

Comptoir Group Plc

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

Interim Results

Comptoir Group Plc (AIM: COM), the owner and operator of Lebanese, Middle Eastern and North African inspired restaurants is pleased to announce its interim results for the six months ending 30 June 2024.

Financial Highlights:

- Group revenue of £15.9m, an increase of 7.4% on the same period last year (H1 2023: £14.8m)
- System sales of £20.2m, an increase of 7.4% on the same period last year (H1 2023 £18.8m)
- Gross profit of £12.7m, an increase of 10.4% on the same period last year (H1 2023: £11.5m)
- Adjusted EBITDA* loss before highlighted items of £0.6m (H1 2023: £0.3m loss)
- IFRS loss after tax of £1.7m (H1 2023: £0.8m loss)
- Net cash and cash equivalents at the period end of £4.9m (H1 2023: £7.6m, 31 December 2023: £7.0m)
- The basic loss per share for the period was 1.42 pence (H1 2023: basic loss per share 0.64 pence)

Operational Highlights:

- The Group opened a new flagship restaurant in Southbank London and brought Cheshire Oaks Outlet Centre back into the managed portfolio from its franchisee. Yalla Yalla Soho closed in February 2024 and subsequent to the half year Ashford Outlet Centre franchise restaurant closed.
- During the half year the Group has also opened two new franchised restaurants in major international airports, Shawa in Abu Dhabi and Comptoir

Libanais, with a new partner, in Milan.

- At the half year the Group owns and operates 22 equity restaurants, with a further 7 franchise restaurants across two partners.
- Subsequent to the half year the Group welcomed James Fisher as Finance Director and member of the Board. This followed the appointment of Ali Aneizi as Non-Executive Director and Jean-Michel Orioux to Non-Executive Chair in June 2024.

Current trading and Outlook:

Despite economic challenges and rising costs, the Group is seeing positive results from its strategic initiatives. The Group is confident that its proactive measures will lead to improved performance in the second half of the year and beyond, with trading since the half year in line with expectations. There does however remain an element of uncertainty with regard to the impact of the new government, particularly with respect to planned future National Minimum Wage increases and business rates reform. The upcoming Budget in October will hopefully provide some further clarity.

The Group aims to leverage the investments it has made to deliver enhanced EBITDA and cashflows. With a full leadership team now in place, the Board has confidence in the prospects for the longer term.

*Adjusted EBITDA was calculated from the pre-IFRS 16 loss after taxation adding back interest, tax, depreciation, share-based payments, and other non-cash and non-recurring costs.

Enquiries:

Comptoir Group plc

Jean-Michel Orioux, Non-Executive Chair
Nick Ayerst, CEO

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About Comptoir Group

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, Dubai and Milan.

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 and Abu Dhabi, Yalla-Yalla with a branch near Oxford Circus, and entertainment venue Kenza, located in Devonshire Square, London.

The group has expanded internationally with its franchise partners Avolta and Areas, with restaurants in the Netherlands, Qatar and UAE and Italy.

Chairman's review

In my first statement as Chair, I am able to report on the continued evolution and rebuilding of the Group. Our core estate performed in line with our expectations delivering a like for like revenue growth of 0.9% and an improved gross profit. During this period, we strategically invested in our business to strengthen our competitive position. This included:

- Our Teams: Enhancing our teams' capabilities to deliver exceptional guest experiences.
- Our Products: Reintroducing beloved classics while introducing exciting new flavours to cater to evolving customer preferences.
- Brand Experience: Refreshing our physical presence through estate refurbishments and expanding our network with new locations.

The Group maintains a cash balance of £4.9m at the half year after our significant investments, which provides us with a platform from which we can continue our ongoing work to solidify the foundations of the business before moving on to revisiting our growth plans. Following these investments we remain focussed on protecting and growing our cash position through improved profitability from our restaurants and careful cost management.

The half year outturn is set against a backdrop of wider uncontrollable and adverse factors, which continued through the first half year of 2024, namely the ongoing

macroeconomic uncertainty caused by the cost-of-living crisis, its impact on people's disposable income and the recent years of National Minimum Wage growth. We continue to address underperforming restaurants and will take the appropriate action with these, and our cost base overall.

We remain optimistic about the longer-term prospects of the Group, given our unique offering, our teams, the balance of our portfolio, our brands, the mix of equity and franchised stores and obsession with creating a casual relaxed family orientated dining experience. However, we must solidify our business and ensure we have the right platform in place before we can accelerate our growth.

Chief executive's review

I am pleased to report a solid H1 against a backdrop of sector volatility. This is a testament to the hard work of our staff across the business and I would like to thank them for their efforts during the period.

Financial Performance Half-Year:

The total revenue for the Group for the half-year was £15.9m (H1 2023: £14.8m) and the adjusted EBITDA loss was £0.6m (H1 2023: £0.3m loss). The Group controls remained strong but a combination of ongoing cost pressures and a conscious decision to invest in the labour of our new sites post opening has impacted profitability. Group EBITDA fell marginally compared to the same period last year, largely due to favourable delayed rent reviews and lease extensions creating artificially low fixed costs in the prior year. The IFRS loss after tax was £1.7m (H1 2023: £0.8m loss). The Group cash balance at the half-year was £4.9m (H1 2023: £7.6m) after investment in new sites and refurbishments during the period and continued repayment of our CBIL loan. The outstanding balance on the CBIL at the half year was £1.3m (H1 2023: £1.9m).

A summary of the financial performance for the half year is shown in the table below:

	Post IFRS 16 30 June 2024 £	Pre IFRS 16 30 June 2024 £	Post IFRS 16 2 July 2023 £	Pre IFRS 16 2 July 2023 £	Post IFRS 16 31 December 2023 £	Pre IFRS 16 31 December 2023 £
Revenue	15,907,238	15,907,238	14,801,949	14,801,949	31,480,609	31,480,609
Adjusted EBITDA:						
Loss after tax	(1,738,054)	(1,318,045)	(780,460)	(545,243)	(1,599,431)	(1,365,090)
Add back:						
Finance costs	678,955	58,550	497,567	67,731	1,019,154	136,551
Finance income	(76,654)	(76,654)	-	-	(94,147)	(94,147)
Taxation	(469,594)	(469,594)	(496,100)	(496,100)	(45,674)	(45,674)
Depreciation	1,928,133	686,468	1,655,805	561,532	3,328,567	1,124,210

Impairment of assets	-	-	-	-	107,316	-
EBITDA	322,786	(1,119,275)	876,812	(412,080)	2,715,785	(244,150)
Share-based payments (credit) / expense	(12,510)	(12,510)	10,006	10,006	30,541	30,541
Loss on disposal of fixed assets	123,479	123,479	-	-	8,940	8,940
Exceptional legal fees	103,357	103,357	23,045	23,045	101,145	101,145
Restaurant opening costs	331,996	331,996	-	-	88,886	88,886
Restaurant closing costs	5,196	5,196	75,657	75,657	76,649	76,649
Dilapidations	15,723	15,723	16,493	16,493	-	-
Adjusted EBITDA	890,027	(552,034)	1,002,013	(286,879)	3,021,946	62,011

The trading performance of our core estate has seen like for like revenue growth on our equity sites of 0.9% and an increase in Gross profit. Despite the backdrop of a weak economic environment and continuing cost pressures we remain confident in our strategy to grow sales and EBITDA together with maintaining a healthy cash position.

In the first half of the year we continued to improve the quality of our food whilst also improving margins and maintaining strong value for money scores. This sits alongside our highest NPS ratings at over 75, a testament to our teams in each restaurant. These improvements were alongside a busy period of new openings and I thank the team for everything they have done in the half year. Our full focus is on our like for like estate and ensuring all investments realise returns at the expected rate.

With a full senior leadership team now in place we are focussed on delivery against our 5 strategic pillars

- **Culture:** Fostering a high-performance culture that empowers our team and aligns with our values.
- **Customer Experience:** Enhancing guest satisfaction through digital innovations and personalised offerings.
- **Efficiency:** Optimising operations and costs while maintaining our value proposition.
- **Financial Health:** Ensuring strong returns on investments and aligning future expenditures with cash generation.
- **Growth:** Expanding our footprint through organic growth and strategic acquisitions.

Current trading and Outlook:

Despite economic challenges and rising costs, the Group is seeing positive results from its strategic initiatives. The Group is confident that its proactive measures will lead to improved performance in the second half of the year and beyond, with trading since the half year in line with expectations. There does however remain an element of uncertainty with regard to the impact of the new government, particularly with respect to planned future National Minimum Wage increases and business rates reform. The upcoming Budget in October will hopefully provide some further clarity.

The Group aims to leverage the investments it has made to deliver enhanced EBITDA

and cashflows. With a full leadership team now in place, the Board has confidence in the prospects for the longer term.

Nick Ayerst

Chief Executive Officer

17 September 2024

Consolidated statement of comprehensive income

For the half-year ended 30 June 2024

	Notes	Half-year ended 30 June 2024	Half-year ended 2 July 2023	Period ended 31 December 2023
		£	£	£
Revenue		15,907,238	14,801,949	31,480,609
Cost of sales		(3,183,004)	(3,264,510)	(6,760,622)
Gross profit		12,724,234	11,537,439	24,719,987
Distribution expenses		(6,931,378)	(6,077,722)	(12,624,578)
Administrative expenses		(7,423,787)	(6,246,967)	(12,866,121)
Other income		25,584	8,257	50,614
Operating loss	3	(1,605,347)	(778,993)	(720,098)
Finance costs		(678,955)	(497,567)	(1,019,154)
Finance income		76,654	-	94,147
Loss before tax		(2,207,648)	(1,276,560)	(1,645,105)
Taxation credit		469,594	496,100	45,674
Loss for the year		(1,738,054)	(780,460)	(1,599,431)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		(1,738,054)	(780,460)	(1,599,431)
Basic loss per share (pence)	6	(1.42)	(0.64)	(1.30)
Diluted loss per share (pence)	6	(1.41)	(0.64)	(1.30)

All the above results are derived from continuing operations.

Consolidated balance sheet

At 30 June 2024

Notes 30 June 2024 2 July 2023 31 December 2023

		£	£	£
Non-current assets				
Intangible assets	7	7,284	29,134	7,284
Property, plant and equipment	8	8,216,648	6,536,519	6,771,722
Right-of-use assets	8	15,257,254	12,607,187	13,008,673
Deferred tax asset		197,651	224,133	-
		23,678,837	19,396,973	19,787,679
Current asset				
Inventories		471,182	526,071	521,488
Trade and other receivables		1,775,201	1,379,568	1,344,710
Cash and cash equivalents		4,850,040	7,640,868	7,048,757
		7,096,423	9,546,507	8,914,955
Total assets		30,775,260	28,943,480	28,702,634
Current liabilities				
Borrowings		(600,000)	(600,000)	(600,000)
Trade and other payables		(7,400,107)	(5,793,557)	(5,964,996)
Lease liabilities		(2,653,367)	(1,165,194)	(2,159,265)
		(10,653,474)	(7,558,751)	(8,724,261)
Non-current liabilities				
Borrowings		(700,000)	(1,300,000)	(1,000,000)
Provisions for liabilities		(404,871)	(373,347)	(389,147)
Lease liabilities		(17,582,600)	(15,728,067)	(15,178,055)
Deferred tax liability		-	-	(226,292)
		(18,687,471)	(17,401,414)	(16,793,494)
Total liabilities		(29,340,945)	(24,960,165)	(25,517,755)
Net assets		1,434,315	3,983,315	3,184,879
Equity				
Share capital	9	1,226,667	1,226,667	1,226,667
Share premium		10,050,313	10,050,313	10,050,313
Other reserves		163,130	155,105	175,640
Retained losses		(10,005,795)	(7,448,770)	(8,267,741)
Total equity		1,434,315	3,983,315	3,184,879

Consolidated statement of changes in equity

For the half-year ended 30 June 2024

	Notes	Share capital	Share premium	Other reserves	Retained losses	Total equity
		£	£	£	£	£
At 1 January 2024		1,226,667	10,050,313	175,640	(8,267,741)	3,184,879
Total comprehensive income						
Loss for the period	3	-	-	-	(1,738,054)	(1,738,054)
Transactions with owners						
Share-based payments	5	-	-	(12,510)	-	(12,510)
At 30 June 2024		1,226,667	10,050,313	163,130	(10,005,795)	1,434,315
At 2 January 2023		1,226,667	10,050,313	145,099	(6,668,310)	4,753,769

Total comprehensive loss						
Loss for the period	3	-	-	-	(780,460)	(780,460)
Transactions with owners						
Share-based payments	5	-	-	10,006	-	10,006
At 2 July 2023		1,226,667	10,050,313	155,105	(7,448,770)	3,983,315
At 2 January 2023		1,226,667	10,050,313	145,099	(6,668,310)	4,753,769
Total comprehensive income						
Loss for the period	3	-	-	-	(1,599,431)	(1,599,431)
Transactions with owners						
Share-based payments	5	-	-	30,541	-	30,541
At 31 December 2023		1,226,667	10,050,313	175,640	(8,267,741)	3,184,879

Consolidated statement of cash flows

For the half-year ended 30 June 2024

	Notes	Half-year ended 30 June 2024	Half-year ended 2 July 2023	Period ended 31 December 2023
		£	£	£
Operating activities				
Cash inflow from operations	10	2,029,406	81,028	2,287,882
Interest paid		(58,550)	(67,731)	(136,551)
Interest received		76,654	-	94,146
Tax received		45,650	-	-
Net cash from operating activities		2,093,160	13,297	2,245,477
Investing activities				
Purchase of property, plant & equipment	8	(2,212,370)	(386,701)	(1,279,900)
Net cash used in investing activities		(2,212,370)	(386,701)	(1,279,900)
Financing activities				
Payment of lease liabilities		(1,779,507)	(1,616,051)	(3,247,143)
Bank loan repayments		(300,000)	(300,000)	(600,000)
Net cash used from financing activities		(2,079,507)	(1,916,051)	(3,847,143)
Decrease in cash and cash equivalents		(2,198,717)	(2,289,455)	(2,881,566)

Cash and cash equivalents at beginning of period	7,048,757	9,930,323	9,930,323
Cash and cash equivalents at end of period	4,850,040	7,640,868	7,048,757

Notes to the financial information

For the half-year ended 30 June 2024

1. Basis of preparation

The consolidated financial information for the half-year ended 30 June 2024, has been prepared in accordance with the accounting policies the Group applied in the Company's latest annual audited financial statements for the period ended 31 December 2023. These accounting policies are based on the UK-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. The consolidated financial information for the half-year ended 30 June 2024 has been prepared in accordance with IAS 34: 'Interim Financial Reporting', as adopted by the UK, and under the historical cost convention.

The financial information relating to the half-year ended 30 June 2024 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The comparative figures for the period ended 31 December 2023 have been extracted from the consolidated financial statements, on which the auditors gave an unqualified audit opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. The annual report and accounts for the period ended 31 December 2023 has been filed with the Registrar of Companies.

The Group's financial risk management objectives and policies are consistent with those disclosed in the period ended 31 December 2023 annual report and accounts.

The half-yearly report was approved by the board of directors on 17 September 2024. The half-yearly report is available on the Comptoir Libanais website, www.comptoirlibanais.com, and at Comptoir Group's registered office, 6th Floor, Winchester House, 259-269 Old Marylebone Road, London, NW1 5RA.

2. Changes in accounting policies

The accounting policies adopted in the preparation of the consolidated financial information for the half-year ended 30 June 2024 are consistent with those

followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2023.

At the date of authorisation of the half-yearly report, 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 2024. These amendments have not had any material impact on the amounts reported for the current and prior years.

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

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 the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard	or
Interpretation	
Effective Date	
IAS 21 - Lack of Exchangeability	1 January 2025
IFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027

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 period they become effective.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

Impairment of assets

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

Critical accounting judgements and key sources of estimation uncertainty (continued)

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. Please refer to note 8 for further details on impairments.

Leases

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

Deferred tax assets

Historically, deferred tax assets have 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.

3. Group operating loss

	Half-year ended 30 June 2024	Half-year ended 2 July 2023	Period ended 31 December 2023
This is stated after (crediting)/charging:	£	£	£
Variable lease charges	289,953	347,069	624,812
Share-based payments (credit) / expense (note 5)	(12,510)	10,006	30,541
Depreciation of property, plant and equipment (note 8)	1,928,133	1,655,805	3,328,567
Exceptional legal and professional fees	103,357	23,045	101,145
Loss on disposal of fixed assets	123,479	-	8,940
Impairment of assets (note 7 & 8)	-	-	107,316
Rent concessions	-	-	(21,062)
Lease term modifications	-	-	132,786
Auditors' remuneration	-	-	110,000
	Half-year ended 30 June 2024 £	Half-year ended 2 July 2023 £	Period ended 31 December 2023 £
Restaurant opening costs	331,996	-	88,886
Restaurant closing costs	5,196	75,657	76,649
Dilapidations	15,723	16,493	32,835
	352,915	92,150	198,370

For the initial trading period following opening of a new restaurant, the

performance of that restaurant will be lower than that achieved by other, similar, mature restaurants. The difference in this performance, which is calculated by reference to gross profit margins amongst other key metrics, is quantified and included within opening costs. The breakdown of opening costs, between pre-opening costs and post-opening costs is shown above.

4. Operating segments

The Group has only one operating segment: the operation of restaurants with Lebanese and Middle Eastern offering and one geographical segment (the United Kingdom). The Group's brands meet the aggregation criteria set out in paragraph 22 of IFRS 8 "Operating Segments" and as such the Group reports the business as one reportable segment. None of the Group's customers individually contribute over 10% of the total revenue.

5. Share options and share-based payment charge

On 4 July 2018, the Group established a Company Share Option Plan ("CSOP") under which 4,890,000 share options were granted to key employees. The exercise price of all options is £0.1025 and the term to expiration is 3 years from the date of grant. All 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 exercise price of all options is £0.0723 and the term to expiration is 3 years from the date of grant. All 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 exercise price of all options is £0.0557 and the term to expiration is 3 years from the date of grant. All options have the same vesting conditions attached to them.

The total share-based payment credit for the period was £12,510 (H1 2023: £10,006 charge, 31 December 2023: £30,541 charge).

6. Earnings/(loss) per share

The Company had 122,666,667 ordinary shares of £0.01 each in issue at 30 June 2024. The basic and diluted earnings/(loss) per share figures, is based on the weighted average number of shares in issue during the periods. The basic and diluted earnings/(loss) per share figures are set out below.

	Half-year ended 30 June 2024	Half-year ended 2 July 2023	Period ended 31 December 2023
	£	£	£
Loss attributable to shareholders	(1,738,054)	(780,460)	(1,599,431)
Weighted average number of shares	Number	Number	Number

For basic loss per share	122,666,667	122,666,667	122,666,667
Adjustment for options outstanding	449,740	-	267,293
For diluted loss per share	123,116,407	122,666,667	122,933,960
Earning/(loss) per share:	Pence per share	Pence per share	Pence per share
<u>Basic (pence)</u>			
From loss for the year	(1.42)	(0.64)	(1.30)
<u>Diluted (pence)</u>			
From loss for the year	(1.41)	(0.64)	(1.30)

6. Earnings/(loss) per share (continued)

The basic and diluted earnings/(loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of shares and 'in the money' share options in issue. Share options are classified as 'in the money' if their exercise price is lower than the average share price for the period.

As required by 'IAS 33: Earnings per share', this calculation assumes that the proceeds receivable from the exercise of 'in the money' options would be used to purchase shares in the open market in order to reduce the number of new shares that would need to be issued. Any shares options that were not 'in the money' as at the half-year ended 30 June 2024 would be considered antidilutive and no adjustment would be made in respect of such share options.

7. Intangible assets

	Goodwill	Total
Cost	£	£
At 1 January 2024 and 30 June 2024	89,961	89,961
Accumulated amortisation and impairment		
At 1 January 2024	(82,677)	(82,677)
Impairment during the year	-	-
At 30 June 2024	(82,677)	(82,677)
Net Book Value as at 30 June 2024	7,284	7,284
Net Book Value as at 2 July 2023	29,134	29,134
Net Book Value as at 31 December 2023	7,284	7,284

Intangible fixed assets consist of goodwill from the acquisition of Agushia Limited, which included the Yalla Yalla brand. 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. No impairment of goodwill was considered necessary in the current period.

8. Property, plant and equipment

	Right-of use assets	Leasehold land and buildings	Plant and machinery	Fixture, fittings & equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 January 2024	30,107,068	10,351,996	5,548,323	3,752,077	38,310	49,797,774
Additions	3,532,749	-	254,628	1,957,742	-	5,745,119
Disposals	-	(216,296)	(24,829)	(64,345)	-	(305,470)
At 30 June 2024	33,639,817	10,135,700	5,778,122	5,645,474	38,310	55,237,423
Accumulated depreciation and impairment						
At 1 January 2024	(17,098,395)	(7,358,313)	(3,604,056)	(1,939,964)	(16,651)	(30,017,379)
Depreciation during the year	(1,284,168)	(300,001)	(174,528)	(167,147)	(2,289)	(1,928,133)
Eliminated on disposal	-	164,265	1,401	16,325	-	181,991
At 30 June 2024	(18,382,563)	(7,494,049)	(3,777,183)	(2,090,786)	(18,940)	(31,763,521)
Net book value						
At 30 June 2024	15,257,254	2,641,651	2,000,939	3,554,688	19,370	23,473,902
At 2 July 2023	12,607,187	3,240,217	1,860,297	1,411,792	24,213	19,143,706
At 31 December 2023	13,008,673	2,993,683	1,944,267	1,812,113	21,659	19,780,395

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

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

Growth rate	3%
Discount rate	5.0%
Number of years projected	over life of lease

The value-in-use figure has been calculated using the expected annual cashflows of the Group from the latest forecasts at the time of review. In producing the forecasts, the Directors have considered the impact of current inflation levels, rising wage costs as well as the potential risk of recession.

The growth rate is based on a combination of industry average growth rates, actual results achieved historically and the current economic conditions. Sensitivity analysis was performed on the forecasted cashflows as well as the growth rate and only a significant reduction in cashflows would result in a material impairment charge. Therefore, based on the impairment review and

sensitivity analysis carried out, an impairment charge of £nil (H1 2023: £nil, 31 December 2023: £85,466) was recorded for the period.

9. Share capital

Authorised, issued and fully paid	Number of shares		
	30 June 2024	2 July 2023	31 December 2023
Brought forward	122,666,667	122,666,667	122,666,667
Issued in the period	-	-	-
	122,666,667	122,666,667	122,666,667
	Nominal value		
	30 June 2024	2 July 2023	31 December 2023
	£	£	£
Brought forward	1,226,667	1,226,667	1,226,667
Issues in the period	-	-	-
	1,226,667	1,226,667	1,226,667

10. Cash flow from operations

Reconciliation of loss to cash generated from operations:

	Half-year ended 30 June 2024	Half-year ended 2 July 2023	Period ended 31 December 2023
	£	£	£
Operating loss for the period	(1,605,347)	(778,993)	(720,098)
Depreciation	1,928,133	1,655,805	3,328,567
Share-based payment (credit) / charge	(12,510)	10,006	30,542
Loss on disposal of fixed assets	123,479	-	8,940
Provisions	15,723	-	27,059
Lease adjustments	525,000	-	132,786
Impairment of assets	-	-	107,316
Rent concessions	-	-	(21,062)
Movements in working capital			
Decrease / (increase) in inventories	50,306	(51,416)	(46,833)
Increase in trade and other receivables	(430,491)	(159,506)	(124,655)
Increase / (decrease) in payables and provisions	1,435,113	(594,868)	(434,680)
Cash generated from operations	2,029,406	81,028	2,287,882

11. Adjusted EBITDA

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

	Half-year ended 30 June 2024	Half-year ended 2 July 2023	Period ended 31 December 2023
	£	£	£
Loss after tax	(1,738,054)	(780,460)	(1,599,431)
Add back:			
Finance costs	678,955	497,567	1,019,154
Finance income	(76,654)	-	(94,147)
Taxation credit	(469,594)	(496,100)	(45,674)
Depreciation	1,928,133	1,655,805	3,328,567
Impairment of assets	-	-	107,316
EBITDA	322,786	876,812	2,715,785
Share-based payments (credit) / charge	(12,510)	10,006	30,541
Loss on disposal of fixed assets	123,479	-	8,940
Exceptional legal and professional fees	103,357	23,045	101,145
Restaurant opening costs	331,996	-	88,886
Restaurant closing costs	5,196	75,657	76,649
Dilapidations	15,723	16,493	-
Adjusted EBITDA	890,027	1,002,013	3,021,946

12. Subsequent events

Subsequent to the half year the Ashford Outlet Centre franchise restaurant closed.

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