RNS Number : 2666K
Comptoir Group PLC
21 April 2020

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Comptoir Group plc

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

Full Year audited results for the financial year ended 31 December 2019

Financial highlights

For the year ended 31 December 2019

- Group revenue reduced 2.7% to £33.4m (2018: £34.3m)
- Gross profit increased 0.6% to £24.9m (2018: £24.7m)
- IFRS loss after tax of £0.67m (2018: £0.76m loss)
- Adjusted EBITDA* of £5.27m (2018: £4.97m)
- Net cash and cash equivalents at the period end of £5.1m (2018: £4.6m)
- Loss per share of 0.54p (2018: 0.62p loss per share)

Operational highlights

- One 'owned' site opening and two franchised openings (2018: two 'owned' restaurant openings and one franchised opened)
  - Comptoir Westfield, Shepherd's Bush re-opened in May 2019 following a five-month closure, as a brand new repositioned site following the extensive centre redevelopment
  - Two franchised sites opened in the year
- Three site exits
- 30 restaurants (24 owned and 6 franchise) trading as at 31 December 2019 (2018: 31 restaurants; 27 owned and 4 franchise).

Chaker Hanna, Chief Executive Officer, commented:

"*Despite the challenging economic climate, I am pleased to report that trading for the full year has been in line with Board expectations.*

"*It has been a year of consolidation witnessing continued momentum on operational cost efficiency improvements, alongside a cautious and selective approach to investment.*

"*A strong balance sheet and further growth in our cash position will stand us in good stead to endure the challenges we are all now facing from the COVID-19 virus. The directors believe that the business is well positioned to deliver again once we emerge from the other side of this crisis*".

*Adjusted EBITDA is calculated excluding the impact of a £0.05m share-based payment charge (2018 - £0.03m); depreciation, amortisation and impairment of assets of £4.2m (2018 - £4.1m); £0.02m restaurant pre and post opening costs (2018 - £0.4m); losses on the disposal of fixed assets of £0.3m (2018: £nil); and abandoned project costs of £0.16m (2018: £nil). The Group has applied IFRS16 leases that results in the restatement of the previous financial statements.

Enquiries:

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Chairman's statement

COVID-19 Update

Since the financial year end the outlook for the UK and global economy has become increasingly uncertain due to the spread of COVID-19. The Group's key priority at these unprecedented times is the health and safety of our employees, customers and business partners.

Following guidance provided by the UK Government, the Board took the decision to fully close all restaurants from 19 March 2020 until further notice. Since this closure, the situation has continued to rapidly evolve, culminating in the UK Government effecting complete lockdown measures, including enforced closure of restaurants and leisure sites.

The Board's focus during this closure period has been on taking all appropriate measures to reduce the financial impact on the Group. Whilst the current impact is significant and the exact longer-term effects of the situation are unknown, the Company is presently in a reasonably healthy cash position with minimal bank debt to service. The Directors, in their duty to shareholders, continue to make every effort to protect this position. Key steps which are being taken include:

- deferral of all rent payments due for the March to June quarter to assist with cashflow; negotiations with landlords continue in this area;
- postponement of all but essential capital expenditure (where there is a legal or health and safety requirement to do so), including postponement of a planned new site opening to the last quarter of this year, in order to preserve the financial position of the group;
- implementation of additional cash management procedures to ensure only essential framework of business support is in place, limiting expenditure and helping ensure protection of the cash position; and
- a significant reduction in directors' remuneration packages.

The Board also warmly welcomes the Government support measures for the hospitality industry, in particular the 12-month business rates relief, which is expected to save the business c.£1.4m over the next 12 months. The Company is also seeking to access funding through the Government's Coronavirus Job Retention Scheme ("CJRS") to contribute to salary costs of furloughed employees. Both of these measures will have a positive impact on cashflow during the year.

Current outlook

We find ourselves in a period of unprecedented uncertainty with the impact from the low consumer confidence previously seen across the sector now very much taking second place to the more immediate unchartered territory coming from the societal impact of COVID-19.

Despite this and up until the direct impact on trading from COVID-19 in early March, the Board is pleased to announce that the Group has once again demonstrated its resilience to deliver during a continued challenging and uncertain trading environment.

Overview of results

Group revenue in 2019 reduced by £0.93m on the previous year, however, this is due to three sites affected by temporary extended closures in 2019; Westfield Shepherd's Bush due to a five-month closure for major redevelopment of the shopping complex and two extended insurance-related refurbishments at Kingston and Chelsea. The comparative income for these three temporary site closures in 2019 amounted to £1.4m of 'lost' revenue over the same periods in 2018.

Despite this, profit remained in line with expectations and the Company ended the year with a relatively healthy cash balance. This has been achieved despite the challenging trading environment resulting from the well-publicised cost pressures within the industry and increasing general uncertainty in the market.

In line with previous years, the Board does not recommend the payment of any dividend at this time as it is anticipated that all available funds will be required to ensure working capital requirements are met over the foreseeable future.

In the current climate we do not intend to continue with our internal investment plans. As we are not currently financially committed to any intended projects, we will defer capital expenditure until more stable conditions return.

Growth in operations

The Group maintained a cautious approach to new site openings in 2019 with only one owned site re-opening in May 2019, being the repositioned Comptoir restaurant in Westfield, Shepherd's Bush. In addition, two new franchised Comptoir restaurants were opened at Ashford and Dubai Airport with our franchise partner HMS Host. Three sites closed over the year; specifically, the successful early exits from the unprofitable Shawa Oxford site in March 2019 and Comptoir John Lewis, Oxford Street in September 2019, one other restaurant reaching the end of its lease; Shawa Westfield in June 2019. The Group now operates 30 restaurants, including six franchised sites.

Although Heads of Terms have been agreed on one new owned site to be opened in 2020, this has been delayed until the final quarter of 2020 due to the current market climate.

People

We maintain strong governance standards through the Board, which meets on a regular basis to ensure we fulfil our corporate governance ambitions.

I am very proud of our operational and support teams who day-in day-out aim to consistently deliver the best possible experience for all of our guests, both in the restaurants and those serviced by our delivery partners with our premium quality menu offering.

Our team members are focussed on ensuring our guests experience an exceptional service and consistent quality in our restaurants and I am very proud to be a part of their journey.

We are facing an unprecedented worldwide situation, and therefore we are now concentrating all our resources on tackling the challenges facing our business. The Board are confident that measures are in place to help ensure the health of the business in order that it is well placed to deliver again once the immediate COVID-19 impact has abated and we are able to start again on the road to return to a degree of normality. This short-term uncertainty does not change the Board's confidence in the Group and its longer term prospects.

Richard Kleiner
Chairman
20 April 2020

Chief Executive's review

For the year ended 31 December 2019

I am pleased to present the Group's results for the year ended 31 December 2019, together with an update on the Group's progress in respect of its growth strategy. We have maintained our cautious approach and not added any brand new owned restaurants to the estate but have opened one re-positioned, owned restaurant and have added two additional franchise sites to the Group's portfolio.

During the year revenue reduced by 2.7% to £33.4m (2018: £34.3m), with adjusted EBITDA (excluding one-off costs incurred in opening new restaurants and other highlighted items) increasing by 6.0% to £5.27m (2018: £4.97m).

Following the extensive redevelopment of Westfield, Shepherd's Bush, a re-positioned Comptoir opened in May and has performed exceptionally well, above management expectations, throughout the period since re-opening. This resulted in an increase of 6% on the 2018 full year revenue position in Comptoir Westfield despite its five month closure in 2019. The two 2018 restaurant openings in Birmingham and London Bridge demonstrated accelerated growth during their first full year of opening, contributing additional sales to the Group on the prior year.

After adding back non-trading items, including opening costs totalling £0.02m (2018 - £0.4m), the adjusted EBITDA for the Group totalled £5.27m (2018: £4.97m). The Group recorded a post-tax loss of £0.67m for the year (2018: £0.76m loss).

Our strong balance sheet remains de-levered with only £0.3m of bank debt as at 31 December 2019. This gives us scope for assurance and flexibility to sensibly use free cash to meet working capital requirements and to help us to sustain our position during the closure period due to COVID-19.

Review of operations

We continued to feel the industry-wide cost pressures in the supply chain throughout the year, including the ongoing effect of the National Living Wage and Apprenticeship Levy. Despite this, the Group's cost control and operational efficiency across the estate have been a key focus of management and new sites continue to perform well financially once they have reached maturity of trading.

Economic conditions remained challenging in 2019, with confidence levels remaining subdued due to ongoing uncertainty around the exact nature of the exit from the European Union and the economic outlook as a whole. Notwithstanding the current lock-down and site closures, the general retail sector continues to be subject to challenges in both high street and shopping centre footfall which has directly impacted the dining-out sector. Further pressures include continued rising costs (particularly labour), input food costs and property-related charges.

Despite these pressures, we have managed to attain EBITDA in line with our full year expectations.

Momentum in the investment in our people continues to gather pace with the further introduction of digital technology enabling online, easy to access training for all our team members from their first day in the business.

The Group introduced a portal, operated in partnership with Flow, which accelerates the initial operational statutory compliance training and further development modules ensuring our team members operate and provide the safest possible environment to our guests. Our first tranche of managers have completed their first year of the internationally accredited external leadership and management programme and access to other development training has now been extended to the wider team, supported by funding from the Apprenticeship Levy contributions.

The head office and operational support team have been based in the one new office close to London Bridge since February 2019, having been in three separate locations prior to this. In addition to the efficiencies this consolidation brings, communication channels have been enhanced and decision making has been expedited, enabling further cost synergies across the Group.

Estate development

During the year, there were no additional brand new owned site openings, however our franchise partner HMS Host opened their second Comptoir site in the UK in Ashford (September 2019) and we were delighted to open our first operation in the Middle East with the Comptoir site in Dubai Airport (December 2019).

In 2019 we took the opportunity to invest in refurbishing some of our existing restaurants to give a fresh look and innovation with new designs. This included refurbishments of Chelsea and Kingston which also involved extensive closures (six months in total between the two sites) due to insurance-related issues. This also presented an opportunity to refresh the format of these restaurants bringing a more intimate dining experience. Our Comptoir Wigmore Street restaurant also underwent a similar mini-refurbishment in October 2019 which included a similar enhanced reformat of the dining area, resulting in an immediate upside trading benefit from the later evening dining session. This has resulted in a significant improvement in trading since re-opening following the completion of the refurbishment. In addition, two mini-refurbishments have been completed in our two top end casual dining restaurants, Kenza and Levant located in the City and West End of London respectively, refreshing the décor with a result being an enhanced guest experience.

Due to the current unprecedented and extraordinary macro-economic conditions outside of our control, we have already invoked exceptional processes within the operation in order to help protect our employees and guests. Financially the focus is now on protecting our cash position, even though this will inevitably result in a restrictive approach to capital expenditure and then only where there is a legal or health and safety requirement to do so.

That said, in line with our continued confidence in our Shawa operation, we are pleased to announce that we have exchanged Heads of Terms on a new lease for a Shawa restaurant in the Stratford, Westfield development, although this opening has been postponed until the last quarter of 2020. The Shawa model involves a significantly lower level of capital investment due to the smaller footprint required for a Shawa operation and limited additional investment as the unit was previously occupied by a food operator. We still intend to open the new franchise site in Abu Dhabi with our partner HMS Host, however this will be postponed until further notice.

Cashflows and financing

Cash generated from operations was £5.5m (2018: £5.0m), demonstrating the continued management focus and effectiveness of tightened working capital management initiatives.

Capital expenditure for the year, which was principally incurred on the fit-out for the re-opening of the repositioned Comptoir Westfield, Shepherd's Bush, as well as selective investment in refurbishment in a number of other sites, totalled £1.3m (2018: £2.3m).

Loan and finance lease repayments continued as planned throughout the year, resulting in total cash outflows of £3.8m (2018: £3.7m). This includes £3.4m covering the payment of lease liabilities under IFRS 16 in 2019, against £3.1m in 2018. The Group realised an overall cash inflow of £0.5m (2018: £1.0m cash outflow). At the end of the year, the Group had cash and cash equivalents of £5.1m (2018: £4.6m).

The Group is currently able to fund the additional further owned restaurant with its delayed opening in the latter part of 2020 and to continue to further develop the Group's brand and identity, whilst maintaining absolute focus on working capital management. We remain cautious and committed to only invest in sites which fit within the attributes associated with our most successful restaurants and that would contribute positively from their first full year of trading.

Outlook

Currently the Group's focus is on addressing the short and medium term challenges we face associated with the COVID-19 virus. This does not change the Board's confidence in the business and its proposition over the long term. Our focus will continue to be on ensuring the business is well-placed to continue to deliver once we emerge from this crisis.

The Board believe the Group's current restaurant estate continues to have potential for further organic growth through selective new owned sites and opportunities with our franchise partners when the right economic conditions return.

Setting the COVID-19 and the related current challenges aside, I believe our business continues to be well-positioned in the restaurant sector and can continue to provide our customers with a unique experience, offering excellent quality, well-priced, healthy food, with welcoming family hospitality, differentiated to many other restaurant operations.

Chaker Hanna

Chief Executive Officer

20 April 2020

Strategic Report

For the year ended 31 December 2019

The Directors present their strategic report for the year ended 31 December 2019.

Business model

The Group's principal brand is Comptoir Libanais, which operates Lebanese and

Eastern Mediterranean focused restaurants. The restaurants seek to offer an all-day dining experience based around healthy and fresh food in a friendly, colourful and vibrant environment, which presents value for money. Lebanese and Eastern Mediterranean food is, in our opinion, a popular current food trend due to its flavoursome, healthy, low fat, vegetarian and vegan dishes, which comprise approximately 60% of our menu, as well as the ability to easily share the food with friends.

We seek to design each Comptoir Libanais restaurant with a bold and fresh design that is welcoming to all age groups and types of consumer. Each Comptoir Libanais restaurant has posters and menus showing an artist's impression of Sirine Jamal al Dine, an iconic Arabian actress, providing a Middle Eastern café-culture feel.

Shawa is a Lebanese grill-serving lean, grilled meats, rotisserie chicken, homemade falafel, halloumi and fresh salad, through a service counter offering, located in high footfall locations, such as shopping centres.

The average spend per head in 2019 at Comptoir Libanais was c.£16 and the average spend at Shawa was lower c.£12, so our offering is positioned in the affordable or 'value for money' segment of the UK casual dining market. In addition, our offering is well-differentiated and faces limited direct competition, in marked contrast to other areas of the market.

Strategy for growth

Our strategy is to grow our owned-site operations under both the Comptoir Libanais and Shawa brands. While Comptoir Libanais is likely to remain the principal focus of our operations, Shawa provides the opportunity to offer our Lebanese food from a smaller footprint and therefore create greater flexibility to our roll-out plans. We have agreed terms on a brand new Shawa site in Westfield, Stratford and will be aiming to commence trading there by the end of 2020, subject to ecomomic conditions, footfall and cashflow.

We also believe that there is still considerable potential to grow the Group's franchised operations and we see this as a complimentary and relatively low-risk route to extend the presence of our brands, both within the UK and in overseas territories. 2019 saw the opening of two new franchise sites and this momentum will continue into 2020 with another new site due to open with our franchise partner HMS Host in Abu Dhabi Airport, although this will be delayed as a result of the COVID-19 situation.

The UK food delivery market continues to grow at pace, aided by increasing technology enabling ease of ordering and quick access to a wide offering of menus through apps such as UberEats. Following the one year anniversary of the partnership with UberEats, we negotiated new multi-platform delivery agreements with both Deliveroo and UberEats commencing in March 2020 and we feel confident that this will drive significant further growth across this channel through direct delivery to our customers, once trading resumes.

Review of the business and key performance indicators (KPIs)

At this stage in the development of the business the Board believes that it is more helpful to focus on adjusted EBITDA, which excludes non-recurring items and costs incurred in connection with the opening of new restaurants and on this measure, the underlying earnings of the group in 2019 were £5.27m (2018: £4.97m).

The Board and management team use a range of performance indicators to monitor and measure the performance of the business. However, in common with most businesses, the critical KPIs are focused on growth in sales and EBITDA and these are appraised against budget, forecast and last year's achieved levels. Adjusted EBITDA during the year was 6.0% higher than that of 2018; assisted by the re-opening of the repositioned Comptoir Westfield restaurant and the successful openings of the two franchised sites operated by our partner HMS Host in Ashford and Dubai Airport. 2020 will also see the upside benefit of having the full year of trading from the three sites which had temporary but prolonged closures during 2019. This equated to £1.4m comparative lost sales for these three sites in 2019 based on the trading across the comparative period in the prior year.

In terms of non-financial KPIs, the standard of service provided to customers is monitored via the scores from a programme of regular monthly "mystery diner" visits to our restaurants carried out by HGem and we are pleased to report a further increase in average visitor scores in 2019. This is a clear indication of our very special family culture, which is focused on delivering consistently great experiences for our customers. We also use feedback from health and safety audits conducted by an external-company (Food Alert) to ensure that critical operating procedures are being adhered to.

Further explanation of the performance of the business over the year is provided in the Chairman's Statement and the Chief Executive's Review.

Principal risks and uncertainties

The Board of Directors ("the Board") has overall responsibility for identifying the most significant risks faced by the business and for developing appropriate policies to ensure that those risks are adequately managed.

The following have been identified as the most significant risks faced by the Group, however, it should be noted that this is not an exhaustive list and the Company has policies and procedures to address other risks facing the business.

Consumer demand

Any weakness in consumer confidence could have an adverse effect on footfall and customer spend in our restaurants. The well-publicised and very real threat from COVID-19 is clear evidence of the serious impact on the hospitality sector and the wider UK and global economy.

All appropriate measures are in place to reduce the impact of the current restaurant closures and the subdued trading expected on re-opening. This includes costs reduction wherever possible, tight and daily focus on cashflow management, aided by delay of the new site opening and capex only where required to ensure legal and health and safety requirements are met. The Board is in discussions with the Bank and is in the process of applying for additional funding to maintain liquidity through this period of uncertainty under the government-backed Coronavirus Business Interruption Loan Scheme ("CBILS").

Frequent or regular participation in the dining-out market is afforded by the consumer out of household disposable income. Macroeconomic factors such as the Coronavirus, employment levels, interest rates and inflation can impact disposable income and consumer confidence will dictate their willingness to spend. There is also an unknown factor as to how consumers' behaviour and attitude to eating out may change in the immediate aftermath of the coronavirus when social distancing rules begin to relax.

As indicated above, the core brands within the Group are positioned in the affordable segment of the casual dining market. A strong focus on superior and attentive service together with value added marketing initiatives can help to drive sales when customer footfall is more subdued. We will also expect additional sales traction from the delivery channel with the partnerships now extended across Deliveroo and Uber Eats. This, together with the strategic location of each of our restaurants, helps to mitigate the risk of consumer demand to the business.

Input cost inflation

The Group's key input variables are the cost of food and drink and associated ingredients and staff costs. The continued progressive increases in the UK National Living Wage and Minimum Wage rates present a challenge we, alongside our peers and competitors, must manage.

We aim to maintain an appropriate level of flexibility in our supplier base so we can work to mitigate the impact of input cost inflation. Our teams work hard on predictive and responsive labour scheduling so that our costs are well controlled.

Economic conditions

Previous concerns due to uncertainty around the exact nature and timing of the planned exit at the end of 2020 from the European Union are superseded by the COVID-19 situation which, even following re-opening of restaurants upon removal of lockdown restrictions, will create a high level of uncertainty and impact consumer spending. Deterioration in consumer confidence due to future economic conditions could have a detrimental impact on the Group in terms of footfall and sales. Continued focus on customer relations and targeted and adaptable marketing initiatives help the Group retain and drive sales where footfall declines.

Labour cost inflation

Labour cost pressures which are outside of the control of the Group, such as auto enrolment pension costs, minimum wage / National Living wage increases and the Apprenticeship Levy, are suffered by the Group and its competitors. Labour costs continue to be regularly monitored and on-going initiatives are used to reduce the impact of such pressures.

Strategy and execution

The Group's central strategy is still to open additional new outlets under its core Comptoir Libanais and Shawa brands but to proceed on a cautious basis. In light of the COVID-19 situation, the Group will instead be focussed on consolidation of the operational and financial performance of the existing estate with selective internal investment to ensure continual refresh and evolution of the brands.

The Group utilises the services of external property consultants and continues to develop stronger contacts and relationships with potential landlords as well as their agents and advisers. However, despite the additional availability of vacant sites, there will always be competition for the best sites and the Board will continue to approach any potential new site with caution and be highly selective in its evaluation of new sites to ensure that target levels of return on investment are achieved.

Companies Act s172 Statement

This section serves as our s172 statement and should be read in conjunction with the whole Strategic Report. s172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders including the impact of its activities on the community, the environment and the Company's reputation when making decisions. Acting in good faith and fairly between members the Directors consider what is most likely to promote the success of the Company for its members long term.

Within the Chairman's Statement, Statement of Corporate Governance and on our website we describe how the Board operates and the culture of the business.

Our principle stakeholders are engaged with on a regular basis. With regards to our shareholders this includes face to face meetings at least once a year, and we engage in constant dialogue with our workforce and our suppliers.

Future developments

The Group will continue to explore further opportunities to grow the Comptoir Libanais brand via franchising with suitable partners, widening the offer via multi-platform delivery partners and the broadening of the external catering offering.

On behalf of the Board

Chaker Hanna

Chief Executive Officer

20 April 2020

Statement of Corporate Governance

The Board have elected to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code in line with the changes under Rule 26 of the AIM Rules for Companies requiring all companies that are traded on AIM to adopt and comply with a recognised corporate governance code. Full details of our adoption to the code can be found at https://investors.comptoirlibanais.com/corporate-governance/.

Going concern

Uncertainty due to the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. Trading over recent weeks has been impacted by COVID-19. Following guidance provided by the UK government, the Board has taken the decision to close its restaurants until further notice. The health of our staff and our customers is the Board's highest priority.

All appropriate measures have been put in place to reduce the impact on the Group, including cost reduction and refurbishments and other capital expenditure projects. The Board's latest forecasts are based on a scenario where the business is closed for a period of three months to the end of June 2020 with reduced revenue for the following 6 months with expected sales increasing gradually until 2021. The Board has factored in a delay in all non-committed capital expenditure, reduction in variable costs including staffing and moving to monthly rent payments. In addition the Government has announced a twelve month business rates holiday for the hospitality sector.

The Board has also considered the severe but possible downside scenario of complete closure for a longer period and delayed re-opening. This continues to be under review given current market conditions associated with COVID-19. The Group currently has cash reserves of £5.7m and the Board believes that the business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements. These financial statements have therefore been prepared on the going concern basis.

Consolidated statement of comprehensive income

For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 (Restated) £
Revenue	**2**	33,403,402	34,331,309
Cost of sales		(8,547,180)	(9,630,294)
Gross profit		**24,856,222**	**24,701,015**
Distribution expenses		(8,605,186)	(9,108,884)
Administrative expenses		(16,695,054)	(15,148,167)
Other income	**2**	1,020,090	-
Operating profit	**3**	**576,072**	**443,964**
Finance costs	**6**	(1,096,462)	(1,094,177)
Loss before tax		**(520,390)**	**(650,213)**
Taxation charge	**7**	(146,573)	(108,427)
Loss for the year		**(666,963)**	**(758,640)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(666,963)**	**(758,640)**
Basic loss per share (pence)	**8**	(0.54)	(0.62)
Diluted loss per share (pence)	**8**	(0.54)	(0.62)

Adjusted EBITDA:			
Loss before tax - as above		(520,390)	(650,213)
Add back:			
Depreciation	**11**	4,036,957	3,806,212
Finance costs	**6**	1,096,462	1,094,177
Impairment of assets	**11**	129,001	259,205
EBITDA		**4,742,030**	**4,509,381**
Share-based payments expense	**20**	53,963	28,745
Restaurant opening costs	**3**	18,075	433,506
Loss on disposal of fixed assets		298,022	-
Abandoned project costs		156,849	-
Adjusted EBITDA		**5,268,939**	**4,971,632**

All of the above results are derived from continuing operations. Loss for the year and total comprehensive loss for the year is entirely attributable to the equity shareholders of the Company.

Consolidated balance sheet
At 31 December 2019

	Notes	31 December 2019	31 December 2018 (Restated)	1 January 2018 (Restated)
		£	£	£
Assets				
Non-current assets				
Property, plant and equipment	**11**	11,287,115	11,747,036	11,104,026
Right-of-use assets	**11**	23,951,079	25,242,211	22,656,729
Intangible assets	**10**	87,675	87,675	89,961
Deferred tax asset	**18**	139,588	168,176	148,822
		35,465,457	**37,245,098**	**33,999,538**
Current asset				
Inventories	**13**	594,409	706,741	606,652
Trade and other receivables	**14**	2,202,974	1,858,442	1,374,902
Cash and cash equivalents		5,076,610	4,624,673	5,627,341
		7,873,993	**7,189,856**	**7,608,895**
Total assets		**43,339,450**	**44,434,954**	**41,608,433**
Liabilities				
Current liabilities				
Borrowings	**16**	(261,611)	(427,179)	(669,778)
Trade and other payables	**15**	(5,015,604)	(4,601,376)	(3,752,509)
Lease liabilities	**27**	(2,481,471)	(2,173,730)	(2,950,644)
Current tax liabilities		(184,125)	(158,024)	(148,163)
		(7,942,811)	**(7,360,309)**	**(7,521,094)**
Non-current liabilities				
Borrowings	**16**	(55,735)	(315,953)	(706,711)
Provisions for liabilities	**17**	(438,570)	(60,892)	(48,036)
Lease liabilities	**27**	(24,170,903)	(25,351,272)	(21,623,714)
Deferred tax liability	**18**	(170,283)	(172,380)	(118,772)
		(24,835,491)	**(25,900,497)**	**(22,497,233)**
Total liabilities		**(32,778,302)**	**(33,260,806)**	**(30,018,327)**
Net assets		**10,561,148**	**11,174,148**	**11,590,106**
Equity				
Share capital	**19**	1,226,667	1,226,667	1,226,667
Share premium		10,050,313	10,050,313	10,050,313
Other reserves	**20**	82,708	28,745	316,590
Retained losses		(798,540)	(131,577)	(3,464)
Total equity - attributable to equity shareholders of the company		**10,561,148**	**11,174,148**	**11,590,106**

The financial statements of Comptoir Group PLC (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 20 April 2020 and were signed on its behalf by:

Chaker Hanna
Chief Executive Officer

Consolidated statement of changes in equity

For the year ended 31 December 2019

	Notes	Share capital	Share premium	Other reserves	Retained losses	Total equity
		£	£	£	£	£
At 1 January 2018 - as previously reported		1,226,667	10,050,313	316,590	2,539,124	14,132,694
Effect of IFRS 16 adoption		-	-	-	(2,228,651)	(2,228,651)

Restated balance at 1 January 2018		**1,226,667**	**10,050,313**	**316,590**	**310,473**	**11,904,043**
Total comprehensive loss						
Restated loss for the year		-	-	-	(758,640)	(758,640)
Transactions with owners						
Share-based payments	**20**	-	-	28,745	-	28,745
Cancellation of existing EMI share option scheme	**22**	-	-	(316,590)	316,590	-
Restated at 31 December 2018		**1,226,667**	**10,050,313**	**28,745**	**(131,577)**	**11,174,148**
Restated balance at 1 January 2019		**1,226,667**	**10,050,313**	**28,745**	**(131,577)**	**11,174,148**
Total comprehensive loss						
Loss for the year		-	-	-	(666,963)	(666,963)
Transactions with owners						
Share-based payments	**20**	-	-	53,963	-	53,963
At 31 December 2019		**1,226,667**	**10,050,313**	**82,708**	**(798,540)**	**10,561,148**

Consolidated statement of cash flows

For the year ended 31 December 2019

	Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 (Restated) £
Operating activities			
Cash inflow from operations	**23**	5,654,971	5,314,518
Interest paid		(21,730)	(41,758)
Tax paid		(93,981)	(64,312)
Net cash from operating activities		**5,539,260**	**5,208,448**
Investing activities			
Purchase of property, plant & equipment	**11**	(1,287,749)	(2,279,042)
Net cash used in investing activities		**(1,287,749)**	**(2,279,042)**
Financing activities			
Payment of lease liabilities	**27**	(3,373,788)	(3,114,355)
Bank loan repayments	**24**	(425,786)	(633,357)
Net cash used in financing activities		**(3,799,574)**	**(3,747,712)**
Increase/(Decrease) in cash and cash equivalents		451,937	(818,306)

Cash and cash equivalents at beginning of year	4,624,673	5,442,979
Cash and cash equivalents at end of year	**5,076,610**	**4,624,673**

Principal accounting policies for the consolidated financial statements

For the year ended 31 December 2019

Reporting entity

Comptoir Group Plc (the "Company") is a company incorporated and registered in England and Wales, with a company registration number of 07741283. The address of the Company's registered office is Unit 2, Plantain Place, Crosby Row, London Bridge, SE1 1YN. The consolidated financial statements of the Company for the year ended 31 December 2019 comprise of the Company and its subsidiaries (together referred to as the "Group").

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board (IASB), as adopted by the European Union (IFRSs). The parent company financial statements have been prepared using United Kingdom Accounting Standards including FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland' and are set out below.

Going concern basis

Uncertainty due to the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. Trading over recent weeks has been impacted by COVID-19. Following guidance provided by the UK Government, the Board has taken the decision to close all of its restaurants until further notice. The health of our staff and our customers is the Board's highest priority.

All appropriate measures have been put in place to reduce the impact on the Group, including cost reduction and refurbishments and other capital expenditure projects. The Board's latest forecasts are based on a scenario where the business is closed for a period of three months to the end of June 2020 with reduced revenue for the following 6 months with expected sales increasing gradually until 2021. The Board has factored in a delay in all non-committed capital expenditure, reduction in variable costs including staffing and moving to monthly rent payments. In addition the Government has announced a twelve month business rates holiday for the hospitality sector.

The Board has also considered the severe but possible downside scenario of complete closure for a longer period and delayed re-opening. This continues to be under review given current market conditions associated with COVID-19. The Group currently has cash reserves of £5.7m and the Board believes that the business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements.

The events arising as a result of the COVID-19 outbreak has meant that there are various inherent material uncertainties. Based on these indications the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business for the foreseeable future, a period of not less than 12 months from the date of approving these financial statements.

Use of non-GAAP profit and loss measures

The Group believes that along with operating profit, the 'Adjusted EBITDA' provides additional guidance to the statutory measures of the performance of the business during the financial year. Adjusted profit from operations is calculated by adding back depreciation, amortisation, impairment of assets, finance costs, preopening costs and certain non-recurring or non-cash items. Adjusted EBITDA is an internal measure used by management as they believe it better reflects the underlying performance of the Group beyond generally accepted accounting principles.

New or revised Standards and Interpretations

At the date of authorisation of these financial statements, the following new and revised IFRS Standards and Interpretations have been adopted in the current year, where applicable to the Group.

IFRS 16		Leases
IFRS 9	(Amended)	Financial Instruments
IFRS 2015 -2018 Cycle		Annual improvements
IFRIC 23		Uncertainty over Income Tax
IAS 28	(Amended)	Investments in Joint Ventures
IAS 19	(Amended)	Employee Benefits

The impact of the adoption of IFRS 16 is discussed in detail below. The remaining new standards, amendments and interpretations are effective for the first time for periods beginning on or after 1 January 2019 but have not had a material effect on the Group and so have not been discussed in detail in the notes to the financial statements. At the date of authorisation of these financial statements, the following IFRS Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 3	(Amended)	Business combinations
IAS 1	(Amended)	Presentation of Financial Statements
IFRS 17	(Revised)	Insurance Contracts

It is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed. However, we expect that the standards will not have a material effect on the financial statements.

The impact of the adoption of the new IFRS Standard IFRS 16 'Leases' is detailed 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 has elected to not 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'). Therefore, any short-term leases and low-value assets have been included in the values.

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 year ended 31 December 2018 has been restated. The effect of adoption IFRS 16 is as follows:

Impact on the statement of profit or loss for the year ended 31 December 2018:

	Notes	As previously reported	IFRS 16 adjustment	As Restated
		£	£	£
Revenue	2	34,331,309	-	34,331,309
Cost of sales		(9,630,294)	-	(9,630,294)
Gross profit		**24,701,015**	-	**24,701,015**
Distribution expenses		(9,108,884)	-	(9,108,884)
Administrative expenses		(15,757,252)	609,085	(15,148,167)
Operating profit	**3**	**(165,121)**	**609,085**	**443,964**
Finance costs	**6**	(41,758)	(1,052,419)	(1,094,177)
Loss before tax		**(206,879)**	**(443,334)**	**(650,213)**
Taxation charge	**7**	(108,427)	-	(108,427)
Loss for the year		**(315,306)**	**(443,334)**	**(758,640)**
Other comprehensive income		-	-	-
Total comprehensive loss for the year		**(315,306)**	**(443,334)**	**(758,640)**

Impact on the statement of financial position as at 31 December 2018:

		As previously reported	IFRS 16 adjustment	As Restated
		£	£	£
Assets				
Non-current assets				
Property, plant and equipment	**11**	11,747,036	-	11,747,036
Right-of-use assets	**11**	-	25,242,211	25,242,211

Intangible assets	**10**	889,828	(802,153)	87,675
Deferred tax asset	**18**	168,176	-	168,176
		12,805,040	**24,440,058**	**37,245,098**
Current asset				
Inventories	**13**	706,741	-	706,741
Trade and other receivables	**14**	2,550,223	(691,781)	1,858,442
Cash and cash equivalents		4,624,673	-	4,624,673
		7,881,637	**(691,781)**	**7,189,856**
Total assets		**20,686,677**	**23,748,277**	**44,434,954**
Liabilities				
Current liabilities				
Borrowings	**16**	(427,179)	-	(427,179)
Trade and other payables	**15**	(5,706,116)	1,104,740	(4,601,376)
Lease liabilities	**27**	-	(2,173,730)	(2,173,730)
Current tax liabilities		(158,024)	-	(158,024)
		(6,291,319)	**(1,068,990)**	**(7,360,309)**
Non-current liabilities				
Borrowings	**16**	(315,953)	-	(315,953)
Provisions for liabilities	**17**	(60,892)	-	(60,892)
Lease liabilities	**27**	-	(25,351,272)	(25,351,272)
Deferred tax liability	**18**	(172,380)	-	(172,380)
		(549,225)	**(25,351,272)**	**(25,900,497)**
Total liabilities		**(6,840,544)**	**(26,420,262)**	**(33,260,806)**
Net assets		**13,846,133**	**(2,671,985)**	**11,174,148**
Equity				
Share capital	**19**	1,226,667	-	1,226,667
Share premium		10,050,313	-	10,050,313
Other reserves	**20**	28,745	-	28,745
Retained losses		2,540,408	(2,671,985)	(131,577)
Total equity - attributable to equity shareholders of the company		**13,846,133**	**(2,671,985)**	**11,174,148**

Impact on the statement of cash flows for the year ended 31 December 2018:

		As previously reported	**IFRS 16 adjustment**	**As Restated**
		£	**£**	**£**
Operating activities				
Cash inflow from operations	**23**	2,200,163	3,114,355	5,314,518
Interest paid		(41,758)	-	(41,758)
Tax paid		(64,312)	-	(64,312)
Net cash from operating activities		**2,094,093**	**3,114,355**	**5,208,448**
Investing activities				
Purchase of property, plant & equipment	**11**	(2,279,042)	-	(2,279,042)
Net cash used in investing activities		**(2,279,042)**	**(2,279,042)**	**(2,279,042)**
Financing activities				
Payment of lease liabilities	**27**	-	(3,114,355)	(3,114,355)
Bank loan repayments	**24**	(633,357)	-	(633,357)
Net cash used in financing activities		**(633,357)**	**(3,114,355)**	**(3,747,712)**
Increase/(Decrease) in cash and cash equivalents		(818,306)	-	(818,306)
Cash and cash equivalents at beginning of year		5,627,341	-	5,627,341
Cash and cash equivalents at end of year		**4,624,673**	-	**4,624,673**

Significant judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates may differ from the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made a number of judgments and estimations of which the following are the most significant. The estimates and assumptions that have a risk of causing material adjustment to the carrying amounts of assets and liabilities within the future financial years are as follows:

Depreciation, useful lives and residual values of property, plant & equipment

The Directors estimate the useful lives and residual values of property, plant & equipment in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of comprehensive incomes and the carrying values of the property, plant & equipment in the balance sheet.

Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset.

An impairment of assets of £129,001 (2018 - £259,205) was required for the year ended 31 December 2019.

Leases

The Group has estimated the lease term of certain lease contracts in which they are a lessee, including whether they are reasonably certain to exercise lessee options. The incremental borrowing rate used to discount lease liabilities has also been estimated at 4%. This is assessed as the rate of interest that would be payable to borrow a similar about of money for a similar length of time for a similar right-of-use asset.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the historical consolidated financial statements, unless otherwise indicated.

(a) Basis of preparation

These consolidated financial statements for the year ended 31 December 2019 are prepared in accordance with IFRS.

The financial statements are presented in Pound Sterling (£), which is both the functional and presentational currency of the Group and Company. All amounts are rounded to the nearest pound, except where otherwise indicated.

The Group and Parent Company financial statements have been prepared on the historical cost convention as modified for certain financial instruments, which are stated at fair value. Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

(b) Basis of consolidation

These financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings drawn up to 31 December 2019.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account, regardless of management's intention to exercise that option or warrant. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date the control ceases.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated fully on consolidation. The gain or loss on disposal of a subsidiary company is the difference between net disposals proceeds and the Group's share of its net assets together with any goodwill and exchange differences.

(c) Foreign currency translation

Functional and presentational currency

Items included in the financial results of each of the Group entities are measured using the currency of the primary economic environment in which the entities operate (the functional currency). The consolidated financial statements are presented in Pounds Sterling ("£") which is the Company's functional and operational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and financial liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(d) Financial instruments

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

The Group classifies its financial assets as 'loans and receivables'. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. Receivables are classified as 'trade and other receivables' and loans are classified as 'borrowings' in the statement of financial position.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. After initial recognition loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The loss is recognised in the income statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities

The Group's financial liabilities include trade and other payables.

Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR" method).

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive Income.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the income statement on a reducing balance basis and on a straight-line basis over the estimated useful lives of corresponding items of property, plant and equipment:

Land and buildings Leasehold	Over the length of the lease
Land and buildings Freehold	4% straight line basis
Plant and machinery	15% on reducing balance
Fixture, fittings and equipment	10% on reducing balance

The carrying values of plant and equipment are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the assets are tested for impairment to estimate the assets' recoverable amounts. Any impairment losses are recognized in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

(f) Intangible assets - Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is formally tested for impairment annually, thus is not amortised. Any excess of fair value of net assets over consideration on acquisition are recognised directly in the income statement.

(g) Inventories

Inventories are stated at the lower of costs and net realisable value. Cost comprises direct materials, and those direct overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are included within borrowings in current liabilities on the balance sheet.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(i) Share-based payments

The Group's share option programme allows Group employees to acquire shares of the Company and all options are equity-settled. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

(j) Provisions for liabilities

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

Provisions for leasehold property dilapidation repairs are recognised when the Group has a present obligation to carry out dilapidation work on the leasehold premises before the property is vacated. The amount recognised as a provision is the best estimate of the costs required to carry out the dilapidations work and is spread over the expected period of the tenancy.

(k) Deferred tax and current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered or paid to the taxation authorities. A provision is made for corporation tax for the reporting period using the tax rates that have been substantially enacted for the company at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income.

Deferred income tax is provided in full on a non-discounted basis, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(l) Leases

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Initially, 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. Subsequently, 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 lease liabilities recognised are 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.

(m) Employee benefits

Short term employee benefits

Wages, salaries, paid annual leave, paid sick leave and bonuses are recognised as an expense in the period in which the associated services are rendered by employees.

The Group recognises an accrual for annual holiday pay accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within 12 months. The accrual is measured at the salary cost payable for the period of absence.

Pensions and other post-employment benefits

The Group pays monthly contributions to defined contribution pension plans. The legal or constructive obligation of the Group is limited to the amount that they agree to contribute to the plan. The contributions to the plan are charged to the Statement of Comprehensive Income in the period to which they relate.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(n) Revenue

Revenue represents amounts received and receivable for services and goods provided (excluding value added tax) and is recognised at the point of sale. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the reserve can be reliably measured.

(o) Expenses

Variable lease payments

Variable lease payments that do not depend on an index or rate and are not in-substance fixed payments, such as rental expenses payable based on the percentage of sales made in the period, are not included in the initial measurement of the lease liability. These payments are recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

Opening expenses

Property rentals and related costs incurred up to the date of opening of a new restaurant are written off to the income statement in the period in which they are incurred. Promotional and training costs are written off to the income statement in the period in which they are incurred.

Financial expenses

Financial expenses comprise of interest payable on bank loans, hire purchase liabilities and other financial costs and charges. Interest payable is recognised on an accrual basis.

(p) Ordinary share capital

Ordinary shares are classified as equity. Costs directly attributable to the increase of new shares or options are shown in equity as a deduction from the proceeds.

(q) Dividend policy

In accordance with IAS 10 'Events after the Balance Sheet Date', dividends declared after the balance sheet date are not recognised as a liability at that balance sheet date and are recognised in the financial statements when they have received approval by shareholders. Unpaid dividends that are not approved are disclosed in the notes to the consolidated financial statements.

(r) Commercial discount policy

Commercial discounts represent a reduction in cost of goods and services in accordance with negotiated supplier contracts, the majority of which are based on purchase volumes. Commercial discounts are recognised in the period in which they are earned and to the extent that any variable targets have been achieved in that financial period. Costs associated with commercial discounts are recognised in the period in which they are incurred.

(s) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses related to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Chief Operating Decision Maker has been identified as the Board of Executive Directors, at which level strategic decisions are made.

Notes to the consolidated financial statements

For the year ended 31 December 2019

1. Segmental analysis

The Group has only one operating segment being: the operation of restaurants with Lebanese and Middle Eastern Offerings and one geographical segment being 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 revenues.

2. Revenue

	Year ended 31 December 2019	Year ended 31 December 2018
	£	**£**
Income for the year consists of the following:		
Revenue from continuing operations	33,403,402	34,331,309
Other income not included within revenue in the income statement:		
Other income	1,020,090	-
Total income for the year	**34,423,492**	**34,331,309**

Other income received related to UberEats compensation of £643,739, insurance claims receivable £346,351 and landlord compensation £30,000.

3. Group operating loss

	Year ended 31 December 2019	Year ended 31 December 2018 (Restated)
	£	**£**
This is stated after charging/(crediting):		
Operating lease charges	787,222	937,549
Share-based payments expense (see ***note 22***)	53,963	28,745
Restaurant opening costs	18,075	433,506
Depreciation of property, plant and equipment (see ***note 11***)	4,036,957	3,806,212
Impairment of assets (see ***note 11***)	129,001	259,205
Loss on disposal of fixed assets	298,022	-
Development of the Grab & Go concept subsequently cancelled	74,551	-
Costs in relation to unopened new sites	67,211	-
Reclassification of legal fees	15,087	-
Auditors' remuneration (see ***note 4***)	51,750	50,000

Operating lease charges relate to additional rental expenses payable based on selected sites achieving a certain level of turnover for the year.

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 certain post-opening costs for 3 months is shown below:

	Year ended 31 December 2019	Year ended 31 December 2018 (Restated)
	£	**£**
Pre-opening costs	3,982	139,858
Post-opening costs	14,093	293,648
	18,075	**433,506**

4. Auditors' remuneration

	Year ended 31 December 2019	Year ended 31 December 2018 (Restated)

	£	£
Auditors' remuneration:		
Fees payable to Company's auditor for the audit of its annual accounts	15,750	15,000
Other fees to the Company's auditors		
The audit of the Company's subsidiaries	20,000	20,000
Total audit fees	**35,750**	**35,000**
Review of the half-year accounts	15,500	15,000
Total non-audit fees	**15,500**	**15,000**
Total auditors' remuneration	**51,250**	**50,000**

5. Staff costs and numbers

	Year ended 31 December 2019 £	**Year ended 31 December 2018 £**
(a) Staff costs (including directors):		
Wages and salaries:		
Kitchen, floor and management wages	11,416,977	11,288,001
Apprentice Levy	41,455	41,589
Other costs:		
Social security costs	842,168	627,336
Share-based payments (***note 22***)	53,963	28,745
Pension costs	249,086	169,974
Total staff costs	**12,603,649**	**12,155,645**
(b) Staff numbers (including directors):	**Number**	**Number**
Kitchen and floor staff	538	591
Management staff	114	123
Total number of staff	**652**	**714**
(c) Directors' remuneration:		
Emoluments	495,000	460,238
Money purchase (and other) pension contributions	101,457	4,423
Non-Executive directors' fees	30,000	43,901
Total directors' costs	**626,457**	**508,562**

Directors' remuneration disclosed above include the following amounts paid to the highest paid director:

Emoluments	187,500	187,500
Money purchase (and other) pension contributions	50,134	1,708

Further details on Directors' emoluments and the executive pension schemes are given in the Directors' report.

6. Finance costs

	Year ended 31 December 2019	**Year ended 31 December 2018 (Restated)**
	£	**£**

Interest payable and similar charges:		
Interest on bank loans and overdraft	21,730	41,758
Interest on lease liabilties	1,074,732	1,052,419
Total finance costs for the year	**1,096,462**	**1,094,177**

7. Taxation

The major components of income tax for the years ended 31 December 2019 and 2018 are:

(a) Analysis of charge in the year:

	Year ended 31 December 2019 £	**Year ended 31 December 2018 (Restated) £**
Current tax:		
UK corporation tax on the profit/(loss) for the year	119,645	93,543
Adjustments in respect of previous years	436	(19,370)
Deferred tax:		
Origination and reversal of temporary differences	317	34,369
Tax losses carried forward	26,175	(115)
Total tax charge for the year	**146,573**	**108,427**

b) **Factors affecting the tax charge for the year:**

The tax charged for the year varies from the standard rate of corporation tax in the UK due to the following factors:

	Year ended 31 December 2019 £	**Year ended 31 December 2018 (Restated) £**
Loss before tax	(520,390)	(650,213)
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	(98,874)	(123,540)
Effects of:		
Depreciation on non-qualifying assets	122,499	162,073
Expenses not deductible for tax purposes	95,716	81,186
Adjustments in respect of previous tax years	436	(19,370)
Other miscellaneous items	26,492	-
Deferred tax	304	34,253
Losses utilised in the year	-	(26,174)
Total tax charge for the year	**146,573**	**108,427**

8. Loss per share

On 4 July 2018 the company granted 4,890,000 approved options to key employees under a new Company Share Option Plan ("CSOP"). For further details see note 22.

The basic and diluted loss per share figures, is based on the weighted average number of shares in issue during the period.

The basic and diluted loss per share figures are set out below:

	Year ended 31 December 2019 £	Year ended 31 December 2018 (Restated) £
Loss attributable to shareholders	(666,963)	(758,640)

	2019	2018
Weighted average number of shares		
For basic earnings per share	122,666,667	122,666,667
Adjustment for options outstanding	180,385	116,429
For diluted earnings per share	122,847,052	122,783,096

	2019 Pence per share	2018 Pence per share
(Loss)/earnings per share:		
Basic (pence)		
From (loss)/profit for the year	(0.54)	(0.62)
Diluted (pence)		
From (loss)/profit for the year	(0.54)	(0.62)

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 share options in the open market in order to reduce the number of new shares that would need to be issued.

9. Dividends

No dividends were paid or declared in the year ended 31 December 2019 (2018: £nil).

10. Intangible assets

Group

	Goodwill £	Total £
Cost		
At 1 January 2018	89,961	89,961
Additions	-	-
At 31 December 2018	**89,961**	**89,961**
Accumulated amortisation and impairment		
At 1 January 2018	-	-
Amortised during the year	-	-
Impairments	(2,286)	(2,286)
At 31 December 2018	**(2,286)**	**(2,286)**
Net Book Value as at 31 December 2017	89,961	89,961
Net Book Value as at 31 December 2018	**87,675**	**87,675**

	Goodwill	Total

	£	£
Cost		
At 1 January 2019	89,961	89,961
Additions	-	-
At 31 December 2019	**89,961**	**89,961**
Accumulated amortisation and impairment		
At 1 January 2019	(2,286)	(2,286)
Amortised during the year	-	-
Impairments	-	-
At 31 December 2019	**(2,286)**	**(2,286)**
Net Book Value as at 31 December 2018	87,675	87,675
Net Book Value as at 31 December 2019	**87,675**	**87,675**

Goodwill arising on business combinations is not amortised but is subject to an impairment test annually which compares the goodwill's 'value in use' to its carrying value. In 2018, 100% of the goodwill allocated to Yalla Yalla Greenwich was impaired due to the closing of the pop-up store. The remaining goodwill related to Yalla Yalla Soho and Yalla Yalla Winsley Street. No impairment of goodwill was considered necessary in relation to either of these sites.

11. Property, plant and equipment

Group	**Right-of use Assets**	**Leasehold Land and buildings**	**Plant and machinery**	**Fixture, fittings & equipment**	**Motor Vehicles**	**Total**
	£	**£**	**£**	**£**	**£**	**£**
Cost						
At 1 January 2018	22,656,729	9,962,461	4,644,190	2,650,155	15,120	39,928,655
Additions	5,012,580	1,527,866	305,327	445,849	-	7,291,622
Disposals	-	-	-	-	-	-
At 31 December 2018	**27,669,309**	**11,490,327**	**4,949,517**	**3,096,004**	**15,120**	**47,220,277**
Accumulated depreciation and impairment						
At 1 January 2018	-	(3,492,423)	(1,777,015)	(895,438)	(3,024)	(6,167,900)
Depreciation during the year	(2,427,099)	(702,274)	(465,321)	(209,099)	(2,419)	(3,806,212)
Impairment during the year	-	(140,536)	(15,563)	(100,820)	-	(256,919)
At 31 December 2018	**(2,427,099)**	**(4,335,233)**	**(2,257,899)**	**(1,205,357)**	**(5,443)**	**(10,231,031)**
Cost						
At 1 January 2019	27,669,309	11,490,327	4,949,517	3,096,004	15,120	47,220,277
Additions	1,426,428	647,651	360,815	240,973	38,310	2,714,177
Disposals	-	(623,376)	(158,449)	(220,458)		(1,002,283)
At 31 December 2019	**29,095,737**	**11,514,602**	**5,151,883**	**3,116,519**	**53,430**	**48,932,171**
Accumulated depreciation and impairment						
At 1 January 2019	(2,427,099)	(4,335,233)	(2,257,899)	(1,205,357)	(5,443)	(10,231,031)
Depreciation during the year	(2,621,243)	(760,432)	(452,878)	(200,473)	(1,930)	(4,036,957)
Disposals during the year	-	466,755	104,464	131,792	-	703,011
Impairment during the year	(96,316)	(18,947)	(7,074)	(6,665)	-	(129,001)
At 31 December 2019	**(5,144,658)**	**(4,647,857)**	**(2,613,387)**	**(1,280,703)**	**(7,373)**	**(13,693,978)**
Net Book Value as at 31 December 2018	**25,242,211**	**7,155,094**	**2,691,618**	**1,890,647**	**9,677**	**36,989,247**
Net Book Value as at 31 December 2019	**23,951,079**	**6,866,745**	**2,538,496**	**1,835,816**	**46,057**	**35,238,194**

The right of use assets relates to one class of underlying assets, being the property leases entered into for various restaurant sites. At each reporting date the Group considers any indication of impairment to the carrying value of its property, plant and equipment.

The assessment is based on expected future cash flows and Value-in-Use calculations are performed annually and at each reporting date and is carried out on each restaurant as these are separate 'cash generating units' (CGU). Value-in-use was calculated as the net present value of the projected risk-adjusted post-tax cash flows plus a terminal value of the CGU. A pre-tax discount rate was applied to calculate the net present value of pre-tax cash flows. The discount rate was calculated using a market participant weighted average cost of capital. A single rate has been used for all sites as management believe the risks to be the same for all sites.

The recoverable amount of each CGU has been calculated with reference to its value-in-use. The key assumptions of this calculation are shown below:

Sales and costs growth	3%
Discount rate	7%
Number of years projected	over life of lease

The projected sales growth was based on the Group's latest forecasts at the time of review. The key assumptions in the cashflow pertain to revenue growth. Management have determined that growth based on industry average growth rates and actuals achieved historically are the best indication of growth going forward. The Directors are confident that the Group is largely immune from the effects of Brexit. Management has performed sensitivity analysis on all inputs to the model and noted no material sensitivities in the model.

Based on the review, an impairment charge of £129,001 (2018: 259,205) was attributed to one site. The impairment review does not take into consideration any current external factors arising from COVID-19, as the effects of these factors are considered to be 'non-adjusting' events in accordance with IAS 10 'Events After the Reporting Period' (note 31 and below).

Decline in fair value of assets resulting from COVID-19 outbreak

Since 31 December 2019, the outbreak of COVID-19 and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Global equity markets have experienced significant volatility and weakness. As at the date that these financial statements were authorised for issue, the fair value of the Group's assets and investments had declined as a result of the virus outbreak and the resulting closure of the Group's restaurants. It is not yet possible to reliably estimate the amount of the decline in asset values due to the number of current uncertainties of timing and the rates of increases and resumption of trading levels. While governments and central banks have reacted with monetary interventions designed to stabilise economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time.

The subsequent changes in the fair value of the Group's assets and investments are not reflected in the financial statements as at 31 December 2019 as these are 'non-adjusting' subsequent events. The Group's half-year accounts for the period ending 30 June 2020 will reflect changes in fair values of the Group's assets.

12. Subsidiaries

The subsidiaries of Comptoir Group Plc, all of which have been included in these consolidated financial statements, are as follows:

Name	**Country of incorporation and principal place of business**	**Proportion of ownership interest as at 31 December**		**Non-Controlling interests Ownership/voting interest at 31 December**	
		2019	**2018**	**2019**	**2018**

Timerest Limited	England & Wales	100%	100%	-	-
Chabane Limited*	England & Wales	100%	100%	-	-
Comptoir Franchise Limited	England & Wales	100%	100%	-	-
Shawa Group Limited*	England & Wales	100%	100%	-	-
Shawa Bluewater Limited*	England & Wales	100%	100%	-	-
Shawa Limited	England & Wales	100%	100%	-	-
Shawa Rupert Street Limited*	England & Wales	100%	100%	-	-
Comptoir Stratford Limited*	England & Wales	100%	100%	-	-
Comptoir South Ken Limited*	England & Wales	100%	100%	-	-
Comptoir Soho Limited*	England & Wales	100%	100%	-	-
Comptoir Central Production Limited*	England & Wales	100%	100%	-	-
Comptoir Westfield London Limited*	England & Wales	100%	100%	-	-
Levant Restaurants Group Limited*	England & Wales	100%	100%	-	-
Comptoir Chelsea Limited*	England & Wales	100%	100%	-	-
Comptoir Bluewater Limited*	England & Wales	100%	100%	-	-
Comptoir Wigmore Limited*	England & Wales	100%	100%	-	-
Comptoir Kingston Limited*	England & Wales	100%	100%	-	-
Comptoir Broadgate Limited*	England & Wales	100%	100%	-	-
Comptoir Manchester Limited*	England & Wales	100%	100%	-	-
Comptoir Restaurants Limited	England & Wales	100%	100%	-	-
Comptoir Leeds Limited*	England & Wales	100%	100%	-	-
Comptoir Oxford Street Limited*	England & Wales	100%	100%	-	-
Comptoir I.P. Limited*	England & Wales	100%	100%	-	-
Comptoir Reading Limited*	England & Wales	100%	100%	-	-
TKCH Limited*	England & Wales	100%	100%	-	-
Comptoir Bath Limited*	England & Wales	100%	100%	-	-
Comptoir Exeter Limited*	England & Wales	100%	100%	-	-
Yalla Yalla Restaurants Limited	England & Wales	100%	100%	-	-
Comptoir Haymarket Ltd*	England & Wales	100%	100%	-	-
Comptoir Oxford Limited*	England & Wales	100%	100%	-	-

*Dormant companies

13. Inventories

	Group 31 December 2019 £	31 December 2018 £
Finished goods and goods for resale	**594,409**	**706,741**

14. Trade and other receivables

	Group 31 December 2019 £	31 December 2018 (Restated) £
Trade receivables	736,179	884,130
Other receivables	796,923	426,162
Prepayments and accrued income	669,872	548,150
Total trade and other receivables	**2,202,974**	**1,858,442**

15. Trade and other payables

	Group 31 December 2019 £	31 December 2018 (Restated) £

Trade payables	2,399,243	1,864,398
Accruals	1,511,579	1,648,330
Other taxation and social security	974,453	1,045,439
Other payables	130,329	43,209
Total trade and other payables	**5,015,604**	**4,601,376**

16. Borrowings

	Group 31 December 2019 £	31 December 2018 £
Bank loans (see below)	317,346	743,132
Total borrowings	**317,346**	**743,132**

The long-term bank loans are secured by way of fixed charges over the assets of various Group companies. Some of the bank loans are secured by a personal guarantee given by A Kitous, director, amounting to £6,925,000. Bank loans of £317,346 represent amounts repayable within one year of £261,611 (2018 - £427,179) and £55,735 (2018 - £315,953) repayable in more than one year. All bank loans have a five-year term with maturity dates of between 2020 and 2021. All loans attract a rate of interest of 3.25% over the Bank base rate.

17. Provisions for liabilities

	Group 31 December 2019 £	31 December 2018 £
Provisions for leasehold property dilapidations	65,538	60,892
Provisions for rent reviews per lease agreements	373,032	-
Total provisions	**438,570**	**60,892**
Movements on provisions:	**£**	**£**
At 1 January 2019	60,892	48,036
Provision in the year (net of releases)	377,678	12,856
Total at 31 December 2019	**438,570**	**60,892**

Provisions for leasehold property dilapidation repairs are recognised when the Group has a present obligation to carry out dilapidation repair work on the leasehold premises before the property is vacated. The amount recognised as a provision is the best estimate of the costs required to carry out the dilapidations work and is spread over the expected period of the tenancy.

18. Deferred taxation

Deferred tax assets and liabilities are offset where the Group or Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	**Liabilities 2019 £**	**Liabilities 2018 £**	**Assets 2019 £**	**Assets 2018 £**
Accelerated capital allowances	170,283	172,380	-	-

Tax losses	-	-	139,588	162,714
Share-based payments	-	-	-	5,462
	170,283	**172,380**	**139,588**	**168,176**

Movements in the year:	**Group**	
	2019	**2018**
	£	**£**
Net (liability)/asset at 1 January	(4,203)	30,050
Charge to Statement of Comprehensive Income (note 7)	(26,492)	(34,253)
Net liability at year end	**(30,695)**	**(4,203)**

The deferred tax liability set out above is related to accelerated capital allowances and will reverse over the period that the fixed assets to which it relates are depreciated.

19. Share capital

Authorised, issued and fully paid	**Number of 1p shares**	
	Year ended 31 December 2019	**Year ended 31 December 2018**
Brought forward	122,666,667	122,666,667
Issued in the period	-	-
At 31 December	**122,666,667**	**122,666,667**

	Nominal value	
	Year ended 31 December 2019	**Year ended 31 December 2018**
	£	**£**
Brought forward	1,226,667	1,226,667
Issues in the period	-	-
At 31 December	**1,226,667**	**1,226,667**

20. Other reserves

The other reserves amount of £82,708 (2018 - £ 28,745) in the balance sheet reflects the credit to equity made in respect of the charge for share-based payments made through the income statement and the purchase of shares in the market in order to satisfy the vesting of existing and future share awards under the Long-Term Incentive Plan.

21. Retirement benefit schemes

Defined contribution schemes	**31 December 2019**	**31 December 2018**
	£	**£**
Charge to profit and loss	**249,086**	**169,974**

A defined contribution scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

22. Share-based payments scheme

Equity-settled share-based payments

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.

A share-based payment charge of £82,708 (2018 - £28,745) was recognised during the year in relation to the new scheme and this amount is included within administrative expenses and added back in calculating adjusted EBITDA. In 2018, a credit of £316,590 was recognised directly in equity in respect of the cancellation of the old scheme.

	No. of shares	Year ended 31 December 2019 Average Exercise price £	No. of shares	Year ended 31 December 2018 Average Exercise price £
EMI options				
Options outstanding, beginning of year	-	-	1,830,000	0.50
Granted	-	-	-	-
Cancelled	-	-	(1,830,000)	0.50
Options outstanding, end of year	**-**	**-**	**-**	**-**
Options exercisable, end of year	**-**	**-**	**-**	**-**
CSOP options				
Options outstanding, beginning of year	**4,890,000**	**0.1025**	**-**	**-**
Granted	**-**	**-**	**4,890,000**	**0.1025**
Cancelled	**200,000**	**0.1025**	**-**	**-**
Options outstanding, end of year	**4,690,000**	**0.1025**	**4,890,000**	**0.1025**
Options exercisable, end of year	**-**	**-**	**-**	**-**

The Black-Scholes option pricing model is used to estimate the fair value of options granted under the Group's share-based compensation plan. The range of assumptions used and the resulting weighted average fair value of options granted at the date of grant for the Group were as follows:

	On grant date
Risk free rate of return	0.1%
Expected term	3 years
Estimated volatility	51.3%
Expected dividend yield	0%
Weighted average fair value of options granted	£0.03527

Risk free interest rate
The risk-free interest rate is based on the UK 10-year Gilt yield.

Expected term
The expected term represents the maximum term that the Group's share options in relation to employees of the Group are expected to be outstanding. The

expected term is based on expectations using information available.

Estimated volatility
The estimated volatility is the amount by which the price is expected to fluctuate during the period. No share options were granted during the current year, the estimated volatility for the share options issued in the prior year was determined based on the standard deviation of share price fluctuations of similar businesses.

Expected dividends
Comptoir's board of directors may from time to time declare dividends on its outstanding shares. Any determination to declare and pay dividends will be made by Comptoir Group PLC's board of directors and will depend upon the Group's results, earnings, capital requirements, financial condition, business prospects, contractual restrictions and other factors deemed relevant by the board of directors. In the event that a dividend is declared, there is no assurance with respect to the amount, timing or frequency of any such dividends. Based on this uncertainty and unknown frequency, no dividend rate was used in the assumptions to calculate the share based compensation expense.

23. Reconciliation of (loss)/profit to cash generated from operations

	Year ended 31 December 2019	**Year ended 31 December 2018 (Restated)**
	£	**£**
Operating profit for the year	576,072	443,964
Depreciation	4,036,957	3,806,212
Loss on disposal of fixed assets	299,272	-
Impairment of assets	129,001	259,205
Share-based payment charge	53,963	28,745
Movements in working capital		
Decrease/(increase) in inventories	112,332	(100,089)
Increase in trade and other receivables	(344,532)	(169,605)
Increase in payables and provisions	791,906	1,046,086
Cash from operations	**5,654,971**	**5,314,518**

24. Reconciliation of changes in cash to the movement in net cash/(debt)

Net cash/(debt):	**Year ended 31 December 2019**	**Year ended 31 December 2018 (Restated)**
	£	**£**
At the beginning of the year	3,881,541	4,066,490
Movements in the year:		
Repayment of loan borrowings	425,786	675,115
Non-cash movements in the year	(21,730)	(41,758)
Cash inflow/(outflow)	451,937	(818,306)
At the end of the year	**4,737,534**	**3,881,541**

Represented by:	**At 1 January 2018**	**Cash flow movements in the year**	**Non- cash flow movements in the year**	**At 31 December 2018**

		£	£	£
	£			
Cash and cash equivalents	5,627,341	(1,002,668)	-	4,624,673
Overdraft	(184,362)	184,362	-	-
Bank loans	(1,376,489)	675,115	(41,758)	(743,132)
	4,066,490	**(143,191)**	**(41,758)**	**3,881,541**

	At 1 January 2019	Cash flow movements in the year	Non- cash flow movements in the year	At 31 December 2019
	£	£	£	£
Cash and cash equivalents	4,624,673	451,937	-	5,076,610
Overdraft	-	-	-	-
Bank loans	(743,132)	425,786	(21,730)	(339,076)
	3,881,541	**877,723**	**(21,730)**	**4,737,534**

25. Financial instruments

The Group finances its operations through equity and borrowings, with the borrowing interest typically subject to 3.25% per annum over base rate.

Management pay rigorous attention to treasury management requirements and continue to:

- ensure sufficient committed loan facilities are in place to support anticipated business requirements;
- ensure the Group's debt service will be supported by anticipated cash flows and that covenants will be complied with; and
- manage interest rate exposure with a combination of floating rate debt and interest rate swaps when deemed appropriate.

The Board closely monitors the Group's treasury strategy and the management of treasury risk. Further details of the Group's capital risk management can be found in the report of the Directors.

Further details on the business risk factors that are considered to affect the Group are included in the strategic report and more specific financial risk management (including sensitivity to increases in interest rates) are included in the Report of the Directors. Further details on market and economic risk and headroom against covenants are included in the Strategic Report.

Financial assets and liabilities

Group financial assets:

	31 December 2019	31 December 2018 (Restated)
	£	£
Cash and cash equivalents	5,076,610	4,624,673
Trade and other receivables	2,202,974	1,858,442
Total financial assets	**7,279,584**	**6,483,115**

Group financial liabilities:	31 December 2019	31 December 2018 (Restated)
	£	£
Trade and other payables excl. corporation tax	5,015,604	4,601,376

Bank loan	261,611	427,179
Short-term financial liabilities	**5,277,215**	**6,133,295**
Bank loan	55,735	315,953
Long-term financial liabilities	**55,735**	**315,953**
Total financial liabilities	**5,332,950**	**6,449,248**

The loans held in the subsidiaries typically have the interest rate of 3.25% per annum over base rate.

The maturity profile of anticipated gross future cash flows, including interest, relating to the Group's non-derivative financial liabilities, on an undiscounted basis, are set out below:

	Overdraft	**Trade and other payables ***	**Bank loans**
	£	**£**	**£**
As at 31 December 2019			
Within one year	-	5,015,604	261,611
Within two to five years	-	-	55,735
Less future interest payments	-	-	(7,151)
Total	-	**5,015,604**	**310,195**
As at 31 December 2018			
Within one year	-	4,601,376	447,400
Within two to five years	-	-	323,048
Less future interest payments	-	-	(27,315)
Total	**-**	**4,601,376**	**743,133**

*excluding corporation tax

Fair value of financial assets and liabilities

All financial assets and liabilities are accounted for at cost and the Directors consider the carrying value to approximate their fair value.

26. Financial risk management

The Group's and Company's financial instruments comprise investments, cash and liquid resources, and various items, such as trade receivables and trade payables that arise directly from its operations. The vast majority of the Group's and Company's financial investments are denominated in sterling.

Neither the Group nor the Company enter into derivatives or hedging transactions. It is, and has been throughout the period under review, the Group's and Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's and Company's financial instruments are **credit risk, liquidity risk, foreign currency risk, interest rate risk and investment risk**. The Group does not have a material exposure to foreign currency risk. The board reviews policies for managing each of these risks, and they are summarised as follows:

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. Counterparties for cash balances are with large established financial institutions. The Group is exposed to credit related losses in the event of non-performance by the financial institutions but does not expect them to fail to meet their obligations.

As a retail business with trading receipts settled either by cash or credit and debit cards, there is very limited exposure from customer transactions. The Group is exposed to credit risk in respect of commercial discounts receivable from suppliers but the Directors believe adequate provision has been made in respect of doubtful debts and there are no material amounts past due that have not been provided against.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk

Liquidity risk

The Group has built an appropriate mechanism to manage liquidity risk of the short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed through the maintenance of adequate cash reserves and bank facilities by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's loan facilities (as set out in ***note 16***), ensure continuity of funding, provided the Group continues to meet its covenant requirements (as detailed in the report of the Directors).

Foreign currency risk

The Group is not materially exposed to changes in foreign currency rates and does not use foreign exchange forward contracts.

Interest rate risk

Exposure to interest rate movements has been controlled historically through the use of floating rate debt to achieve a balanced interest rate profile. The Group does not currently have any interest rate swaps in place as the continued reduction in the level of debt combined with current market conditions results in a low level of exposure. The Group's exposure will continue to be monitored and the use of interest rate swaps may be considered in the future.

Investment risk

Investment risk includes investing in companies that may not perform as expected. The Group's investment criteria focus on the quality of the business and the management team of the target company, market potential and the ability of the investment to attain the returns required within the time horizon set for the investment. Due diligence is undertaken on each investment. The Group regularly reviews the investments in order to monitor the level of risk and mitigate exposure where appropriate.

27. Lease commitments

The Group has leases assets including 26 restaurants and one head office location within the United Kingdom. The Group has elected to not take the practical expedient for short term and low values leases, therefore all leases have been included. The remaining lease terms range from less than one year to 21 years with an average remaining lease term of 8 years.

Information about leases for which the Group is a lessee is presented below:

Net book value of right of use assets	2019	2018 (Restated)
	£	£

Balance at 1 January	25,242,211	22,656,729
Additions	1,426,428	5,012,580
Depreciation charge	(2,621,243)	(2,427,099)
Impairment charge	(96,316)	-
	23,951,079	**25,242,211**

Maturity analysis - contractual undiscounted cash flows	**2019**	**2018 (Restated)**
	£	**£**
Within one year	(3,474,376)	(3,373,788)
More than one year	(30,034,528)	(32,958,656)
	(33,508,904)	**(36,332,444)**

Lease liabilities included in the statement of financial position	**2019**	**2018 (Restated)**
	£	**£**
Current	(2,481,471)	(2,173,730)
Non-current	(24,170,903)	(25,351,272)
Balance at 31 December 2019	**(26,652,374)**	**(27,525,002)**

Amounts recognised in profit or loss	**2019**	**2018 (Restated)**
	£	**£**
Interest on lease liabilities	1,074,732	1,052,419
Expenses relating to variable lease payments	787,222	937,549
	1,861,954	**1,989,968**

Some site leases contained clauses on variable lease payments where additional lease payments may be required dependant on the revenue being generated at that particular site. Variable lease payments ranged from 9% -15% of revenue in excess of the existing base rent per the respective lease agreements.

Amounts recognised in statement of cash flow	**2019**	**2018 (Restated)**
	£	**£**
Total cash outflow for leases	3,373,788	3,114,355
	3,373,788	**3,114,355**

28. Contingent liabilities

The Group had no contingent liabilities at 31 December 2019 or 31 December 2018.

29. Capital commitments

The Group had capital commitments of £34,865 at 31 December 2019 (2018 - £600,000) in relation to refurbishment work at Yalla Yalla Winsley Street and Comptoir Wigmore Street.

30. Related party transactions

Remuneration in respect of key management personnel, defined as the Directors for this purpose, is disclosed in note 5. Further information concerning the Directors' remuneration is provided in the Directors' remuneration report. During the year, the Group paid fees to the following related parties:

	Remuneration	**Expenses**	**Total**
P Hanna	46,750	3,197	49,947
M Kitous	27,142	226	27,368
L Kitous	17,181	-	17,181

91,073	**3,423**	**94,496**

During the year, the Group also paid fees of £30,000 (2018: £30,000) to Messrs Gerald Edelman, a firm in which director R Kleiner is a partner, in respect of part of his non-executive director fees. In addition, the Group paid further amounts totalling £5,640 (2018: £28,740) to Messrs Gerald Edelman, in respect of accountancy and corporate finance services provided to the Group. M Carrick, Finance Director, was granted 1,000,000 share options as part of the new CSOP share scheme on 4th July 2018. The share options have a vesting period of three years from the grant date and can be exercised at 10.25p.

31. Subsequent events

Subsequent to the year end there has been a significant event associated with the COVID-19 virus outbreak. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, including in the UK, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. Following guidance provided by the UK government, the Board of Directors has taken the decision to close its restaurants until further notice.

The Company has determined that these events are 'non-adjusting' subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not yet possible to reliably estimate the duration and severity of these consequences, as well as their financial impact on the financial position and results of the Company for future periods. Further details are provided in note 11 above and the Going Concern section of the Principal Accounting Policies of the Group financial statements.

32. Ultimate controlling party

The Company has a number of shareholders and is not under the control of any one person or ultimate controlling party.

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