p  |

\*The result for the 6 months ended 30 September 2021 has been restated to reflect the change in continuing and discontinued operations.

## Consolidated Statement of Financial Position

|  | Notes | unaudited<br>30 Sept<br>2021<br>£000's | unaudited<br>30 Sept<br>2020<br>£000's | audited<br>31 Mar<br>2021<br>£000's |
|--|-------|--|--|-------------------------------------|
| <b>NON-CURRENT ASSETS</b>  |       |  |  |                                     |
| Goodwill   | 9     | 32,722                                 | 37,753                                 | 32,722                              |
| Other intangible assets  |       | 3                                      | 35                                     | 9                                   |
| Tangible fixed assets  |       | 8,084                                  | 15,252                                 | 8,548                               |
| Investments  |       | -                                      | 81                                     | -                                   |
| Deferred tax asset   |       | 1,501                                  | 1,658                                  | 1,426                               |
|  |       | <b>42,310</b>                          | <b>54,779</b>                          | <b>42,705</b>                       |
| <b>CURRENT ASSETS</b>  |       |  |  |                                     |
| Inventories  |       | 4,319                                  | 6,568                                  | 3,597                               |
| Trade and other receivables  |       | 7,311                                  | 9,576                                  | 7,248                               |
| Current tax assets   |       | -                                      | 182                                    | -                                   |
| Cash collateral  |       | 50                                     | 215                                    | 215                                 |
| Cash and cash equivalents  |       | 2,650                                  | 2,341                                  | 622                                 |
|  |       | <b>14,330</b>                          | <b>18,882</b>                          | <b>11,682</b>                       |
| Assets in disposal groups classified as held for sale                                      | 10    | 1,148                                  | 1,148                                  | 20,157                              |
| <b>TOTAL ASSETS</b>  |       | <b>57,788</b>                          | <b>74,809</b>                          | <b>74,544</b>                       |
| <b>CURRENT LIABILITIES</b>   |       |  |  |                                     |
| Trade and other payables   |       | 6,548                                  | 11,366                                 | 8,087                               |
| Current tax liability  |       | 4                                      | -                                      | -                                   |
| Borrowings   | 8     | 3,907                                  | 1,433                                  | 2,659                               |
| Lease liabilities  | 8     | 43                                     | 267                                    | 93                                  |
| NCI put option   | 1     | -                                      | 4,420                                  | 1,553                               |
|  |       | <b>10,502</b>                          | <b>17,486</b>                          | <b>12,392</b>                       |
| Liabilities held for sale  |       | -                                      | -                                      | <b>4,442</b>                        |
|  |       | <b>10,502</b>                          | <b>17,486</b>                          | <b>16,834</b>                       |
| <b>NON-CURRENT LIABILITIES</b>   |       |  |  |                                     |
| Borrowings   | 8     | 23,596                                 | 45,247                                 | 46,624                              |
| Lease liabilities  | 8     | -                                      | 495                                    | -                                   |
| Derivative liability - Convertible Loan Notes  |       | -                                      | 6                                      | 17                                  |
| Deferred tax liabilities   |       | 216                                    | 257                                    | 216                                 |
| Retirement benefit obligation  | 6     | 6,005                                  | 8,735                                  | 7,505                               |
|  |       | <b>29,817</b>                          | <b>54,740</b>                          | <b>54,362</b>                       |
| Liabilities directly associated with assets in disposal groups classified as held for sale |       | -                                      | -                                      | <b>4,442</b>                        |
| <b>TOTAL LIABILITIES</b>   |       | <b>40,319</b>                          | <b>72,226</b>                          | <b>71,196</b>                       |
| <b>NET ASSETS</b>  |       | <b>17,469</b>                          | <b>2,583</b>                           | <b>3,348</b>                        |
| <b>EQUITY</b>  |       |  |  |                                     |
| Share capital  |       | 1,991                                  | 1,991                                  | 1,991                               |
| Share premium account  |       | 3,294                                  | 3,294                                  | 3,294                               |
| Share option reserve   |       | 3                                      | 188                                    | 3                                   |
| Other reserve  |       | -                                      | (4,796)                                | (4,796)                             |

|  |               |              |              |
|--|---------------|--------------|--------------|
| Foreign exchange translation reserve               | (70)          | (150)        | (60)         |
| Retained earnings                                  | 12,251        | (863)        | (282)        |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b> | <b>17,469</b> | <b>(336)</b> | <b>150</b>   |
| Non-controlling interest                           | -             | 2,919        | 3,198        |
| <b>TOTAL EQUITY</b>                                | <b>17,469</b> | <b>2,583</b> | <b>3,348</b> |

### Consolidated Statement of Changes in Equity

| For the six months ended 30 September 2021 (unaudited)                      | Issued Share Capital | Share Premium Account | Share Option Reserve | Other Reserve | Foreign Exchange Translation Reserve | Retained Earnings | Total         | Non-Controlling Interest | Total Equity  |
|---|----------------------|-----------------------|----------------------|---------------|--------------------------------------|-------------------|---------------|--------------------------|---------------|
|   | £'000s               | £'000s                | £'000s               | £'000s        | £'000s                               | £'000s            | £'000s        | £'000s                   | £'000s        |
| Balances on 1 April 2021  | 1,991                | 3,294                 | 3                    | (4,796)       | (60)                                 | (282)             | 150           | 3,198                    | 3,348         |
| <b>Total comprehensive profit/(loss) for</b>                                |                      |                       |                      |               |                                      |                   |               |                          |               |
| Profit for the period   | -                    | -                     | -                    | -             | -                                    | 18,842            | 18,842        | -                        | 18,842        |
| Other comprehensive loss for the period                                     | -                    | -                     | -                    | -             | (10)                                 | (6,849)           | (6,859)       | -                        | (6,859)       |
| <b>Total comprehensive profit/(loss) for the period</b>                     | -                    | -                     | -                    | -             | (10)                                 | 11,993            | 11,983        | -                        | 11,983        |
| <b>Transactions with owners of the Group, recognised directly in equity</b> |                      |                       |                      |               |                                      |                   |               |                          |               |
| Loan waiver   | -                    | -                     | -                    | -             | -                                    | 540               | 540           | -                        | 540           |
| Reserves on sale of Brighter Foods  | -                    | -                     | -                    | 4,796         | -                                    | -                 | 4,796         | -                        | 4,796         |
| Minority Investors on sale of Brighter                                      | -                    | -                     | -                    | -             | -                                    | -                 | -             | (3,198)                  | (3,198)       |
| <b>Total contributions by and distributions to owners of the Group</b>      | -                    | -                     | -                    | 4,796         | -                                    | 540               | 5,336         | (3,198)                  | 2,138         |
| <b>Balances at 30 September 2021</b>  | <b>1,991</b>         | <b>3,294</b>          | <b>3</b>             | <b>-</b>      | <b>(70)</b>                          | <b>12,251</b>     | <b>17,469</b> | <b>-</b>                 | <b>17,469</b> |

| For the six months ended 30 September 2020 (unaudited)                      | Issued Share Capital | Share Premium Account | Share Option Reserve | Other Reserve  | Foreign Exchange Translation Reserve | Retained Earnings | Total        | Non-Controlling Interest | Total Equity |
|---|----------------------|-----------------------|----------------------|----------------|--------------------------------------|-------------------|--------------|--------------------------|--------------|
|   | £'000s               | £'000s                | £'000s               | £'000s         | £'000s                               | £'000s            | £'000s       | £'000s                   | £'000s       |
| Balances at 1 April 2020  | 1,991                | 3,294                 | 203                  | (4,796)        | (125)                                | 3,783             | 4,350        | 2,806                    | 7,156        |
| <b>Total comprehensive (loss)/profit for</b>                                |                      |                       |                      |                |                                      |                   |              |                          |              |
| (Loss)/profit for the period  | -                    | -                     | -                    | -              | -                                    | (4,071)           | (4,071)      | 113                      | (3,958)      |
| Other comprehensive loss for the  | -                    | -                     | -                    | -              | (25)                                 | (575)             | (600)        | -                        | (600)        |
| <b>Total comprehensive (loss)/profit for the period</b>                     | -                    | -                     | -                    | -              | (25)                                 | (4,646)           | (4,671)      | 113                      | (4,558)      |
| <b>Transactions with owners of the Group, recognised directly in equity</b> |                      |                       |                      |                |                                      |                   |              |                          |              |
| Share based payments  | -                    | -                     | (15)                 | -              | -                                    | -                 | (15)         | -                        | (15)         |
| <b>Total contributions by and distributions to owners of the Group</b>      | -                    | -                     | (15)                 | -              | -                                    | -                 | (15)         | -                        | (15)         |
| <b>Balances at 30 September 2020</b>  | <b>1,991</b>         | <b>3,294</b>          | <b>188</b>           | <b>(4,796)</b> | <b>(150)</b>                         | <b>(863)</b>      | <b>(336)</b> | <b>2,919</b>             | <b>2,583</b> |

| For the twelve months ended 31 March 2021 (audited) | Issued Share Capital | Share Premium Account | Share Option Reserve | Other Reserve | Foreign Exchange Translation Reserve | Retained Earnings | Total  | Non-Controlling Interest | Total Equity |
|---|----------------------|-----------------------|----------------------|---------------|--------------------------------------|-------------------|--------|--------------------------|--------------|
|   | £'000s               | £'000s                | £'000s               | £'000s        | £'000s                               | £'000s            | £'000s | £'000s                   | £'000s       |

|   |              |              |              |                |             |                |                |              |                |
|---|--------------|--------------|--------------|----------------|-------------|----------------|----------------|--------------|----------------|
| Balances at 1 April 2020  | 1,991        | 3,294        | 203          | (4,796)        | (125)       | 3,783          | <b>4,350</b>   | 2,806        | <b>7,156</b>   |
| <b>Total comprehensive loss for the period</b>                              |              |              |              |                |             |                |                |              |                |
| Loss for the year   | -            | -            | -            | -              | -           | (3,856)        | <b>(3,856)</b> | 392          | <b>(3,464)</b> |
| Other comprehensive loss for the period                                     | -            | -            | -            | -              | 65          | (209)          | <b>(144)</b>   | -            | <b>(144)</b>   |
| <b>Total comprehensive loss for the period</b>                              |              | -            | -            | -              | <b>65</b>   | <b>(4,065)</b> | <b>(4,000)</b> | <b>392</b>   | <b>(3,608)</b> |
| <b>Transactions with owners of the Group, recognised directly in equity</b> |              |              |              |                |             |                |                |              |                |
| Share based payments  | -            | -            | (200)        | -              | -           | -              | <b>(200)</b>   | -            | <b>(200)</b>   |
| <b>Total contributions by and distributions to owners of the Group</b>      | -            | -            | <b>(200)</b> | -              | -           | -              | <b>(200)</b>   | -            | <b>(200)</b>   |
| <b>Balances at 31 March 2021</b>  | <b>1,991</b> | <b>3,294</b> | <b>3</b>     | <b>(4,796)</b> | <b>(60)</b> | <b>(282)</b>   | <b>150</b>     | <b>3,198</b> | <b>3,348</b>   |

## Consolidated Cashflow Statement

|  | Notes | unaudited<br>6 months ended<br>30 Sept 2021<br>£000's | unaudited<br>6 months ended<br>30 Sept 2020<br>£000's | audited<br>12 months ended<br>31 Mar 2021<br>£000's |
|--|-------|---|---|---|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |       |   |   |   |
| <b>Adjusted for:</b>   |       |   |   |   |
| Profit / (Loss) before taxation                              |       | 18,842  | (3,975)   | (3,491)   |
| Finance and other finance costs                              |       | 1,119   | 2,637   | 4,856   |
| FX movement  |       | 17  | -   | 308   |
| Profit on sale of discontinued business                      |       | (20,386)  | -   | -   |
| Loss on disposal of investment                               |       | -   | -   | 31  |
| Loss on disposal of property, plant and equipment            |       | -   | -   | 7   |
| Share option reserve credit                                  |       | -   | -   | (200)   |
| Share based payment credit                                   |       | -   | (15)  | -   |
| Fair value of derivative liability                           |       | (17)  | 6   | 17  |
| Fair value of NCI put option                                 |       | -   | -   | (1,302)   |
| Depreciation of property, plant and equipment                |       | 746   | 1,223   | 2,435   |
| Amortisation of intangibles                                  |       | 7   | 25  | 52  |
| <b>Operating Cash Flow</b>                                   |       | <b>328</b>  | <b>(99)</b>   | <b>2,713</b>  |
| (Increase)/decrease in inventories                           |       | (1,222)   | 255   | 676   |
| Decrease in receivables                                      |       | 2,047   | 870   | 23  |
| Pension contributions  |       | (8,500)   | (250)   | (720)   |
| (Decrease)/increase in payables                              |       | (2,800)   | 2,278   | 953   |
| Reduction in cash collateral (increase in cash)              |       | 165   | -   | -   |
| <b>Cash (used in) /from operations</b>                       |       | <b>(9,982)</b>  | <b>3,054</b>  | <b>3,645</b>  |
| Income taxes paid  |       | -   | -   | -   |
| Interest paid  |       | (53)  | -   | (86)  |
| Interest on lease liabilities                                |       | (7)   | -   | (26)  |
| <b>Net cash (outflow)/inflow from operating activities</b>   |       | <b>(10,042)</b>                                       | <b>3,054</b>  | <b>3,533</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |       |   |   |   |
| Purchase of property, plant, and equipment                   |       | (223)   | 73  | (567)   |
| Disposal of discontinued business, net of cash disposed of   | 11    | 32,085  | -   | 50  |
| <b>Net cash inflow/(outflow) from investing activities</b>   |       | <b>31,862</b>   | <b>73</b>   | <b>(517)</b>  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                   |       |   |   |   |
| Repayment of lease liabilities                               | 8     | (57)  | -   | (402)   |
| Repayment of Investor Loans                                  | 8     | (23,100)  | (9)   | -   |
| Repayment of term loans                                      |       | (433)   | -   | (865)   |
| Drawdowns on revolving credit facilities                     | 8     | 19,390  | 11,994  | 42,816  |
| Repayments of revolving credit facilities                    | 8     | (18,084)  | (13,279)  | (42,876)  |
| Inflow / (repayment) of other loans                          |       | 44  | (841)   | (35)  |
| <b>Net cash (outflow)/ inflow from financing activities</b>  |       | <b>(22,240)</b>                                       | <b>2,135</b>  | <b>(1,362)</b>                                      |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>  |       | <b>(420)</b>  | <b>992</b>  | <b>(1,654)</b>                                      |
| <b>CASH AND CASH EQUIVALENTS</b>                             |       |   |   |   |
| Cash and cash equivalents at beginning of period             |       | 3,080   | 1,363   | 1,363   |
| Effects of currency translation on cash and cash equivalents |       | (10)  | (14)  | 63  |
| Net movement in cash and cash equivalents                    |       | (420)   | 992   | 1654  |
| <b>Cash and cash equivalents at end of period</b>            |       | <b>2,650</b>  | <b>2,341</b>  | <b>3,080</b>  |
| Continuing operations  |       | 2,650   | 1,032   | 622   |
| Discontinued operations                                      |       | -   | 1,309   | 2,458   |
|  |       | <b>2,650</b>  | <b>2,341</b>  | <b>3,080</b>  |

## Notes to the Interim Statements

### 1. Preparation of the interim statements

#### General information

Real Good Food plc is a public limited company incorporated in England and Wales under the Companies Act (registered number 04666282). The Company is domiciled in England and Wales and its registered address is 61 Stephenson Way, Wavertree, Liverpool L13 1HN. The Company's shares are traded on the Alternative Investment Market (AIM).

The principal activities of the Group are the sourcing, manufacture, marketing and distribution of food and industrial ingredients.

The interim report will be posted on the Company's website and will be released via the Stock Exchange. Further copies of the interim report and Annual Report and Accounts may be obtained from the address above.

#### Basis of preparation

These condensed consolidated interim statements are compliant with the recognition and measurement principles of United Kingdom adopted International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) but does not include all disclosures required by IAS 34. The unaudited financial information for the six months ended 30 September 2021 and 30 September 2020 are not statutory accounts and as such, have not been audited, but have been reviewed by our auditors. The comparative financial information for the year ended 31 March 2021 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Accounts for 2021 have been filed with the Registrar of Companies. The Independent Auditor's Report on that Annual Report and Accounts for 2021 was (i) qualified - due to covid-19 restrictions, the auditor was not able to observe the counting of physical inventories at 31 March 2020 for inventories held by Brighter Foods Limited, a subsidiary and significant component of Real Good Food plc, due to restrictions in the attendance of external visitors at the company and third-party premises, specifically as a result of covid-19. They were unable to determine whether any adjustment to this amount was necessary, or what the impact of any such adjustment would be on the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of financial position or consolidated cash flow statement for the year ended 31 March 2021 (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The accounts are prepared on a going concern basis.

#### Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operation that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification of a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is presented as if the operation had discontinued from the start of the comparative period.

On 11 May 2021, the Group sold Brighter Foods Limited, and this has been classified as a discontinued operation in the accounts.

#### Going Concern

The Directors have considered the Group's business activities together with the factors that may affect its planned future performance with respect to covid-19 and Brexit and are taking appropriate action.

The forecasts, agreed with the businesses, consider reasonable possible changes in trading performance and these assumptions have been projected and shared with the Company's advisors. Having already traded through two lockdowns, both businesses are more aware of the impact with their own customer base and sectors in which they trade.

The Directors considered the following sensitised scenarios:

Scenario 1: Reduction in revenue of c.5% and gross margin reduced by 10% for 3 months

Scenario 2: Reduction in sales by 10% all year and payroll and overhead costs increase by 2% all year

In both stressed scenarios the group has sufficient liquidity headroom for at least the next 12 months, with lowest headroom in August 2022, when cash becomes tighter coinciding with the stock build for Christmas.

RGF has repaid all deferred PAYE payments and rate payments that were deferred as part of the covid-19 cash planning.

The Group will take action as appropriate, should sales not be in line with expectations. The Group has various levers that it can use to mitigate any shortfall including:

- Cessation of non-essential spend
- Review of overhead costs

The banking covenants in place being a test of EBITDA and positive tangible net worth are not breached on the stressed scenarios referred to above.

The principal shareholders of the Group have shown considerable support for the working capital requirements. The three major shareholders finalised an amendment deed (amended on 17 September 2021) relating to the funding agreements. The agreements have been amended such that the final repayment dates of each of the agreements have been extended to 19 May 2023, with no change to the interest rate payable by the company.

Having carefully considered the liquidity of the Group in line with the current strategy and future performance, the Directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the next 12 months. Looking beyond that horizon, the Board is fully conscious of the significant potential cash demands from the repayment of shareholder loans, for example, and such matters will receive appropriate consideration, of course, well in advance of the due dates.

#### **Assets held for sale**

Following the sale of the trade and assets of Real Good Food Ingredients Limited, the Group was left with an office building near Bristol, which was no longer required. The property has been advertised for sale with local estate agents since July 2018, and we hope to find a suitable buyer.

As such, the asset is classified as held for sale within the consolidated statement of financial position on 30 September 2021.

Following the restructure of the RGF Group Head Office, the property at Wavertree, Liverpool is no longer required, with remaining staff relocating to the Crown Street property. The property is currently advertised for sale.

The asset is classified as held for sale within the consolidated statement of financial position on 30 September 2021.

#### **Government Grants**

Grants which have been received in respect of the Coronavirus job retention scheme have been accounted for and presented separately on the face of the Statement of Comprehensive Income, rather than by reducing the related expenses. The Group has used the Government deferred PAYE payment scheme. The costs were accounted for as incurred. All deferred PAYE has been fully repaid.

## **2. Segment analysis**

#### **Geographical Segments**

The Group earns revenue from countries outside the United Kingdom, these represent 34.4% of the total revenue of the Group to 30 September 2021 (6 months to 30 September 2020: 25.6% and 6 months to September 2019: 33.4%). The change in the percentage is a result of the increased sales post covid-19 in Europe and America.

#### **Business segments**

The divisional structure reflects the management teams in place and also ensures all aspects of trading activity have the specific focus that they need in order to achieve our growth plans.

The Group operates in two businesses in the Cake Decoration division. The Head Office finance function provide support to the division as required.

Unaudited segment analysis for these divisions for the six months ended 30 September 2021 is provided below, along with reconciliations to the underlying adjusted EBITDA:

The Group operates in the Cake Decoration division. The Head Office consists of Finance and the plc Board. The segment analysis for the six months ended 30 September 2021 is:

|   | Cake<br>Decoration | Head Office<br>and non-<br>trading<br>subsidiaries | Continuing<br>Operations | Discontinued<br>Operations | Total Group    |
|---|--------------------|--|--------------------------|----------------------------|----------------|
|   | £000's             | £000's   | £000's                   | £000's                     | £000's         |
| <b>Total Revenue</b>  | <b>21,157</b>      | -  | <b>21,157</b>            | <b>1,275</b>               | <b>22,432</b>  |
| Intercompany Sales  | (1,208)            | -  | (1,208)                  | -                          | (1,208)        |
| <b>External Revenue</b>   | <b>19,949</b>      | -  | <b>19,949</b>            | <b>1,275</b>               | <b>21,224</b>  |
| Cost of sales   | (11,294)           | -  | (11,294)                 | (1,063)                    | (12,357)       |
| <b>Gross Profit</b>   | <b>8,655</b>       | -  | <b>8,655</b>             | <b>212</b>                 | <b>8,867</b>   |
| Furlough Income   | 24                 | -  | 24                       | 137                        | 161            |
| Other operating income  | -                  | 12   | 12                       | -                          | 12             |
| Distribution expenses   | (2,069)            | -  | (2,069)                  | (47)                       | (2,116)        |
| Administrative expenses   | (6,185)            | (457)  | (6,642)                  | (403)                      | (7,045)        |
| Significant items and impairments   | (41)               | (34)   | (75)                     | (229)                      | (304)          |
| <b>Operating profit/(loss) after impairment<br/>and significant items</b> | <b>384</b>         | <b>(479)</b>                                       | <b>(95)</b>              | <b>(330)</b>               | <b>(425)</b>   |
| Finance costs   | (69)               | (975)  | (1,044)                  | -                          | (1,044)        |
| Other finance costs   | -                  | (75)   | (75)                     | -                          | (75)           |
| <b>Profit/(Loss) before tax</b>   | <b>315</b>         | <b>(1,529)</b>                                     | <b>(1,214)</b>           | <b>(330)</b>               | <b>(1,544)</b> |
| Income tax credit / (expense)   | -                  | -  | -                        | -                          | -              |
| <b>Profit/(Loss) after tax</b>  | <b>315</b>         | <b>(1,529)</b>                                     | <b>(1,214)</b>           | <b>(330)</b>               | <b>(1,544)</b> |
| Profit from discontinued operations                                       | -                  | -  | -                        | 20,386                     | 20,386         |
| <b>Net profit /(loss)</b>   | <b>315</b>         | <b>(1,529)</b>                                     | <b>(1,214)</b>           | <b>20,056</b>              | <b>18,842</b>  |

| Reconciliation of operating (loss)/profit to<br>underlying adjusted EBITDA | Cake<br>Decoration | Head Office and<br>non-trading<br>subsidiaries | Continuing<br>Operations | Discontinued<br>Operations | Total Group  |
|--|--------------------|--|--------------------------|----------------------------|--------------|
|  | £000's             | £000's   | £000's                   | £000's                     | £000's       |
| <b>Operating profit/(loss)</b>   | <b>384</b>         | <b>(479)</b>                                   | <b>(95)</b>              | <b>(330)</b>               | <b>(425)</b> |
| Significant items and impairments  | 41                 | 34   | 75                       | 229                        | 304          |
| Depreciation   | 655                | 12   | 667                      | 79                         | 746          |
| Amortisation   | 7                  | -  | 7                        | -                          | 7            |
| <b>Underlying adjusted EBITDA</b>  | <b>1,087</b>       | <b>(433)</b>                                   | <b>654</b>               | <b>(22)</b>                | <b>632</b>   |



Comparative unaudited segment analysis for the six months ended 30 September 2020 is:

|   | Cake<br>Decoration | Head Office<br>and non-<br>trading<br>subsidiaries | Continuing<br>Operations<br>(restated*) | Discontinued<br>Operations<br>(restated*) | Total Group    |
|---|--------------------|--|---|---|----------------|
|   | £000's             | £000's   | £000's                                  | £000's                                    | £000's         |
| <b>Total Revenue</b>  | <b>17,039</b>      | <b>35</b>  | <b>17,074</b>                           | <b>8,523</b>                              | <b>25,597</b>  |
| Intercompany Sales  | (1,720)            | -  | (1,720)                                 | -   | (1,720)        |
| <b>External Revenue</b>   | <b>15,319</b>      | <b>35</b>  | <b>15,354</b>                           | <b>8,523</b>                              | <b>23,877</b>  |
| Cost of sales   | (9,641)            | (23)   | (9,664)                                 | (5,699)                                   | (15,363)       |
| <b>Gross Profit</b>   | <b>5,678</b>       | <b>12</b>  | <b>5,690</b>                            | <b>2,824</b>                              | <b>8,514</b>   |
| Furlough Income   | -                  | -  | -                                       | -   | -              |
| Other operating income  | -                  | -  | -                                       | -   | -              |
| Distribution expenses   | (1,265)            | (22)   | (1,287)                                 | (177)                                     | (1,464)        |
| Administrative expenses   | (5,828)            | (275)  | (6,103)                                 | (1,886)                                   | (7,989)        |
| Significant items and impairments                                     | (295)              | (66)   | (361)                                   | (38)                                      | (399)          |
| <b>Operating (loss)/profit after impairment and significant items</b> | <b>(1,710)</b>     | <b>(351)</b>                                       | <b>(2,061)</b>                          | <b>723</b>                                | <b>(1,338)</b> |
| Finance costs   | (19)               | (2,528)  | (2,547)                                 | 1   | (2,546)        |
| Other finance costs   | -                  | (91)   | (91)                                    | -   | (91)           |
| <b>(Loss)/profit before tax</b>                                       | <b>(1,729)</b>     | <b>(2,970)</b>                                     | <b>(4,699)</b>                          | <b>724</b>                                | <b>(3,975)</b> |
| Income tax credit / (expense)   | -                  | <b>17</b>  | <b>17</b>                               | -   | <b>17</b>      |
| <b>(Loss)/profit after tax</b>  | <b>(1,729)</b>     | <b>(2,953)</b>                                     | <b>(4,682)</b>                          | <b>724</b>                                | <b>(3,958)</b> |
| Profit from discontinued operations                                   | -                  | -  | -                                       | -   | -              |
| <b>Net (loss)/profit</b>  | <b>(1,729)</b>     | <b>(2,953)</b>                                     | <b>(4,682)</b>                          | <b>724</b>                                | <b>(3,958)</b> |

| Reconciliation of operating (loss)/profit to underlying adjusted EBITDA | Cake<br>Decoration | Head Office<br>and non-<br>trading<br>subsidiaries | Continuing<br>Operations<br>(restated*) | Discontinued<br>Operations<br>(restated*) | Total Group    |
|---|--------------------|--|---|---|----------------|
|   | £000's             | £000's   | £000's                                  | £000's                                    | £000's         |
| <b>Operating (loss)/profit</b>  | <b>(1,710)</b>     | <b>(351)</b>                                       | <b>(2,061)</b>                          | <b>723</b>                                | <b>(1,338)</b> |
| Significant items and impairments                                       | 295                | 66   | 361                                     | 38  | 399            |
| Depreciation  | 760                | 88   | 848                                     | 375                                       | 1,223          |
| Amortisation  | 18                 | 5  | 23                                      | 2   | 25             |
| <b>Underlying adjusted EBITDA</b>                                       | <b>(637)</b>       | <b>(192)</b>                                       | <b>(829)</b>                            | <b>1,138</b>                              | <b>309</b>     |

\*The analysis has been restated to reflect the change in continuing and discontinued operations.

Comparative audited segment analysis for the twelve months ended 31 March 2021 is:

|   | Cake<br>Decoration | Head Office<br>and non-<br>trading<br>subsidiaries | Continuing<br>Operations | Discontinued<br>Operations | Total Group    |
|---|--------------------|--|--------------------------|----------------------------|----------------|
|   | £000's             | £000's   | £000's                   | £000's                     | £000's         |
| <b>Total Revenue</b>  | <b>40,206</b>      | -  | <b>40,206</b>            | <b>19,788</b>              | <b>59,994</b>  |
| Intercompany Sales  | (2,914)            | -  | (2,914)                  | -                          | (2,914)        |
| <b>External Revenue</b>   | <b>37,292</b>      | -  | <b>37,292</b>            | <b>19,788</b>              | <b>57,080</b>  |
| Cost of sales   | (22,128)           | -  | (22,128)                 | (12,992)                   | (35,120)       |
| <b>Gross Profit</b>   | <b>15,164</b>      | -  | <b>15,164</b>            | <b>6,796</b>               | <b>21,960</b>  |
| Furlough Income   | 1,205              | -  | 1,205                    | 461                        | 1,666          |
| Other operating income  | -                  | 48   | 48                       | 49                         | 97             |
| Distribution expenses   | (3,615)            | -  | (3,615)                  | (411)                      | (4,026)        |
| Administrative expenses   | (13,657)           | (609)  | (14,266)                 | (4,100)                    | (18,366)       |
| Significant items and impairments                                     | (763)              | 966  | 203                      | (169)                      | 34             |
| <b>Operating (loss)/profit after impairment and significant items</b> | <b>(1,666)</b>     | <b>405</b>   | <b>(1,261)</b>           | <b>2,626</b>               | <b>1,365</b>   |
| Finance costs   | (95)               | (4,570)  | (4,665)                  | (9)                        | (4,674)        |
| Other finance costs   | -                  | (182)  | (182)                    | -                          | (182)          |
| <b>(Loss)/profit before tax</b>                                       | <b>(1,761)</b>     | <b>(4,537)</b>                                     | <b>(6,108)</b>           | <b>2,617</b>               | <b>(3,491)</b> |
| Income tax credit / (expense)   | -                  | 27   | 27                       | -                          | 27             |
| <b>(Loss)/profit after tax</b>  | <b>(1,761)</b>     | <b>(4,320)</b>                                     | <b>(6,081)</b>           | <b>2,617</b>               | <b>(3,464)</b> |
| Profit from discontinued operations                                   | -                  | -  | -                        | -                          | -              |
| <b>Net (loss)/profit</b>  | <b>(1,761)</b>     | <b>(4,320)</b>                                     | <b>(6,081)</b>           | <b>2,617</b>               | <b>(3,464)</b> |

|                                   | Cake<br>Decoration | Head Office<br>and non-<br>trading<br>subsidiaries | Continuing<br>Operations | Discontinued<br>Operations | Total Group  |
|-----------------------------------|--------------------|--|--------------------------|----------------------------|--------------|
|                                   | £000's             | £000's   | £000's                   | £000's                     | £000's       |
| <b>Operating (loss)/profit</b>    | <b>(1,666)</b>     | <b>405</b>   | <b>(1,261)</b>           | <b>2,626</b>               | <b>1,365</b> |
| Significant items and impairments | 763                | (966)  | (203)                    | 169                        | (34)         |
| Depreciation                      | 1,614              | 25   | 1,639                    | 796                        | 2,435        |
| Amortisation                      | 87                 | (35)   | 52                       | -                          | 52           |
| <b>Underlying adjusted EBITDA</b> | <b>798</b>         | <b>(571)</b>                                       | <b>227</b>               | <b>3,591</b>               | <b>3,818</b> |

### 3. Earnings per ordinary share

#### Basic earnings per share

Basic earnings per share is calculated on the basis of dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue at the end of the period.

| unaudited<br>6 months<br>ended | unaudited<br>6 months<br>ended | unaudited<br>6 months<br>ended | unaudited<br>6 months<br>ended | audited<br>12 months<br>ended | audited<br>12 months<br>ended |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------------------|-------------------------------|
| 30 Sept 2021                   | 30 Sept 2021                   | 30 Sept 2020<br>(restated*)    | 30 Sept 2020<br>(restated*)    | 31 March<br>2021              | 31 March<br>2021              |

|  | Continuing Operations | Discontinued Operations | Continuing Operations | Discontinued Operations | Continuing Operations | Discontinued Operations |
|--|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| Loss/profit after tax attributable to ordinary shareholders (£'000s) | (8,073)               | 20,056                  | (6,473)               | (24,727)                | 724                   | 2,617                   |
| Weighted average number of shares in issue for basic EPS ('000s)     | 99,564                | 99,564                  | 99,564                | 99,564                  | 99,564                | 99,564                  |
| Employee share options & Convertible loan notes                      | 234,434               | 234,434                 | 215,710               | 215,710                 | 221,320               | 221,320                 |
| Weighted average number of shares in issue for diluted EPS ('000s)   | 333,998               | 333,998                 | 315,274               | 315,274                 | 320,884               | 320,884                 |
| <b>Basic (loss)/profit per share – pence</b>                         | <b>(8.11)p</b>        | <b>20.14p</b>           | <b>(24.84)p</b>       | <b>0.73p</b>            | <b>(6.50)p</b>        | <b>2.63p</b>            |
| <b>Diluted (loss)/profit per share - pence</b>                       | <b>(8.11)p</b>        | <b>6.00p</b>            | <b>(24.84)p</b>       | <b>0.23p</b>            | <b>(6.50)p</b>        | <b>0.82p</b>            |

\*The loss after tax attributable to ordinary shareholders for the 6 months ended 30 September 2020 has been restated to reflect the change in continuing and discontinued operations.

The total basic earnings per share at 30 September 2021 is 12.04p for continuing and discontinued operations (at 30 September 2020 continuing and discontinued basic loss per share: (24.11)p).

For the six months to 30 September 2021, the weighted average number of shares in issue was 99,564,430 and the number of options outstanding was 33,333. If these were all exercised the cash raised would be equivalent to that which would be raised by issuing 505,897 shares at the average share price during the year. There were also 8,806,571 convertible loan notes outstanding, of which the weighted average was 233,927,216. Therefore, the weighted average number of dilutive potential ordinary shares is 333,997,543.

#### Diluted earnings per share

The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of all outstanding share options. For continuing operations, the potential ordinary shares are considered anti-dilutive as they decrease the loss per share. Therefore, diluted EPS is the same as basic EPS for continuing operations. For discontinued operations, however, the earnings per share can be diluted. If all the shares had been exercised before the end of the period, the loss per share would then have been (8.11)p on the continuing operations and there would have been an earnings per share of 6.00p on discontinued operations (2020: earnings of 0.73p on continuing and 0.23p on discontinued operations).

#### 4. Dividends

The Directors are not recommending an interim dividend (2020: nil).

#### 5. Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Provision is made in full for taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences. Deferred tax is not discounted.

#### 6. Pension arrangements

The Group operates a defined contribution scheme for all employees, including provision to comply with auto-enrolment requirements laid down by law.

In addition, the Group operates a defined benefit scheme, the Napier Brown Retirement Benefits Scheme, which closed to new members in 2000. The assets of the scheme are held separately from those of the Group in an independently administered fund. Following the sale of Brighter Foods, the Group injected £8.5 million into the scheme to eliminate the pension scheme deficit on an ongoing funded basis at that time. Contributions in the first six months of last year were £249,999.

The Board and the Trustee are in the process of putting in place a new contribution schedule for the actuarial valuation as at 31 March 2021. As the new contribution schedule is not yet formally in place, IFRIC14 accounting rules require that a liability equal to the value of contributions which were due under the old contribution schedule be recognised on the company's balance sheet. A liability of £6.0 million has therefore been recognised, albeit this will be replaced by a much smaller liability

(mainly reflecting more cautious assumptions since May 2021) once the valuation is complete and an updated contribution schedule is signed.

### Assumptions

The assets of the scheme have been included at market value and the liabilities have been calculated using the following principal actuarial assumptions:

|  | unaudited<br>30 Sept 2021<br>% per annum | unaudited<br>30 Sept 2020<br>% per annum | audited<br>31 Mar 2021<br>% per annum |
|--|--|--|---------------------------------------|
| Rate of increase in pension payment    | 3.40                                     | 3.00                                     | 3.30                                  |
| Discount rate                          | 2.00                                     | 1.50                                     | 2.00                                  |
| Inflation assumption                   | 3.60                                     | 3.00                                     | 3.40                                  |
| Revaluation rate for deferred pensions | 2.90                                     | 2.50                                     | 2.70                                  |

### Scheme deficit

The fair value of the assets in the scheme and the present value of the liabilities in the scheme are:

|                                     | unaudited<br>30 Sept 2021<br>£'000s | unaudited<br>30 Sept 2020<br>£'000s | audited<br>31 Mar 2021<br>£'000s |
|-------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Total fair value of assets          | 23,388                              | 14,831                              | 14,527                           |
| Present value of scheme liabilities | (22,186)                            | (23,566)                            | (21,885)                         |
| Effect of IFRIC14                   | (7,207)                             | -                                   | (147)                            |
| <b>(Deficit) in the scheme</b>      | <b>(6,005)</b>                      | <b>(8,735)</b>                      | <b>(7,505)</b>                   |

The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

The present value of contributions payable exceeds the net liability and in accordance with IFRIC14, we have recognised this additional liability.

## 7. Significant Items and Impairments

The Group's underlying profit figure excludes a number of items which are material or non-recurring and are detailed separately to ensure the underlying operating performance of the business is clearly visible, without the distortion of these costs. The significant costs incurred by the Group, are summarised below:

|   | unaudited<br>30 Sept 2021<br>£000's | unaudited<br>30 Sept 2020<br>(restated*)<br>£000's | audited<br>31 Mar 2021<br>£000's |
|---|-------------------------------------|--|----------------------------------|
| Professional fees in relation to Liverpool factory                  | -                                   | -  | (113)                            |
| Professional fees in relation to refinancing costs                  | -                                   | -  | (38)                             |
| Movement in provisions relating to the non-controlling interest put | -                                   | -  | 1,302                            |
| RGF legal Costs   | (75)                                | -  | (269)                            |
| Closure of Renshaw US warehouse                                     | -                                   | -  | (171)                            |
| Management restructuring  | -                                   | (361)  | (508)                            |
| <b>Total significant items and impairments</b>                      | <b>(75)</b>                         | <b>(361)</b>                                       | <b>203</b>                       |
| <b>Continuing business</b>  | <b>(75)</b>                         | <b>(361)</b>                                       | <b>203</b>                       |
| <b>Discontinued business</b>  | <b>(229)</b>                        | <b>(38)</b>  | <b>(169)</b>                     |
| <b>Total Significant Items</b>                                      | <b>(304)</b>                        | <b>(399)</b>                                       | <b>34</b>                        |

\*The significant items for the six months ended 30 September 2020 have been restated to reflect the change in continuing and discontinued operations.

## 8. Borrowings

The table below shows the movement on the Borrowings over the past 12 months.

|  | unaudited<br>30 Sept 2021<br>£000's | unaudited<br>30 Sept 2020<br>£000's | audited<br>31 Mar 2021<br>£000's |
|--|-------------------------------------|-------------------------------------|----------------------------------|
| Revolving credit facility                  | 3,100                               | 568                                 | 1,794                            |
| Investor loans                             | 7,022                               | 29,210                              | 30,240                           |
| Other loans                                | -                                   | 179                                 | -                                |
| Convertible loan notes                     | 15,763                              | 14,036                              | 15,199                           |
| Asset finance                              | 1,618                               | 2,483                               | 2,050                            |
| Lease liabilities (IFRS 16)                | 43                                  | 762                                 | 93                               |
| Government grants                          | -                                   | 204                                 | -                                |
| <b>Total Borrowings</b>                    | <b>27,546</b>                       | <b>47,442</b>                       | <b>49,376</b>                    |
| Amount due for settlement within 12 months | 3,950                               | 1,700                               | 2,752                            |
| Amount due for settlement after 12 months  | 23,596                              | 45,742                              | 46,624                           |

### Convertible Loan Notes

The Company had issued loan notes with a conversion price of 5 pence to its major shareholders, NB. Ingredients Limited (“Napier Brown”), Omnicane International Investors Limited (“Omnicane”) and funds managed by Downing LLP (“Downing”) totalling £8.8 million during 2018. The loans are due to be repaid on 17 May 2023.

A host loan at amortised cost and an embedded derivative liability, being measured at fair value with changes in value being recorded in profit or loss, have been recognised. At 30 September 2021 the derivative liability amounted to nil (2020: £6,000).

### Investor Loans

The repayment date of the investor loans was amended on the 17 September 2021. All loans, including the Convertible Loan Notes, are now repayable in full on 19 May 2023.

Also, in May 2021 the Loan Note Holders waived £0.5m of certain of the outstanding loan notes held by each of the Major Shareholders (the “Loan Note Waivers”) reducing the amount of loan notes outstanding to £22.0 million. This waiver has been agreed in respect of certain costs related to the disposal. The £540,000 attributable to waiver is split between c.£350,000 of capital, £100,000 relating to certain management compensation with the remainder being in respect of interest and redemption premium.

As Napier Brown and Omnicane are substantial shareholders of the Company and Judith MacKenzie, a director of the Company, is also a Partner of Downing, each of the Loan Note Waivers are deemed to be related party transactions pursuant to the AIM Rules for Companies. Maribeth Keeling, Mike Holt, and Gail Lumsden, the Independent Directors of the Company for this purpose, having consulted with the Company's Nominated Adviser, finnCap Ltd, consider the terms of the Loan Note Waivers to be fair and reasonable insofar as the Company's shareholders are concerned.

### Financing

The credit facility provided by Leumi prior to the sale of Brighter Foods was £10.87 million, this included £2 million secured on the Brighter Foods receivables, following the sale of Brighter Foods on the 11 May 2021, this reduced to the original facility of £8.87 million.

## 9. Goodwill

Goodwill is reviewed for impairment on a regular basis. Each cash generating unit was assessed for its recoverable amount based upon the higher of fair value less costs of disposal, and value-in-use calculations. The cashflows used in the value-in-use calculation are EBITDA (adjusted) less capital expenditure based upon the latest Board approved forecasts in respect of the following three years. The discount rate applied is 10.0% (Mar 21: 10.0%) based on the market calculated weighted average cost of capital for similar companies. The long-term growth assumptions reflect a 5-year period with a terminal value applied to the fifth year. The impairment review shows that no impairment is required for the goodwill in the Cake Decoration segment (2020: nil).

### Sensitivity Analysis

An illustration of the sensitivity to reasonable possible changes in the discount rate assumption or the 3-year planned EBITDA in Cake Decorations only are shown below:

- An increase of 1.0% in the weighted cost of capital of 10.0% to 11.0% would cause no impairment on the carrying value of goodwill in Cake Decorations.
- Applying a 10% reduction to the planned EBITDA in FY22 and subsequent years would cause no impairment on the carrying value of goodwill in Cake Decorations.

|                       | unaudited     | Unaudited     | audited       |
|-----------------------|---------------|---------------|---------------|
|                       | 30 Sept 2021  | 30 Sept 2020  | 31 Mar 2021   |
|                       | £000's        | £000's        | £000's        |
| <b>Total Goodwill</b> | <b>32,722</b> | <b>37,753</b> | <b>32,722</b> |

\* Goodwill has been restated to reflect the change in continuing and discontinued operations.

## 10. Assets classed as held for sale

The group owns an office building near Bristol, previously used by a business sold in the year to 31 March 2019. The building has been put up for sale and is classed as held for sale within the consolidated statement of financial position as of 30 September 2021.

Following the restructure of the RGF Group Head Office, the property in Wavertree, Liverpool is no longer required. The sale of this property is expected to complete in the next couple of months. The asset is within the Head office operating segment. The asset is classified as held for sale within the consolidated statement of financial position as of 30 September 2021.

|                                  | unaudited<br>30 Sept 2021<br>£000's | unaudited<br>30 Sept 2020<br>£000's | audited<br>31 Mar 2021<br>£000's |
|----------------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Property near Bristol            | 148                                 | 148                                 | 148                              |
| Property in Wavertree, Liverpool | 1,000                               | 1,000                               | 1,000                            |
| <b>Assets held for sale</b>      | <b>1,148</b>                        | <b>1,148</b>                        | <b>1,148</b>                     |

AT 31 March 2021, as the Directors had begun the process for the sale of Brighter Foods Limited as a going concern, and had entered into an exclusivity contract with THG Plc. The additional assets and liabilities held for sale were:

|                           | unaudited<br>30 Sept 2021<br>£000's | unaudited<br>30 Sept 2020<br>£000's | audited<br>31 Mar 2021<br>£000's |
|---------------------------|-------------------------------------|-------------------------------------|----------------------------------|
| Assets held for sale      | -                                   | -                                   | 20,157                           |
| Liabilities held for sale | -                                   | -                                   | 4,442                            |

## 11. Discontinued operations

On 11 May 2021, Brighter Foods Limited was sold to THG Plc for a consideration of £43 million. This was consistent with the Group's strategy and allows it to focus on its remaining businesses. The results of the sale are shown below.

| Profit on Sale  | 30 Sept 2021<br>£000's |
|---|------------------------|
| Gross consideration received                                    | 43,000                 |
| Debt free / cash free adjustment                                | (664)                  |
| Non-controlling interest's share of consideration               | (6,604)                |
| Cash consideration received                                     | 35,732                 |
| Cash disposed of  | (2,579)                |
| Disposal costs  | (1,068)                |
| <b>Net cash received on disposal of discontinued operations</b> | <b>32,085</b>          |
| Net assets disposed of (other than cash):                       |                        |
| Property, plant and equipment                                   | (5,766)                |
| Inventories   | (2,784)                |
| Trade and other receivables                                     | (1,520)                |
| Trade and other payables  | 3,176                  |

|  |         |
|--|---------|
| Other long-term borrowings                   | 338     |
|  | (6,556) |
| Goodwill                                     | (5,031) |
| Put Option                                   | (3,243) |
| Minority Interest                            | 3,131   |
| Profit on disposal of subsidiary             | 20,386  |
| Result for period on discontinued operations | (330)   |
| Total on discontinued operations             | 20,056  |

The result of the discontinued business contained within these accounts is:

|  | Unaudited<br>6 months<br>30 Sept 2021<br>£000's | Unaudited<br>6 months<br>30 Sept 2020<br>£'000s | audited<br>12 months<br>31 March 2021<br>£'000s |
|--|---|---|---|
| <b>Total Revenue</b>   | 1,275   | 8,523   | 19,788  |
| Intercompany Sales   | -   | -   | -   |
| <b>External Revenue</b>  | 1,275   | 8,523   | 19,788  |
| Cost of sales  | (1,063)   | (5,699)   | (12,992)  |
| <b>Gross Profit</b>  | 212   | 2,824   | 6,796   |
| Furlough Income  | 137   | -   | 461   |
| Other operating income   | -   | -   | 49  |
| Distribution expenses  | (47)  | (177)   | (411)   |
| Administrative expenses  | (403)   | (1,886)   | (4,100)   |
| Significant items and impairments                              | (229)   | (38)  | (169)   |
| <b>Operating profit after impairment and significant items</b> | (330)   | 723   | 2,626   |
| Finance costs  | -   | 1   | (9)   |
| <b>Profit before tax</b>                                       | (330)   | 724   | 2,617   |
| Income tax credit / (expense)                                  | -   | -   | -   |
| <b>Profit after tax</b>  | (330)   | 724   | 2,617   |

The statement of cash flows includes the following amounts in relation to discontinued operations:

|                      | Unaudited<br>6 months<br>30 Sept 2021<br>£000's | Unaudited<br>6 months<br>30 Sept 2020<br>£'000s | audited<br>12 months<br>31 March 2021<br>£'000s |
|----------------------|---|---|---|
| Operating activities | 167   | 169   | 1,224   |
| Investing activities | (20)  | (66)  | 234   |
| Financing activities | 41  | 50  | (156)   |
|                      | 188   | 153   | 1,302   |

The earnings per share from discontinued operations are shown below, are fully disclosed in note 3.



|                            | Unaudited<br>6 months<br>30 Sept 2021<br>£000's | Unaudited<br>6 months<br>30 Sept 2020<br>£'000s | audited<br>12 months<br>31 March 2021<br>£'000s |
|----------------------------|---|---|---|
| Basic earnings per share   | 20.14   | 0.73  | 2.63  |
| Diluted earnings per share | 6.00  | 0.23  | 0.82  |

## 12. Contingent Liability

The Group carries a wide range of insurance cover, and no separate disclosure is made of the detail of claims, or the costs covered by insurance. There have been no further claims raised since the publication of the FY21 Annual Accounts.

There is one claim to disclose:

The Group received communication from the liquidators of Five Star Fish Limited (FSF), claiming repayment of £610k in relation to a debt allegedly owed by RGF to FSF. Having taken legal advice, the Directors are of the view that this is not a valid claim against the Company and accordingly no provision has been made within the accounts.

## 13. Post period end

There are no post balance sheet events