



RNS Number : 3983B
Comptoir Group PLC
10 June 2021

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Comptoir Group Plc

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

Annual Report for the Year Ended 31 December 2020

Highlights:

- Group revenue of £12.5m down by 62.6% (2019: £33.4m)
- Gross profit of £9.3m down by £15.5m (2019: £24.9m).
- Adjusted EBITDA* before highlighted items of £1.4m down by 73.5% (2019: £5.3m).
- IFRS loss after tax of £8.1m (2019: £0.7m loss).
- Net cash and cash equivalents at the period end of £7.8m (31 December 2019: £5.1m).
- The basic loss per share for the year was 6.6pence (2019: basic loss per share 0.54 pence).
- Currently own and operate 23 restaurants, with a further 4 franchise restaurants.

Note that these results are impacted by COVID-19 related closures affecting all restaurants in the Group from 19th March 2020.

*Adjusted EBITDA was calculated from the profit/(loss) before taxation adding back interest, depreciation, share-based payments and non-recurring costs (note 10,11). The Group has applied IFRS 16 Leases that result in the restatement of the previous financial statements (note 2).

Richard Kleiner, Non-Executive Chairman, said: *"It has been an unprecedented year that has brought with it considerable challenges. However, the team has navigated these challenges incredibly well. All of our team members have worked tirelessly with incredible dedication and passion to ensure we emerge focused and ready to serve our customers once again. During the periods of closure, costs were minimised, suppliers and landlords actively engaged and more importantly, the relationship with our restaurant team and our customers remained as strong as ever."*

The Comptoir brand has cemented its strength during the pandemic with its excellent quality, healthy food served all served in the safest possible environment, whilst retaining the genuine feel of family and friendly hospitality that is the very heart and soul of our offering.

I am encouraged by the strong performance of our eat-in business since the limited reopening of sites and with the government roadmap set out and the vaccine roll-out continuing at a pace I'm optimistic for the coming year post-lockdown, and continue to be confident in the public's appetite to safely socialise and enjoy our family hospitality; We look forward, once it is safe, to fully welcome back our customers and teams.

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Chief Executive's Review

For the year ended 31 December 2020

COVID-19 Update

The business traded well at the start of 2020, in line with management expectations. However, the impact from March due to the COVID-19 pandemic meant the rest of the year was very different to what anyone would have anticipated. The initial Government guidance informed people to avoid visiting bars and restaurants in early March, followed by what would be the first of three complete national lockdowns, which had a devastating impact on the business. Ultimately Comptoir would find its restaurants closed for more of the year than they actively traded.

As a direct result of the first national lockdown, all the restaurants within the Group were fully closed for trading from the 19th March 2020. The sites remained closed until the 4th July when the first lockdown was lifted, at which point we began a phased reopening with 8 sites trading.

The "Eat out to Help Out" ("EOTHO") Scheme was a well-received Government initiative that helped trade outside of London recover in August 2020. Sales were favourable as people returned to their favourite locations after a significant amount of time in Lockdown. However, this improvement in trading was to prove all too brief as stricter measures returned in September 2020, which included "The Rule of Six" as well as a 10 pm curfew. In mid-October, a tier system was introduced across the country and on the 5th November, we entered another national lockdown period where all sites were closed. Sites reopened on the 2nd December however with the tier system still in effect and with lockdown being tightened to include a fourth tier. Christmas trading bore no resemblance to any expectations and by Christmas week itself, only 3 sites remained open for eat-in trade. A third national lockdown commenced the 5th January 2021 with sites only

reopening to outside seating on the 12th April. Throughout the year the various changes in the rules have often been with limited notice. However effective we have been at managing these changes, it has inevitably led to inventory write-offs and increases in some other operating costs.

Whilst the number one priority for the Group has always been, and will certainly always continue to be, ensuring the safety of all of our employees and guests, the Board's focus was also to take all appropriate measures to reduce the financial impact on the Group and some of the key areas are discussed in more depth below.

Labour

In the immediate aftermath of the closures and following the announcement of the Government's furlough scheme to support employees, the Group immediately placed all its employees, barring a very small number of the central support team, into furlough. At the same time a significant reduction in directors' remuneration packages, including three directors receiving no remuneration at all for six months, and a reduced salary for the rest of the year ensured that operating costs were reduced to the minimum to ensure the business remained a viable proposition.

Property

Property related costs and in particular rental costs are a significant part of our cost base, especially with zero income during closure and a significant reduction in normal trade when reopened for short periods. The Group immediately entered into negotiations with all landlords to agree on an approach that would help ensure our sustainability in the long term. I am pleased to report the majority of our landlords engaged with us in understanding the difficulties that we all face and we reached mutually agreed positions involving rent waivers, deferments and deductions from rent deposits and more importantly, a variation in the lease terms to include turnover rents instead of base rents going forward. I would like to sincerely thank all the landlords who have worked with us so far.

We constantly review our existing estate to consider if some restaurants should close permanently. The pandemic accelerated the decision in some cases and the following restaurants were surrendered or are in the process of being surrendered:

1. Gatwick closed permanently in March 2020
2. Heathrow closed permanently in March 2020
3. Levant was handed back to the landlord in December 2020
4. Poland Street closed permanently in May 2021
5. Haymarket is due to close permanently in June 2021
6. Leeds is due to close on, or before, April 2022

We will continue to review and monitor the position of all our sites within the estate.

Government Support

The various initiatives including the Job Retention Scheme ("CJRS"), business rates relief, VAT reduction to 5%, HMRC payment deferral, Restart grants and EOTH0 have proved invaluable in supporting the Group during the last year. However, such provisions can never compensate fully for the lost trade and consideration needs to be given that there is still a cost to the business of every employee who

received furlough.

I would like to take this opportunity to thank all of our stakeholders who in these extraordinary times have worked collaboratively with us to ensure the ongoing viability of our business. None more so than our truly fantastic teams, both in the restaurants and in central supporting roles. I thank you personally from the very bottom of my heart for your continued patience and exceptional commitment to our business. The underlying Comptoir family ethos has never been so important than in times of unprecedented crisis.

Revenue and Operating Profit

The business traded with all restaurants fully open up until 19th March when, following guidance by the UK Government, the Board took the decision to close all restaurants within the Group. This was closely followed by the Government implementation of complete lockdown measures, including enforced closure of all restaurants and leisure sites across the UK. As noted previously a further lockdown was instigated in November as well as other restrictive policies through the year such as the 10 pm curfew and the implementation of support bubbles for socialising outside of one's own family.

As a result, revenue for the period was down 62.6% on last year to £12.5m (2019: £33.4m). In the period leading up to closure, revenue had been in line with management expectations.

The Board carried out a full impairment review and as a result, impairment of £4.0m has been charged, based on the judgement of future cash flow generation from each restaurant.

This impairment charge contributed towards the reported IFRS loss after tax of £8.1m (2019: £0.7m loss).

The Group has also taken account of the amendment to IFRS16 COVID-19 related rent concessions. Where the rent concession is a direct consequence of COVID-19 and the reduction does not involve substantive changes to the lease then the concessions can be credited to the profit and loss. This has resulted in a one-off credit of £982k in the period.

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

Cashflow and Financing

Cash generated from operations was £2.7m (2019: £5.5m) reflecting the impact of the closure periods across the year.

Capital expenditure for the year was significantly reduced due to the pandemic and totalled £0.2m (2019: £1.3m).

The Board also decided to apply for the Government-backed Coronavirus Business Interruption Loan Scheme ("CBILS") and has drawn down on this loan. This borrowing helped to protect the cash position, particularly with the requirement to pay the additional liabilities. The Company has no other debt and there are no banking covenants with regard to such borrowings.

The Bank net cash position at the year-end was £7.8m.

Current trading and outlook

The Group began a phased re-opening of its restaurants for full dining from 12th April in line with government guidelines for outside dining only. On May 17th we opened for full dining inside and out. Our franchise partners HMS Host have re-opened three out of the four sites they operate (Utrecht,

Ashford and Cheshire Oaks). The fourth HMS Host site in Dubai is due to open soon. As mentioned above, the two franchise restaurants operated by The Restaurant Group ("TRG") in Heathrow and Gatwick will not re-open.

Trading has been extremely encouraging since reopening the 21 managed sites on the 17th May in compliance with the government guidelines for group sizes and social distancing, as well as continuing to offer takeaway/click and collect and delivery services. We look forward to being able to trade fully across the Summer and beyond. As a result of this trading performance, the Group continues to plan the opening pipeline for the next three years.

The focus on the health and safety of our team members and guests has been further enhanced by the implementation of a new Comptoir App providing our guests with the option to order and pay safely at the table.

The implementation of new systems (Fourth Hospitality and Access) in respect of labour rota control, margin control and maintenance leaves the company well-positioned to leverage further cost efficiencies in the future. The board believe that the potential for organic growth in both the Shawa and Comptoir group remains through selective managed sites as well as with our Franchise partners.

Chaker Hanna

Chief Executive Officer

9th June 2021

Strategic Report

For the year ended 31 December 2020

The Directors present their strategic report for the year ended 31 December 2020.

Business model

The Group's principal brand is Comptoir Libanais, which operates Lebanese and Eastern Mediterranean focused restaurants. The restaurants seek to offer an all-day dining experience based around healthy and fresh food in a friendly, colourful and vibrant environment, which presents value for money. Lebanese and Eastern Mediterranean food is, in our opinion, a popular current food trend due to its flavoursome, healthy, low fat 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 consumer. Each Comptoir Libanais restaurant has posters and menus showing an artist's impression of Sirine Jamal al Dine, an iconic Arabian actress, providing a Middle Eastern café-culture feel.

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

The average net spend per head over 2020 at Comptoir Libanais was £17.55 and the average spend at Shawa was lower at £11.17, so our offering is positioned in the affordable or 'value for money' segment of the UK casual dining market. In addition, our offering is well-differentiated and faces limited direct competition, in marked contrast to other areas of the market.

Strategy for growth

Our strategy is to grow our owned-site operations under both the Comptoir Libanais and Shawa brands. While Comptoir Libanais is likely to remain the principal focus of our operations, Shawa provides the opportunity to offer our Lebanese food from a smaller footprint and therefore create greater flexibility to our roll-out plans.

We also believe that there is still considerable potential to grow the Group's franchised operations and we see this as a complimentary and relatively low-risk route to extend the presence of our brands, both within the UK and in overseas territories. We will see the opening of another two sites with our franchise partner HMS Host in Abu Dhabi Airport & Doha.

The UK food delivery market continues to grow at pace, aided by increasing technology enabling ease of ordering and quick access to a wide offering of menus through apps such as UberEats. We negotiated new multi-platform delivery agreements with Deliveroo, Just Eat and UberEats which commenced in March 2020 and helped to drive significant further growth across this channel through direct delivery to our customers.

Review of the business and key performance indicators (KPIs)

Covid-19 impacted the performance of the Group on a material basis. As a result, Group revenue reduced by 62.6% to £12.5m (2019 - £33.4m) and the Consolidated Statement of Comprehensive Income shows a post-tax loss of £8.1m (2019 - £0.7m loss). 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 £1.4m (2019 - £5.3m).

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 last year's achieved levels.

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. Due to the pandemic, the disruption has meant this measure has not been in use regularly. We also use feedback from health and safety audits conducted by an external company (Food Alert) to ensure that critical operating procedures are being adhered to.

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

Principal risks and uncertainties

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

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

Consumer demand

Any weakness in consumer confidence could have an adverse effect on footfall and customer spend in our restaurants. The Covid-19 virus had a significant impact on the hospitality sector and the wider UK and global economy. There can be no argument on the devastating impact all in the industry have felt, however, we are now looking forward to a period of normality as we return to business as usual.

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.

As indicated above, the core brands within the Group are positioned in the affordable segment of the casual dining market. A strong focus on superior and attentive service together with value-added marketing initiatives can help to drive sales when customer footfall is more subdued. 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 continued progressive increases in the UK National Living Wage and Minimum Wage rates present a challenge we must face up to alongside our peers and competitors.

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 exit from the European Union and negotiations over future trading has left a great deal of uncertainty that could impact consumer spending. Deterioration in consumer confidence due to future economic conditions could have a detrimental impact on the Group in terms of footfall and sales. This risk is mitigated by the positioning of the Group's brands, which is 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, minimum wage / Living wage 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 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.

Energy Consumption and Carbon Emissions

The Group is a 'quoted company' under the Streamlined Energy and Carbon Reporting regulations and must report its greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport annually. This is the first reporting year under these new regulations so there is no emissions data for prior years.

The Group has followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting. The chosen intensity measurement ratio is total gross emissions in Kgs CO₂e/Cover.

Greenhouse gas emissions and energy use data for the year ended 31 December 2020

	FY 2020
Energy consumption used to calculate emissions (kWh)	5,128,917
Energy consumption break down (kWh):	
• Natural gas	2,148,415
• Electricity	2,929,506
• Company Fleet	50,966
Scope 1 emissions in metric tonnes CO ₂ e:	
Gas consumption	741.72
Company Fleet	12.89
Scope 2 emissions in metric tonnes CO ₂ e:	
Purchased electricity	682.99
Scope 3 emissions in metric tonnes CO ₂ e:	
Electricity T&D	58.74
Total gross emissions in metric tonnes CO₂e	1,149.64

Intensity ratio Kgs CO2e per Cover

1.72

Measures taken to improve energy efficiency

The Group continues to strive for energy and carbon reduction arising from their activities. All sites conducted a full check on all equipment when in lockdown to ensure usage was kept to a minimum including fridges and freezers where possible. Air conditioning and heating was also reduced to minimum temperatures for maintenance levels.

Future developments

The Group will continue to roll out selectively its Comptoir Libanais and Shawa brands to further new sites across the UK and to explore further opportunities to grow the Comptoir Libanais brand via franchising with suitable partners and expansion of the external catering offering.

On behalf of the Board

Chaker Hanna

Chief Executive Officer

9th June 2021

Strategic Report - Section 172 Statement

This is the first 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 requirement applies to the Company from the 2020 financial year.

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 Groups 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.

- 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.

Example

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

- Ongoing training and development at all levels
- Engagement through the company engagement application, newsletters, emails and other communications tools
- Protection of teams throughout the COVID-19 pandemic

- Protection of customers and teams throughout the COVID-19 pandemic
- Maintenance of regular contact with all suppliers.
- Launch of 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

Chaker Hanna

Chief Executive Officer

9th June 2021

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 three directors being Chaker Hanna and Ahmed Kitous as executive directors and Richard Kleiner as non-executive director.

Richard Kleiner is 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 eight Board meetings during the year. Richard Kleiner is Chairman of both the Audit and the Remuneration Committees. The terms of reference of both 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 particular 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 institutional investors including presentations after the Group's year-end and half year results announcements. Feedback from major institutional 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

Uncertainty due to the recent COVID-19 outbreak has been considered as part of the Group's adoption of the going concern basis. Trading remains impacted by COVID-19 despite reopening following the latest Government lockdown. The health of our staff and our customers is the Board's highest priority.

All appropriate measures have been put in place to reduce the impact on the Group, including cost reduction and refurbishments and other capital expenditure projects. The Board's latest forecasts are based on a scenario where the business expects sales to remain below 2019 levels with expected sales increasing gradually in 2021. The Board has factored in a delay in all non-committed capital expenditure, reduction in variable costs including staffing and moving to monthly rent payments. In addition, the Government has announced extensions to the business rates holiday/reduction as well as maintaining VAT at 5% until the autumn.

The Board has also considered various scenarios including closure and weakened growth rates. This continues to be under review given current market conditions associated with COVID-19. The Group currently has cash reserves of £8m 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, however there is an inherent uncertainty about future trading and the going concern position. These financial statements have therefore been prepared on the going concern basis.

Consolidated statement of comprehensive income

For the year ended 31 December 2020

	Notes	Year ended 31 December 2020	Year ended 31 December 2019
		£	£
Revenue	2	12,492,506	33,403,402
Cost of sales		(3,179,944)	(8,547,180)
Gross profit		9,312,562	24,856,222
Distribution expenses		(7,463,177)	(8,605,186)

Administrative expenses		(14,649,765)	(16,695,054)
Other income	2	5,561,410	1,020,090
Operating profit	3	(7,238,970)	576,072
Finance costs	6	(910,885)	(1,096,462)
Loss before tax		(8,149,855)	(520,390)
Taxation charge	7	48,326	(146,573)
Loss for the year		(8,101,529)	(666,963)
Other comprehensive income		-	-
Total comprehensive loss for the year		(8,101,529)	(666,963)
Basic loss per share (pence)	8	(6.60)	(0.54)
Diluted loss per share (pence)	8	(6.60)	(0.54)
Adjusted EBITDA:			
Loss before tax - as above		(8,149,855)	(520,390)
Add back:			
Depreciation	11	4,020,265	4,036,957
Finance costs	6	910,885	1,096,462
Impairment of assets	10, 11	4,019,871	129,001
EBITDA		801,166	4,742,030
Share-based payments expense	20	14,578	53,963
Restaurant opening costs	3	53,378	18,075
Payroll provision	3	353,012	-
Loss on disposal of fixed assets		171,617	298,022
Abandoned project costs		-	156,849
Adjusted EBITDA		1,393,751	5,268,939

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

Consolidated balance sheet

At 31 December 2020

	Notes	31 December 2020	31 December 2019
		£	£
Assets			
Non-current assets			
Intangible assets	10	55,267	87,675
Property, plant and equipment	11	8,473,596	11,287,115
Right-of-use assets	11	17,596,744	23,951,079

Deferred tax asset	18	-	139,588
		26,125,607	35,465,457
Current asset			
Inventories	13	424,673	594,409
Trade and other receivables	14	1,100,922	2,202,974
Cash and cash equivalents		7,833,676	5,076,610
		9,359,271	7,873,993
Total assets		35,484,878	43,339,450
Liabilities			
Current liabilities			
Borrowings	16	(250,000)	(261,611)
Trade and other payables	15	(6,527,668)	(5,015,604)
Lease liabilities	27	(2,443,198)	(2,481,471)
Current tax liabilities		(45,817)	(184,125)
		(9,266,683)	(7,942,811)
Non-current liabilities			
Borrowings	16	(2,750,000)	(55,735)
Provisions for liabilities	17	(832,455)	(438,570)
Lease liabilities	27	(20,161,543)	(24,170,903)
Deferred tax liability	18	-	(170,283)
		(23,743,998)	(24,835,491)
Total liabilities		(33,010,681)	(32,778,302)
Net assets		2,474,197	10,561,148
Equity			
Share capital	19	1,226,667	1,226,667
Share premium		10,050,313	10,050,313
Other reserves	20	97,286	82,708
Retained losses		(8,900,069)	(798,540)
Total equity - attributable to equity shareholders of the company		2,474,197	10,561,148

The financial statements of Comptoir Group PLC (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 9th June 2021 and were signed on its behalf by:

Chaker Hanna
Chief Executive Officer

Consolidated statement of changes in equity

For the year ended 31 December 2020

Notes	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Restated balance at 1 January 2019	1,226,667	10,050,313	28,745	(131,577)	11,174,148

Total comprehensive loss						
Restated loss for the year	-	-	-	(666,963)	(666,963)	
Transactions with owners						
Share-based payments	20	-	-	53,963	-	53,963
At 31 December 2019		1,226,667	10,050,313	82,708	(798,540)	10,561,148
At 1 January 2020		1,226,667	10,050,313	82,708	(798,540)	10,561,148
Total comprehensive loss						
Loss for the year		-	-	-	(8,101,529)	(8,101,529)
Transactions with owners						
Share-based payments	20	-	-	14,578	-	14,578
At 31 December 2020		1,226,667	10,050,313	97,286	(8,900,069)	2,474,197

Consolidated statement of cash flows

For the year ended 31 December 2020

	Notes	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Operating activities			
Cash inflow from operations	23	2,842,394	5,654,971
Interest paid		(6,253)	(21,730)
Tax paid		(120,677)	(93,981)
Net cash from operating activities		2,715,464	5,539,260
Investing activities			
Purchase of property, plant & equipment	11	(182,578)	(1,287,749)
Net cash used in investing activities		(182,578)	(1,287,749)
Financing activities			
Payment of lease liabilities	27	(2,458,474)	(3,373,788)
Bank loan proceeds		3,000,000	-
Bank loan repayments	24	(317,346)	(425,786)
Net cash from/(used in) financing activities		224,180	(3,799,574)

Increase in cash and cash equivalents	2,757,066	451,937
Cash and cash equivalents at beginning of year	5,076,610	4,624,673
Cash and cash equivalents at end of year	7,833,676	5,076,610

Notes to the consolidated financial statements

For the year ended 31 December 2020

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

	31 December 2020	31 December 2019
	£	£
Income for the year consists of the following:		
Revenue from continuing operations	12,492,506	33,403,402
Other income not included within revenue in the income statement:		
UberEATs compensation	88,517	643,739
Insurance claims receivable	153,186	346,351
Landlord compensation	-	30,000
Covid-19 related rent concessions	982,209	-
Coronavirus Job Retention Scheme income	4,337,498	-
	5,561,410	1,020,090
Total income for the year	18,053,916	34,423,492

3. Group operating loss

	31 December 2020	31 December 2019
	£	£
This is stated after charging/(crediting):		
Operating lease charges	185,456	787,222

Rent concessions	(982,209)	-
Lease modifications	(340,494)	-
Share-based payments expense (see Note 22)	14,578	53,963
Restaurant opening costs	53,378	18,075
Depreciation of property, plant and equipment (see Note 11)	4,020,265	4,036,957
Impairment of assets (see Note 10 & 11)	4,019,871	129,001
Loss on disposal of fixed assets	171,617	298,022
Auditors' remuneration (see Note 4)	52,250	51,250
Payroll provision	353,012	-
Development of the Grab & Go concept subsequently cancelled	-	74,551
Costs in relation to unopened new sites	-	67,211
Reclassification of legal fees	-	15,087

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

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.

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:

	31 December 2020	31 December 2019
	£	£
Pre-opening costs	53,378	3,982
Post-opening costs	-	14,093
	53,378	18,075

4. Auditors' remuneration

	31 December 2020	31 December 2019
	£	£
Auditors' remuneration:		
Fees payable to Company's auditor for the audit of its annual accounts	15,750	15,750

Other fees to the Company's auditors

The audit of the Company's subsidiaries	20,000	20,000
Total audit fees	35,750	35,750
Review of the half-year accounts	16,500	15,500
Total non-audit fees	16,500	15,500
Total auditors' remuneration	52,250	51,250

5. Staff costs and numbers

	31 December 2020 £	31 December 2019 £
(a) Staff costs (including directors):		
<i>Wages and salaries:</i>		
Kitchen, floor and management wages	4,619,492	11,416,977
Apprentice Levy	29,632	41,455
<i>Other costs:</i>		
Social security costs	456,770	842,168
Share-based payments (<i>note 22</i>)	14,578	53,963
Pension costs	107,125	249,086
Total staff costs	5,227,597	12,603,649
(b) Staff numbers (including directors):	Number	Number
Kitchen and floor staff	463	538
Management staff	73	114
Total number of staff	536	652
(c) Directors' remuneration:		
Emoluments	233,456	495,000
Money purchase (and other) pension contributions	46,186	101,457
Non-Executive directors' fees	26,250	30,000
Total directors' costs	305,892	626,457

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

Emoluments	71,250	187,500
Money purchase (and other) pension contributions	27,947	50,134

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

6. Finance costs

	31 December 2020	31 December 2019
	£	£
Interest payable and similar charges:		
Interest on bank loans and overdraft	6,253	21,730
Interest on lease liabilities	904,632	1,074,732
Total finance costs for the year	910,885	1,096,462

7. Taxation

The major components of income tax for the years ended 31 December 2020 and 2019 are:

(a) Analysis of charge in the year:

a) Analysis of charge in the year:

	31 December 2020	31 December 2019
	£	£
<i>Current tax:</i>		
UK corporation tax on the profit/(loss) for the year	(18,663)	119,645
Adjustments in respect of previous years	1,032	436
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(29,611)	317
Tax losses carried forward	(1,084)	26,175
Total tax (credit)/charge for the year	(48,326)	146,573

b) Factors affecting the tax charge for the year:

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

	31 December 2020	31 December 2019
	£	£
Loss before tax	(8,149,855)	(520,390)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	(1,548,472)	(98,874)
<i>Effects of:</i>		
Depreciation on non-qualifying assets	123,867	122,499
Expenses not deductible for tax purposes	768,144	95,716
Adjustments in respect of previous tax years	1,032	436
Deferred tax	-	26,492
Other miscellaneous items	-	304
Losses not recognised as deferred tax	607,103	-
Total tax (credit)/charge for the year	(48,326)	146,573

8. Loss per share

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

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

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

	31 December 2020	31 December 2019
	£	£
Loss attributable to shareholders	(8,101,529)	(666,963)
	2020	2019
Weighted average number of shares		
For basic earnings per share	122,666,667	122,666,667
Adjustment for options outstanding	-	180,385
For diluted earnings per share	122,666,667	122,847,052
	2020	2019
	Pence per share	Pence per share
Loss per share:		
<u>Basic (pence)</u>		
From loss for the year	(6.60)	(0.54)
<u>Diluted (pence)</u>		

From loss for the year

(6.60)

(0.54)

Diluted (loss)/earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of shares and 'in the money' share options in issue. Share options are classified as 'in the money' if their exercise price is lower than the average share price for the period. As required by IAS 33 'Earnings Per Share', this calculation assumes that the proceeds receivable from the exercise of 'in the money' options would be used to purchase share options in the open market in order to reduce the number of new shares that would need to be issued. As the shares were not 'in the money' as at 31 December 2020 and consequently would be antidilutive, no adjustment was made in respect of the share options outstanding to determine the diluted number of options.

9. Dividends

No dividends were paid or declared in the year ended 31 December 2020 (2019: £nil).

10. Intangible assets

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

	Goodwill £	Total £
Cost		
At 1 January 2020	89,961	89,961
Additions	-	-
At 31 December 2020	89,961	89,961
Accumulated amortisation and impairment		
At 1 January 2020	(2,286)	(2,286)
Amortised during the year	-	-

Impairments	(32,408)	(32,408)
At 31 December 2020	(34,694)	(34,694)
Net Book Value as at 31 December 2019	87,675	87,675
Net Book Value as at 31 December 2020	55,267	55,267

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 year, 100% of the goodwill allocated to Yalla Yalla Winsley, being £32,408 was impaired based on the impairment test. The remaining goodwill related to Yalla Yalla Soho. No impairment of goodwill was considered necessary in relation to this site.

11. Property, plant and equipment

Group	Right-of use Assets	Leasehold Land and buildings	Plant and machinery	Fixture, fittings & equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2019	27,669,309	11,490,327	4,949,517	3,096,004	15,120	47,220,277
Additions	1,426,428	647,651	360,815	240,973	38,310	2,714,177
Disposals	-	(623,376)	(158,449)	(220,458)	-	(1,002,283)
At 31 December 2019	29,095,737	11,514,602	5,151,883	3,116,519	53,430	48,932,171
Accumulated depreciation and impairment						
At 1 January 2019	(2,427,099)	(4,335,233)	(2,257,899)	(1,205,357)	(5,443)	(10,231,031)
Depreciation during the year	(2,621,243)	(760,432)	(452,878)	(200,473)	(1,930)	(4,036,957)
Disposals during the year	-	466,755	104,464	131,792	-	703,011
Impairment during the year	(96,316)	(18,947)	(7,074)	(6,665)	-	(129,001)
At 31 December 2019	(5,144,658)	(4,647,857)	(2,613,387)	(1,280,703)	(7,373)	(13,693,978)
Cost						
At 1 January 2020	29,095,737	11,514,602	5,151,883	3,116,519	53,430	48,932,171
Additions	-	50,421	92,216	39,942	-	182,579
Disposals	-	(549,000)	(443,325)	(297,914)	-	(1,290,239)
Modifications	(1,171,088)	-	-	-	-	(1,171,088)
At 31 December 2020	27,924,649	11,016,023	4,800,774	2,858,547	53,430	46,653,423
Accumulated depreciation and impairment						
At 1 January 2020	(5,144,658)	(4,647,857)	(2,613,387)	(1,280,703)	(7,373)	(13,693,978)
Depreciation during the year	(2,650,381)	(786,000)	(390,594)	(191,728)	(1,562)	(4,020,265)
Disposals during the year	-	523,287	363,668	231,668	-	1,118,623
Impairment during the year	(2,532,866)	(967,600)	(285,767)	(201,230)	-	(3,987,463)
At 31 December 2020	(10,327,905)	(5,878,170)	(2,926,080)	(1,441,993)	(8,935)	(20,583,083)

Net Book Value as at 31 December 2019	23,951,079	6,866,745	2,538,496	1,835,816	46,057	35,238,194
Net Book Value as at 31 December 2020	17,596,744	5,137,853	1,874,694	1,416,554	44,495	26,070,340

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

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

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

Sales and costs growth	3%
Discount rate	5.9%
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 COVID-19. Management has also performed sensitivity analysis on all inputs to the model and noted no material sensitivities in the model.

Based on the review, an impairment charge of £4,019,871 (2019: £129,001) was recorded for the year.

12. Subsidiaries

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

Name	Country of incorporation and principal place of business	Proportion of ownership interest as at 31 December		Non-Controlling interests Ownership/voting interest at 31 December	
		2020	2019	2020	2019
Timerest Limited	England & Wales	100%	100%	-	-
Chabane Limited*	England & Wales	100%	100%	-	-
Comptoir Franchise Limited	England & Wales	100%	100%	-	-

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

13. Inventories

	Group 31 December 2020 £	31 December 2019 £
Finished goods and goods for resale	424,673	594,409

14. Trade and other receivables

	Group 31 December 2020 £	31 December 2019 £
Trade receivables	50,027	736,179
Other receivables	576,320	796,923
Prepayments and accrued income	474,575	669,872
Total trade and other receivables	1,100,922	2,202,974

15. Trade and other payables

	Group 31 December 2020 £	31 December 2019 £
Trade payables	2,517,573	2,399,243
Accruals	3,265,436	1,511,579
Other taxation and social security	637,640	974,453
Other payables	107,019	130,329
Total trade and other payables	6,527,668	5,015,604

16. Borrowings

	Group 31 December 2020 £	31 December 2019 £
Amounts falling due within one year:		
Bank loans (see below)	250,000	261,611
Total borrowings	250,000	261,611
Amounts falling due after more than one year:		
Bank loans (see below)	2,750,000	55,735
Total borrowings	2,750,000	55,735

During the year all loans outstanding as at 31 December 2019 were repaid and the Group obtained 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 £3,000,000 represent amounts repayable within one year of £250,000 (2019: £261,611) and £2,750,000 (2019: £55,735) 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.

17. Provisions for liabilities

	Group 31 December 2020 £	31 December 2019 £
Provisions for leasehold property dilapidations	106,411	65,538
Provisions for rent reviews per lease agreements	373,032	373,032
Provisions for payroll pension costs	353,012	-
Total provisions	832,455	438,570
Movements on provisions:	£	£
At 1 January 2020	438,570	60,892
Provision in the year (net of releases)	393,885	377,678
Total at 31 December 2020	832,455	438,570

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.

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.

18. Deferred taxation

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

Group	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	-	170,283	-	-
Tax losses	-	-	-	139,588
Share-based payments	-	-	-	-
	-	170,283	-	139,588

Movements in the year:	Group 2020 £	Group 2019 £
Net liability at 1 January	(30,695)	(4,203)
Charge to Statement of Comprehensive Income (note 7)	30,695	(26,492)
Net liability at year end	-	(30,695)

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

19. Share capital

Authorised, issued and fully paid	Number of 1p shares	
	31 December 2020	31 December 2019
Brought forward	122,666,667	122,666,667
Issued in the period	-	-
At 31 December	122,666,667	122,666,667
	Nominal value	
	31 December 2020 £	31 December 2019 £
Brought forward	1,226,667	1,226,667
Issues in the period	-	-
At 31 December	1,226,667	1,226,667

20. Other reserves

The other reserves amount of £97,286 (2019: £82,708) in the balance sheet reflects the credit to equity made in respect of the charge for share-based payments made through the income statement and the purchase of shares in the market in order to satisfy the vesting of existing and future share awards under the Long-Term Incentive Plan.

21. Retirement benefit schemes

Defined contribution schemes	31 December 2020 £	31 December 2019 £
Charge to profit and loss	107,125	249,086

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

administered fund.

22. Share-based payments scheme

Equity-settled share-based payments

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

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

A share-based payment charge of £14,578 (2019: £53,963) 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.

		31 December 2020		31 December 2019
	No. of shares	Average Exercise price £	No. of shares	Average Exercise price £
CSOP options				
Options outstanding, beginning of year	4,690,000	0.1025	4,890,000	0.1025
Granted	-	-	-	-
Cancelled	1,380,000	0.1025	200,000	0.1025
Options outstanding, end of year	3,310,000	0.1025	4,690,000	0.1025
Options exercisable, end of year	-	-	-	-

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

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

Risk free interest rate

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

Expected term

The expected term represents the maximum term that the Group's share options in relation to employees of the Group are expected to be outstanding. The expected term is based on expectations using information available.

Estimated volatility

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

Expected dividends

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

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

	31 December 2020 £	31 December 2019 £
Operating (loss)/profit for the year	(7,238,970)	576,072
Depreciation	4,020,265	4,036,957
Loss on disposal of fixed assets	171,617	299,272
Impairment of assets	4,019,871	129,001
Rent concessions	(982,209)	-
Lease modifications	(340,494)	-
Share-based payment charge	14,578	53,963
Movements in working capital		
Decrease in inventories	169,736	112,332
Decrease/(increase) in trade and other receivables	1,102,052	(344,532)
Increase in payables and provisions	1,905,948	791,906
Cash from operations	2,842,394	5,654,971

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

Net cash/(debt):	31 December 2020 £	Restated 31 December 2019 £
At the beginning of the year	(21,914,841)	(23,643,462)
Movements in the year:		
Bank and other borrowings	(2,660,924)	425,786
Lease liabilities	2,458,474	3,373,788
Non-cash movements in the year	1,589,160	(2,522,890)
Cash inflow/(outflow)	2,757,066	451,937
At the end of the year	(17,771,065)	(21,914,841)

Represented by:	Restated At 1 January 2019 £	Restated Cash flow movements in the year £	Restated Non- cash flow movements in the year £	Restated At 31 December 2019 £
Cash and cash equivalents	4,624,673	451,937	-	5,076,610
Bank loans	(743,132)	425,786	(21,730)	(339,076)
Lease liabilities	(27,525,003)	3,373,788	(2,501,160)	(26,652,375)
	(23,643,462)	4,251,511	(2,522,890)	(21,914,841)

	At 1 January 2020 £	Cash flow movements in the year £	Non- cash flow movements in the year £	At 31 December 2020 £
Cash and cash equivalents	5,076,610	2,757,066	-	7,833,676
Bank loans	(339,076)	(2,660,924)	-	(3,000,000)
Lease liabilities	(26,652,375)	2,458,474	1,589,160	(22,604,741)
	(21,914,841)	2,554,616	1,589,160	(17,771,065)

Restatement of the prior year relates to the inclusion of lease liabilities in the analysis.

25. 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:

	31 December 2020	31 December 2019
	£	£
Cash and cash equivalents	7,833,676	5,076,610
Trade and other receivables	1,093,890	2,202,974
Total financial assets	8,927,566	7,279,584

<i>Group financial liabilities:</i>	31 December 2020	31 December 2019
	£	£
Trade and other payables excl. corporation tax	6,527,668	5,015,604
Bank loan	250,000	261,611
Short-term financial liabilities	6,777,668	5,277,215
Bank loan	2,750,000	55,735
Long-term financial liabilities	2,750,000	55,735
Total financial liabilities	9,527,668	5,332,950

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

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

are set out below:

	Trade and other payables *	Bank loans
	£	£
As at 31 December 2019		
Within one year	5,015,604	261,611
Within two to five years	-	55,735
Less future interest payments	-	(7,151)
Total	5,015,604	310,195
As at 31 December 2020		
Within one year	6,527,668	250,000
Within two to five years	-	2,750,000
Less future interest payments	-	-
Total	6,527,668	3,000,000

*excluding corporation tax

Fair value of financial assets and liabilities

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

26. Financial risk management

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

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

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

Credit Risk

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

As a retail business with trading receipts settled either by cash or credit and debit

cards, there is very limited exposure from customer transactions. The Group is exposed to credit risk in respect of commercial discounts receivable from suppliers but the Directors believe adequate provision has been made in respect of doubtful debts and there are no material amounts past due that have not been provided against.

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

Liquidity risk

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

Foreign currency risk

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

Interest rate risk

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

Investment risk

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

27. Lease commitments

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

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

Net book value of right of use assets	31 December 2020	31 December 2019
	£	£
Balance at 1 January	23,951,079	25,242,211

Additions	-	1,426,428
Depreciation charge	(2,650,381)	(2,621,243)
Impairment charge	(2,532,866)	(96,316)
Modifications	(1,171,088)	-
	17,596,744	23,951,079

	31 December 2020 £	31 December 2019 £
Maturity analysis - contractual undiscounted cash flows		
Within one year	(3,207,583)	(3,474,376)
More than one year	(24,723,329)	(30,034,528)
	(27,930,912)	(33,508,904)

	31 December 2020 £	31 December 2019 £
Lease liabilities included in the statement of financial position		
Current	(2,443,198)	(2,481,471)
Non-current	(20,161,543)	(24,170,903)
	(22,604,741)	(26,652,374)

	31 December 2020 £	31 December 2019 £
Amounts charged/(credited) in profit or loss		
Interest on lease liabilities	904,632	1,074,732
Expenses relating to variable lease payments	185,456	787,222
Rent concessions	(982,209)	-
Lease modifications	(340,494)	-
	(232,616)	1,861,954

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.

	31 December 2020 £	31 December 2019 £
Amounts recognised in statement of cash flow		

Total cash outflow for leases	2,458,474	3,373,788
	2,458,474	3,373,788

28. Contingent liabilities

The Group had no contingent liabilities at 31 December 2020 or 31 December 2019.

29. Capital commitments

The Group had no capital commitments of at 31 December 2020 (2019: £34,865).

30. Related party transactions

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

	Remuneration	Pension	Total
P Hanna	48,453	1,221	49,673
M Kitous	36,557	779	37,336
L Kitous	17,602	319	17,922
	102,612	2,319	104,931

During the year, the Group also paid fees of £26,250 (2019: £30,000) to Messrs Gerald Edelman, a firm in which director R Kleiner is a partner, in respect of part of his non-executive director fees. In addition, the Group paid further amounts totalling £5,000 (2019: £5,640) to Messrs Gerald Edelman, in respect of accountancy and corporate finance services provided to the Group.

31. Subsequent events

Subsequent to the year end, from 5th January 2021 we have been operating under the third national lockdown. In line with the latest Government announcements, we opened 17 outdoor spaces where feasible from 12th April 2021 and opened 21 sites for dine in from 17th May 2021.

32. Ultimate controlling party

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

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Full Year Results

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