

21 May 2024

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

**FY 2023 Results - A year of positive growth and expansion**

Comptoir Group Plc (AIM: COM), the owner and/or operator of Lebanese, Middle Eastern and North African inspired restaurants announces its audited annual results for the 52 week period ended 31 December 2023.

**Highlights:**

- Group revenue of £31.5m, up by 1.4% (2022: £31.0m), up by 1.3% like for like
- Total system sales\* of £42.4m, an increase of 6.7% (2022:£39.8m), with a like for like system sales growth of 3%
- Gross profit of £24.7m, ahead on last year by £0.3m (2022: £24.4m)
- Adjusted EBITDA\*\* before highlighted items of £0.1m (2022: £2.8m)
- IFRS profit after tax of £1.6m loss (2022: £0.6m)
- Net cash and cash equivalents at the end of year of £7.0m (2022: £9.9m)
- Basic earnings per share of 1.30p loss (2022: 0.48p)
- Portfolio expansion with new openings at Ealing (2023) and Southbank (2024), as well as switching Cheshire Oaks from a franchised to equity model and opening a new Shawa franchise in Abu Dhabi in 2024
- Currently trading in 28 stores: 22 managed and 6 franchised

**Beatrice Lafon, Non-Executive Chair, commented:**

"FY 2023 results reflect the continued effects of the consolidation strategy the board put in place in August 2022 to rebuild the teams after the pandemic, manage the headwinds created by the inflationary pressures on wages, ingredients and utility

costs in particular whilst establishing a strong foundation for growth.

Full year EBITDA at £0.1m was in line with management expectations. Sales grew by 1.4% to £31.5m, GP grew 1.1% last year to £24.7m, colleague retention improved, over 90% of our teams were trained in our new 'Generous Hospitality' training, all brands benefited from a total revamp of our menus to increase the mix of plant based options, whilst offering ever more new and authentic recipes. Growth in NPS, now at over 74% on a rolling 12 months basis and continued reduction in staff turnover, give us confidence in the value of our plan for the medium term.

In 2023, the board also chose to invest in our infrastructure, to create a resilient supply base and to take steps to progress with our ESG roadmap. We have started to invest in green technology, updated both our sourcing policies and partners, and designed menus more coherent with our carbon neutral goals.

At publication of this report, we are trading with 28 stores (22 managed, 6 franchised), having closed Leeds in January 2023 and opened Ealing in October 2023.

So far in 2024, we have opened a new franchised Shawa in Abu Dhabi, a new directly managed Comptoir Flagship in Southbank, closed Yalla Yalla Soho and brought Cheshire Oaks into the managed portfolio.

We started a refurbishment program, with Duke of York Sq Chelsea reopening mid May with London Bridge and Westfield London to follow later this year. All our terraces have been refurbished, well ahead of the start of the season.

Our investments in tech continue, for instance our first labour productivity tool is now in place. A new digital strategy came into force in March 24, with the launch of new websites, online booking systems and new online partnerships.

By Summer 2024, a brand-new senior leadership team will be in place, to allow the Group to scale to new heights.

On behalf of the board, I would like to thank all our colleagues who worked tirelessly to transport our guests to a happy place, every time. We are proud of how well our colleagues are adapting to new ways of working, placing our famous hospitality and amazing food at the core of all they do. I would also like to thank our senior executive team, our old and new partners and shareholders for enabling all the changes to land successfully.

We remain optimistic and cautious about 2024 as costs and prices continue to rise in high single and double digits and footfall remains both challenged and erratic. We are focussed on executing our Plan well, to be in a strong position to capitalise on any demand recovery.

The business enters 2024 with renewed energy and a new team, a balanced portfolio of brands and locations and a strong cash position."

\*System sales are defined as total sales for equity and franchise restaurants.

\*\* Adjusted EBITDA was calculated from the (loss)/profit before taxation adding back net interest cost, depreciation, share-based payments and non-recurring costs (note 3).

### **Annual Report and Notice of AGM**

The Company confirms that it has posted its 2023 Annual Report and Accounts to shareholders together with the 2024 Notice of AGM and forms of proxy. The AGM will be held at 9.00am on 26 June 2024 at 6th Floor, Winchester House, 259-269 Old Marylebone Road, London, NW1 5RA.

The 2023 Annual Report and Accounts and Notice of AGM 2024 are available on the Company's website.

### **Enquiries:**

#### **Comptoir Group plc**

via Camarco

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### **Notes to Editors**

Comptoir Group PLC owns and operates 28 Lebanese restaurants, six of which are franchised, based predominately in the UK. The flagship brand of the group, Comptoir Libanais, is a collection of 22 restaurants located across London, nationwide and international Travel Hubs, including cities such as Manchester, Bath, Birmingham, Oxford and Dubai.

The name Comptoir Libanais means Lebanese Counter and is a place where guests can eat casually and enjoy Middle Eastern and North African food, served with warm and friendly hospitality and a bright vibrant environment.

The Group also operates Shawa, serving traditional shawarma through a counter service model in Westfield and Bluewater shopping centres [as well as Zayed International Airport]. Yalla-Yalla near Oxford Circus, and a live entertainment venue Kenza, located in Devonshire Square, London.

The group has expanded internationally with its franchise partners HMSHost, with restaurants in the UK, the Netherlands and the Middle East.

### **Chief Executive's Review**

The Group started 2023 with good momentum, despite the economic headwinds affecting the industry as a whole.

Our strategy to grow through organic sales, new openings and franchising is bearing fruit and I am pleased to report that each strand of these strategic pillars grew in the last year. Whilst our group revenue grew, our costs increased as a result of food cost inflation, a further increase in the minimum wage and, for a period, energy bills that were three times that of years previous. We were also significantly impacted by 30 days of strikes on rail and the London underground in 2023, which we estimate represents lost income of c. £300,000.

With the support of the Board, we have strengthened our senior leadership team, bringing in highly experienced colleagues who will help shape our culture and build on our operational excellence and financial performance. We successfully opened a new Comptoir Libanais in Ealing during the period, which is trading in line with expectations, and we opened a prominent site on London's Southbank in April 2024.

Total like for like system sales grew +3.0% in 2023 over 2022. Within this, our equity restaurants delivered like for like growth of +1.3%. Despite this growth, increasing covers proved a challenge during the year, against a backdrop of increasing mortgage rates and rent rises, but we are pleased that cover performance trend has improved in Q1 of 2024.

Despite facing pricing challenges, we have effectively managed price increases for guests through strategic menu engineering and leveraging benefits from our supply chain efficiencies. As a result of our recent consolidation of distribution and our strong relationships with suppliers, we have been able to minimise the impact of margin erosion to 0.2%.

While energy costs remained high for the majority of the year, particularly after the government's support was withdrawn, in the fourth quarter of the year we transitioned to a two year flexible pricing model, delivering the best unit costs currently available.

## **People, Values and Culture**

We continually strive to create a culture and work environment that attracts motivated employees who feel recognised and rewarded for their efforts.

We are proud of the progress we have made in our gender pay gap and we now have a Median Pay Gap in favour of our female colleagues, together with strong representation in our senior leadership team. We have had a fair tronc scheme to distribute our service charge for a number of years with only small changes required to comply with the new legislation. It is clear that to succeed in difficult times you need to not only be great at fantastic food and brilliant environments, but deliver on hospitality as well and our people and our culture are a huge asset.

## **Technology**

Investing in technology has been crucial for enhancing guest service and supporting ongoing projects to streamline labour efficiency. Our successful trial and ongoing rollout of Kitchen Display Screens (KDS) have improved service speed and reduced guest complaints. The majority of our restaurants have adopted tablet ordering for our teams and we have integrated our payment systems which has increased efficiency of taking orders and expedites table turnover during peak times. We continue to work with our digital ordering platform to improve functionality for our guests.

## **Guest Satisfaction**

In 2023, we made significant investments to improve our guest service scores. Historically our guests have always appreciated our fresh, healthy and delicious food offerings, and bright, bold and eclectic interiors but felt our hospitality fell short compared to leaders in the sector. To address this, we have implemented a 'Generous Hospitality' programme, retraining each team member to understand what it takes to make a positive impact on our guest's experience. As a result of these efforts, our Net Promoter Score (NPS) has increased to 74% and our social score has also improved throughout the year.

## **Guest understanding**

As a result of a variety of qualitative and quantitative research we now have a far better understanding of Comptoir Libanais' guests, what they think of us, how often they visit and how we best communicate with them to increase frequency of visit and spend.

To facilitate these improvements, we have made changes to our website, CRM partners, booking platform and digital agency and can track return on marketing investment much better than previously through use of personalised communication.

## **Franchising**

Franchising is an integral part of the Group's strategy. In 2023 Comptoir Libanais

system sales totalled £35m, with 65% originating from our equity estate and 35% from franchisees. In early 2024, we took back the Avolta franchised site in Cheshire Oaks as they refocus on travel hub operations. Simultaneously, we opened a new Shawa restaurant in Zayad International Airport, our first restaurant in Abu Dhabi and first franchised Shawa restaurant.

During the year we signed a new partnership with AREAS, a global travel hub food operator, and are on track to open in Milan airport this summer. With the robust performance of existing sites and recent openings trading well we will be looking to grow the number of our franchise partnerships and restaurants.

### **Delivery platforms**

The enhancement of our delivery services including delivery menu, dish presentation, packaging and working with our delivery partners on strong ROI promotional activity has led to delivery performing well in 2023, particularly within Comptoir Libanais. As part of the Group's growing commitment to its responsibilities across all areas of ESG, we have ensured all of our delivery packaging is recyclable.

### **Outlook**

The hospitality industry has been significantly impacted by a maelstrom of economic factors which have influenced guests spending habits and led to higher operational costs. I expect it will take a further 2-3 years before we can adjust pricing sufficiently to fully return to pre-Covid EBITDA margins. Nonetheless, we made progress with cost reductions in the latter part of 2023, particularly in energy management, and have continued this momentum into 2024.

I am particularly excited by the work we have done to better understand our guests and our market position in Comptoir Libanais which together with our focus on consistency in food quality and hospitality has delivered like for like sales growth in Q1 and increasing guest satisfaction.

In order to focus management's time on growth brands we have streamlined Yalla Yalla's operations by closing a location that doesn't align with our future business ambitions at its lease end and aligning back of house systems in the remaining restaurant to gain operational efficiencies.

Shawa continues to present a significant growth opportunity, with existing sites performing well and encouraging early results from our franchise location in Abu Dhabi.

The focus for the rest of 2024 and into 2025 remains on growing covers both through our improved understanding and connection with existing guests increasing their frequency of return and encouraging trial by new guests. Across the group we continue to work on menus, labour efficiencies and cost management to improve the

Groups EBITDA delivery to compelling numbers. We have confidence that our strategy will deliver top line growth, improved margins and improved profitability that will enable us to continue our new opening plans.

Finally, I would like to thank all my colleagues for their contributions to re-starting the growth within the Group and their efforts to navigate external pressures. Comptoir Group has strong foundations with its current estate, a robust cash position and an excellent team.

I look forward to further growth and success for the business in the years ahead.

**Nick Ayerst - Chief Executive Office**

21<sup>st</sup> May 2024

## **2023 Financial Highlights - Interim FD Review**

### **Overview**

A solid year for the group, underpinned by sales growth and a proactive response to external cost challenges.

Comptoir Group retains a strong cash position following a transformative year, as we continued to set the business up for future success. We are now in a good position to prosper from new openings, a return to consumer confidence and a softening in the rate of cost base increases.

The Group delivered positive adjusted EBITDA, despite the considerable impact of cost increases. By focusing on the things within leaderships control, we were able to generate solid cash from operations. This positions Comptoir Group to be best placed to serve guests, when the macroeconomic uncertainty reduces, and consumers are ready to dine out.

The KPIs of the Group's performance are summarised below:

	<b>31 December 2023</b>	<b>1 January 2023</b>	<b>Variance</b>
Revenue	£31.5m	£31.0m	1.4%
Gross profit	£24.7m	£24.4m	1.1%
Other Costs	£26.3m	£23.9m	10.3%
<b>(Loss)/profit for the period</b>	<b>-£1.6m</b>	<b>£0.6m</b>	<b>-371.9%</b>
Cash generated from operations	£2.3m	£4.4m	-47.6%
Adjusted EBITDA (Pre IFRS 16) 1	£0.1m	£2.8m	-97.8%
Net Cash2	£5.4m	£7.7m	-29.5%

1 Defined as statutory operating profit before interest, tax, depreciation and amortisation (before application of IFRS16 and excluding exceptional costs) and reflects the underlying trade of the Group.

2 Defined as cash and cash equivalents less loans and borrowings.

## **Revenue**

Revenue of £31.5m, from £31.0m in 2022 was a growth of +1.4%. This was despite Q1 2022, benefitting from lower VAT rates as one of the final support hangovers put in place through the global pandemic ended at the end of March 2022.

The group entered 2023 with 21 equity restaurants, with Leeds closing in January 2023, offset by opening of Ealing in October 2023, taking the equity estate back up to 21. Our franchised estate of 6 restaurants traded consistently throughout 2023.

Including franchise and equity restaurants, total system revenues of £42.4m (2022: £39.8m) were delivered through 2023.

## **Gross profit**

The team worked very closely with our supply partners through 2023 and made some huge steps forward

in optimising our cost base, yet with cash margin increasing by +1.1%, from revenue growth of +1.4%, the benefit is not instantly obvious until you factor in the significant double digit (up to 20% at its peak) food inflation that has been absorbed within this.

These factors manifested the modest downward movement in Gross Margin percentage from 78.7% in 2022 to 78.5%, a 0.2% reduction.

However, if 2022 had not benefitted in Q1 from a reduced VAT rate of 12.5%, year on year total Gross Margin percentage in 2023 would have been a +0.1% improvement over 2022, despite the cost base increases.

## **Other costs**

It was a turbulent year for all other costs throughout 2023 for the reasons already mentioned earlier in this report, with Comptoir Group not being immune from those external factors.

Most significantly impacting the business was the huge, unprecedented increase in utility costs which more than doubled with a 129% increase versus 2022, a UK wide phenomena, together with the unwinding of business rates relief, which increased costs by 21% versus prior year.

Other notable fixed costs also saw increases, with rent growing by 15% as we secured longer term tenures,

and corporate cost increases in Head Office and Plc costs associated with rebuilding and re-establishing a new Board and senior leadership team. All combined our cost base increased by more than +10%.



The outlook will see food inflation drop to below double digits in the first quarter of 2024 expecting to settle

at between 7%-8% for the balance of 2024. Whilst proactive action has already been taken to de-risk utility costs by contracting through to Autumn 2025 with options being explored into future years.

## Adjusted EBITDA

	<b>Post IFRS 16 31 December 2023</b>	<b>Pre IFRS 16 31 December 2023</b>	<b>Post IFRS 16 1 January 2023</b>	<b>Pre IFRS 16 1 January 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Sales</b>	31,480,609	31,480,609	31,046,546	31,046,546
<b>Adjusted EBITDA:</b>				
<b>(Loss)/profit before tax</b>	(1,645,105)	(1,410,764)	902,450	578,609
Add back/(deduct):				
Depreciation	3,328,567	1,124,210	3,252,841	1,124,243
Finance costs	1,019,154	136,551	1,042,697	94,078
Finance income	(94,147)	(94,147)	-	-
Impairment of assets	107,316	-	78,266	-
<b>EBITDA</b>	<b>2,715,785</b>	<b>(244,150)</b>	<b>5,276,254</b>	<b>1,796,930</b>
Share-based payments expense	30,541	30,541	15,377	15,377
Restaurant opening costs	165,535	165,535	-	-
Loss on disposal of fixed assets	8,940	8,940	8,188	8,188
Exceptional legal and professional fees	101,145	101,145	1,002,054	1,002,054
<b>Adjusted EBITDA</b>	<b>3,021,946</b>	<b>62,011</b>	<b>6,301,873</b>	<b>2,822,549</b>

## Cash flow and balance sheet

Cash generated from operations decreased to £2.3m in FY23 (2022: £4.4m). Despite marginal gross profit improvements macroeconomic pressures on utilities, wages, rent and rates squeezed operating profit margins, along with the majority of the UK operating companies. Coupled with additional expenditure on property, plant and equipment increased as the Group invested in the estate and to the improvement of technology.

## Financing and net debt

The Group had a cash and cash equivalents balance of £7.0m on 31 December 2023 and a net cash position of £5.4m (2022: £7.7m). The Group debt consists of a CBIL

loan attracting no covenants, of which £0.6m was paid down through 2023. This has a six-year term with a maturity date in 2026. The loan had an initial interest-free period of 12 months followed by a rate of interest of 2.5% over the Bank base rate.

Throughout 2023, the group started to proactively manage its positive cash balances to generate interest earned and reduce interest paid, compared to prior years.

### **Impairments**

Impairment cost in the period related to the lease exit of Yalla Yalla in Soho.

### **Dividend**

The Directors do not recommend the payment of a dividend, believing it more beneficial to use cash resources to invest in the Group in line with our strategy.

### **Going concern**

Upon consideration of this analysis and the principal risks faced by the Group, the Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future, a period of at least twelve months from the date of this report. Accordingly, the Directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

### ***Peter Harvey - Interim Finance Director***

21<sup>st</sup> May 2024

### **Strategic Report**

*For the period ended 31 December 2023*

### **At a glance**

*Comptoir Group is a dynamic, bold and innovative hospitality company committed to delivering exceptional hospitality experiences that celebrate the rich cultural heritage of Lebanon, the wider Middle East, and North Africa.*

With a passion for our food and a focus on quality ingredients our restaurants offer an authentic taste

of the regions diverse and vibrant cuisine. We are dedicated to providing outstanding guest hospitality by creating a unique welcoming and inviting atmosphere that not only transports our guests to a happy place it also encourages our guests to want to come back time and time again.

Our Vision is that one day Lebanese food and culture will be as widely understood and enjoyed as Italian is today by sharing our love of the regions food and culture

with the wider world. We do this through our Mission of spreading the Lebanese joy of sharing one plate at our time all under pinned by living our Values, of Togetherness, Freshness, Happiness and Generosity.

We operate a collection of complementary brands, the largest of which is Comptoir Libanais, founded 15 years ago by Tony Kitous, a serial restaurant entrepreneur within our chosen marketplace.

The Directors present their strategic report for the period ended 31 December 2023.

### **Business model**

The Group's principal brand is Comptoir Libanais, a Lebanese, Middle Eastern and North African focused casual dining brand. The restaurants offer an all-day dining experience based around healthy and fresh food in a friendly, colourful and vibrant environment, which delivers value for money to a broad demographic of guests. Lebanese and Eastern Mediterranean food is a popular food trend due to its flavoursome, healthy, low fat and vegetarian-friendly ingredients 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 consumers. 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 shawarma grill concept-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 net spend per head over 2023 at Comptoir Libanais was £20.21 (2022: £19.22) and the average spend at Shawa is lower at £14.32 (2022: £13.61), positioning our offering in the affordable or 'value for money' segment of the UK fast 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 and future developments**

Our strategy is to continue to grow through organic sales increase and increasing 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 continue to believe that there is 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. We saw the opening of another site with our franchise partner Avolta in Abu Dhabi in Q1 2024 and with our new partner AREAS a new Comptoir Libanais site Milan is expected to open in H2 2024, evidencing our belief in this route to market.

We seek to maximise the dining experience in all our restaurants with alfresco and dine-in experiences as well as the UK delivery market. This is combined with the use of technology to ensure we deliver the speed, service and hospitality that guest require.

### **Review of the business and key performance indicators (KPIs)**

The continuing macro-economic pressures, high inflation, cost of living crisis and loss of government support versus 2022 at the end of the first quarter continued to challenge the performance of the Group and was reflected in the comparison to the 'supported' 2022 outturn. As a result, Group revenue showed moderate growth of 1.4% at £31.5m (2022: £31.0m) and the Consolidated Statement of Comprehensive Income shows a post-tax loss of £1.6m (2022: £0.6m profit). However, as stated above, 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 were £0.1m profit (2022: £2.8m), despite the economic and global uncertainties, and sector specific pressures described elsewhere in this report.

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 KPI's are focused on growth in sales and EBITDA, and these are appraised against budget, forecast and the levels achieved last 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, providing a Q4 Net Promotor Score (NPS) of 74% (Q1 2023 was 32%).

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 period is provided in the Chair's Statement and the Chief Executive's Review.

## **Principal risks and uncertainties**

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 Group 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 guest spend in our restaurants. The previously reported impact of Covid-19 virus demonstrated the significant impact on the hospitality sector and the wider UK and global economy, on the devastating impact all in the industry felt, and whilst we were looking forward to a period of normality and return to business as usual, nobody anticipated the macroeconomic downturn and its impact on customer confidences through uncertain times.

Frequent or regular participation in the eating-out market is afforded by the consumer out of household disposable income. Macroeconomic factors such as employment levels, interest rates and inflation can impact disposable income and consumer confidence can dictate their willingness to spend.

Through such times the Board focussed on setting the business up to maximise profitable revenue when the confidence returns for consumers. 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 guest footfall is more subdued. 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, associated ingredients and the sizable and progressive increases in the UK National Living Wage and Minimum Wage rates continue to present a challenge which we face into alongside our peers and competitors, as we strive to help our team deal with recent years cost of living crisis. 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**

The war in the Ukraine has direct consequences on the cost of fuel and will also impact various food staples over the next 12 months that continues to require proactive management.

The pressure of the cost-of-living crisis on living standards and subsequent deterioration in consumer confidence due to future economic conditions have a detrimental impact on the Group in terms of footfall and sales. This risk is mitigated by the positioning of the Group's brands, within the affordable segment of the casual dining market. 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 that are outside of the control of the Group, such as auto-enrolment pension costs, National Minimum Wage and Living Wage increases, Employee and Employer NI increases, and the apprenticeship levy, are endured by the Group and its competitors. Labour costs continue to be regularly monitored and ongoing initiatives are used to reduce the impact of such pressures.

### **Strategy and execution**

The Group's central strategy is to open additional new outlets under its core Comptoir Libanais and Shawa brands. Despite making every effort, there is no guarantee that the Group will be able to secure a sufficient number of appropriate, economically affordable sites to meet its growth and financial targets and it is possible that new openings may take time to reach the anticipated levels of mature profitability or to match historical financial returns.

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, 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.

On behalf of the Board

**Nick Ayerst - Chief Executive Office**

21<sup>st</sup> May 2024

## **Strategic Report**

*Climate Related Financial Disclosure*

### **Energy Consumption and Carbon Emissions**

Comptoir Group PLC have included the recommendations set out by the Task Force on Climate change (TCFD) in this year's report. These recommendations help businesses to focus on the likely direct and indirect impacts of climate change for

individual organisations, their operations, services and customer base.

The TCFD framework utilises four key pillars which have been adopted by Comptoir Group as the key areas of focus. Aligned to these four pillars are 11 recommendations, which provide guidance as to how to ensure that management processes, analyses and business planning give sufficient consideration to the impact of climate change on the operation.

Greenhouse gas emissions and energy use data for the period ended 31 December:

<b>Annual Energy Consumption (KWh)</b>	<b>Current Reporting Year, 01/01/2023 - 31/12/2023</b>	<b>Comparison Year, 01/01/2022-31/12/2022</b>
	<b>£</b>	<b>£</b>
<b>Scope 1</b>	2,381,158	2,682,126
Stationary Combustion	2,317,934	2,617,319
Mobile Combustion	63,224	64,807
Process Emissions	N/A	N/A
Fugitive Emissions	N/A	N/A
<b>Scope 2</b>	2,514,088	2,734,638
Purchased Electricity	2,514,088	2,734,638
Purchahsed Steam, Heat, Cooling	0	0
<b>Scope 3 (Grey Fleet)</b>	19,230	56,636
Grey Fleet	19,230	56,636
<b>Total</b>	<b>4,914,477</b>	<b>5,473,397</b>

### **Governance**

The CEO has ultimate responsibility for ESG. Comptoir Group PLC has appointed an ESG Committee, which meets quarterly to assess climate risk and opportunities and to set strategy and targets to address said risks and opportunities. The Chair, non-Exec Director, CFO and CEO sit on the ESG committee.

The ESG committee prioritises the response to potential climate related risks & opportunities, depending on the potential magnitude, likely financial impact and opportunities to adopt mitigation practices. Detailed updates on ESG are included in the monthly report to the board.

To deliver our targets, 8 cross functional working groups meet quarterly. They are tasked with ensuring ESG goals are embedded into all aspects of our business.

### **Strategy**

To identify actual and potential impacts of climate-related risks and opportunities on the organisation's processes, strategy, and financial planning, Comptoir Group embarked on an audit in conjunction with the Sustainable Restaurant Association (SRA). This took the form of a detailed investigation on all operations which has enabled Comptoir Group to identify potential risks & opportunities and set realistic goals for improvement.

We have assumed a climate transition scenario of 2°C, in line with guidance provided by the Department of Business, Energy & Industrial Strategy. A rise in global temperatures of around 2°C will likely increase the number of severe weather events, such as flood and droughts, impacting the world's main food producing regions. Under this climate transition scenarios, we have identified the following potential risks.

**Short term (less than two years):**

- Supply chain disruption and shortages of impacted crops: we source salad, citrus, chillis, aubergine and pomegranates from regions which are potentially at risk in the case of a temperature increase of 2°C. This would impact around £400k worth of stock (equivalent to 7% of all food spend)
- Higher energy costs due to increased demand for artificial heating/cooling and irrigation

**Medium term (two-five years)**

- Potential changes to statutory obligations regarding waste disposal
- The Department for Business, Energy and Industrial Strategy has calculated that a carbon tax of £80 per tonne would have the desired impact on carbon emissions. The liability for Comptoir Group would be in the region of £80k p.a. based on current emissions levels, if this was introduced
- Increased competition for new sites which offer public transport accessibility, infrastructure resilience in the light of extreme weather events, and access to renewable energy

**Long term (more than five years)**

- Infrastructure and buildings will require increased investment to withstand changing weather patterns and an increase in extreme weather events, particularly flooding
- Weather related travel disruption impacting customers and staff
- Increased requirement for HVAC in warmer weather reduced use of terraces and outdoor areas due to increased rainfall in UK

**Comptoir Group have also identified the following opportunities:**

- Comptoir's operations exhibit low wastage methods of production, careful stewardship of specialist producers and natural, unprocessed



foods which will increasingly appeal to a growing cohort of eco conscious consumer

- Our menus have a strong emphasis on plant based food. More than half of the menu items across all brands are plant based, without any ultra processed ingredients
- We source specialist ingredients from smaller, low intensity producers who prioritise the preservation of local ecosystems, thus enhancing long term opportunities for sustainable sourcing
- We are building stronger relationships with suppliers who can switch to lower carbon methods of production and transportation
- We have allocated capex for investment in technology, such as voltage optimisation and energy monitoring devices to reduce the amount of energy used

The consideration of climate related risks & opportunities is integral to all our decision making. ESG considerations are now given priority consideration in all operational decisions, longer term strategy & financial planning as a matter of course. We will continuously strive to ensure that the Group remains adaptable, to anticipate and respond to climate related risks and opportunities.

Specifically:

- Comptoir Group regularly reviews menus and will adapt dishes, ingredients, cooking methods and menus in response to the changing availability of inputs
- All menus will consist of at least 50% plant-based dishes, anticipating an increase in consumer demand
- We regularly review the supply markets, with the aim of anticipating potential shortages and supply chain disruption. By adopting creative and flexible sourcing strategies, we can adapt quickly in the short term to ensure long term supply resilience
- Financial planning allows for investment in equipment, building design, infrastructure and processes to reduce reliance on fossil fuels
- Budgeting processes and longer term business strategy allow for changes in consumer behaviour in response to changes in long term weather patterns, such as reduced use of outdoor seating areas

### **Risk Management**

We regularly review global supply markets with our suppliers to identify any potential risks to the supply chain, including financial risks. Increasingly, we choose supply partners which prioritise anticipation of and adaptation to climate related risks & opportunities in the medium to long term.

In conjunction with the Sustainable Restaurant Association (SRA) and other industry

bodies, Comptoir Group keeps abreast of potential changes to the regulatory environment.

As well as anticipating and reacting to changes in global supply conditions, supply chain risk is also assessed during the twice yearly menu review process. If required, menus/ dishes/ ingredients can be adapted or alternative supply sources mobilised

Physical risks to buildings and infrastructure are assessed during the process of site selection and as part of the capex budgeting process.

Financial risks regarding the increased costs of inputs and outputs are assessed during the annual budgeting process and re-evaluated in response to changing market conditions, as required. We also have targets for reducing energy usage and waste, which will minimise any potential cost uplift.

Comptoir Group have made it a priority to assess and manage climate related risk. We have a flexible and dynamic approach to menu engineering and ingredient sourcing. Where climate change poses a risk to ingredient availability, we will quickly adapt dishes, ingredients or supply chains to mitigate any risk. We are working hard to lower our carbon emissions and energy usage, which will further increase our resilience in the case of increased taxation or costs associated with energy.

### **Metrics & Targets**

Comptoir Group are awaiting the final outcome of the ESOS audit, which will identify Scope 1 emissions and set out targets for reduced Carbon emissions (due June 2024).

Comptoir Group has set a target for achieving 2 stars on the 'Food Made Good' rating, awarded by the Sustainable Restaurant Association (SRA), a global industry body established to promote & support organisations who aim to have a more positive impact on the environment and society.

The 'Food Made Good' rating uses a framework of questions, which are derived from the 10 key areas

of the UN's Sustainable Development Goals to audit all operational processes and systems. Performance against these criteria is then assessed and awarded an overall rating. In 2023 Comptoir Group was awarded

1 out of 3 stars. We have implemented a roadmap which will address all areas and ultimately improve our rating by one star by August 2025. In addition, we have set ourselves the following targets:

- Reduce energy usage by 10% LFL by the end of 2024 - measured by Cap Energy monitoring devices and Amber (energy brokers)
- Reduce food wastage by 20% LFL by the end of 2024
- Reduce carbon footprint on meat by 5% by end 2024

- Increase UK sourced product lines

On behalf of the Board

**Nick Ayerst - Chief Executive Office**

21<sup>st</sup> May 2024

## **Strategic Report**

### *Section 172 Statement*

*This is the second year that the Directors are required to provide a section 172 statement as part of the Strategic report. Below we explain the background to the section 172 statement.*

## **Background**

Section 172 of the Companies Act 2006 ('Act') requires the Directors to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to various factors, including the matters listed below in section.

### *172 (1)(a) to (f):*

- a. the likely consequences of any decisions in the long-term;
- b. the interests of the Company's employees;
- c. the need to foster the Company's business relationships with suppliers, customers and others;
- d. the impact of the Company's operations on the community and environment;
- e. the desirability of the Company maintaining a reputation for high standards of business conduct and
- f. the need to act fairly as between members of the Company.

This statement is aimed at helping shareholders better understand how Directors discharged their duty

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

### **S172 Matters**

- The likely consequences of any decisions in the long-term.

### **Example**

- Communication with shareholders through the Comptoir Investor website, AGM, investor meeting and circulars
- Through the corporate governance framework described in this annual report

- The interests of the Company's employees
  - The need to foster the Company's business relationships with suppliers, customers and others.
  - The impact of the Company's operations on the community and environment.
  - The desirability of the Company maintaining a reputation for high standards of business conduct.
  - The need to act fairly as between members of the Company.
- Ongoing training and development at all levels
  - Engagement through the company engagement application, newsletters, emails and other communications tools
  - Maintenance of regular contact with all suppliers.
  - The Comptoir loyalty scheme through the Comptoir application
  - Responding to feedback from the customer.
  - Use of a mystery guest programme to ensure standards are visible and maintained.
  - Local recruitment of staff
  - Flexible working to reduce travel where applicable
  - Ongoing focus on environmentally friendly processes and procedures
  - Regular restaurant visits and audit processes
  - Mystery guest programme
  - Food standards programme
  - Compliance updates at Board meetings
  - Ongoing training for all staff
  - We maintain an open dialogue with our shareholders
  - Engagement with stakeholders

On behalf of the Board

**Nick Ayerst - Chief Executive Office**

21<sup>st</sup> May 2024

## **Corporate Governance**

### *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/>*

## **The Board**

The Board of Comptoir Group PLC is the body responsible for the Group's objectives, its policies and the stewardship of its resources. At the balance sheet date, the Board comprised four Directors being Ahmed Kitous and Nicholas Ayerst as executive Directors and Beatrice Lafon and Jean-Michel Orioux as non-executive directors.

Beatrice Lafon and Jean-Michel Orioux are considered by the Board to be independent. Each Director demonstrates a range of experience and sufficient calibre to bring independent judgment on issues of strategy, risk management, performance, resources and standards of conduct which are vital for the success of the Group.

The Board had twelve Board meetings during the year. Beatrice Lafon is Chair of the ESG committee, Audit and the Remuneration Committees. The terms of reference of

these committees have been approved by the Board.

### **Remuneration Committee**

The Remuneration Committee's responsibilities include the determination of the remuneration and options of Directors and senior executives of the Group and the administration of the Company's option schemes and arrangements. The Committee takes appropriate advice, where necessary, to fulfil this remit.

### **Audit Committee**

The Audit Committee meets twice a year including a meeting with the auditors shortly before the signing of the accounts. The terms of reference of the Audit Committee include: any matters relating to the appointment, resignation or dismissal of the external auditors and their fees; discussion with the auditors on the nature, scope and findings of the audit; consideration of issues of accounting policy and presentation; monitoring. The work of the review function carried out to ensure the adequacy of accounting controls and procedures.

### **Nomination Committee**

The Company does not have a Nomination Committee. Any Board appointments are dealt with by the Board itself.

### **Internal control**

The Board is responsible for the Group's system of internal control and for reviewing the effectiveness of the system of internal control. Internal control systems are designed to meet the needs of a business and manage the risks but not to eliminate the risk of failure to achieve the business objectives. By its nature, any system of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss.

### **Internal audit**

Given the size of the Group, the Board does not believe it is appropriate to have a separate internal audit function. The Group's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and are dealt with appropriately.

### **Relations with shareholders**

There is a regular dialogue with investors, including presentations after the Group's year-end and half year results announcements. Feedback from shareholders is provided to the Board on a regular basis and, where appropriate, the Board will take steps to address their concerns and recommendations. Aside from announcements that the Group makes periodically to the market, the Board uses the Annual General Meeting to communicate with shareholders and welcomes their participation.

### **Going concern**

In assessing the going concern position of the Group for the consolidated financial statements for the year ended the 31 December 2023, the Directors have considered the Group's cash flow, liquidity and business activities. Following the Covid-19 pandemic, the economic environment and its impact on guest confidence to spend has been considered as part of the Group's adoption of the going concern basis. Although trading was impacted over this period, the Group's underlying trading remained positive, and we've continued with selective investment to continually be able to embrace market growth.

The Group maintains good cash reserves of £7.0m as at the start of the current accounting period, which sets us apart from many other operators in our sector.

The Directors have considered the current business model, strategies and principal risks and uncertainties. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of current macro-economic uncertainties and global disruption in the middle East as well as the Ukraine.

The Group's current cash reserves remains at £7.0m, 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.

## **Corporate Governance**

### *Report of the Directors*

The Directors present their report together with the audited financial statements for the period ended 31 December 2023.

## **Results and dividends**

The consolidated statement of comprehensive income is set out on page 47 and shows the profit for the year.

The Directors do not recommend the payment of a dividend for the year (2022: £nil).

## **Principal activities**

The Company's and Group's principal activity continues to be that of the operating of restaurants with Lebanese/Middle Eastern offering in the UK casual dining sector.

## **Directors**

The Directors of the Group, who held office during the year, and their shareholding at the year-end date, were as follows:

	<b>Number of ordinary shares</b>	<b>Percentage shareholding (%)</b>
<b>Executive</b>		
N Ayerst	-	0.00%
A Kitous	58,412,503	47.60%
B Lafon	-	0.00%
JM Orioux	-	0.00%
M Toon	-	0.00%

### **Substantial shareholders**

Besides the Directors, other substantial shareholders (with a greater than 3% shareholding) at the period-end date were as follows:

#### **Substantial shareholdings:**

	<b>Number of ordinary shares</b>	<b>Percentage shareholding (%)</b>
C Hanna	22,585,833	18.41%
Dowgate Wealth Limited	11,088,353	9.04%
S Kaye	5,076,666	4.14%
A Kaye	4,873,332	3.97%
J Kaye	4,249,999	3.46%

### **Directors' remuneration**

The remuneration of the Directors for the period ended 31 December 2023 was as follows:

	<b>Period ended 31 December 2023</b>			<b>Period ended 1 January 2023</b>
	<b>Remuneration</b>	<b>Pension</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
N Ayerst	240,300	1,321	241,621	50,210
A Kitous	193,125	1,321	194,446	337,993
B Lafon	65,000	-	65,000	27,303
JM Orioux	45,600	-	45,600	19,197
M Toon (Resigned 5 March 2024)	157,727	1,321	159,048	124,007
C Hanna (Resigned 2 August 2022)	-	-	-	997,254
	<b>701,752</b>	<b>3,963</b>	<b>705,715</b>	<b>1,555,964</b>

### **Creditor payment policy**

The Group has a standard code and also agrees specific individual terms with certain suppliers. Payment is normally made in accordance with those terms, subject to the suppliers' own performance.

### **Employees**

Applications from disabled persons are given full consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training and equal opportunities.

The Group takes a positive view toward employee communication and has established systems for ensuring employees are informed of developments and that they are consulted regularly. These include engagement at office town hall meetings in person and online, induction days for new starters and weekly communications to all staff highlighting key messages for that week. The company also utilises a company called Fourth which provides a service that acts as a central hub to provide regular updates as well as engage with employees in a more informal environment and share success stories. The company also operates a bonus and share scheme at varying levels to reward performance.

### **Financial instruments**

Details of the use of financial instruments and the principal risks faced by the Group are contained in note 25 to the financial statements.

### **Future developments**

Details of future developments are contained in the Strategic Report on page 25.

### **Auditors**

All the current Directors have taken all reasonable steps necessary to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

UHY Hacker Young have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

**Nick Ayerst - Chief Executive Office**

21<sup>st</sup> May 2024



## **Corporate Governance**

### *Statement of Directors' responsibilities*

*The Directors are responsible for preparing the Annual Reports and the Group and Parent Company financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare Group and Parent Company financial statements for each financial period. Under that law, and as required by the AIM rules, the Directors have elected to prepare Group financial statements under UK- adopted International Accounting Standards (IASs), and the Parent Company financial statements under United Kingdom Accounting Standards.*

Under Company Law the Directors must not approve the Group and Parent Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that period. In preparing the Group and Parent Company financial statements the Directors are required to:

- present fairly the financial position, financial performance and cash flows of the Group and Parent Company;
- select suitable accounting policies in accordance with IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgments and estimates that are reasonable;
- provide additional disclosures when compliance with the specific requirements in UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and the Company's financial position and financial performance; and
- the Group and Parent Company financial statements have been prepared in accordance with UK adopted international accounting standards or United Kingdom Accounting Standards, subject to any material departures disclosed and explained in the financial statements

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

## Consolidated statement of comprehensive income

For the period ended 31 December 2023

	Notes	Period ended 31 December 2023 £	Period ended 1 January 2023 £
Revenue	2	31,480,609	31,046,546
Cost of sales		(6,760,622)	(6,605,074)
<b>Gross profit</b>		<b>24,719,987</b>	<b>24,441,472</b>
Distribution expenses		(12,624,578)	(11,431,633)
Administrative expenses		(12,866,121)	(11,357,436)
Other income	2	50,614	292,744
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(720,098)</b>	<b>1,945,147</b>
Finance costs	6	(1,019,154)	(1,042,697)
Finance income	6	94,147	-
<b>(Loss)/profit before tax</b>		<b>(1,645,105)</b>	<b>902,450</b>
Taxation charge	7	45,674	(314,146)
<b>(Loss)/profit for the period</b>		<b>(1,599,431)</b>	<b>588,304</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(1,599,431)</b>	<b>588,304</b>
<b>Basic (loss)/earnings per share (pence)</b>	<b>8</b>	(1.30)	0.48
<b>Diluted (loss)/earnings per share (pence)</b>	<b>8</b>	(1.30)	0.48

All of the above results are derived from continuing operations. (Loss)/Profit for the period and total comprehensive (loss)/income for the period is entirely

attributable to the equity shareholders of the Group.

## Consolidated balance sheet

At 31 December 2023

	Notes	31 December 2023 £	1 January 2023 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	7,284	29,134
Property, plant and equipment	10	6,771,722	6,708,383
Right-of-use assets	10	13,008,673	13,704,427
		<b>19,787,679</b>	<b>20,441,944</b>
<b>Current assets</b>			
Inventories	12	521,488	474,655
Trade and other receivables	13	1,344,710	1,220,053
Cash and cash equivalents		7,048,757	9,930,323
		<b>8,914,955</b>	<b>11,625,031</b>
<b>Total assets</b>		<b>28,702,634</b>	<b>32,066,975</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Borrowings	15	(600,000)	(600,000)
Trade and other payables	14	(5,964,996)	(6,399,675)
Lease liabilities	26	(2,159,265)	(2,351,410)
		<b>(8,724,261)</b>	<b>(9,351,085)</b>
<b>Non-current liabilities</b>			
Borrowings	15	(1,000,000)	(1,600,000)
Provisions for liabilities	16	(389,147)	(362,088)
Lease liabilities	26	(15,178,055)	(15,728,066)
Deferred tax liabilities	17	(226,292)	(271,967)
		<b>(16,793,494)</b>	<b>(17,962,121)</b>
<b>Total liabilities</b>		<b>(25,517,755)</b>	<b>(27,313,206)</b>

<b>Net assets</b>		<b>3,184,879</b>	<b>4,753,769</b>
<b>Equity</b>			
Share capital	<b>18</b>	1,226,667	1,226,667
Share premium		10,050,313	10,050,313
Other reserves	<b>19</b>	175,640	145,099
Retained losses		(8,267,741)	(6,668,310)
<b>Total equity</b>		<b>3,184,879</b>	<b>4,753,769</b>

The financial statements of Comptoir Group PLC (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 21 May 2024 and were signed on its behalf by:

Nick Ayerst  
**Chief Executive Officer**

### **Consolidated statement of changes in equity** *For the period ended 31 December 2023*

	Notes	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
<b>At 3 January 2022</b>		<b>1,226,667</b>	<b>10,050,313</b>	<b>129,722</b>	<b>(7,256,614)</b>	<b>4,150,088</b>
<b>Total comprehensive income</b>						
Profit for the period		-	-	-	588,304	588,304
<b>Transactions with owners</b>						
Share-based payments	<b>21</b>	-	-	15,377	-	15,377
<b>At 1 January 2023</b>		<b>1,226,667</b>	<b>10,050,313</b>	<b>145,099</b>	<b>(6,668,310)</b>	<b>4,753,769</b>
<b>At 2 January 2023</b>		<b>1,226,667</b>	<b>10,050,313</b>	<b>145,099</b>	<b>(6,668,310)</b>	<b>4,753,769</b>
<b>Total comprehensive income</b>						
Loss for the period		-	-	-	(1,599,431)	(1,599,431)

**Transactions with owners**

Share-based payments	21	-	-	30,541	-	30,541
<b>At 31 December 2023</b>		<b>1,226,667</b>	<b>10,050,313</b>	<b>175,640</b>	<b>(8,267,741)</b>	<b>3,184,879</b>

**Consolidated statement of cash flows***For the period ended 31 December 2023*

	Notes	Period ended 31 December 2023 £	Period ended 1 January 2023 £
<b>Operating activities</b>			
Cash inflow from operations	22	2,287,882	4,368,949
Interest paid		(136,551)	(94,078)
Interest received		94,146	-
<b>Net cash from operating activities</b>		<b>2,245,477</b>	<b>4,274,871</b>
<b>Investing activities</b>			
Purchase of property, plant & equipment	10	(1,279,900)	(581,250)
<b>Net cash used in investing activities</b>		<b>(1,279,900)</b>	<b>(581,250)</b>
<b>Financing activities</b>			
Payment of lease liabilities	26	(3,247,143)	(3,031,097)
Bank loan repayments	23	(600,000)	(600,000)
<b>Net cash used in financing activities</b>		<b>(3,847,143)</b>	<b>(3,631,097)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(2,881,566)</b>	<b>62,524</b>
Cash and cash equivalents at beginning of period		9,930,323	9,867,799
<b>Cash and cash equivalents at end of period</b>		<b>7,048,757</b>	<b>9,930,323</b>

## **Principal accounting policies for the consolidated financial statements**

*For the period ended 31 December 2023*

### **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 6th Floor, Winchester House, 259-269 Old Marylebone Road, London, NW1 5RA. The consolidated financial statements 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 UK-adopted International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board (IASB). 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.

### **Basis of preparation**

These consolidated financial statements for the period ended 31 December 2023 are prepared in accordance with UK-adopted International Accounting Standards.

The accounting period for the Group runs to the closest Sunday to 31 December each year. The consolidated financial statements for the current period has been prepared to 31 December 2023 and the comparative period to 1 January 2023.

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.

### **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.

### **Going concern basis**

In assessing the going concern position of the Group for the consolidated financial statements for the period ended the 31 December 2023, the Directors have considered the Group's cash flow, liquidity and business activities. Following the Covid-19 pandemic, the economic environment and its impact on guest confidence to spend has been considered as part of the Group's adoption of the going concern basis. Although trading was impacted over this period, the Group's underlying trading remained positive, and we've continued with selective investment to continually be able to embrace market growth.

The Group maintains good cash reserves £7.0m as at the start of the current accounting period, which sets us apart from many other operators in our sector.

The Directors have considered the current business model, strategies and principal risks and uncertainties. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of current macro-economic uncertainties and global disruption in the middle East as well as the Ukraine.

The Group's current cash reserves remains at £7.0m, 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.

### **Changes in accounting standards, amendments and interpretations**

At the date of authorisation of the consolidated financial statements, the following amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2023. These have not had any material impact on the amounts reported for the current and prior periods.

<b>Standard Interpretation Date</b>	<b>or Effective</b>
IFRS 17 - Insurance Contracts January 2023	1
IAS 8 - Definition of Accounting Estimates January 2023	1
IAS 1 - Disclosure of Accounting Policies January 2023	1
IAS 12 - Deferred Tax Arising from a Single Transaction January 2023	1
IAS 12 - International Tax Reform - Pillar Two Model Rules May 2023	23

### **New and revised Standards and Interpretations in issue but not yet effective**

At the date of authorisation of these financial statements, the Group has not early adopted any of the following amendments to Standards and Interpretations that have been issued but are not yet effective:

<b>Standard Interpretation Date</b>	<b>or Effective</b>
IFRS 16 - Lease Liability in a Sale and Leaseback January 2024	1
IAS 1 - Non-current Liabilities with Covenants January 2024	1
IAS 1 - Classification of Liabilities as Current or Non-current January 2024	1
IAS 7 - Supplier Finance Arrangements January 2024	1
IAS 21 - Lack of Exchangeability January 2025	1



As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The Directors do not expect any material impact as a result of adopting standards and amendments listed above in the financial year they become effective.

### **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 consolidation**

These financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings drawn up to 31 December 2023.

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.

#### **(b) 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.

### **(c) 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 and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The carrying value of trade and other receivables recorded at amortised cost are reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balance, historical experience and forward looking considerations. Balances that are deemed not collectable will be recognised as a loss 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.

### **(d) 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
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 recognised 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.

### **(e) 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.

**(f) 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.

**(g) 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.

**(h) 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.

**(i) 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.

#### **(j) 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.

#### **(k) 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.

The Group elected to apply the practical expedient in relation to amendments to IFRS 16: Covid-19 Related Rent Concessions. This allows a lessee to account for any changes to their lease payments due to the effects of Covid-19 in the Statement of Comprehensive Income rather than be treated as a lease modification.

The practical expedient was applied consistently to all lease contracts with similar characteristics and in similar circumstances. A resulting credit will be recognised as income in the profit and loss for the reporting period reflecting the changes in lease payments arising from the application of this practical expedient.

## **(I) 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.

#### **(m) Revenue**

Revenue represents amounts received and receivable for services and goods provided (excluding value added tax and discounts) 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 revenue can be reliably measured.

Franchise fees from the Group's role as franchisor in the UK and Middle East. Revenue comprises ongoing royalties based on the sales results of the franchisee and up-front initial site fees.

#### **(n) 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.

#### **(o) 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.

#### **(p) 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.

**(q) 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.

**(r) 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.

**(s) Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with UK-adopted 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.

*Leases*

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental

borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The discount rate originally applied to the Group's leases under the portfolio approach was 2.6%. Where there have been modifications to leases since the first application of IFRS 16 the discount rate has been updated in line with the incremental cost of borrowing and ranges between 4% to 7.75%.

#### Deferred tax assets

Historically, deferred tax assets had been recognised in respect of the total unutilised tax losses within the Group. A condition of recognising this amount depended on the extent that it was probable that future taxable profits will be available.

#### Share based payments

The charge for share-based payments is calculated according to the methodology described in note 21. The Black-Scholes model requires subjective assumptions to be made including the volatility of the Company's share price, fair value of the shares and the risk free interest rates.

#### Dilapidations

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.

## **Notes to the consolidated financial statements**

*For the period ended 31 December 2023*

### **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

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>Income for the period consists of the following:</b>		
Revenue from continuing operations	31,480,609	31,046,546
<b>Other income not included within revenue in the income statement:</b>		
Local council support grants	-	120,888
Covid-19 related rent concessions	-	171,856
Other miscellaneous income	50,614	-
	50,614	292,744
<b>Total income for the period</b>	<b>31,531,223</b>	<b>31,339,290</b>

## 3. Group operating (loss)/profit

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>This is stated after charging/(crediting):</b>		
Variable lease charges* (see <b>note 26</b> )	624,812	444,327
Rent concessions (see <b>note 26</b> )	(21,062)	(171,856)
Lease modifications (see <b>note 26</b> )	132,786	-
Share-based payments expense (see <b>note 21</b> )	30,541	15,377
Depreciation of property, plant and equipment (see <b>note 10</b> )	3,328,567	3,252,841
Impairment of assets (see <b>note 9 &amp; 10</b> )	107,316	78,266
Loss on disposal of fixed assets	8,940	8,188
Auditors' remuneration (see <b>note 4</b> )	105,000	75,000
Exceptional legal and professional fees**	101,145	1,002,054

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

\*\*Exceptional legal and professional fees related to payments and associated fees in respect of C Hanna's resignation as Chief Executive Officer of the Group during the period.

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:

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Pre-opening costs	165,535	-
	<b>165,535</b>	<b>-</b>

#### 4. Auditors' remuneration

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>Auditors' remuneration:</b>		
Fees payable to Company's auditor for the audit of its annual accounts	31,000	20,500
<b>Other fees to the Company's auditors</b>		
The audit of the Company's subsidiaries	74,000	49,500
<b>Total audit fees</b>	<b>105,000</b>	<b>70,000</b>
Review of the half-year accounts	-	5,000
<b>Total non-audit fees</b>	<b>-</b>	<b>5,000</b>
<b>Total auditors' remuneration</b>	<b>105,000</b>	<b>75,000</b>

#### 5. Staff costs and numbers

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>(a) Staff costs (including directors):</b>		
<i>Wages and salaries:</i>		
Kitchen, floor and management wages	10,356,808	10,140,060
Apprentice Levy	44,931	39,202
<i>Other costs:</i>		
Social security costs	873,346	844,542

Share-based payments ( <i>note 21</i> )	30,541	15,377
Pension costs	160,778	159,281
<b>Total staff costs</b>	<b>11,466,404</b>	<b>11,198,462</b>

<b>(b) Staff numbers (including directors):</b>	<b>Number</b>	<b>Number</b>
Kitchen and floor staff	475	461
Management staff	134	136
<b>Total number of staff</b>	<b>609</b>	<b>597</b>

<b>(c) Directors' remuneration:</b>		
Emoluments	701,752	1,528,598
Money purchase (and other) pension contributions	3,963	27,366
Non-Executive directors' fees	110,600	46,500
<b>Total directors' costs*</b>	<b>816,315</b>	<b>1,602,464</b>
*includes redundancy pay		

Directors' remuneration disclosed above include the following amounts to the highest paid director still in office at the end of the period:

Emoluments	240,300	336,672
Money purchase (and other) pension contributions	1,321	1,321

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

## 5. Net finance costs

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>Finance costs:</b>		
Interest on bank loans and overdraft	(136,551)	(94,078)
Interest on lease liabilities	(882,603)	(948,619)
	<b>(1,019,154)</b>	<b>(1,042,697)</b>
<b>Finance income:</b>		
Bank interest received	94,147	-
	94,147	-
<b>Net finance costs</b>	<b>(925,007)</b>	<b>(1,042,697)</b>

## 6. Taxation

### (a) Analysis of charge in the period:

<b>31 December 2023</b>	<b>1 January 2023</b>
-----------------------------	---------------------------

	£	£
<i>Current tax:</i>		
UK corporation tax on the (loss)/profit for the period	-	-
Adjustments in respect of previous periods	-	(64,480)
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	356,527	7,235
Tax losses carried forward	(398,069)	371,391
Share based payments	(4,132)	-
<b>Total tax (credit)/charge for the period</b>	<b>(45,674)</b>	<b>314,146</b>

**(b) Factors affecting the tax charge for the period:**

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

	<b>31 December 2023</b>	<b>1 January 2023</b>
	£	£
(Loss)/Profit before tax	(1,645,105)	902,450
Expected tax credit based on the standard rate of corporation tax in the UK of 23.5% (2022: 19%)	(386,600)	171,466
<i>Effects of:</i>		
Depreciation on non-qualifying assets	(45,499)	7,638
Expenses not deductible for tax purposes	52,656	(19,573)
Adjustments in respect of previous tax periods	-	(64,480)
Tax losses utilised/(carried forward)	-	(159,531)
Losses previously not recognised	305,413	-
Effect of change in corporation tax rate	74,030	-
Movements in respect of deferred tax	(45,674)	378,626
<b>Total tax (credit)/charge for the period</b>	<b>(45,674)</b>	<b>314,146</b>

The Group has carried forward tax losses of £2,546,922 as at 31 December 2023 (1 January 2023: £954,324).

In March 2021 a change to the future corporation tax rate was substantively enacted to increase from 19% to 25% from 1 April 2023. Accordingly, the rate used to calculate the deferred tax balances at 31 December 2023 is 25% (1 January 2023: 25%) as the timing of the release of this asset is materially expected to be after this date.

**8. (Loss)/Earnings per share**

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

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
(Loss)/profit attributable to shareholders	(1,599,431)	588,304
<b>Weighted average number of shares</b>		
For basic earnings per share	122,666,667	122,666,667
Adjustment for options outstanding	267,293	-
For diluted earnings per share	<b>122,933,960</b>	<b>122,666,667</b>
	<b>Pence per share</b>	<b>Pence per share</b>
<b>(Loss)/earnings per share:</b>		
<u>Basic (pence)</u>		
From (loss)/profit for the period	(1.30)	0.48
<u>Diluted (pence)</u>		
From (loss)/profit for the period	(1.30)	0.48

Further details of the share options that could potentially dilute basic earnings per share in the future are provided in note 21.

Diluted 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 in the open market in order to reduce the number of new shares that would need to be issued. As the shares were not 'in the money' as at 1 January 2023 and consequently would be antidilutive, no adjustment was made in respect of the share options outstanding to determine the diluted number of options at this date.

## **9. Intangible assets**

**Group**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 3 January 2022	89,961	89,961
<b>At 1 January 2023</b>	<b>89,961</b>	<b>89,961</b>
<b>Accumulated amortisation and impairment</b>		
At 3 January 2022	(34,694)	(34,694)
Impairments	(26,133)	(26,133)
<b>At 1 January 2023</b>	<b>(60,827)</b>	<b>(60,827)</b>
Net Book Value as at 3 January 2022	55,267	55,267
<b>Net Book Value as at 1 January 2023</b>	<b>29,134</b>	<b>29,134</b>

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 2 January 2023	89,961	89,961
<b>At 31 December 2023</b>	<b>89,961</b>	<b>89,961</b>
<b>Accumulated amortisation and impairment</b>		
At 2 January 2023	(60,827)	(60,827)
Impairments	(21,850)	(21,850)
<b>At 31 December 2023</b>	<b>(82,677)</b>	<b>(82,677)</b>
Net Book Value as at 1 January 2023	29,134	29,134
<b>Net Book Value as at 31 December 2023</b>	<b>7,284</b>	<b>7,284</b>

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. During the period, an impairment of £21,850 (1 January 2023: £26,133) was considered necessary in respect of goodwill.

## 10. Property, plant and equipment



Group	Right-of use Assets £	Leasehold Land and buildings £	Plant and machinery £	Fixture, fittings & equipment £	Motor Vehicles £	Total £
<b>Cost</b>						
At 3 January 2022	28,644,937	10,419,010	4,702,567	2,843,966	38,310	46,648,790
Additions	-	15,741	417,524	147,985	-	581,250
Disposals	-	(63,577)	(26,785)	(704)	-	(91,066)
Modifications	(48,527)	-	-	-	-	(48,527)
<b>At 1 January 2023</b>	<b>28,596,410</b>	<b>10,371,174</b>	<b>5,093,306</b>	<b>2,991,247</b>	<b>38,310</b>	<b>47,090,447</b>
<b>Accumulated depreciation and impairment</b>						
At 3 January 2022	(12,684,557)	(6,208,028)	(3,008,896)	(1,548,952)	(5,108)	(23,455,541)
Depreciation during the period	(2,166,098)	(619,284)	(298,010)	(163,320)	(6,129)	(3,252,841)
Disposals during the period	-	64,380	21,420	(2,922)	-	82,878
Impairment during the period	(41,328)	(1,602)	(7,220)	(1,983)	-	(52,133)
Transfers	-	(55,802)	55,802	-	-	-
<b>At 1 January 2023</b>	<b>(14,891,983)</b>	<b>(6,820,336)</b>	<b>(3,236,904)</b>	<b>(1,717,177)</b>	<b>(11,237)</b>	<b>(26,677,637)</b>
<b>Cost</b>						
At 2 January 2023	28,596,410	10,371,174	5,093,306	2,991,247	38,310	47,090,447
Additions	1,695,964	64,053	455,017	760,830	-	2,975,864
Disposals	-	(83,231)	-	-	-	(83,231)
Modifications	(185,306)	-	-	-	-	(185,306)
<b>At 31 December 2023</b>	<b>30,107,068</b>	<b>10,351,996</b>	<b>5,548,323</b>	<b>3,752,077</b>	<b>38,310</b>	<b>49,797,774</b>
<b>Accumulated depreciation and impairment</b>						
At 2 January 2023	(14,891,983)	(6,820,336)	(3,236,904)	(1,717,177)	(11,237)	(26,677,637)
Depreciation during the period	(2,204,357)	(612,153)	(323,712)	(182,931)	(5,414)	(3,328,567)
Disposals during the period	-	74,291	-	-	-	74,291
Impairment during the period	(2,055)	(115)	(43,440)	(39,856)	-	(85,466)
<b>At 31 December 2023</b>	<b>(17,098,395)</b>	<b>(7,358,313)</b>	<b>(3,604,056)</b>	<b>(1,939,964)</b>	<b>(16,651)</b>	<b>(30,017,379)</b>
Net Book Value as at 1 January 2023	13,704,427	3,550,838	1,856,402	1,274,070	27,073	20,412,810
<b>Net Book Value as at 31 December 2023</b>	<b>13,008,673</b>	<b>2,993,683</b>	<b>1,944,267</b>	<b>1,812,113</b>	<b>21,659</b>	<b>19,780,395</b>

The right of use assets relates to one class of underlying assets, being the property leases entered into for various restaurant.

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 restaurants as management believe the risks to be the same for all restaurants.

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 growth	3%
Discount rate	5.3%
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 and forecasts have considered the impact of inflation and rising energy costs. Management has also performed sensitivity analysis on sales inputs to the model and noted no material sensitivities in the model.

Based on the review, an impairment charge of £85,466 (1 January 2023: £52,133) was recorded for the year.

## 11. 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 period end	
		2023***	2023**
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 Westfield 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%
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

\*\* 52 weeks ending 1 January 2023

\*\*\* 52 weeks ending 31 December 2023

*\* Dormant companies*

*\*\* 52 weeks ending 1 January 2023*

*\*\*\* 52 weeks ending 31 December 2023*

The registered office address for all subsidiaries is 6<sup>th</sup> Floor, Winchester House, 259-269 Old Marylebone Road, London, United Kingdom, NW1 5RA.

## 12. Inventories

	<b>Group</b>	
	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<b>521,488</b>	<b>474,655</b>

## 13. Trade and other receivables

**Group**

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Trade receivables	421,476	256,841
Other receivables	62,617	318,018
Prepayments and accrued income	860,617	645,194
<b>Total trade and other receivables</b>	<b>1,344,710</b>	<b>1,220,053</b>

#### 14. Trade and other payables

	<b>Group</b>	
	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Trade payables	1,958,690	2,307,855
Accruals	2,600,211	2,701,001
Other taxation and social security	1,276,456	1,309,913
Other payables	129,639	80,906
<b>Total trade and other payables</b>	<b>5,964,996</b>	<b>6,399,675</b>

#### 15. Borrowings

	<b>Group</b>	
	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Bank loans	600,000	600,000
<b>Total borrowings</b>	<b>600,000</b>	<b>600,000</b>
<b>Amounts falling due after more than one year:</b>		
Bank loans	1,000,000	1,600,000
<b>Total borrowings</b>	<b>1,000,000</b>	<b>1,600,000</b>

The bank loan relates to a £3m Coronavirus Business Interruption Loan Scheme ("CBILS") loan.

The CBILS loan is secured by way of fixed charges over the assets of various Group companies. The CBIL loan of £1,600,000 represent amounts repayable

within one year of £600,000 (1 January 2023: £600,000) and £1,000,000 (1 January 2023: £1,600,000) repayable in more than one year. The bank loan has a six-year term with maturity date in 2026. The loan has an initial interest free period of 12 months followed by a rate of interest of 2.5% over the Bank base rate.

## 16. Provisions for liabilities

	<b>Group 31 December 2023 £</b>	<b>1 January 2023 £</b>
Provisions for leasehold property dilapidations	197,303	167,953
Provisions for payroll pension costs	191,844	194,135
<b>Total provisions</b>	<b>389,147</b>	<b>362,088</b>
<b>Movements on provisions:</b>	<b>£</b>	<b>£</b>
At beginning of period	362,088	859,414
Provision in the period (net of releases)	27,059	(497,326)
<b>At end of period</b>	<b>389,147</b>	<b>362,088</b>

## 16. Provisions for liabilities (continued)

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.

Provisions for rent reviews relates to any increases in rent that may become payable based on scheduled rent review dates as per lease agreements. This was all settled during the period.

The payroll provision relates to a one-off provision as a result of a review of the current pension scheme in place as part of a planned transition to Payroll Bureau services.

## 17. 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	Liabilities	Assets	Assets
	31 Dec 2023	1 Jan 2023	31 Dec 2023	1 Jan 2023
	£	£	£	£
Accelerated capital allowances	(707,952)	(351,425)	-	-
Tax losses	-	-	477,527	79,458
Share-based payments	-	-	4,132	-
	<b>(707,952)</b>	<b>(351,425)</b>	<b>481,659</b>	<b>79,458</b>

Movements in the period:	Group	Group
	31 Dec 2023	1 Jan 2023
	£	£
Net liability at 1 January	271,967	(106,659)
(Credit)/charge to Statement of Comprehensive Income (note 7)	(45,674)	378,626
Net liability at end of period	<b>226,293</b>	<b>271,967</b>

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. The deferred tax asset on tax losses has been recognised as management expect that there will be sufficient profits available in future to utilise against this amount.

## 18. Share capital

Authorised, issued and fully paid	Number of 1p shares	
	31 December 2023	1 January 2023
Brought forward	122,666,667	122,666,667
<b>At the end of the period</b>	<b>122,666,667</b>	<b>122,666,667</b>
	Nominal value	
	31 December 2023	1 January 2023

	<b>£</b>	<b>£</b>
Brought forward	1,226,667	1,226,667
<b>At the end of the period</b>	<b>1,226,667</b>	<b>1,226,667</b>

## 19. Other reserves

The other reserves amount of £175,640 (1 January 2023: £145,099) on 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. For further details, refer to note 21.

## 20. Retirement benefit schemes

<b>Defined contribution schemes</b>	<b>31 December 2023 £</b>	<b>1 January 2023 £</b>
Charge to profit and loss	<b>160,778</b>	<b>159,281</b>

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.

## 21. Share-based payments

### *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 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.

On 21 May 2021 under the existing CSOP, 3,245,000 share options were granted to key employees. The CSOP scheme includes all subsidiary companies headed by Comptoir Group PLC. The exercise price of all of the options is £0.0723 and the term to expiration is 3 years from the date of grant, being 21 May 2021. All

of the options have the same vesting conditions attached to them.

On 17 April 2023 under the existing CSOP, 2,900,000 share options were granted to key employees. The CSOP scheme includes all subsidiary companies headed by Comptoir Group PLC. The exercise price of all of the options is £0.0557 and the term to expiration is 3 years from the date of grant, being 17 April 2026. All of the options have the same vesting conditions attached to them.

A share-based payment charge of £30,541 (1 January 2023: £15,377) 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.

		<b>31 December 2023</b>		<b>1 January 2023</b>
	<b>No. of shares</b>	<b>Average Exercise price £</b>	<b>No. of shares</b>	<b>Average Exercise price £</b>
<b>CSOP options</b>				
Options outstanding, beginning of period	4,270,000	0.0874	6,045,000	0.1025
Granted	2,900,000	0.0557	-	0.0723
Cancelled	(450,000)	-	(1,775,000)	-
<b>Options outstanding, end of period</b>	<b>6,720,000</b>	<b>0.0746</b>	<b>4,270,000</b>	<b>0.0874</b>
<b>Options exercisable, end of period</b>	<b>2,100,000</b>	<b>0.1025</b>	<b>2,300,000</b>	<b>0.1025</b>

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:



	<b>July 2018</b>	<b>May 2021</b>	<b>Apr 2023</b>
	<b>On grant date</b>	<b>On grant date</b>	<b>On grant date</b>
Risk free rate of return	0.1%	0.39%	4.21%
Expected term	3 years	3 years	3 years
Estimated volatility	51%	64%	61%
Expected dividend yield	0%	0%	0%
Weighted average fair value of options granted	£0.03527	£0.03050	£0.02511
Exercise price	0.1025	0.072344	0.05565

#### *Risk free interest rate*

The risk-free interest rate is based on the UK 2-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. 2,900,000 share options were granted during the current period, the estimated volatility for the share options issued in the period was determined based on the standard deviation of share price fluctuations of the company.

#### *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.

## **22. Reconciliation of profit to cash generated from operations**

<b>31</b>	<b>1 January</b>
<b>December</b>	<b>2023</b>
<b>2023</b>	<b>2023</b>
<b>£</b>	<b>£</b>

Operating (loss)/profit for the period	(720,098)	1,945,147
Depreciation	3,328,567	3,252,841
Loss on disposal of fixed assets	8,940	8,188
Impairment of assets	107,316	78,266
Rent concessions	(21,062)	(171,856)
Lease modifications	132,786	-
Share-based payment charge	30,542	15,377
Provisions	27,059	-
<b>Movements in working capital</b>		
Increase in inventories	(46,833)	(8,765)
Increase in trade and other receivables	(124,655)	(521,065)
Decrease in payables and provisions	(434,680)	(229,184)
<b>Cash from operations</b>	<b>2,287,882</b>	<b>4,368,949</b>

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

<b>Net cash/(debt):</b>	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
At the beginning of the period	(10,349,153)	(13,314,538)
<b>Movements in the period:</b>		
Bank and other borrowings	600,000	600,000
Lease liabilities	3,247,143	3,031,097
Non-cash movements in the period	(2,504,987)	(728,236)
Cash (outflow)/inflow	(2,881,566)	62,524
<b>At the end of the period</b>	<b>(11,888,563)</b>	<b>(10,349,153)</b>

<b>Represented by:</b>	<b>At 3 January 2022</b>	<b>Cash flow movements in the period</b>	<b>Non- cash flow movements in the period</b>	<b>At 1 January 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	9,867,799	62,524	-	9,930,323
Bank loans	(2,800,000)	600,000	-	(2,200,000)
Lease liabilities	(20,382,337)	3,031,097	(728,236)	(18,079,476)
	<b>(13,314,538)</b>	<b>3,693,621</b>	<b>(728,236)</b>	<b>(10,349,153)</b>

	<b>At 2 January 2023</b>	<b>Cash flow movements in the period</b>	<b>Non- cash flow movements in the period</b>	<b>At 31 December 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and cash equivalents	9,930,323	(2,881,566)	-	7,048,757
Bank loans	(2,200,000)	600,000	-	(1,600,000)
Lease liabilities	(18,079,476)	3,247,143	(2,504,987)	(17,337,320)
	<b>(10,349,153)</b>	<b>965,577</b>	<b>(2,504,987)</b>	<b>(11,888,563)</b>

## 24. Financial instruments

The Group finances its operations through equity and borrowings, with the borrowing interest subject to 2.5% 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:**

The bank loan has an interest rate of 2.5% per annum over base rate.

<b>31 December 2023</b>	<b>1 January 2023</b>
<b>£</b>	<b>£</b>

Cash and cash equivalents	7,048,757	9,930,323
Trade and other receivables	484,093	574,859
<b>Total financial assets</b>	<b>7,532,850</b>	<b>10,505,182</b>

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>Group financial liabilities:</b>		
Trade and other payables excl. corporation tax	4,874,343	5,276,259
Bank loan	600,000	600,000
<b>Short-term financial liabilities</b>	<b>5,474,343</b>	<b>5,876,259</b>
Bank loan	1,000,000	1,600,000
<b>Long-term financial liabilities</b>	<b>1,000,000</b>	<b>1,600,000</b>
<b>Total financial liabilities</b>	<b>6,474,343</b>	<b>7,476,259</b>

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:

	<b>Trade and other payables *</b>	<b>Bank loans</b>
	<b>£</b>	<b>£</b>
<b>As at 1 January 2023</b>		
Within one year	6,761,763	600,000
Within two to five years	-	1,600,000
<b>Total</b>	<b>6,761,763</b>	<b>2,200,000</b>
<b>As at 31 December 2023</b>		
Within one year	6,354,143	600,000
Within two to five years	-	1,000,000
<b>Total</b>	<b>6,354,143</b>	<b>1,600,000</b>

\*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.

## **25. 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 15**), 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.

## **26. Lease commitments**

The Group has leases assets including 22 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 18 years with an average remaining lease term of 7 years.

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

<b>Net book value of right of use assets</b>	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Balance at 1 January	13,704,427	15,960,380
Additions	1,695,964	-
Depreciation charge	(2,204,357)	(2,166,098)
Impairment charge	(2,055)	(41,328)
Modifications	(185,306)	(48,527)
	<b>13,008,673</b>	<b>13,704,427</b>

<b>Maturity analysis - contractual undiscounted cash flows</b>	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Within one year	(3,013,321)	(2,982,848)
More than one year	(19,086,768)	(18,763,863)
	<b>(22,100,089)</b>	<b>(21,746,711)</b>

<b>Lease liabilities included in the statement of financial position</b>	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Current	(2,159,265)	(2,351,410)
Non-current	(15,178,055)	(15,728,066)
	<b>(17,337,320)</b>	<b>(18,079,476)</b>

<b>Amounts charged/(credited) in profit or loss</b>	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Interest on lease liabilities	882,603	948,619
Expenses relating to variable lease payments	624,812	444,327
Rent concessions	(21,062)	(171,856)
Lease modifications	132,786	-
	<b>1,619,139</b>	<b>1,221,090</b>

<b>Amounts recognised in statement of cash flow</b>	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Total cash outflow for leases	3,247,143	3,031,097
	<b>3,247,143</b>	<b>3,031,097</b>

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.

## **27. 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:

<b>Remuneration</b>	<b>Pension</b>	<b>Total</b>
---------------------	----------------	--------------

	<b>£</b>	<b>£</b>	<b>£</b>
M Kitous	52,585	1,207	53,792
L Kitous	26,702	528	27,230
	<b>79,287</b>	<b>1,735</b>	<b>81,022</b>

## 28. Subsequent events

Post year end we have the new opening of Comptoir Libanais at Southbank and taken back the franchise site at Cheshire Oakes.

We have also opened a new franchise Shawa in Abu Dhabi and signed a new partnership deal with AREAS.

## 29. Ultimate controlling party

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

Parent Company accounts (under UK GAAP)

### **Company balance sheet as at 31 December 2023**

	<b>Notes</b>	<b>31 December 2023 £</b>	<b>1 January 2023 £</b>
<b>Fixed assets</b>			
Intangible assets	ii	-	29,134
Tangible assets	iii	7,994	10,282
Investments	iv	16,034	146,479
		<b>24,028</b>	<b>185,895</b>
<b>Current assets</b>			
Debtors	v	5,579,050	3,635,522
Cash and cash equivalents		-	54,236
		<b>5,579,050</b>	<b>3,689,758</b>
<b>Total assets</b>		<b>5,603,078</b>	<b>3,875,653</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Creditors	vi	(5,126,321)	(1,501,421)
Borrowings	vii	(600,000)	(600,000)
		<b>(5,726,321)</b>	<b>(2,101,421)</b>
<b>Non-current liabilities</b>			
Borrowings	vii	(1,000,000)	(1,600,000)
<b>Provisions for liabilities</b>	viii	(906)	(1,238)



<b>Total liabilities</b>		<b>(6,727,227)</b>	<b>(3,702,659)</b>
<b>Net assets</b>		<b>(1,124,149)</b>	<b>172,994</b>
<b>Equity</b>			
Share capital	ix	1,226,667	1,226,667
Share premium	ix	10,050,313	10,050,313
Other reserves	ix	175,640	145,099
Retained earnings	ix	(12,576,769)	(11,249,085)
<b>Total equity</b>		<b>(1,124,149)</b>	<b>172,994</b>

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account has not been presented for the holding company. During the year the Company recorded a loss of £1,327,684 (1 January 2023: £723,588). Remuneration of the auditor is borne by a subsidiary undertaking, Timerest Limited.

The financial statements of Comptoir Group Plc (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 21 May 2022 and were signed on its behalf by:

Nick Ayerst

**Chief Executive Officer**

## **Company financial statements - under UK GAAP**

### ***Accounting policies and basis of preparation***

#### **Basis of accounting**

The financial statements for the Company have been prepared under FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006. The Group financial statements have been prepared under IFRS and are shown separately. The Company financial statements have been prepared under the historical cost convention in accordance with applicable UK accounting standards and on the

going concern basis.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Comptoir Group Plc, which are available at the Companies House.

### **Going concern**

The Board of Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. More details on the going concern uncertainties are discussed in the going concern note in the Principal Accounting Policies for the Consolidated Financial Statements. Thus, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

### **Dividends**

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### **Investments in subsidiaries**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries).

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments are valued at cost less any provision for impairment.

### **Intangible assets - Goodwill**

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the income statement over its economic life, which is estimated to be ten years from the date of acquisition.

### **Tangible assets**

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:

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 recognised 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.

### **Share-based payment transactions**

The share options have been accounted for as an expense in the Company in which the employees are employed, using a valuation based on the Black-Scholes model.

An increase in the investment held by the Company in the subsidiary in which the employees are employed, with a corresponding increase in equity, is recognised in the accounts of the Company. Information in respect of the Company's share-based payment schemes is provided in Note 21 to the consolidated financial statements.

The value is accounted for as a capital contribution in relevant Group subsidiaries that employ the staff members to whom awards of share options have been made.

### **Reserves**

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares

issued.

- Share premium represents amounts paid in excess of the nominal value of shares.
- Other reserves represent share-based payment charges recognised in equity, and;
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

## **Company financial statements - under UK GAAP**

### ***Notes to the financial statements***

#### **i) Employee costs and numbers**

The Company has no employees. All Group employees and Directors' remuneration are disclosed within the Group's consolidated financial statements.

#### **ii) Intangible assets**

<b>Goodwill</b>	<b>Total £</b>
<b>Cost</b>	
At 3 January 2022	89,961
<b>At 1 January 2023</b>	<b>89,961</b>
<b>Accumulated amortisation and impairment</b>	
At 3 January 2022	(47,851)
Amortisation during the period	(8,996)
Impairment during the period	(3,980)
<b>At 1 January 2023</b>	<b>(60,827)</b>
Net Book Value as at 2 January 2022	42,110
<b>Net Book Value as at 1 January 2023</b>	<b>29,134</b>
<b>Cost</b>	
At 2 January 2023	89,961
<b>At 31 December 2023</b>	<b>89,961</b>
<b>Accumulated amortisation and impairment</b>	
At 2 January 2023	(60,827)
Amortisation during the period	(7,284)
Impairment during the period	(21,850)
<b>At 31 December 2023</b>	<b>(89,961)</b>
Net Book Value as at 1 January 2023	29,134
<b>Net Book Value as at 31 December 2023</b>	-

## ii) Intangible assets (continued)

The intangible assets reported on the statement of financial position consists of goodwill arising on the acquisition on 14 December 2016 of the trade and assets of Agushia Limited. In accordance with FRS 102, goodwill arising on business combinations is amortised over the expected life of the asset and is subject to an impairment review annually if the life of the assets is indefinite or expected to be greater than 10 years, or more frequently if events or changes in circumstances indicate that it might be impaired.

Therefore, goodwill arising on acquisition is monitored to compare the value in use to its carrying value. During the period an impairment charge of £21,850 (1 January 2023: £3,980) was recorded.

## iii) Property, plant and equipment

	<b>Leasehold Land and buildings</b>	<b>Plant and machinery</b>	<b>Fixture, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 3 January 2022	11,290	26,655	5,555	43,500
Disposals during the period	(11,290)	-	-	(11,290)
<b>At 1 January 2023</b>	-	<b>26,655</b>	<b>5,555</b>	<b>32,210</b>
<b>Accumulated depreciation and impairment</b>				
At 3 January 2022	(11,290)	(17,585)	(2,876)	(31,751)
Depreciation during the period	-	(1,215)	(252)	(1,467)
Depreciation eliminated on disposal	11,290	-	-	11,290
<b>At 1 January 2023</b>	-	<b>(18,800)</b>	<b>(3,128)</b>	<b>(21,928)</b>
Net Book Value as at 2 January 2022	-	9,070	2,679	11,749
<b>Net Book Value as at 1 January 2023</b>	-	<b>7,855</b>	<b>2,427</b>	<b>10,282</b>
<b>Cost</b>				
At 2 January 2023	-	26,655	5,555	32,210
<b>At 31 December 2023</b>	-	<b>26,655</b>	<b>5,555</b>	<b>32,210</b>
<b>Accumulated depreciation and impairment</b>				
At 2 January 2023	-	(18,800)	(3,128)	(21,928)
Depreciation during the period	-	(1,920)	(368)	(2,288)
<b>At 31 December 2023</b>	-	<b>(20,720)</b>	<b>(3,496)</b>	<b>(24,216)</b>

Net Book Value as at 1 January 2023	-	7,855	2,427	10,282
<b>Net Book Value as at 31 December 2023</b>	-	<b>5,935</b>	<b>2,059</b>	<b>7,994</b>

#### iv) Investments in subsidiary undertakings

During the period, an impairment provision of £160,996 (1 January 2023: £nil) was recorded in relation to capital contribution to group undertakings.

	<b>Shares</b>	<b>Capital contributions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 2 January 2023	1,380	145,099	146,479
Share-based payment charge	-	30,541	30,541
Adjustments	10	-	10
<b>At 31 December 2023</b>	<b>1,390</b>	<b>175,640</b>	<b>177,030</b>
<b>Impairments</b>			
For the period ended 31 December 2023	-	(160,996)	(160,996)
Net book value at 1 January 2023	1,380	145,099	146,479
<b>Net book value at 31 December 2023</b>	<b>1,390</b>	<b>14,644</b>	<b>16,034</b>

#### v) Debtors

During the period, an impairment provision of £697,639 (1 January 2023: £590,282) was recorded in relation to amounts receivable from group undertakings.

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Other debtors	3,606	3,606
Amounts receivable from group undertakings	5,575,444	3,631,916
<b>Total</b>	<b>5,579,050</b>	<b>3,635,522</b>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset	-	-
<b>Total</b>	<b>5,579,050</b>	<b>3,635,522</b>

## vi) Creditors

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	19,935	-
Trade creditors	21,012	-
Other creditors	1,479	1,470
Amounts due to group undertakings	5,052,910	1,477,451
Accruals	30,985	22,500
<b>Total</b>	<b>5,126,321</b>	<b>1,501,421</b>

## vii) Borrowings

The bank loan relates to a £3m Coronavirus Business Interruption Loan Scheme ("CBILS") loan.

The CBILS loan is secured by way of fixed charges over the assets of various Group companies. The CBIL loan of £1,600,000 represent amounts repayable within one year of £600,000 (1 January 2023: £600,000) and £1,000,000 (1 January 2023: £1,600,000) repayable in more than one year. The bank loan has a six-year term with maturity date in 2026. The loan has an initial interest free period of 12 months followed by a rate of interest of 2.5% over the Bank base rate.

	<b>31 December 2023</b>	<b>1 January 2023</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Bank loans	600,000	600,000
<b>Total borrowings</b>	<b>600,000</b>	<b>600,000</b>
<b>Amounts falling due after more than one year:</b>		
Bank loans	1,000,000	1,600,000
<b>Total borrowings</b>	<b>1,000,000</b>	<b>1,600,000</b>

## viii) Provisions

<b>Deferred tax recognised in balance sheet:</b>	<b>Total</b>
	<b>£</b>
<i>Deferred tax liabilities:</i>	
Brought forward	(1,047)
Charge/(credit) to profit or loss	1,953
<b>Total</b>	<b>906</b>

#### ix) Share capital and reserves

	Share capital	Share premium	Other reserves	Retained earnings	Total
	£	£	£	£	£
<b>At 3 January 2022</b>	1,226,667	10,050,313	129,722	(10,525,497)	881,205
Share-based payment charge	-	-	15,377	-	15,377
Total comprehensive loss for the period	-	-	-	(723,588)	(723,588)
<b>At 1 January 2023</b>	<b>1,226,667</b>	<b>10,050,313</b>	<b>145,099</b>	<b>(11,249,085)</b>	<b>172,994</b>
<b>At 2 January 2023</b>	1,226,667	10,050,313	145,099	(11,249,085)	172,994
Share-based payment charge	-	-	30,541	-	30,541
Total comprehensive loss for the period	-	-	-	(1,327,684)	(1,327,684)
<b>At 31 December 2023</b>	<b>1,226,667</b>	<b>10,050,313</b>	<b>175,640</b>	<b>(12,576,769)</b>	<b>(1,124,149)</b>

#### x) Related party transactions

The Company has taken advantage of the exemption in FRS 102 and has not disclosed transactions entered into between members of the Group.

#### xi) Subsequent events

Details of subsequent events are discussed in note 28 to the Group financial statements.

#### xii) Ultimate controlling party

The Company has no ultimate controlling party.

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