RNS Number : 8649Y
Comptoir Group PLC
10 May 2023

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Comptoir Group Plc

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

FY 2022 Results - Building the Foundations for Growth and Recovery

Highlights:

- Group revenue increased 49.7% to £31.0m (2021 restated: £20.7m).
- Gross profit up 44.3% to £24.4m (2021 restated: £16.9m).
- Adjusted EBITDA* before highlighted items of £6.3m (2021: £6.4m).
- Cash and cash equivalents balance at the period end of £9.9m and a net cash position of £7.7m (2021: £7.1m).
- Basic EPS of 0.48 pence (2021: 1.34 pence).
- Highly experienced Chair, CEO and non-Executive Director appointed to significantly strengthen the senior leadership team and accelerate the Company's growth trajectory.
- Two new franchise restaurants opened in Stansted and Qatar airports.

Dr Beatrice Lafon, Non-Executive Chair, said:

"*In my first year as Chair, I am delighted to be reporting that Comptoir has performed well against the well documented headwinds affecting the industry.*

"*This was a pivotal year for the Group as it recovered from the challenges presented by the pandemic and was required to address unprecedented inflationary pressures on food and energy prices. Sales increased by almost 50% and underlying profit was maintained as we returned to a normalised trading position compared to the previous two years. Our 'Back-to-Basics' programme was launched in September, improving staff retention by 10% and doubling our guest satisfaction scores. We also delivered a new menu attracting value-conscious customers. We opened two new franchise restaurants in Stansted and Qatar airports over the course of the year.*

"*We were delighted to appoint Nick Ayerst as CEO in October. Nick brings a wealth of experience from his previous roles at LEON and The Restaurant Group. The Board and executive management are focused on reinvesting in the business and its people, building strong foundations for growth.*

"*I would like to thank our teams for their commitment as we evolve the way we serve our guests, as well as our suppliers, partners, and shareholders for their ongoing support. Together, we will continue to drive the success of Comptoir Group, building an even brighter future for our business and our people.*"

*Adjusted EBITDA was calculated from the profit/(loss) before taxation adding back interest, depreciation, share-based payments and non-recurring costs (note 4). Post IFRS 16.

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Notes to Editors

About Comptoir Group

Comptoir Group PLC owns and operates 26 Lebanese restaurants, six of which are franchised, based predominately in the UK. The flagship brand of the group, Comptoir Libanais, is a collection of 20 restaurants located across London and nationwide, including cities such as Manchester, Bath, Birmingham, Oxford and Exeter.

The name Comptoir Libanais means Lebanese Counter and is a place where guests can eat casually and enjoy Middle Eastern food, served with warm and friendly hospitality, just like back home.

The Group also operates Shawa, serving traditional shawarmas through a counter service model in Westfield and Bluewater shopping centres, Yalla-Yalla with branches near Oxford Circus and in Soho, and entertainment venue Kenza, located in Devonshire Square, London.

The group has expanded internationally with its franchise partners HMSHOST, with restaurants in the Netherlands, Qatar and Dubai.

Chief Executive's Review

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

With a passion for our food, and a focus on quality ingredients, our restaurants offer an authentic taste of the region's diverse and vibrant cuisine.

We are dedicated to providing outstanding guest hospitality by creating a welcoming and inviting atmosphere that inspires guests to return time and time again. At Comptoir Group we are driven by a desire to share our love of our delicious food with the wider world.

The Group entered 2022 in good financial shape. Sales recovered throughout the year against the backdrop of the worst cost-of-living crises in recent memory. Food, labour and energy inflation, as well as industrial unrest, meant the business had a number of challenges to tackle, none of which were expected.

Beyond addressing the challenges mentioned above, Comptoir Group with the full support of the Board and the Senior Leadership Team looked to position itself for future growth with significant investment in people, ongoing updates to our restaurants and increasing its focus to become a carbon neutral operator. In 2022 we moved to 100% recyclable packaging in Comptoir Libanais and signed our first contract for green electricity.

2022 was a period of transition for the Group and I am delighted and honoured to be in a position as CEO to deliver my first report on the performance across the business.

Trading

Comparisons to prior years are difficult due to the extended impact of Covid related restrictions between March 2020 and January 2022. However, for the last 6 months of the financial year when compared to 2019 (that being the last comparable period of no interruption) we saw encouraging like-for-like growth, which against the backdrop of external pressures, we believe to be a good trading performance.

Comptoir Group are not immune to the inflationary pressures on the Hospitality industry in general and we took steps to mitigate this impact without compromising the offer to our guests. A 2-year contract hedge on utilities ended in September 2022, and we fixed for another 12 months until September 2023.

Supply chain management was brought in-house for the first time with a clear strategy for control and consolidation that helped mitigate the worst of the external turmoil. During quarter 4 and continuing into 2023 we carried out significant menu re-engineering exercises across the Group. This covered both food and drink and allowed us to offset some of the inflationary pressures and VAT increases to protect margins with only modest price increases. We continue to closely monitor guest sentiment in respect of the value proposition. Our Central Production Unit enables us to control quality and respond quickly to changing circumstances.

People

The teams across all our restaurants and at the Support Office once again showed exceptional commitment to providing our guests with a high-quality experience. We are privileged to have a significant proportion of the team who have been with us for many years and this commitment and experience have enabled us to not lose a single day of trade over the last 3 years due to staffing issues. We are back near to our optimum employment levels and have strong retention KPIs, together with improved terms and conditions for our teams.

During the year we improved pay rates, bonus potential and added or enhanced other benefits such as health care as well as financial and mental well-being support. We introduced incentives relating to guest satisfaction scores ranging from mystery guest scores to Google reviews.

In anticipation of future expansion and strategic planning we have strengthened our management structure throughout the year with key appointments in marketing, procurement and food development.

Technology

Technology is an important element of the Comptoir Group strategy to help enhance the guest journey as well as improve the efficiency of the restaurants and support functions. We continue to invest in both restaurants and Support Office in respect of hardware and software with a particular focus on learning about our guests and how best to interact with them.

Franchising

Franchising is an integral part of the Group's strategy and one that will continue to be focused on over the coming year. In 2022 two new restaurants opened in Travel Hubs: Doha Airport, Qatar and London Stansted Airport, both through our long-term partner HMS Host. Both have performed ahead of expectations, and we continue to review opportunities both in the UK and further afield with existing and new franchise partners.

Digital

Delivery remains an important channel for the business, and we intend to maintain the previously adopted multi-channel approach to ensure Comptoir is widely available to our guests. As dine in returns we have had to adapt operations to satisfy both channels' competing expectations.

Looking ahead

While economic uncertainty and inflationary cost pressures are set to persist in the short term, we believe Comptoir Group is in an excellent position to capitalise on opportunities in the marketplace. Comptoir Libanais is a vibrant and differentiated all-day casual dining brand delivering fresh and healthy food and naturally attractive to those looking for vegan or vegetarian options. Shawa, our fast casual offering has huge potential we believe in the expanding QSR/fast casual marketplace and provides an excellent alternative when assessing properties and opening pipelines. Our destination restaurant brands have a great opportunity for organic growth with a clear market positioning and renewed focus. We are in a position to open new restaurants across the different brands with an experienced and motivated leadership team to execute the Groups strategy.

The cost pressures of the last 12 months have impacted profitability, and this will continue into 2023. Whilst we would expect costs to remain higher than they were prior to the war in Ukraine we continue to mitigate these effects through our new supplier partnerships and menu engineering. Energy prices have already started to retreat, and our flexible hedge allows us to take that benefit as it occurs.

I would like to thank all of my colleagues in our restaurants and Support Office for their commitment during a challenging year. Comptoir Group is able to build on good foundations and we are cautiously optimistic about the near term.

Nick Ayerst - Chief Executive Officer

2022/23 Financial highlights - FD Review

Overview

The financial results for 2022, although impacted by the government advice to stay at home throughout December 2021 and into 2022, benefitted from all restaurants being open to trade throughout the year compared to various periods of closure during 2020 and 2021. Input cost increases were unavoidable.

On 1 August 2022 Beatrice Lafon and Jean Michel Orieux joined the Board as Chair and NED respectively, with the appointment of Nick Ayerst as CEO following in October.

The KPIS of the Group performance are summarised in the table below:

Group financial summary

	2022	**2021**	**Var**
Revenue	£31.0m	£20.7m	49.9%
Gross profit	£24.4m	£16.9m	44.3%
Other costs	£23.8m	£15.3m	56.0%
Profit for the period	£0.6m	£1.6m	-64.2%
Cash generated from operations	£4.4m	£4.7m	-8.8%
Adjusted EBITDA (Pre IFRS)1	£2.8m	£3.0m	-5.9%
Net Cash2	£7.7m	£7.1m	9.4%

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

2 Defined as cash and cash equivalents less loans and borrowings

Revenue

Revenue increased by 49.9 per cent to £31.0m, which compared to a total of £20.7m in 2021. This was, in the main, due to the return to a more normalised trade position with all restaurants trading during the year compared to the previous 2 years which were heavily impacted by Covid-19.

During the year we opened 2 more Franchise restaurants with our partners HMS Host in Qatar and London Stansted Airport. Our Franchise partners are an important part of the business and the 6 restaurants contributed system sales of £7.4m over the course of the financial year.

At the start of the financial year, we closed 1 restaurant in Stratford.

The removal of the reduced rate of VAT which had benefitted the Group in 2021 had an impact of £2.7m.

Gross profit

The support offered by the government in respect of VAT came to an end at the end of Q1 2022. At this point it returned to 20 per cent from the previous level of 12.5 per cent that was in place from Q4 2021. Prior to that VAT had been 5 per cent since July 2020. Consequently, FY2022 benefited less than FY2021 by £2.7m which equates to a 1.7 ppts reduction in the gross profit margin.

The Group gross margin percentage reduced in 2022 from 81.8 per cent in 2021 to 78.7 per cent. Inflation in 2022 following the pandemic of the prior 2 years increased at an unprecedented rate and this was exacerbated by the war in Ukraine. In particular oils, protein, fresh produce and dairy prices rose at various times in the year and were the main contributor to the remaining gap to the prior year.

Other costs

All other trading costs increased by 56 per cent which is in part driven by the increased level of trade in FY2022 but also the exceptional costs that occurred during the period. An exceptional cost of £1.0m was recognised in the year in respect of the reconstitution of the Board in August 2022.

Adjusted EBITDA (pre-IFRS 16)

Adjusted EBITDA (pre IFRS 16) is utilised by the Group as the primary metric in the assessment of profitability. A full reconciliation of both pre and post-IFRS 16 is shown below. The Group generated an Adjusted EBITDA (pre IFRS 16) of £2.8m compared to £3.0m in FY21. With the previously described negative impact of inflation and VAT this result allows us to remain confident in our brands and offer.

	Post IFRS 16 1 January 2023 £	**Pre IFRS 16 1 January 2023 £**	**Post IFRS 16 2 January 2022 £**	**Pre IFRS 16 2 January 2022 £**
Sales	31,046,546	31,046,546	20,711,257	20,711,257
Adjusted EBITDA:				
Profit before tax	902,450	578,609	1,525,167	1,259,709
Add back:				
Depreciation	3,252,841	1,124,243	3,659,196	1,372,645

Finance costs	1,042,697	94,078	822,094	21,057
Impairment of assets	78,266	-	336,356	266,255
EBITDA	**5,276,254**	**1,796,930**	**6,342,813**	**2,919,666**
Share-based payments expense	15,377	15,377	32,436	32,436
Restaurant opening costs	-	-	10,489	10,489
Loss on disposal of fixed assets	8,188	8,188	38,098	38,098
Exceptional legal and professional fees (Note 3)	1,002,054	1,002,054	-	-
Adjusted EBITDA	**6,301,873**	**2,822,549**	**6,423,836**	**3,000,689**

Cash flow and balance sheet

Cash generated from operations decreased to £4.4m in FY22 (FY21 £4.7m). The decrease was driven by the return to standard working capital agreements post pandemic. Cash expenditure on property, plant and equipment increased as the Group invested in the refurbishment of selected restaurants and an improvement of all IT infrastructure across the Group.

Financing and net debt

The Group had a cash and cash equivalents balance of £9.9m on 1 January 2023 and a net cash position of £7.7m (FY2021 £7.1m)

The Group debt consists of a CBIL loan attracting no covenants. This has a six-year term with a maturity date in 2026. The loan had an initial interest-free period of 12 months followed by a rate of interest of 2.5% over the Bank base rate.

Impairments

A detailed review of each individual restaurant has resulted in an impairment charge of £0.1m in FY22 (FY21: £0.3m).

Dividend

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

Going concern

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

Michael Toon - Finance Director

Strategic Report

For the period ended 1 January 2023

The Directors present their strategic report for the period ended 1 January 2023.

Business model

The Group's flagship brand, Comptoir Libanais, specialises in authentic Lebanese cuisine, offered at its vibrant and friendly restaurants. The brand aims to provide a unique all-day dining experience, centred around fresh and healthy food that is both affordable and high-quality.

Lebanese cuisine has gained immense popularity in recent times due to its rich and exotic flavours, vegetarian-friendly options, and health benefits, making it a go-to choice for food enthusiasts who love to share their meals with friends and family. At Comptoir Libanais, we take pride in bringing these culinary traditions to life and providing our guests with an unforgettable dining experience that is both satisfying and enjoyable.

We seek to design each Comptoir Libanais restaurant with a bold and fresh design that is welcoming to all age groups and types of consumers. Each Comptoir Libanais restaurant has posters and menus showing an artist's impression of Sirine Jamal al Dine, an iconic Arabian actress, providing a Lebanese 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 2022 at Comptoir Libanais was £17.14 and the average spend at Shawa was lower at £13.74, 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 overarching strategy is to expand our owned-site operations, encompassing both the highly successful Comptoir Libanais and the Shawa QSR brand. While Comptoir Libanais will remain our primary focus, we recognise that Shawa offers us the opportunity to serve our delicious Lebanese cuisine from a smaller footprint, providing us with greater flexibility in our expansion plans.

We are also committed to growing our franchised operations, which we see as a complementary and relatively low-risk approach to extending our brand presence both in the UK and in overseas territories. To this end, we have successfully opened two new restaurants with our franchise partner, HMS Host, in Stansted Airport and Doha Airport. Furthermore, Comptoir is actively engaging with partners to explore opportunities to open additional restaurants across various regions.

The UK food delivery market is another important channel for us, and we are delighted to report that it has experienced significant growth over the past three years. This has been facilitated by advancements in technology that have made ordering easier and provided quick access to a wide selection of menus through platforms such as Deliveroo and UberEATS. We work closely with all major delivery platforms, enabling us to offer our customers a direct delivery service that has been instrumental in driving growth across this channel.

All of these channels are supported by our scalable central production unit located in North London. This provides us with cost advantages and complete quality assurance.

Review of the business and key performance indicators (KPIs)

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 guests is monitored via the scores from a programme of regular monthly "mystery diner" visits to our restaurants as well as guest feedback available to all of those who dine with us through use of a QR code all of which are carried out by HGem. These measures have seen significant improvement as the business returned to a normal course of operation. 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.

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 guest spend in our restaurants. The Covid-19 virus and now the cost of living crisis have had a significant impact on the hospitality sector and the wider UK and global economy.

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 guest footfall is more subdued. This, together with the strategic location of each of our restaurants helps to mitigate the risk of consumer demand to the business.

Input cost inflation

The Group's key input variables are the cost of food and drink, associated ingredients and the continued progressive increases in the UK National Living Wage and Minimum 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 to identify all cost savings and to capitalise on them.

Economic conditions

The exit from the European Union, the Covid-19 pandemic and now the war in Ukraine has left a great deal of uncertainty that still may impact consumer spending.

The pressure on living standards and possible 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, Employee and Employer NI increases, and the apprenticeship levy, are endured by the Group and its competitors. Labour costs continue to be regularly monitored and ongoing initiatives are used to reduce the impact of such pressures.

Strategy and execution

The Group's central strategy is to open additional new outlets under its core Comptoir Libanais and Shawa brands. Despite making every effort, there is no guarantee that the Group will be able to secure a sufficient number of appropriate restaurants 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 restaurants and the Board will continue to approach any potential new restaurant with caution and be highly selective in its evaluation of new restaurants to ensure that target levels of return on investment are achieved.

Energy Consumption and Carbon Emissions

The Group is a public 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. The Group has followed the 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The UK Government issued 'Greenhouse gas reporting: conversion factors 2022' conversion figures for CO_2e, along with the fuel property figures to determine the kWh content for reclaimed mileage. The chosen intensity measurement ratio is total gross emissions in Kgs CO_2e/Cover.

FY 2022

Energy consumption used to calculate emissions (kWh)	**5,473,397**

	2022	**2021**
Grid Electricity	2,734,638	2,191,709
Natural Gas	2,617,319	1,444,967
Company Fleet	64,804	64,063
Grey fleet	56,636	0
Scope 1 emissions in metric tonnes CO_2e		
Natural gas	529.41	264.66
Company fleet	16.61	16.12
Total Scope 1 consumption (kWh)	**2,682,123**	**1,509,030**
Scope 2 emissions in metric tonnes CO_2e		
Grid electricity	528.82	506.55
Total Scope 2 consumption (kWh)	**2,734,638**	**2,191,709**
Scope 3 emissions in metric tonnes CO_2e		
Grey fleet	13.97	0
Total Scope 3 Consumption (kWh)	**56,636**	**0**
Total Gross emissions in metric tonnes CO_2e	1,088.81	787.33
Total Consumption (kWh)	**5,473,397**	**3,700,739**

FY 2022

Intensity ratio kg CO2e/ Covers FY 2022	0.69
Intensity ratio kg CO2e/Covers FY 2021	0.75

Quantification and reporting methodology.

Comptoir Group PLC have appointed Amber as their SECR consultants. We have followed 2019 HM Government environmental reporting guidelines to ensure compliance with the SECR requirements. The UK government issued "Greenhouse gas reporting: conversion factors 2022" conversion figures for CO2e were used.

Intensity measurement

The chosen intensity measurement ratio is Covers.

Measures taken to improve energy efficiency.

Comptoir Group PLC continue to strive for energy and carbon reduction arising from their activities. During this reporting period Comptoir Group PLC have:

- Moved to 100% renewable energy suppliers
- Introduced CAPUT and WATTAGE - systems to help record and monitoring Energy usage on hourly and daily basis. We are also trialling a new monitoring system at our two busiest restaurants - the system saves energy by controlling the speed of the extract and air supply fans in-line with activity levels in the kitchen
- Adjusted fan speeds so that the energy consumption is only 6% of that with the fans running at full capacity
- Replaced normal lights to energy saving Lights-LED
- Encouraged General Managers to pool share for company meetings

Materiality

Comptoir Group PLC are reporting upon all the required fuel sources as per SECR requirements. Data gaps for Reading - The Oracle Shopping Centre - Unit 43 (electricity) and South Kensington - 77A Gloucester Road (natural gas) were filled using pro rata method due to lack of invoices from previous suppliers. Estimations for Vehicle Fleet, costs were provided, and UK government fuel properties used to convert to kWh and tCO2e.

Future developments

The Group will continue to roll out selectively its Comptoir Libanais and Shawa brands by opening new restaurants 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
Nick Ayerst - Chief Executive Officer

Consolidated Statement of Comprehensive Income
For the period ended 1 January 2023

	Notes	**Period ended 1 January 2023**	**Period ended 2 January 2022**
		£	**£**
Revenue	**2**	31,046,546	20,711,257

Cost of sales		(6,605,074)	(3,773,721)
Gross profit		**24,441,472**	**16,937,536**
Distribution expenses		(11,431,633)	(9,318,203)
Administrative expenses		(11,357,436)	(9,362,286)
Other income	**2**	292,744	4,090,214
Operating profit	**3**	**1,945,147**	**2,347,261**
Finance costs	**6**	(1,042,697)	(822,094)
Profit before tax		**902,450**	**1,525,167**
Taxation (charge)/credit	**7**	(314,146)	118,288
Profit for the period		**588,304**	**1,643,455**
Other comprehensive income		-	-
Total comprehensive income for the period		**588,304**	**1,643,455**
Basic earnings per share (pence)	**8**	0.48	1.34
Diluted earnings per share (pence)	**8**	0.48	1.34

All of the above results are derived from continuing operations. Profit for the period and total comprehensive income for the period is entirely attributable to the equity shareholders of the Group.

Consolidated balance sheet
At 1 January 2023

	Notes	1 January 2023 £	2 January 2022 £
Assets			
Non-current assets			
Intangible assets	**9**	29,134	55,267
Property, plant and equipment	**10**	6,708,383	7,232,869
Right-of-use assets	**10**	13,704,427	15,960,380
Deferred tax asset	**17**	-	106,659
		20,441,944	**23,355,175**
Current assets			
Inventories	**12**	474,655	465,890
Trade and other receivables	**13**	1,220,053	698,994
Cash and cash equivalents		9,930,323	9,867,799
		11,625,031	**11,032,683**

Total assets		**32,066,975**	**34,387,858**
Liabilities			
Current liabilities			
Borrowings	**15**	(600,000)	(600,000)
Trade and other payables	**14**	(6,399,675)	(6,131,539)
Lease liabilities	**26**	(2,351,410)	(2,387,104)
Current tax liabilities		-	(64,480)
		(9,351,085)	**(9,183,123)**
Non-current liabilities			
Borrowings	**15**	(1,600,000)	(2,200,000)
Provisions for liabilities	**16**	(362,088)	(859,414)
Lease liabilities	**26**	(15,728,066)	(17,995,233)
Deferred tax liabilities	**17**	(271,967)	-
		(17,962,121)	**(21,054,647)**
Total liabilities		**(27,313,206)**	**(30,237,770)**
Net assets		**4,753,769**	**4,150,088**
Equity			
Share capital	**18**	1,226,667	1,226,667
Share premium		10,050,313	10,050,313
Other reserves	**19**	145,099	129,722
Retained losses		(6,668,310)	(7,256,614)
Total equity		**4,753,769**	**4,150,088**

The financial statements of Comptoir Group PLC (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 09 May 2023 and were signed on its behalf by:

Nick Ayerst - Chief Executive Officer

Consolidated statement of changes in equity
For the period ended 1 January 2023

	Notes	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
At 1 January 2021		**1,226,667**	**10,050,313**	**97,286**	**(8,900,069)**	**2,474,197**
Total comprehensive loss						
Profit for the period		-	-	-	1,643,455	1,643,455
Transactions with owners						
Share-based payments	**21**	-	-	32,436	-	32,436
At 2 January 2022		**1,226,667**	**10,050,313**	**129,722**	**(7,256,614)**	**4,150,088**
At 3 January 2022		**1,226,667**	**10,050,313**	**129,722**	**(7,256,614)**	**4,150,088**
Total comprehensive income						

Profit for the period		-	-	-	588,304	588,304
Transactions with owners						
Share-based payments	**21**	-	-	15,377	-	15,377
At 1 January 2023		**1,226,667**	**10,050,313**	**145,099**	**(6,668,310)**	**4,753,769**

	Notes	Period ended 1 January 2023 £	Period ended 2 January 2022 £
Operating activities			
Cash inflow from operations	**22**	4,368,949	4,675,786
Interest paid		(94,078)	(21,057)
Tax paid		-	30,292
Net cash from operating activities		**4,274,871**	**4,685,021**
Investing activities			
Purchase of property, plant & equipment	**10**	(581,250)	(436,272)
Net cash used in investing activities		**(581,250)**	**(436,272)**
Financing activities			
Payment of lease liabilities	**26**	(3,031,097)	(2,014,626)
Bank loan repayments	**23**	(600,000)	(200,000)
Net cash used in financing activities		**(3,631,097)**	**(2,214,626)**
Increase in cash and cash equivalents		62,524	2,034,123
Cash and cash equivalents at beginning of period		9,867,799	7,833,676
Cash and cash equivalents at end of period		**9,930,323**	**9,867,799**

Principal accounting policies for the consolidated financial statements
For the period ended 1 January 2023

Reporting entity

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

Statement of compliance

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

Basis of preparation

These consolidated financial statements for the period ended 1 January 2023 are prepared in accordance with UK-adopted International Accounting Standards.

The accounting period for the Group runs to the closest Sunday to 31 December each year. The consolidated financial statements for the current period has been prepared to 1 January 2023 and the comparative period to 2 January 2022.

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

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

Use of non-GAAP profit and loss measures

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

Going concern basis

In assessing the going concern position of the Group for the consolidated financial statements for the year ended the 1 January 2023, the Directors have considered the Group's cash flow, liquidity and business activities. The last couple of years have been uncertain following the Covid-19 pandemic, the war in Ukraine and now the cost of living crisis and this has been considered as part of the Group's adoption of the going concern basis. Although trading was impacted over this period, the Group's trading remained ahead of expectations. The Group was profitable during this period and had increased its cash reserves to £9.9m as at the start of the current accounting period.

The Directors have considered the current business model, strategies and principal risks and uncertainties. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate for the foreseeable future. In making this assessment, the Directors have made a specific analysis of the impact of current inflationary pressures, Covid-19, Brexit and the current war impacting Ukraine.

The Group's current cash reserves remains at £9.9m, and the Board believes that the business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements. These financial statements have therefore been prepared on the going concern basis.

Changes in accounting standards, amendments and interpretations

At the date of authorisation of the consolidated financial statements, the following amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2022. These have not had any material impact on the amounts reported for the current and prior periods.

Standard or Interpretation	Effective Date
Annual improvements to IFRS Standards 2018-2020	1 January 2022
IAS 37 - Onerous Contracts	1 January 2022
IAS 16 - Property, Plant and Equipment	1 January 2022
IFRS 3 - Reference to the Conceptual Framework	1 January 2022

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

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

Standard or Interpretation	Effective Date
IFRS 17 - Insurance Contracts	1 January 2023
IAS 8 - Definition of Accounting Estimates	1 January 2023
IAS 1 - Disclosure of Accounting Policies	1 January 2023
IAS 12 - Deferred Tax Arising from a Single Transaction	1 January 2023

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

Significant accounting policies

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

(a) Basis of consolidation

These financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings drawn up to 1 January 2023.

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

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

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

(b) Foreign currency translation

Functional and presentational currency

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

Transactions and balances

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

(c) Financial instruments

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

Financial assets

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

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

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method. The carrying value of trade and other receivables recorded at amortised cost are reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and are based on the ageing of the receivable balance, historical experience and forward looking considerations. Balances that are deemed not collectable will be recognised as a loss in the income statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the Statement of Comprehensive Income.

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

Financial liabilities

The Group's financial liabilities include trade and other payables. Trade payables are recognized initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR" method). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Comprehensive Income. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(d) Property, plant and equipment

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

Depreciation

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

Land & buildings leasehold	Over the length of the lease
Plant & machinery	15% on reducing balance
Fixture, fittings & equipment	10% on reducing balance

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

(e) Intangible assets - goodwill

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

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

(f) Inventories

Inventories are stated at the lower of costs and net realisable value. Cost comprises direct materials, and those direct overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(g) Cash and cash equivalents

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

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

(h) Share-based payments

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

(i) Provisions for liabilities

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

(j) Deferred tax and current tax

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

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

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

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

(k) Leases

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Initially, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Subsequently, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

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

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

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

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

(l) Employee benefits

Short term employee benefits

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

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

Pensions and other post-employment benefits

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

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

(m) Revenue

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

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

(n) Expenses

Variable lease payments

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

Opening expenses

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

Financial expenses

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

(o) Ordinary share capital

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

(p) Dividend policy

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

(q) Commercial discount policy

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

(r) Operating segments

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

(s) Government grants

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

Impairment of assets

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

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

Leases

At the commencement date of property leases the lease liability is calculated by discounting the lease payments. The discount rate used should be the interest rate implicit in the lease. However, if that rate cannot be readily determined, which is generally the case for property leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The discount rate originally applied to the Group's leases under the portfolio approach was 2.6%. Where there have been modifications to leases since the first application of IFRS 16 the discount rate has been updated in line with the incremental cost of borrowing and ranges between 4% to 6.75%.

Deferred tax assets

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

Share based payments

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

Dilapidations

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

Notes to the consolidated financial statements
For the period ended 1 January 2023

1. Segmental analysis

The Group has only one operating segment being: the operation of restaurants with Lebanese 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 guests individually contribute over 10% of the total revenues.

2. Revenue

	1 January 2023 £	**2 January 2022 £**
Income for the year consists of the following:		
Revenue from continuing operations	31,046,546	20,711,257
Other income not included within revenue in the income statement:		
Insurance claims receivable	-	261,657
Local council support grants	120,888	894,686
Covid-19 related rent concessions	171,856	1,284,744
Coronavirus Job Retention Scheme income	-	1,644,856
Other income	-	4,271
	292,744	4,090,214
Total income for the year	**31,339,290**	**24,801,471**

3. Group operating profit

	1 January 2023 £	2 January 2022 £
This is stated after charging/(crediting):		
Variable lease charges* (see **note 26**)	444,327	613,531
Rent concessions (see **note 26**)	(171,856)	(1,284,744)
Lease modifications (see **note 26**)	-	(444,359)
Share-based payments expense (see **note 21**)	15,377	32,436
Restaurant opening costs	-	10,489
Depreciation of property, plant and equipment (see **note 10**)	3,252,841	3,659,196
Impairment of assets (see **note 9 & 10**)	78,266	336,356
Loss on disposal of fixed assets	8,188	38,098
Auditors' remuneration (see **note 4**)	75,000	44,500
Exceptional legal and professional fees**	1,002,054	-

*Variable lease charges relate to additional rental expenses payable based on selected restaurants achieving a certain level of turnover for the year.
**Exceptional legal and professional fees related to payments and associated fees in respect of C Hanna's resignation as Chief Executive Officer of the Group during the period.

For the initial trading period following the 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:

	1 January 2023 £	2 January 2022 £
Pre-opening costs	-	10,489
	-	**10,489**

4. Auditors' remuneration

	1 January 2023 £	2 January 2022 £
Auditors' remuneration:		
Fees payable to Company's auditor for the audit of its annual accounts	20,500	19,500
Other fees to the Company's auditors		
The audit of the Company's subsidiaries	49,500	20,000
Total audit fees	**70,000**	**39,500**
Review of the half-year accounts	5,000	5,000
Total non-audit fees	**5,000**	**5,000**
Total auditors' remuneration	**75,000**	**44,500**

5. Staff costs and numbers

	1 January 2023 £	2 January 2022 £
(a) Staff costs (including Directors):		
Wages and salaries:		
Kitchen, floor and management wages	10,140,060	6,300,540
Apprentice Levy	39,202	26,788
Other costs:		
Social security costs	844,542	624,327
Share-based payments (**note 21**)	15,377	32,436
Pension costs	159,281	140,908
Total staff costs	**11,198,462**	**7,124,999**
(b) Staff numbers (including Directors):	**Number**	**Number**
Kitchen and floor staff	461	371
Management staff	136	104
Total number of staff	**597**	**475**
(c) Directors' remuneration:		
Emoluments	1,528,598	437,858
Money purchase (and other) pension contributions	27,366	33,950
Non-Executive Directors' fees	-	7,500
Total Directors' costs* *Includes redundancy pay.	**1,555,964**	**479,307**
Directors' remuneration disclosed above include the following amounts paid to the highest paid Director still in office at the end of the period:		
Emoluments	336,672	158,203
Money purchase (and other) pension contributions	1,321	10,913

	1 January 2023 £	2 January 2022 £
Current tax:		
UK corporation tax on the profit/(loss) for the year	-	-
Adjustments in respect of previous years	(64,480)	(11,629)
Deferred tax:		
Origination and reversal of temporary differences	7,235	220,343
Tax losses carried forward	371,391	(327,002)
Total tax charge/(credit) for the period	**314,146**	**(118,288)**

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

6. Finance costs

	1 January 2023 £	2 January 2022 £
Interest payable and similar charges:		
Interest on bank loans and overdraft	94,078	21,057
Interest on lease liabilities	948,619	801,037
Total finance costs for the year	**1,042,697**	**822,094**

7. Taxation

The major components of income tax for the periods ended 1 January 2023 and 2 January 2022 are:

(a) Analysis of charge in the year:

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:

	1 January 2023 £	**2 January 2022** £
Profit/(loss) before tax	902,450	1,525,167
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2022: 19%)	171,466	289,782
Effects of:		
Depreciation on non-qualifying assets	7,638	223,735
Expenses not deductible for tax purposes	(19,573)	12,709
Adjustments in respect of previous tax years	(64,480)	(11,629)
Tax losses utilised/(carried forward)	(159,531)	(388,489)
Losses previously not recognised	-	(218,798)
Effect of change in corporation tax rate	-	(25,598)
Movements in respect of deferred tax	378,626	-
Total tax charge/(credit) for the period	**314,146**	**(118,288)**

The Group had a brought forward tax losses of £1,793,961 at 2 January 2022, of which £839,637 was utilised in the period ended 1 January 2023. In March 2021 a change to the future corporation tax rate was substantively enacted to increase from 19% to 25% from 1 April 2023. Accordingly, the rate used to calculate the deferred tax balances at 1 January 2023 is 25% (2 January 2022: 25%) as the timing of the release of this asset is materially expected to be after this date.

8. Earnings per share

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

	1 January 2023 £	**2 January 2022 £**
Profit attributable to shareholders	588,304	1,643,455
Weighted average number of shares		
For basic earnings per share	122,666,667	122,666,667
Adjustment for options outstanding	-	-
For diluted earnings per share	122,666,667	122,666,667

	Pence per share	**Pence per share**
Loss per share:		
Basic (pence) From profit for the year	0.48	1.34
Diluted (pence) From profit for the year	0.48	1.34

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

Diluted earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of shares and 'in the money' share options in issue. Share options are classified as 'in the money' if their exercise price is lower than the average share price for the period. As required by IAS 33 'Earnings Per Share', this calculation assumes that the proceeds receivable from the exercise of 'in the money' options would be used to purchase share 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 1 January 2023 and consequently would be antidilutive, no adjustment was made in respect of the share options outstanding to determine the diluted number of options.

9. Intangible assets

Group	**Goodwill**	**Total**
	£	**£**
Cost		
At 1 January 2021	89,961	89,961
Additions	-	-
At 2 January 2022	**89,961**	**89,961**
Accumulated amortisation and impairment		
At 1 January 2021	(34,694)	(34,694)
Impairments	-	-
At 2 January 2022	**(34,694)**	**(34,694)**
Net Book Value as at 31 December 2020	55,267	55,267
Net Book Value as at 2 January 2022	**55,267**	**55,267**

	Goodwill	**Total**
	£	**£**
Cost		
At 1 January 2021	89,961	89,961
Additions	-	-
At 2 January 2022	**89,961**	**89,961**
Accumulated amortisation and impairment		
At 1 January 2021	(34,694)	(34,694)
Impairments	(26,133)	(26,133)
At 2 January 2022	**(60,827)**	**(60,827)**
Net Book Value as at 2 January 2022	55,267	55,267
Net Book Value as at 1 January 2023	**29,134**	**29,134**

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, an impairment of £26,133 (2022: £nil) was considered necessary in respect of goodwill.

10. Property, plant and equipment

Group	Right-of use assets £	Leasehold land & buildings £	Plant & machinery £	Fixture, fittings, & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2021	27,924,649	11,016,023	4,800,774	2,858,547	53,430	46,653,423
Additions	961,807	26,764	243,860	165,649	-	1,398,080
Disposals	-	(623,777)	(342,067)	(180,230)	(15,120)	(1,161,194)
Modifications	(241,519)	-	-	-	-	(241,519)
At 2 January 2022	**28,644,937**	**10,419,010**	**4,702,567**	**2,843,966**	**38,310**	**46,648,790**
Accumulated depreciation and impairment						
At 1 January 2021	(10,327,905)	(5,878,170)	(2,926,080)	(1,441,993)	(8,935)	(20,583,083)
Depreciation during the period	(2,286,551)	(770,599)	(342,355)	(254,073)	(5,618)	(3,659,196)
Disposals during the period	-	620,673	320,586	172,390	9,445	1,123,094
Impairment during the period	(70,101)	(179,932)	(61,047)	(25,276)	-	(336,356)
At 2 January 2022	**(12,684,557)**	**(6,208,028)**	**(3,008,896)**	**(1,548,952)**	**(5,108)**	**(23,455,541)**
Cost						
At 3 January 2022	28,644,937	10,419,010	4,702,567	2,843,966	38,310	46,648,790
Additions	-	15,741	417,524	147,985	-	581,250
Disposals	-	(63,577)	(26,785)	(704)	-	(91,066)
Modifications	(48,527)	-	-	-	-	(48,527)
At 1 January 2023	**28,596,410**	**10,371,174**	**5,093,306**	**2,991,247**	**38,310**	**47,090,447**
Accumulated depreciation and impairment						
At 3 January 2022	(12,684,557)	(6,208,028)	(3,008,896)	(1,548,952)	(5,108)	(23,455,541)
Depreciation during the period	(2,166,098)	(619,284)	(298,010)	(163,320)	(6,129)	(3,252,841)
Disposals during the period	-	64,380	21,420	(2,922)	-	82,878
Impairment during the period	(41,328)	(1,602)	(7,220)	(1,983)	-	(52,133)
Transfers	-	(55,802)	55,802	-	-	-
At 1 January 2023	**(14,891,983)**	**(6,820,336)**	**(3,236,904)**	**(1,717,177)**	**(11,237)**	**(26,677,637)**
Net Book Value as at 3 January 2022	**15,960,380**	**4,210,982**	**1,693,671**	**1,295,014**	**33,202**	**23,193,249**
Net Book Value as at 1 January 2023	**13,704,427**	**3,550,838**	**1,856,402**	**1,274,070**	**27,073**	**20,412,810**

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

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

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

Sales growth	**3%**
Discount rate	**5.5%**
Number of years projected	**over life of lease**

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

Based on the review, an impairment charge of £52,133 (2022: £336,357) was recorded for the year.

11. Subsidiaries

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

Name	**Country of incorporation and principal place of business**	**Proportion of ownership interest as at year end**	
		2023**	**2022**
Timerest Limited	England & Wales	100%	100%
Chabane Limited*	England & Wales	100%	100%
Comptoir Franchise Limited	England & Wales	100%	100%
Shawa Group Limited*	England & Wales	100%	100%
Shawa Bluewater Limited*	England & Wales	100%	100%
Shawa Limited	England & Wales	100%	100%
Shawa Westfield Limited	England & Wales	100%	100%
Shawa Rupert Street Limited*	England & Wales	100%	100%
Comptoir Stratford Limited*	England & Wales	100%	100%
Comptoir South Ken Limited*	England & Wales	100%	100%
Comptoir Soho Limited*	England & Wales	100%	100%
Comptoir Central Production Limited*	England & Wales	100%	100%
Comptoir Westfield London Limited*	England & Wales	100%	100%
Levant Restaurants Group Limited*	England & Wales	100%	100%
Comptoir Chelsea Limited*	England & Wales	100%	100%
Comptoir Bluewater Limited*	England & Wales	100%	100%
Comptoir Wigmore Limited*	England & Wales	100%	100%
Comptoir Kingston Limited*	England & Wales	100%	100%
Comptoir Broadgate Limited*	England & Wales	100%	100%
Comptoir Manchester Limited*	England & Wales	100%	100%
Comptoir Restaurants Limited	England & Wales	100%	100%
Comptoir Leeds Limited*	England & Wales	100%	100%
Comptoir Oxford Street Limited*	England & Wales	100%	100%
Comptoir I.P. Limited*	England & Wales	100%	100%
Comptoir Reading Limited*	England & Wales	100%	100%
Comptoir Bath Limited*	England & Wales	100%	100%
Comptoir Exeter Limited*	England & Wales	100%	100%
Yalla Yalla Restaurants Limited	England & Wales	100%	100%
Comptoir Haymarket Ltd*	England & Wales	100%	100%
Comptoir Oxford Limited*	England & Wales	100%	100%

**Dormant companies*
***52 weeks ending 1 January 2023*
The registered office address for all subsidiaries is Unit 2, Plantain Place, Crosby Row, London, England, SE1 1YN.

12. Inventories

	Group 1 January 2023 £	**Group 2 January 2022 £**
Finished goods and goods for resale	474,655	465,890

13. Trade and other receivables

	Group 1 January 2023 £	Group 2 January 2022 £
Trade receivables	256,841	51,389
Other receivables	318,018	323,687
Prepayments and accrued income	645,194	323,918
Total trade and other receivables	**£1,220,053**	**698,994**

14. Trade and other payables

	Group 1 January 2023 £	Group 2 January 2022 £
Trade payables	2,307,855	2,027,821
Accruals	2,701,001	3,054,952
Other taxation and social security	1,309,913	996,938
Other payables	80,906	51,828
Total trade and other payables	**6,399,675**	**6,131,539**

15. Borrowings

	Group 1 January 2023 £	**Group 2 January 2022** £
Amounts falling due within one year:		
Bank loans	600,000	600,000
Total borrowings	**600,000**	**600,000**
Amounts falling due after more than one year:		
Bank loans	1,600,000	2,200,000
Total borrowings	**1,600,000**	**2,200,000**

The bank loan relates to a £3m Coronavirus Business Interruption Loan Scheme ("CBILS") loan.
The CBILS loan is secured by way of fixed charges over the assets of various Group companies. The CBIL loan of £2,200,000 represent amounts repayable within one year of £600,000 (2022: £600,000) and £1,600,000 (2022: £2,200,000) repayable in more than one year. The bank loan has a six-year term with maturity date in 2026. The loan has an initial interest free period of 12 months followed by a rate of interest of 2.5% over the Bank base rate.

16. Provisions for liabilities

	1 January 2023	2 January 2022
	£	£
Provisions for leasehold property dilapidations	167,953	133,369
Provisions for rent reviews per lease agreements	-	373,033
Provisions for payroll pension costs	194,135	353,012
Total provisions	**362,088**	**859,414**

Movements on provisions:	**£**	**£**
At beginning of period	859,414	832,455
Provision in the year (net of releases)	(497,326)	26,959
At end of period	**362,088**	**859,414**

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

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

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

17. Deferred taxation

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

Group	**Liabilities 2023**	**Liabilities 2022**	**Assets 2023**	**Assets 2022**
	£	**£**	**£**	**£**
Accelerated capital allowances	(351,425)	(344,190)	-	-
Tax losses	-	-	79,458	450,849
	(351,425)	**(344,190)**	**79,458**	**450,849**

Movements in the year:	**Group 2023**	**Group 2022**
	£	**£**
Net liability at 1 January	(106,659)	-
(Credit)/charge to Statement of Comprehensive Income (note 7)	378,626	(106,659)
Net liability/(asset) at year end	**271,967**	**(106,659)**

The deferred tax liability set out above is related to accelerated capital allowances and will reverse over the period that the fixed assets to which it relates are depreciated. The deferred tax asset on tax losses has been recognised as management expect that there will be sufficient profits available in future to utilise against this amount.

18. Share capital

Number of 1p shares Authorised, issued and fully paid	1 January 2023	2 January 2022
	£	**£**
Brought forward	122,666,667	122,666,667
Issued in the period	-	-
At the end of the year	**122,666,667**	**122,666,667**

Authorised, issued and fully paid	Nominal value	
	1 January 2023 £	**2 January 2022 £**
Brought forward	1,226,667	1,226,667
Issued in the period	-	-
At the end of the year	**1,226,667**	**1,226,667**

19. Other reserves

The other reserves amount of £145,099 (2022: £129,722) on the balance sheet reflects the credit to equity made in respect of the charge for share-based payments made through the income statement and the purchase of shares in the market in order to satisfy the vesting of existing and future share awards under the Long-Term Incentive Plan. For further details, refer to note 21.

20. Retirement benefit schemes

Defined contribution schemes	1 January 2023	2 January 2022
	£	**£**
Charge to profit and loss	**159,281**	**140,908**

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

21. Share-based payments

Equity-settled share-based payments

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

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

On 21 May 2021, the Group established a new Company Share Option Plan ("CSOP") under which 3,245,000 share options were granted to key employees. The CSOP scheme includes all subsidiary companies headed by Comptoir Group PLC. The exercise price of all of the options is £0.0723 and the term to expiration is 3 years from the date of grant, being 21 May 2021. All of the options have the same vesting conditions attached to them.

A share-based payment charge of £15,377 (2022: £32,436) 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.

		1 January 2023 average exercise price	**2 January 2022 average exercise price**	
	No. of shares £	**£**	**No. of shares**	**£**
CSOP options				
Options outstanding, beginning of year	6,045,000	0.1025	3,310,000	0.1025
Granted	-	0.0723	3,245,000	0.0723
Cancelled	(1,775,000)	-	(510,000)	-
Options outstanding, end of year	**4,270,000**	**0.0874**	**6,045,000**	**0.0874**
Options exercisable, end of year	**2,300,000**	**0.1025**	**3,200,000**	**0.1025**

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:

July 2018 On grant date		**May 2021 On grant date**
Risk free rate of return	0.1%	0.39%
Expected term	3 years	3 years
Estimated volatility	51.3%	64%
Expected dividend yield	0%	0%
Weighted average fair value of options granted	£0.03527	£0.03050

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.

22. Reconciliation of profit to cash generated from operations

	1 January 2023	**2 January 2022**
	£	**£**
Operating profit for the year	1,945,147	2,347,261
Depreciation	3,252,841	3,659,196
Loss on disposal of fixed assets	8,188	38,098
Impairment of assets	78,266	336,356
Rent concessions	(171,856)	(1,284,744)
Lease modifications	-	(444,359)
Share-based payment charge	15,377	32,436
Movements in working capital		
Increase in inventories	(8,765)	(41,219)
(Increase)/decrease in trade and other receivables	(521,065)	401,934
Decrease in payables and provisions	(229,184)	(369,173)
Cash from operations	**4,368,949**	**4,675,786**

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

Net cash/(debt):	**1 January 2023**	**2 January 2022**
	£	**£**
At the beginning of the period	(13,314,538)	(17,771,065)
Movements in the year:		
Bank and other borrowings	600,000	200,000
Lease liabilities	3,031,097	2,014,626
Non-cash movements in the period	(728,236)	207,778
Cash inflow	62,524	2,034,123
At the end of the period	**(10,349,153)**	**(13,314,538)**

Represented by:	At 1 January 2021 £	Cash flow movements in the period £	Non- cash flow movements in the period £	At 2 January 2022 £
Cash and cash equivalents	7,833,676	2,034,123	-	9,867,799
Bank loans	(3,000,000)	200,000	-	(2,800,000)
Lease liabilities	(22,604,741)	2,014,626	207,778	(20,382,337)
	(17,771,065)	**4,248,749**	**207,778**	**(13,314,538)**

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

24. Financial instruments

The Group finances its operations through equity and borrowings, with the borrowing interest subject to 2.5% per annum over base rate.

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

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

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

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

Financial assets and liabilities

Group financial assets:	**1 January 2023**	**2 January 2022**
	£	**£**
Cash and cash equivalents	9,930,323	9,867,799
Trade and other receivables	574,859	375,076
Total financial assets	**10,505,182**	**10,242,875**

Group financial liabilities:	**1 January 2023**	**2 January 2022**
	£	**£**
Trade and other payables excl. corporation tax	5,276,259	5,919,360

Bank loan	600,000	600,000
Short-term financial liabilities	**5,876,259**	**6,519,360**
Bank loan	1,600,000	2,200,000
Long-term financial liabilities	**1,600,000**	**2,200,000**
Total financial liabilities	**7,476,259**	**8,719,360**

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 2 January 2022		
Within one year	6,990,953	600,000
Within two to five years	-	2,200,000
Total	**6,990,953**	**2,800,000**
As at 1 January 2023		
Within one year	6,761,763	600,000
Within two to five years	-	1,600,000
Total	**6,761,763**	**2,200,000**

*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.

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 guest 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.

26. Lease commitments

The Group has leases assets including 25 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 19 years with an average remaining lease term of 7 years. Information about leases for which the Group is a lessee is presented below:

Net book value of right of use assets	**1 January 2023**	**2 January 2022**
	£	**£**

Balance at 1 January	15,960,380	17,596,744
Additions	-	961,807
Depreciation change	(2,166,098)	(2,286,551)
Impairment charge	(41,328)	(70,101)
Modifications	(48,527)	(241,519)
	13,704,427	**15,960,380**

Maturity analysis - contractual undiscounted cash flows	**1 January 2023**	**2 January 2022**
	£	**£**
Within one year	(2,982,848)	(3,108,285)
More than one year	**(18,763,863)**	**(21,746,711)**
	(21,746,711)	**(24,854,996)**

Lease liabilities included in the statement of financial position	**1 January 2023**	**2 January 2022**
	£	**£**
Current	(2,351,410)	(2,387,104)
Non-current	(15,728,066)	(17,995,233)
	(18,079,476)	**(20,382,337)**

Amounts charged/(credited) in profit or loss	**1 January 2023**	**2 January 2022**
	£	**£**
Interest on lease liabilities	948,619	801,037
Expenses relating to variable lease payments	444,327	613,531
Rent concessions	(171,856)	(1,284,744)
Lease modifications	-	(444,359)
	1,221,090	**(314,535)**

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

Amounts recognised in statement of cash flow	**1 January 2023**	**2 January 2022**
	£	**£**
Total cash outflow for leases	3,031,097	2,014,626
	3,031,097	**2,014,626**

27. Related party transactions

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

	Remuneration	Pension	Total
	£	£	£
M Kitous	35,200	854	36,054
L Kitous	18,418	365	18,783
	53,618	**1,219**	**54,837**

During the period, the Group also paid fees of £68,655 (2022: £41,250) to Messrs Gerald Edelman, a firm in which former Non-Executive Director R Kleiner is a partner. The fees were paid in relation to accountancy and corporate finance services provided to the Group.

Subsequent events

On 27 January 2023, the Group exited their lease for the Comptoir Libanais Leeds restaurant.

Ultimate controlling party

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

Parent Company accounts (under UK GAAP) Company balance sheet as at 2 January 2022

	Notes	1 January 2023 £	2 January 2022 £
Fixed assets			
Intangible assets	**ii**	29,134	42,110
Tangible assets	**iii**	10,282	11,749
Investments	**iv**	146,479	131,102
		185,895	**184,961**
Current assets			
Debtors	**v**	3,635,522	4,178,022
Cash and cash equivalents		54,236	517,285
		3,689,758	**4,695,307**
Total assets		**3,875,653**	**4,880,268**
Liabilities			
Current liabilities			
Creditors	**vi**	(1,501,421)	(1,197,993)
Borrowings	**vii**	(600,000)	(600,000)
		(2,101,421)	**(1,797,993)**
Non-current liabilities			
Borrowings	**vii**	(1,600,000)	(2,200,000)
Provisions for liabilities	**viii**	(1,238)	(1,070)
Total liabilities		**(3,702,659)**	**(3,999,063)**
Net assets		**172,994**	**881,205**
Equity			
Share capital	**ix**	1,226,667	1,226,667
Share premium	**ix**	10,050,313	10,050,313
Other reserves	**ix**	145,099	129,722
Retained earnings	**ix**	(11,249,085)	(10,525,497)
Total equity		**172,994**	**881,205**

As permitted by section 408 of the Companies Act 2006, a separate profit and loss account has not been presented for the holding company. During the year the Company recorded a loss of £723,588 (2022: £30,108). Remuneration of the auditor is borne by a subsidiary undertaking, Timerest Limited.

The financial statements of Comptoir Group PLC (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 09 May 2023 and were signed on its behalf by:

Nick Ayerst - Chief Executive Officer

Company financial statements - under UK GAAP
Accounting policies and basis of preparation

Basis of accounting

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

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

Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;

Section 33 'Related Party Disclosures' - Compensation for key management personnel The financial statements of the Company are consolidated in the financial statements of Comptoir Group PLC, which are available at the Companies House.

Going concern

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

Dividends

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

Investments in subsidiaries

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

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

Investments are valued at cost less any provision for impairment.

Intangible assets - goodwill

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

Tangible assets

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

Depreciation

Depreciation is charged to the income statement on a reducing balance basis and on a straight-line basis over the estimated useful lives of corresponding items of property, plant and equipment:
Plant and machinery - 15% on reducing balance
Fixture, fittings and equipment - 10% on reducing balance.

Share-based payment transactions

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

An increase in the investment held by the Company in the subsidiary in which the employees are employed, with a corresponding increase in equity, is recognised in the accounts of the Company. Information in respect of the Company's share-based payment schemes is provided in Note 21 to the consolidated financial statements. The value is accounted for as a capital contribution in relevant Group subsidiaries that employ the staff members to whom awards of share options have been made.

Reserves

The Company's reserves are as follows:

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

Company financial statements - under UK GAAP
Notes to the financial statements

i) Employee costs and numbers

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

ii) Intangible assets

Goodwill £	Total
Cost	
At 1 January 2021	89,961
Additions during the year	-
At 2 January 2022	**89,961**
Accumulated amortisation and impairment	
At 1 January 2021	(38,855)
Amortisation during the year	(8,996)
At 2 January 2022	**(47,851)**
Net Book Value as at 31 December 2020	51,106
Net Book Value as at 2 January 2022	**42,110**
Cost	
At 3 January 2022	89,961
Additions during the year	-
At 1 January 2023	**89,961**
Accumulated amortisation and impairment	
At 3 January 2022	(47,851)
Amortisation during the year	(8,996)
Impairment during the year	(3,980)
At 1 January 2023	**(60,827)**
Net Book Value as at 2 January 2022	42,110
Net Book Value as at 1 January 2023	**29,134**

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

Therefore, goodwill arising on acquisition is monitored to compare the value in use to its carrying value. During the period an impairment charge of £3,980 (2022: £nil) was recorded.

iii) Property, plant and equipment

	Leasehold land & buildings £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2021	11,290	26,655	5,555	43,500
At 2 January 2022	**11,290**	**26,655**	**5,555**	**43,500**
Accumulated depreciation and impairment				
At 1 January 2021	(11,290)	(16,204)	(2,602)	(30,096)
Depreciation during the year	-	(1,381)	(274)	(1,655)
At 2 January 2022	**(11,290)**	**(17,585)**	**(2,876)**	**(31,751)**
Net Book Value as at 31 December 2020	-	10,451	2,953	13,404
Net Book Value as at 2 January 2022	**-**	**9,070**	**2,679**	**11,749**
Cost				
At 3 January 2022	11,290	26,655	5,555	43,500
Disposals during the year	(11,290)	-	-	(11,290)
At 1 January 2023	**-**	**26,655**	**5,555**	**32,210**
Accumulated depreciation and impairment				
At 3 January 2022	(11,290)	(17,585)	(2,876)	(31,751)
Depreciation during the year	-	(1,215)	(252)	(1,467)
Depreciation eliminated on disposal	11,290	-	-	11,290
At 1 January 2023	**-**	**(18,800)**	**(3,128)**	**(21,928)**
Net Book Value as at 2 January 2022	-	9,070	2,679	11,749
Net Book Value as at 1 January 2023	**-**	**7,855**	**2,427**	**10,282**

iv) Investments in subsidiary undertakings

	Shares £	Capital contributions £	Total £
Cost			
At 2 January 2022	1,380	129,722	131,102
Share-based payment charge	-	15,377	15,377
At 1 January 2023	**1,380**	**145,099**	**146,479**
Amounts written off			
For the period ended 1 January 2023	-	-	-
Net book value at 2 January 2022	1,380	129,722	131,102
Net book value at 1 January 2023	**1,380**	**145,099**	**146,479**

v) Debtors

	1 January 2023	2 January 2022
	£	£
Other debtors	3,606	4,339
Amounts receivable from Group undertakings	3,631,916	4,171,566
Total	**3,635,522**	**4,175,905**
Amounts falling due after more than one year:		
Deferred tax asset	-	2,117
Total	**3,635,522**	**4,178,022**

During the period, an impairment provision of £590,282 (2022: £nil) was recorded in relation to amounts receivable from group undertakings.

vi) Creditors

	1 January 2023	2 January 2022
	£	**£**
Amounts due to Group undertakings	1,477,451	527,105
Other creditors	1,470	670,888
Accruals	22,500	-
Total	**1,501,421**	**1,197,993**

vii) Borrowings

	1 January 2023	2 January 2022
	£	**£**
Amounts falling due within one year:		
Bank loans	600,000	600,000
Total borrowings	**600,000**	**600,000**
Amounts falling due after more than one year:		
Bank loans	1,600,000	2,200,000
Total borrowings	**1,600,000**	**2,200,000**

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

The CBILS loan is secured by way of fixed charges over the assets of various Group companies. The CBIL loan of £2,200,000 represent amounts repayable within one year of £600,000 (2022: £600,000) and £1,600,000 (2022: £2,200,000) repayable in more than one year. The bank loan has a six-year term with maturity date in 2026. The loan has an initial interest free period of 12 months followed by a rate of interest of 2.5% over the Bank base rate.

viii) Provisions

Deferred tax recognised in balance sheet:	**Total**
£	
Deferred tax liabilities:	
Brought forward	(1,047)
Charge/(credit) to profit or loss	2,285
Total	**1,238**

ix) Share capital and reserves

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total £
At 1 January 2021	1,226,667	10,050,313	97,286	(10,495,389)	878,877
Share-based payment charge	-	-	32,436	-	32,436
Total comprehensive loss for the year	-	-	-	(30,108)	(30,108)
At 2 January 2022	**1,226,667**	**10,050,313**	**129,722**	**(10,525,497)**	**881,205**

At 3 January 2022	1,226,667	10,050,313	129,722	(10,525,497)	881,205
Share-based payment charge	-	-	15,377	-	15,377
Total comprehensive loss for the year	-	-	-	(723,588)	(723,588)
At 1 January 2023	**1,226,667**	**10,050,313**	**145,099**	**(11,249,085)**	**172,994**

x) Related party transactions

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

xi) Subsequent events

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

xii) Ultimate controlling party

The Company has no ultimate controlling party.

END

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