

Strictly embargoed until: 07.00 on [11th] November 2015

Real Good Food plc
(“the Group” or “Real Good Food”)
Interim results for the six months ending 30 September 2015

Real Good Food plc (AIM:RGD) today announces interim results for the six months ending 30 September 2015.

Interim Highlights

- Completion of sale of Napier Brown for a total consideration of £44.4 million (including working capital) delivering an exceptional profit in the period of £9.4 million
- Strong increase in Group EBITDA¹: £2.0 million (2014: loss of £3.0 million)
- Profit after tax² for the period is £9.3 million compared to a loss of £4.1 million for the same period last year
- Successful commercial and management integration of Rainbow Dust Colours into the Group
- Strong financial and operational platform in place for future growth in all three pillar markets: cake decoration, food ingredients and premium bakery
- Significant reduction in net debt at balance sheet date to £3.0m (2014: £36.3million)
- Positive sales trends in important third quarter Christmas trading period at Haydens Bakery and Cake Decorating Businesses.

Commenting on the interim results, Pieter Totté, Executive Chairman, said:

“I am pleased to report that the Group made positive operational and financial progress during the reported period resulting in total Group EBITDA being significantly improved when compared to the same period last year. We completed the sale of Napier Brown for a total consideration of £44.4m, which delivered an exceptional profit in the period of £9.4 million

Importantly we are now seeing the benefits of the operational strategy and investment programme that we have been implementing over the last couple of years across our individual business units, which are now managed on a stand-alone basis. This coincides with a significant reduction in Group net debt and improved working capital, resulting in a business which is much transformed and well positioned for further future growth.”

Commenting on current trading and Future Strategy, Mr Totté added:

“We will now look to use the Group’s strong balance sheet to continue to invest in our three pillar markets of cake decoration, food ingredients and premium bakery, to drive EBITDA and operating profit as well as exploring further bolt-on acquisition opportunities.

We are now well into the important third quarter, which includes the Christmas trading period and I am pleased to report positive sales trends so far at both our cake decorating businesses and at Haydens. With this context,

the Board is confident that the outcome for the full year will be in line with current market expectations and we look forward with confidence.”

¹ Excludes exceptional profit on disposal of Napier Brown

² Includes exceptional profit on disposal of Napier Brown

-*ends*-

About Real Good Food plc

Real Good Food plc is a diversified food business serving a number of market sectors including retail, manufacturing, wholesale, foodservice and export. The Company focuses on three main markets: cake decoration (Renshaw, Rainbow Dust Colours), food ingredients (Garrett Ingredients and R&W Scott) and premium bakery (Haydens).

ENQUIRIES:

Real Good Food plc

Pieter Totté (Executive Chairman)

David Newman (Finance Director)

Andrew Brown (Marketing Director)

Tel: 020 3056 1516

Shore Capital & Corporate (Nomad and Joint Broker)

Stephane Auton

Patrick Castle

Tel: 020 7408 4090

Daniel Stewart and Company Plc (Joint Broker)

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Tel: 020 7776 6550

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Kim van Beeck

Tel: 020 3567 0510

REAL GOOD FOOD PLC
INTERIM RESULTS FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2015

Overview

I am pleased to report that the Group made healthy operational and financial progress during the reported period resulting in total Group EBITDA being significantly improved when compared to the same period last year. We completed the sale of Napier Brown for a total consideration of £44.4m, which delivered an exceptional profit in the period of £9.4 million

Importantly we are now seeing the benefits of the operational strategy and investment programme that we have been implementing over the last couple of years across our individual business units, now run on a stand-alone basis. This coincides with a significant reduction in Group net debt and improved working capital, resulting in a business which is much transformed and is well positioned for further future growth.

Divisional Business Reviews

Renshaw

Renshaw is a leading manufacturer of high-quality food ingredients, primarily to the baking sector both in the UK and for export. Key products and brands include: Sugar paste, marzipan, soft icings, mallows, caramel. Customers include large food manufacturers, craft bakers, grocery and specialist retailers both in the UK and internationally.

Volumes were slightly down on a like for like basis compared with last year, but this was largely due to the ending of a third party manufacturing contract, in line with our overall strategy of improving sales and margin mix. The result was improved margin and operating profit compared with the same period last year. Early signs are that the important Christmas trading period will be strong and sales in overseas territories such as the US and particularly Australia continue to make good progress.

In addition to these sales initiatives, considerable work is underway to upgrade the product range and to invest in flexible manufacturing systems which will improve customer service and thereby underpin our leadership in the sector.

We have also started plans to increase the warehouse capacity at the Liverpool site which once completed will bring an immediate cost benefit by reducing outside storage costs.

Rainbow Dust Colours

Recently acquired by the Group, Rainbow Dust Colours is a manufacturer and wholesale supplier of specialist sugar craft and cake decorating products. These include: Edible and food contact glitters; Metallic and non-metallic food paints; Specialist cake decorating powders; ProGel® food colours – concentrated colour for sugar paste marzipan and butter cream; and ready to use paint brushes with unique Click-twist® brushes and double-sided pens.

Integration following the acquisition is now complete and overall sales continued to show significant year on year growth with operating profit following a similar trend. Over 500 new accounts were registered to the website in the first six months of the year suggesting that this growth trend is sustainable.

Following the appointment of David Grieve as Managing Director a full management structure is now in place, which will facilitate the next phase of the growth plan.

New warehouse capacity designed to serve the 'sugar craft' sector will be in place early next year and the team is working with Real Good Food Europe to identify additional market opportunities in Europe with a number of new product launches planned for the second half of the year.

Garrett Ingredients

Garrett Ingredients sources dairy, sugar and other specialist food ingredients from across the UK, Eire and continental Europe and sells them to large, medium & small food manufacturing businesses across the UK. The dairy portfolio comprises dry powder mixes and bespoke blends as well as chilled and cultured products. Other specialist ingredients include dextrose, stabilisers and emulsifiers.

The sugar and dairy markets continued at unprecedented lows during the first half bringing fierce price competition and as a consequence, despite a similar volume and product mix, revenues were around 30% below the previous year. However, pleasingly, operating profit was only down by 15% when compared with the same period last year.

The business has completed its transformation to a 'stand-alone' business unit following the sale of Napier Brown and the team are focusing on pursuing a number of added value initiatives such as the targeting of new sectors including the growing Sports Nutrition market.

While there are some signs that sugar prices will rise following the new October 'contract season', dairy markets remain volatile.

R&W Scott

R&W Scott produces chocolate coatings and sauces, jams and dry powder blends for the industrial, retail, wholesale and foodservice markets. Key products and brands include: chocolate coatings which are supplied in liquid, drops and block formats; jams - supplied both to food manufacturers and in jars for retail; and mixes, which are supplied in bags for food manufacturers.

Sales volumes were slightly down on the previous year, but operating profit and gross margin again increased reflecting our underlying strategy of improving the sales mix and migrating the business towards added value accounts and new products.

Operational improvements were delivered in materials control and stock management and an investment has been made in additional capacity for the new pie filling business.

The second half of the year will see the completion of a significant capital investment programme which will give the business the manufacturing profile it requires to maximise its sales growth opportunities.

Real Good Food Europe

Real Good Food Europe sells, markets and distributes products from Real Good Food UK companies across Europe. While most of its sales are currently of Renshaw produced products (in particular icings), opportunities are now being identified with Rainbow Dust Colours and R&W Scott.

Although still relatively small in overall Group terms, operating profit improved compared to the same period last year.

The introduction of new business systems to integrate order and stock management in the warehouse and the installation of a new labelling machine will enable a more bespoke service offering. A new 'tropical' recipe of sugar paste has also been launched to meet the requirement for a firmer product in hotter climates in Southern Europe.

The focus is now to grow market share across all European geographies and the second half should benefit from sales growth in the important German market, where two new sales representatives have been recruited.

Haydens Bakery

Haydens Bakery produces an extensive range of hand-finished, added value bakery and dessert products. Customers include Waitrose, Marks and Spencer, Costa Coffee, Caffè Nero, Morrisons, Aldi and Food Service Distributors. Haydens focuses on six product groups: Tarts, Danish, Yum Yums, Pies & Crumbles, Sweet Buns and Premium Doughnuts.

Sales and operating profit at Haydens were broadly flat when compared with the same period last year. However, the critical trading period is the third quarter lead up to Christmas and encouragingly, initial signs are promising with a strong presence of products over Christmas in Waitrose, Costa, M&S, Aldi and Morrisons

A new sales manager for the foodservice sector has also already delivered a number of new opportunities and the company is undergoing a major overhaul of its identity to reflect its new strategy and ability to serve a broader customer base.

Cash Flow and Debt

During the period a gross cash inflow of £44.4 million, prior to expenses, was received from the sale of the Napier Brown business. These funds were used to repay the all of the Group's borrowing with PNC Business Capital. The result is a sound financial basis from which the Group will invest in its existing businesses, as well as exploring suitable bolt-on acquisitions to provide further growth to the Group.

In order to assist with this growth the Group is pleased to announce that it has entered into a new facility arrangement with Lloyds Bank Plc, creating a £10 million five year revolving credit facility [secured?] on its Debtor book. This facility will fund the Group's future working capital requirements and assist in funding its capital projects.

Update on Proposed restructuring of share capital to enable dividend payments

Following approval at the EGM held on 23 September 2015 the Group has instructed its solicitors to begin the process to transfer its share premium reserve into distributable reserves. Upon completion of the legal process the Board of Directors will consider the approval of a dividend to shareholders.

Future Strategy

We will look to use the Group's strong balance sheet to invest further in our three pillar markets of cake decoration, food ingredients and premium bakery, using the new operational and stand-alone management structures to drive EBITDA and operating profit. Coupled with this we are keen to explore further earning enhancing acquisitions, in the mould of Rainbow Dust Colours, and believe our chosen markets present a number of interesting consolidation opportunities.

Outlook

We are now well into the important third quarter, which includes the Christmas trading period and I am pleased to report positive sales trends so far at both our cake decorating businesses and at Haydens. Accordingly at this stage, the Board is confident that the outcome for the full year will be in line with current market expectations and we look forward to the rest of the year with confidence.

Pieter Totté**Executive Chairman**

REAL GOOD FOOD PLC
INDEPENDENT REVIEW REPORT TO REAL GOOD FOOD PLC FOR THE
SIX MONTHS TO 30 SEPTEMBER 2015

- **Introduction**

We have been engaged by the company to review the condensed set of financial statements in the six monthly interim financial report for the six months ended 30 September 2015, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cashflows and the related notes. We have read the other information contained in the six monthly interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company, as a body, in accordance with our instructions. Our review has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

- **Directors' Responsibilities**

The six monthly interim financial report is the responsibility of, and has been approved by, the directors.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this six monthly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

- **Our Responsibility**

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the six monthly interim 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 Auditing Practices Board 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 Ireland) 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 six monthly interim financial report for the six months ended 30 September 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Crowe Clark Whitehill LLP
Chartered Accountants
10 Palace Avenue
Maidstone
Kent ME15 6NF

REAL GOOD FOOD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2015
(UNAUDITED)

	Notes	6 months ending 30 Sept 2015	6 months ending 30 Sept 2014
		£'000s	£'000s
CONTINUING OPERATIONS			
Revenue		46,656	45,558
Cost of sales		(34,158)	(34,989)
Gross profit		12,498	10,569
Distribution costs		(2,611)	(2,357)
Administration expenses		(8,804)	(8,119)
Operating profit/		1,083	93
Finance costs		(1,203)	(321)
Net pension finance income		(96)	(155)
Loss before taxation		(216)	(383)
Taxation		192	23
Loss from continuing operations		(24)	(360)
Gain on Disposal of Subsidiary	11	9,425	-
Loss from Discontinued business	11	(84)	(4,351)
Profit/(Loss) for the period attributable to the equity holders of the parent		9,317	(4,711)
Other comprehensive income			
Actuarial gains/(losses) on defined benefit plans		641	(1,096)
Income tax relating to components of other comprehensive income		(128)	219
Total comprehensive income/(loss) for the period		9,830	(5,588)
Basic profit/(loss) per share	4	13.4p	(6.8)p
Diluted profit/(loss) per share	4	12.3p	(6.8)p
Adjusted profit per share	4	(0.0)p	(6.8)p
Adjusted diluted profit per share	4	(0.0)p	(6.8)p

REAL GOOD FOOD PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015
(UNAUDITED)

	30 Sept 2015 £'000s	31 Mar 2015 £'000s	30 Sept 2014 £'000s
ASSETS			
NON CURRENT ASSETS			
Goodwill	70,019	70,019	75,796
Intangibles	661	841	931
Property, plant and equipment	14,019	13,599	21,726
Deferred tax asset	1,725	1,866	2,064
	<u>86,424</u>	<u>86,325</u>	<u>100,517</u>
CURRENT ASSETS			
Inventory	14,690	10,328	17,629
Trade and other receivables	18,215	15,229	35,510
Assets relating to discontinued business	-	41,406	-
Current tax assets	-	-	412
Other financial assets	-	-	181
Cash and cash equivalents	4,344	6,687	4,433
	<u>37,249</u>	<u>73,650</u>	<u>58,165</u>
Total Assets	<u>123,673</u>	<u>159,975</u>	<u>158,682</u>
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	7,361	17,241	33,295
Trade and other payables	17,314	18,000	28,781
Liabilities relating to discontinued business	-	27,300	-
Current tax liabilities	164	613	-
Other financial liabilities	-	-	181
	<u>24,839</u>	<u>63,154</u>	<u>62,257</u>
NON CURRENT LIABILITIES			
Borrowings	-	6,677	7,455
Trade and other payables	-	-	183
Deferred tax	2,019	2,537	2,720
Retirement benefit obligations	4,983	5,688	4,659
	<u>7,002</u>	<u>14,902</u>	<u>15,017</u>
Net Assets	<u>91,832</u>	<u>81,919</u>	<u>81,408</u>
SHAREHOLDERS' EQUITY			
Issued share capital	1,396	1,392	1,392
Share premium account	71,333	71,272	71,271
Share option reserve	595	577	456
Retained earnings	18,508	8,678	8,289
Total Equity	<u>91,832</u>	<u>81,919</u>	<u>81,408</u>

REAL GOOD FOOD PLC
STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2015
(UNAUDITED)

	Issued Share Capital £'000s	Share Premium Account £'000s	Share Option reserve £'000s	Retained Earnings £'000s	Total £'000s
Balance at 1 April 2014	1,389	71,244	504	13,877	87,014
Shares issued in period	3	27	-	-	30
Share based payment expenses	-	-	(48)	-	(48)
Total comprehensive loss for the period	-	-	-	(5,588)	(5,588)
Balances as at 30 September 2014	<u>1,392</u>	<u>71,271</u>	<u>456</u>	<u>8,289</u>	<u>81,408</u>
Balance at 1 April 2015	1,392	71,272	577	8,678	81,919
Shares issued in the period	4	61	-	-	65
Share based payment expenses	-	-	18	-	18
Total comprehensive profit for the period	-	-	-	9,830	9,830
Balances as at 30 September 2015	<u>1,396</u>	<u>71,333</u>	<u>595</u>	<u>18,508</u>	<u>91,832</u>

REAL GOOD FOOD PLC
STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDING 30 SEPTEMBER 2015
(UNAUDITED)

	6 months to 30 Sept 2015 £'000s	<i>6 months to 30 Sept 2014 £'000s</i>
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the period before taxation	(216)	(5,217)
Adjusted for:		
Finance costs	1,203	723
Other finance income	96	155
Depreciation of property, plant & equipment	855	1,187
Amortisation of intangibles	180	171
Operating Cash Flow	2,118	(2,981)
(Increase)/Decrease in inventories	(4,509)	1,479
(Increase) in receivables	(4,752)	(1,250)
Pension contributions	(160)	(265)
(Decrease) in payables	(3,169)	(1,017)
Cash outflow from operations	(10,472)	(4,034)
Income taxes (paid)/received	(449)	165
Interest paid	(1,480)	(723)
Net cash outflow from operating activities	(12,401)	(4,592)
CASH FLOW FROM INVESTING ACTIVITIES		
Net Disposal Proceeds from Napier Brown Sugar	41,187	-
Purchase of intangible assets	-	-
Purchase of property, plant & equipment	(1,506)	(622)
Net cash from/(used in) investing activities	39,661	(622)
CASH FLOW FROM FINANCING ACTIVITIES		
Shares issued	65	30
Repayment of loans	(8,295)	(919)
Net movements on revolving credit facilities	(21,203)	2,028
Repayment of obligations under finance leases	(119)	(60)
Net cash used in financing activities	(29,552)	1,079
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,292)	(4,135)
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of period	6,636	8,568
Net movement in cash and cash equivalents	(2,292)	(4,135)
Cash and cash equivalents at balance sheet date	4,344	4,433
Cash and cash equivalents comprise:		
Cash	4,344	4,433
	4,344	4,433

REAL GOOD FOOD PLC
NOTES TO THE INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2015

1. General Information

Real Good Food Plc is a public limited company ("company") incorporated in the United Kingdom under the Companies Act (registration number 4666282). The company is domiciled in the United Kingdom and its registered address is International House, 1 St Katharine's Way, London, E1W 1XB. 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.

2. Basis of preparation

These condensed consolidated financial statements are presented on the basis of International Financial Reporting Standards (IFRS) as adopted by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and have been prepared in accordance with AIM rules and the Companies Act 2006, as applicable to companies reporting under IFRS.

The same accounting policies and methods of computation are followed within these interim financial statements as adopted in the most recent annual financial statements

New IFRS standards and interpretations adopted

At the date of authorisation of these financial statements, the directors have considered the standards and interpretations which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU) and only IFRS 15 "Revenue from Contracts with Customers" was considered to be relevant. The directors are still assessing whether the application of IFRS 15, once effective, will have a material impact on the results of the Group. Adoption of the other standards and interpretations referred to above is not expected to have a material impact on the results of the Group. Adoption of the other standards may result in some changes in presentation of information within the Group's financial statements.

REAL GOOD FOOD PLC
NOTES TO THE INTERIM RESULTS FOR THE SIX MONTHS TO SEPTEMBER 2015

3. Segment analysis

Business segments

The Group's operating segments are Garrett, Renshaw, R&W Scott, Haydens, Real Good Food Europe (RGFE) and Rainbow Dust Colours reflecting the Group's management and reporting structure.

The following table shows the Group's revenue and results for the period under review analysed by operating segment. Segment profit represents the trading profit after depreciation but before significant items.

	Renshaw £'000s	Garrett £'000s	R&W Scott £'000s	Rainbow Dust £'000s	Haydens £'000s	RGFE £'000s	Total £'000s
Total revenue	20,263	8,222	4,816	1,626	12,839	643	48,409
Revenue - internal	(357)	(898)	(477)	(21)	-	-	(1,753)
External revenue	19,906	7,324	4,339	1,605	12,839	643	46,656
Operating profit/(loss) before Head Office	2,157	232	(170)	694	77	21	3,011
Head office and unallocated	-	-	-	-	-	-	(1,928)
Discontinued Business	-	-	-	-	-	-	(84)
Finance costs (net of interest received)	(176)	-	-	(39)	(22)	-	(1,203)
Profit on Disposal of Sugar Business	-	-	-	-	-	-	9,425
Pension finance costs	-	-	-	-	-	-	(96)
Profit/(Loss) before tax	1,981	232	(170)	655	55	21	9,125
Tax	-	-	-	-	-	-	-
Tax unallocated	-	-	-	-	-	-	192
(Loss)/Profit after tax as per statement of comprehensive income	1,981	212	(170)	515	38	21	9,317

Inter-segment sales are charged at prevailing market rates.

REAL GOOD FOOD PLC
NOTES TO THE INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2015

3. Segment reporting (continued)

Business segments

As at 30 SEPTEMBER 2015	Garrett	Renshaw	R&W Scott	Haydens	RGFE	Rainbow Dust	Unallocated	Total Group
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Segment assets	9,552	84,359	7,307	10,872	492	8,229		120,811
Unallocated assets								
Property, plant and equipment								583
Current tax asset								
Deferred tax assets								1,725
Trade and other receivables								554
Total assets	9,552	84,359	7,307	10,872	492	8,229		123,673
Segment liabilities	(2,043)	(10,053)	(1,148)	(3,538)	(21)	(6,913)		(23,716)
Unallocated liabilities								
Trade and other payables								(959)
Borrowings								(164)
Pension Liability								(4,983)
Deferred tax liabilities								(2,019)
Total liabilities	(2,043)	(10,053)	(1,148)	(3,538)	(21)	(6,913)		(31,841)
Net operating assets	7,509	74,307	6,159	7,334	471	1,316		91,832
Non current asset additions	-	368	253	35	30	-	820	1,506
Depreciation	7	203	122	422	5	24	72	855
Amortisation	-	171	-	-	-	-	9	180

Geographical Segments

The group earns revenue from countries outside the United Kingdom, this amounts to 12.5% of the total revenue of the group, but as no individual country is considered to be material, segmental reporting of a geographical nature is not considered necessary in accordance with the provisions of IFRS 8.

REAL GOOD FOOD PLC
NOTES TO THE INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2015

4. Earnings per ordinary share

Earnings per share is calculated on the basis of the profit for the period after tax, divided by the weighted average number of shares in issue for the six month period of 69,638,675 (2014 69,568,996).

Diluted profit per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share options and warrants. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the exercise price attached to outstanding share options. Thus the dilutive weighted average number of shares considers the number of shares that would have been issued assuming the exercise of the share options.

An adjusted profit per share and a diluted adjusted profit per share, which exclude significant items, has also been calculated as in the opinion of the board this will allow shareholders to gain a clearer understanding of the trading performance of the Group.

	Six months to 30 September 2015			Six months to 30 September 2014		
	Earnings £'000s	Weighted Average No. of shares	Per share amount pence	Earnings £'000s	Weighted Average No. of shares	Per share amount pence
Profit/(Loss) attributable to ordinary shareholders	9,317	69,638,675	13.4	(4,711)	69,568,996	(6.8)
Significant Items	(9,425)	-				
Adjusted (loss) per share	(108)	69,638,675	0.0	(4,711)	69,568,996	(6.8)
Dilutive effect of options	-	5,889,638	-	-	4,627,098	-
Diluted profit/(loss) per share*	9,317	75,528,312	12.3	(4,711)	74,196,094	(6.8)
Diluted adjusted (loss)/profit per share *	(108)	75,528,312	0.0	(4,711)	74,196,094	(6.8)

6. Dividends

No dividend is proposed for the six months ended 30 September 2015 (2014 Nil).

7. 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.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

REAL GOOD FOOD PLC
NOTES TO THE INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2015

8. Pension arrangements

The Group operates a defined benefit pension scheme, the Napier Brown Retirement Benefits Scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions made by the employer over the six-month period have been £160,000.

Assumptions

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

	30 September 2015 % per annum	31 March 2015 % per annum	30 September 2014 % per annum
Rate of increase in pensions in payment	2.80	2.80	3.00
Discount rate	3.90	3.45	4.15
Inflation assumption	2.90	2.90	3.10
Revaluation rate for deferred pensions	1.50	1.90	2.10

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

	30 September 2015 £'000s	31 March 2015 £'000s	30 September 2014 £'000's
Total fair value of assets	15,184	16,111	15,425
Present value of scheme liabilities	(20,167)	(21,799)	(20,084)
(Deficit) in the scheme	(4,983)	(5,688)	(4,659)

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.

9. Seasonality

Most of the trading divisions of RGF are seasonal, creating a large proportion of their EBITDA in the October to December period.

10. Related party transaction

During the period the Group repaid the loan notes of £2,774k to Napier Brown Ingredients Limited, a company in which P G Ridgwell, who is a director of Real Good Food Plc, has a beneficial interest. Together with the principal amount of £2,774k the Group also repaid accrued interest of 10% for 2014/15 of £277k, interest for the period of £47k and a redemption premium fee of £902k.

11. Discontinued Business

As disclosed in the year end March 2015 accounts the Group disposed of its Napier Brown Sugar business on 19 May 2015. This disposal was consistent with the Group's strategy for the sugar business and allows it to focus on its remaining businesses. The result of the disposed business is shown below

	6 months ended 30 September 2015	6 months ended 30 September 2014
Revenue	13,237	83,108
Cost Of Sales	(11,884)	(79,556)
Gross Margin	1,353	3,552
Distribution	(1,149)	(5,709)
Administration	(288)	(2,275)
Operating Loss	(84)	(4,332)

Calculation of Profit on Disposal		
Disposal Proceeds		44,408
Assets Disposed of		
Goodwill	(12,000)	
Property plant and equipment	(8,211)	
Net Working Capital	(10,732)	(30,943)
Disposal Costs		
Legal and consultancy fees	(2,024)	
Other costs arising directly from the sale of the business	(2,016)	(4,040)
Profit on disposal		9,425