RNS Number : 0464M
Comptoir Group PLC
12 September 2019

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Comptoir Group Plc ("Comptoir", "Group" or the "Company")

Interim Results

Comptoir Group Plc (AIM: COM), the owner and/or operator of Lebanese and Eastern Mediterranean restaurants, is pleased to announce its results for the six months ended 30 June 2019.

Introduction and Highlights

Highlights:

- Group revenue of £15.8m up by 0.2% (H1 2018: £15.7m).
- Gross profit of £11.5m up by 2.0% (H1 2018: £11.3m).
- Adjusted EBITDA* before highlighted items of £2.0m up by 11.1% (H1 2018: £1.8m).
- Net cash and cash equivalents at the period end of £3.4m (H1 2018: £3.9m; 31 December 2018: £4.6m).
- Comptoir Westfield, Shepherd's Bush re-opened in May 2019 as a brand new repositioned site following the extensive centre redevelopment and is trading well above the Board's expectations.
- Currently own and operate 25 restaurants, with a further 4 franchise restaurants.

*Adjusted EBITDA was calculated from the profit/(loss) before taxation adding back interest, depreciation, share-based payments and non-recurring costs incurred in opening new sites (note 12). The Group has applied, for the first time, IFRS 16 Leases that results in the restatement of the previous financial statements (note 2).

Richard Kleiner, Non-Executive Chairman, said:

"*I am pleased to announce that these results show that Comptoir Group continues to prove its resilience in a challenging and uncertain market. The consistent, differentiated offering from Comptoir sets the business apart from the majority of operators, a number of which continue to struggle and have fallen victim to these difficult times. Maintaining an evolving menu with a delicious, healthy and importantly value for money offering has helped ensure growth, whilst at the same time the focus on cost efficiencies has had a positive effect on financial stability including a healthy cash position and robust balance sheet.*

Our cautious approach to investment in new sites has been maintained, whilst taking the opportunity to carry out selective refurbishments in the existing estate.

This coupled with our dedicated focus from our operational and support teams across the business helps drive the optimal experience for all of our customers."

Enquiries:

Comptoir Group plc Chaker Hanna Mark Carrick	Tel: 0207 486 1111
Canaccord Genuity Limited (NOMAD and broker) Adam James Georgina McCooke	Tel: 020 7523 8000

Chief executive's review

I am pleased to report the results for the 6-month period ended 30 June 2019. Performance over the first six months of the year has been encouraging despite the continuing challenging economic climate and uncertainty around Brexit outcome. The Group ended the period owning and operating 25 restaurants, with a further 4 franchise restaurants.

Revenue for the period was £15.8m, an increase of 0.2% (H1 2018: £15.7m) over the comparative period. Adjusted EBITDA was £2.0m, an increase of 11.1% (H1 2018: £1.8m); the income statement shows a pre-tax loss of £528k (H1 2018: loss of £697k). The basic loss per share for the period was 0.48 pence (H1 2018: basic loss per share 0.57 pence).

Following the extensive redevelopment of Westfield, Shepherd's Bush, the brand new repositioned Comptoir opened ahead of schedule on 8 May 2019. Since re-opening the restaurant has been exceptionally well received and trading well above management expectations. As part of the Westfield development, we successfully exited from the Shawa restaurant on 2 June 2019 having reached the end of its lease. With the exit from the Oxford Shawa lease as planned on 31 March 2019, the Company now currently owns and trades from 25 restaurants (20 Comptoir Libanais, 2 Yalla Yalla, 1 Shawa, 1 Levant and 1 Kenza). The Company's 4 franchise restaurants are located in Heathrow, Gatwick, Utrecht and Cheshire Oaks.

Three sites were affected by extended temporary closures in the first half of 2019; the most significant being the Westfield Comptoir which was closed for five months from the second week in January 2019 to its re-opening in the second week of May 2019. In addition to this, we had two temporary closures as a result of insurance related refurbishments. The comparative sales for these three sites over the period of closures amounted to £1.04m in 2018. Despite the impact of reduced revenue resulting from these closures the Group still reported revenue during the period above 2018.

We are very wary of the exposure our sector has to increasing costs, particularly food costs, rent and labour. We remain confident that our sales levels are able to absorb these increases, and we continue to refrain from discounting, instead focussing our efforts on further improving the customer offering and experience. This includes our stance on providing our customers with the ease of access to our menus through our digital delivery platforms. In February this year we entered into an agreement with Uber Eats to widen access to our customers through a delivery partnership. We aim to significantly grow this important channel over the coming years.

We take pride in our standards and safety within our restaurants and do so through the operation of a monthly 'mystery diner' programme with Hospitality Gem, to measure our standards of service and customer experience, and also partner with Food Alert to ensure we conform to the highest levels of food safety. We are pleased to report that we continue to achieve a high level of success across these measures, highlighting our continued increasingly positive response from our customers across our restaurants.

Investment in our people is paramount in order to ensure we continue to attract and retain the best talent in our business. As part of this, we have introduced an international accredited external leadership and management programme with our first tranche of managers enrolled on the programme. Our operational managers are also able to apply for our selective internal fast track development programme to help grow the pipeline of our future leaders. We have also further enhanced our digital people platform with its access to online training.

Up until April this year, the business had been supported by teams across three separate locations. There is now one consolidated head office support team based in new offices in London Bridge. This has already enabled further efficiencies and the business will benefit from the synergies this brings to the Group.

In July this year we announced that Mark Carrick had notified the Board of his intention to resign from his role as Chief Financial Officer. I am now delighted to advise that Mark has retracted his intention to resign and will remain in office.

Investment in new sites and internal refurbishments

The Group remain focused on investing in carefully selected sites following close analysis of site feasibility subject to in depth scrutiny by the Board prior to approval.

The Group has not yet opened any additional new sites this year as we continue to develop our property pipeline with caution. Terms have been agreed on three new franchised sites with our partner HMS Host in Ashford, UK and Dubai Airport to open in the second half of the year as planned and the third site in Abu Dhabi airport in the first half of 2020. Franchise growth remains an attractive and key contributor to profitable growth for the company.

We have continued to invest in our sites with selective refurbishments having been carried out over the first half and continuing into the second half of the year.

Cash Flow & Balance Sheet

The Group's cash balance at the end of the reporting period was £3.4m (31 December 2018: £4.6m). As at 30 June 2019 the Group had bank borrowings of £0.5m (31 December 2018: £1.4m). This strong balance sheet allows the Group to continue to invest in the current estate and explore potential new sites and other revenue generating opportunities as they arise. The Company expects the cash balance of the Company to grow during the second half of the financial year.

We remain cautious and committed to only invest in the sites which fit within the attributes associated with our most successful restaurants and that would contribute positively from their first full year of trading. Further we expect future sites to further enhance the Group's brand and identity.

The Group remains in a very strong position to fund additional new site openings but will remain cautious and to acquire new sites through internally generated cash, whilst seeking to maintain our healthy cash position.

Current trading and outlook

The Group continues to demonstrate its differential offering within the sector and will continue to provide its ever-growing customer base with excellent quality, healthy food in an environment with a genuine feel of family hospitality.

We can report that year to date trading is in line with the Board's expectations. As already indicated, the Group continues to control its costs and improve its operational efficiencies and margins whilst maintaining great value for money, the Board maintains its expectations for the full 2019 financial year.

The pipeline for 2019 is still under active consideration with the Group currently in advanced negotiations for one new location in 2019. The Company is reviewing other potential sites to strengthen its pipeline for 2020 and beyond. As detailed earlier, the Directors expect new franchise operations to form a key part of future profitable growth.

The Group's focus remains on continuing to invest in, and to improve, the performance of its current estate. The Group also continues to assess new sites and acquisition opportunities, whilst also actively negotiating with our partners, a pipeline of potential additional franchise sites. The Group expects to end 2019 with 6 franchised operations.

Chaker Hanna
Chief Executive
11 September 2019

Consolidated statement of comprehensive income

For the half-year ended 30 June 2019

	Notes	Half-year ended 30 June 2019 £	Half-year ended 30 June 2018 (Restated) £	Year ended 31 December 2018 (Restated) £
Revenue		15,773,983	15,738,471	34,331,309
Cost of sales		(4,257,068)	(4,442,030)	(9,630,294)
Gross profit		11,516,915	11,296,441	24,701,015
Distribution expenses		(4,211,604)	(4,358,098)	(9,108,884)
Administrative expenses		(7,596,184)	(7,129,184)	(15,202,068)
Other income		264,680	-	-
Operating (loss)/profit		(26,193)	(190,841)	390,063
Finance costs		(501,566)	(502,343)	(1,019,728)
(Loss)/profit before tax		(527,759)	(693,184)	(629,665)
Taxation (charge)/credit		(55,037)	(3,709)	(108,427)
(Loss)/profit for the period		(582,796)	(696,893)	(738,092)
Other comprehensive income		**-**	**-**	**-**
Total comprehensive (loss)/profit for the period	**(582,796)**		**(696,893)**	**(738,092)**
Basic (loss)/earnings per share (pence)	**6**	(0.48)	(0.57)	(0.60)
Diluted (loss)/earnings per share (pence)	**6**	(0.47)	(0.57)	(0.60)
Adjusted EBITDA:				
Operating (loss)/profit - as above		(26,193)	(190,841)	390,063

Add back:				
Depreciation and amortisation		1,924,413	1,873,174	3,721,362
Rent expenses	2	(1,560,254)	(1,311,871)	(2,789,656)
Impairment of assets		54,163	-	259,205
Share-based payments charge/(credit)	5	19,441	(8,650)	28,745
EBITDA (Pre IFRS 16 adoption)		**411,570**	**361,812**	**1,609,719**
Rent expenses	2	1,560,254	1,311,871	2,789,656
EBITDA (Post IFRS 16 adoption)		**1,971,824**	**1,673,683**	**4,399,375**
Restaurant opening costs	3	8,370	120,432	433,506
Adjusted EBITDA	12	**1,980,194**	**1,794,115**	**4,832,881**

All the above results are derived from continuing operations.

Consolidated balance sheet

At 30 June 2019

	Notes	**30 June 2019** **£**	**30 June 2018 (Restated)** **£**	**31 December 2018 (Restated)** **£**
Assets				
Non-current assets				
Property, plant and equipment	7	11,674,631	11,659,845	11,747,036
Right-of-use assets	2	22,889,144	22,020,538	22,683,419
Intangible assets	8	87,675	99,961	87,675
Deferred tax asset		130,254	171,509	168,176
		34,781,704	33,951,853	34,686,306
Current assets				
Inventories		633,335	654,456	706,741
Trade and other receivables		3,546,975	3,092,916	2,550,223
Cash and cash equivalents		3,369,783	3,886,355	4,624,673
		7,550,093	7,633,727	7,881,637
Total assets		42,331,797	41,585,580	42,567,943
Liabilities				
Current liabilities				
Borrowings		(374,820)	(548,351)	(427,179)
Trade and other payables		(4,703,111)	(4,150,076)	(4,601,376)
Lease liabilities		(3,257,142)	(3,106,216)	(3,173,788)
Current tax liabilities		(158,023)	(148,163)	(158,024)
		(8,493,096)	(7,952,806)	(8,360,367)
Non-current liabilities				
Borrowings		(140,727)	(514,124)	(315,953)
Lease liabilities	2	(21,968,636)	(20,974,288)	(21,717,375)
Provisions for liabilities		(162,221)	(54,414)	(60,892)
Deferred tax liability		(189,496)	(145,168)	(172,380)
		(22,461,080)	(21,687,994)	(22,266,600)
Total liabilities		(30,954,176)	(29,640,800)	(30,626,967)
Net assets		**11,377,621**	**11,944,780**	**11,940,977**
Equity				
Share capital	10	1,226,667	1,226,667	1,226,667
Share premium		10,050,313	10,050,313	10,050,313
Other reserves		48,186	307,940	28,745
Retained earnings		52,455	359,860	635,252
Total equity - attributable to equity shareholders of the company		**11,377,621**	**11,944,780**	**11,940,977**

Consolidated statement of changes in equity

For the half-year ended 30 June 2019

	Notes	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Half year ended 30 June 2019						
At 1 January 2019		**1,226,667**	**10,050,313**	**28,745**	**635,252**	**11,940,977**
Total comprehensive income		-	-	-	(582,796)	(582,796)
Transactions with owners						
Share-based payments	**5**	-	-	19,441	-	19,441
Total transactions with owners		-	-	19,441	-	19,441
At 30 June 2019		1,226,667	10,050,313	48,186	52,456	11,377,621
Half year ended 30 June 2018						
At 1 January 2018		1,226,667	10,050,313	316,590	2,539,124	14,132,694
Impact on change in accounting policy		-	-	-	(1,482,371)	(1,482,371)
Restated balance as at 1 January 2018		1,226,667	10,050,313	316,590	1,056,753	12,650,323
Restated total comprehensive loss		-	-	-	(696,893)	(696,893)
Transactions with owners						
Share-based payments		-	-	(8,650)	-	(8,650)
Total transactions with owners		-	-	(8,650)	-	(8,650)
At 30 June 2018		1,226,667	10,050,313	307,940	359,860	11,944,780
Year ended 31 December 2018						
At 1 January 2018		1,226,667	10,050,313	316,590	2,539,124	14,132,694
Impact on change in accounting policy		-	-	-	(1,482,371)	(1,482,371)
Restated balance as at 1 January 2018		1,226,667	10,050,313	316,590	1,056,753	12,650,323
Restated total comprehensive loss		-	-	-	(738,092)	(738,092)
Transactions with owners						
Share-based payments	**5**	-	-	28,745	-	28,745
Cancellation of existing EMI share option scheme		-	-	(316,590)	316,590	-
Total transactions with owners		**-**	**-**	**(287,845)**	**316,590**	**28,745**
Restated as at 31 December 2018		**1,226,667**	**10,050,313**	**28,745**	**635,252**	**11,940,977**

Consolidated statement of cash flows

For the half-year ended 30 June 2019

	Notes	Half-year ended 30 June 2019 £	Half-year ended 30 June 2018 (Restated) £	Year ended 31 December 2018 (Restated) £
Operating activities				
Cash flow from operations	**11**	1,740,065	1,982,779	6,163,738
Interest paid		(501,566)	(502,343)	(1,019,728)
Tax paid		-	-	(64,312)
Net cash from operating activities		**1,238,499**	**1,480,436**	**5,079,698**

Investing activities				
Purchase of property, plant & equipment	7	(685,470)	(1,263,326)	(2,279,042)
Net cash used in investing activities		**(685,470)**	**(1,263,326)**	**(2,279,042)**
Financing activities				
Repayment of bank borrowings		(227,585)	(314,014)	(633,357)
Payment of lease obligations	2	(1,580,332)	(1,459,720)	(2,985,605)
Net cash (used in)/from financing activities		**(1,807,917)**	**(1,773,734)**	**(3,618,962)**
(Decrease)/increase in cash and cash equivalents		(1,254,888)	(1,556,624)	(818,306)
Cash and cash equivalents at beginning of period		4,624,673	5,442,979	5,442,979
Cash and cash equivalents at end of period		**3,369,785**	**3,886,355**	**4,624,673**
Cash and cash equivalents:				-
Cash at bank and in hand		3,369,785	3,886,355	4,624,673
Bank overdrafts included in creditors payable within one year		-	-	-

Notes to the financial information

For the half-year ended 30 June 2019

1. Basis of preparation

The consolidated financial information for the half-year ended 30 June 2019, has been prepared in accordance with the accounting policies the group applied in the Company's latest annual audited financial statements and are expected to be applied in the annual financial statements for the year ending 31 December 2019. These accounting policies are based on the EU-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. The consolidated financial information for the half-year ended 30 June 2019 has been prepared in accordance with IAS 34: 'Interim Financial Reporting', as adopted by the EU, and under the historical cost convention.

The financial information relating to the half-year ended 30 June 2019 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. It has, however, been reviewed by the Company's auditors and their report is set out at the end of this document. The comparative figures for the year ended 31 December 2018 (prior to the restatement discussed below) have been extracted from the consolidated financial statements, on which the auditors gave an unqualified audit opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. The annual report and accounts for the year ended 31 December 2018 has been filed with the Registrar of Companies.

The group's financial risk management objectives and policies are consistent with those disclosed in the 2018 annual report and accounts.

The half-yearly report was approved by the board of directors on 11 September 2019. The half-yearly report is available on the Comptoir Libanais website, www.comptoirlibanais.com, and at Comptoir Group's registered office, Unit 2, Plantain Place, Crosby Row, London Bridge, SE1 1YN.

Going concern

The directors are satisfied that the group has sufficient cash resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial information for the half-year ended 30 June 2019 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new IFRS standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 16 Leases that results in the restatement of the previous financial statements. As required by IAS 34, the nature and effect of these changes are disclosed below.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and now requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted IFRS 16 using the full retrospective method of adoption with the date of initial application of 1 January 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Group has lease contracts for various properties. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. The leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases in which it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the full retrospective method of adoption, the Group applied IFRS 16 at the date of initial application as if it had already been effective at the commencement date of existing lease contracts. Accordingly, the comparative information in the consolidated financial statements for the half-year ended 30 June 2019 has been restated.

Set out below are the new accounting policies of the Group upon adoption of IFRS 16:

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a

straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group used the incremental borrowing rate at the lease commencement. After the commencement date, the amount of lease liabilities is increased to account for interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The effect of adoption IFRS 16 is as follows:

Impact on the statement of profit or loss:

	30 June 2018 £	**31 December 2018 £**
Depreciation	(1,165,667)	(2,342,249)
Rent expense	1,370,760	2,897,434
Operating profit	205,093	555,185
Finance costs	(480,890)	(977,970)
Additional loss for the period	(275,797)	(422,785)

Impact on the statement of financial position:

	30 June 2018 £	**31 December 2018 £**
Assets		
Right-of-use assets	22,020,538	22,683,419
Intangible assets	(851,042)	(802,153)
Total assets increase	21,169,496	21,881,266
Liabilities		
Lease liabilities	24,080,504	24,891,163
Trade and other payables	(1,152,840)	(1,104,740)
Total liabilities increase	22,927,664	23,786,423
Equity		
Retained earnings decrease	(1,758,168)	(1,905,156)

Impact on the statement of cash flows:

	30 June 2018 £	**31 December 2018 £**

Change in net cash flows from operating activities		(2,985,605) 2,985,605
Change in net cash flows from financing activities	(1,459,720) 1,459,720	

3. Group operating loss

	Half-year ended 30 June 2019 £	Half-year ended 30 June 2018 £	Year ended 31 December 2018 £
This is stated after charging/(crediting):			
Impairment of assets	54,163	-	259,205
Variable lease payments	441,674	432,724	1,066,299
Share based payments (see ***note 5***)	19,441	(8,650)	28,745
Opening costs (see ***below***)	8,370	120,432	433,506
Depreciation of property, plant & equipment (see ***note 7***)	1,924,413	1,873,174	3,721,362

For the initial trading period following opening of a new restaurant, the performance of that restaurant will be lower than that achieved by other, similar, mature restaurants. The difference in this performance, which is calculated by reference to gross profit margins amongst other key metrics, is quantified and included within opening costs. The breakdown of opening costs, between pre-opening costs and post-opening costs for 3 months is shown below:

	Half-year ended 30 June 2019 £	Half-year ended 30 June 2018 £	Year ended 31 December 2018 £
Pre-opening costs	3,982	18,001	139,858
Post-opening costs	4,388	102,431	293,648
	8,370	**120,432**	**433,506**

4. Operating segments

The Group has only one operating segment: the operation of restaurants with Lebanese and Middle Eastern offering and one geographical segment (the United Kingdom). The Group's brands meet the aggregation criteria set out in paragraph 22 of IFRS 8 "Operating Segments" and as such the Group reports the business as one reportable segment.

None of the Group's customers individually contribute over 10% of the total revenue.

5. Share options and share-based payment charge

On 4 July 2018, the Group established a Company Share Option Plan ("CSOP") under which 4,890,000 share options were granted to key employees. On the same day, the options which had been granted under the Group's existing EMI share option scheme were cancelled.

The new CSOP scheme includes all subsidiary companies headed by Comptoir Group PLC. The exercise price of all of the options is £0.1025 and the term to expiration is 3 years from the date of grant, being 4 July 2018. All of the options have the same vesting conditions attached to them.

The total share-based payment charge for the period was £19,441 (half-year ended 30 June 2018: £8,650 (credit) and year ended 31 December 2018: £28,745).

6. (Loss)/earnings per share

The Company had 122,666,667 ordinary shares of £0.01 each in issue at 30 June 2019. The basic and diluted (loss)/earnings per share figures, is based on the weighted average number of shares in issue during the periods. The basic and diluted (loss)/earnings per share figures are set out below.

	Half-year ended 30 June 2019 **£**	**Half-year ended 30 June 2018 (Restated)** **£**	**Year ended 31 December 2018 (Restated)** **£**
(Loss)/profit attributable to shareholders	(582,796)	(696,893)	(728,091)
	Number	**Number**	**Number**
Weighted average number of shares			
For basic earnings per share	122,666,667	122,666,667	122,666,667
Adjustment for options outstanding	597,713	-	116,429
For diluted earnings per share	**123,264,380**	**122,666,667**	**122,783,096**
	Pence per share	**Pence per share**	**Pence per share**
(Loss)/earnings per share:			
Basic (pence)			
From (loss)/profit for the period	(0.48)	(0.57)	(0.59)
Diluted (pence)			
From (loss)/profit for the period	(0.47)	(0.57)	(0.59)

For both of the above (loss)/earnings per share calculations, the diluted (loss)/earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of shares and 'in the money' share options in issue. Share options are classified as 'in the money' if their exercise price is lower than the average share price for the period. As required by 'IAS 33: Earnings per share', this calculation assumes that the proceeds receivable from the exercise of 'in the money' options would be used to purchase shares in the open market in order to reduce the number of new shares that would need to be issued. As the shares were not 'in the money' as at 30 June 2018 and consequently would be antidilutive, no adjustment was made in respect of the share options outstanding to determine the diluted number of options.

7. Property, plant and equipment (Restated)

Group As at 30 June 2019	**Right-of-use assets** **£**	**Leasehold land and buildings** **£**	**Plant and machinery** **£**	**Fixtures, fittings & equipment** **£**	**Motor vehicles** **£**	**Total** **£**
Restated cost						
At 1 January 2019	25,025,668	11,490,328	4,949,517	3,096,003	15,120	44,576,636
Additions	1,426,428	281,111	238,235	166,124	-	2,111,898
Restated as at 30 June 2019 (Restated)	**26,452,096**	**11,771,439**	**5,187,752**	**3,262,127**	**15,120**	**46,688,534**
Accumulated depreciation and impairment						
At 1 January 2019	(2,342,249)	(4,335,233)	(2,257,901)	(1,205,357)	(5,443)	(10,146,183)
Depreciation	(1,220,703)	(385,025)	(207,464)	(110,267)	(954)	(1,924,413)
Impairment	-	-	-	(54,163)	-	(54,163)
Restated as at 30 June 2019	**(3,562,952)**	**(4,720,258)**	**(2,465,365)**	**(1,369,787)**	**(6,397)**	**(12,124,759)**

Restated net book value						
As at 30 June 2019						
As at 30 June 2018	22,889,144	7,051,181	2,722,387	1,892,340	8,723	34,563,775
As at 31 December	22,020,538	6,912,976	2,780,573	1,955,410	10,886	33,680,383
2018	22,683,419	7,155,095	2,691,616	1,890,646	9,677	34,430,453

8. Intangible assets

Intangible fixed assets consist of goodwill from the acquisition of Agushia Limited. During the period, the Group spent £nil on intangible assets (half-year ended 30 June 2018: £nil and year ended 31 December 2018: £nil).

The intangible assets figure in the prior period included amounts relating lease premiums. In accordance with the change in accounting policies relating to IFRS 16, the lease premium amount has now been included in the calculations of right-of-use assets as an initial direct cost, therefore this amount previously recorded on the balance sheet relating to lease premiums and subsequent amortisation associated with this has been reversed.

9. Dividends

No dividends were distributable to equity holders during the period ending 30 June 2019 (half-year ended 30 June 2018: £nil and year ended 31 December 2018: £nil).

10. Share capital

Allotted and fully paid

	Number of ordinary 1p shares		
	30 June 2019	**30 June 2018**	**31 December 2018**
Brought forward	122,666,667	122,666,667	122,666,667
Issued in the period	-	-	-
Carried forward	122,666,667	122,666,667	122,666,667

	Nominal value		
	30 June 2019 £	**30 June 2018 £**	**31 December 2018 £**
Brought forward	1,226,667	1,226,667	1,226,667
Issued in the period	-	-	-
Carried forward	1,226,667	1,226,667	1,226,667

11. Cash flow from operations

	Half-year ended 30 June 2019 £	**Half-year ended 30 June 2018 (Restated) £**	**Year ended 31 December 2018 (Restated) £**
Profit/(loss) for the period	(26,193)	(190,841)	400,063
Finance costs	488,518	480,890	977,970
Depreciation	1,924,413	1,873,174	3,721,362
Impairment of assets	54,163	-	259,205
Share-based payment credit	19,441	(8,650)	28,745
Movements in working capital			
Decrease/(increase) in inventories	73,406	(47,804)	(100,089)
Increase in trade and other receivables	(996,746)	(712,297)	(169,604)

Increase in trade and other payables and provisions	203,063	588,307	1,046,086
Cash from operations	**1,740,065**	**1,982,779**	**6,163,738**

12. Adjusted EBITDA

Adjusted EBITDA was calculated from the profit/loss before taxation adding back interest, depreciation, share-based payments and non-recurring costs incurred in opening new sites, as follows:

	6 months ended 30 June 2019	**6 months ended 30 June 2018 (Restated)**	**12 months ended 31 December 2018 (Restated)**
	£	**£**	**£**
Operating (loss)/profit	(26,193)	(190,841)	400,063
Add back:			
Depreciation (see ***note 7***)	1,924,413	1,873,174	3,721,362
Impairment of assets	54,163	-	259,205
Share-based payments	19,441	(8,650)	28,745
EBITDA	**1,971,824**	**1,673,683**	**4,409,375**
Non-recurring costs incurred in opening new sites (see ***note 2***)	8,370	120,432	433,506
Adjusted EBITDA	**1,980,194**	**1,794,115**	**4,842,881**

Independent review report by the auditors

For the half-year ended 30 June 2019

Introduction

We have been engaged by the Company to review the condensed set of financial information in the half-yearly financial report for the half-year ended 30 June 2019 which comprises the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated statement of cash flows and related notes to the historical financial information. 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 half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly 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 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 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 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 half-year ended 30 June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the AIM Rules for Companies.

UHY Hacker Young
Chartered Accountants

Quadrant House
4 Thomas More Square
London E1W 1YW
11 September 2019

Notes

1. The maintenance and integrity of the Comptoir Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the half-yearly report or the auditors' review report since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Anonymous (not verified)
Interim Results
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