Comptoir Group plc

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

Half-yearly report for the period ending 30 June 2017

Highlights

- Group revenue of £13.1m up by 36.1% (2016: £9.6m).
- Gross profit of £9.5 m up by 36.4% (2016: £7m).
- Adjusted EBITDA* before highlighted items of £0.2m down by 81% (2016: £1.0m).
- Net cash and cash equivalents at the period end of £0.1m (30 June 2016: £8.0m).
- Comptoir Gloucester Road opened in January 2017 and Comptoir Reading opened in July 2017 and trading in line with Board expectation.
- Currently own and operate 23 restaurants, with a further 2 franchise restaurants.

*Adjusted EBITDA was calculated from the profit/(loss) before taxation adding back interest, depreciation, the costs arising from the flotation (IPO), share-based payments and non-recurring costs incurred in opening new sites (note 12).

Richard Kleiner, Non-Executive Chairman, said: *"Notwithstanding the challenging environment that has subsisted since early 2017, I am pleased to see that, over the last few months, the business revenue has stabilised. The Company is therefore in a good position to take advantage of the opportunities that the board believe will arise over the foreseeable future. I would also like to thank my fellow directors and the whole of the Comptoir Group team for their efforts over the interim period to the end of June 2017."*

15th September 2017

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This announcement contains inside information.

Chief executive's review

I am pleased to report the results for the 6-month period ended 30 June 2017. The performance of the Group's various brands and restaurants, during the first six months of the year, has been steady despite some challenging conditions. The Group ended the period owning and operating 23 restaurants, with a further 2 franchise restaurants. The Company has opened 1 further restaurant post period end. Revenue for the period was £13.1m, an increase of £3.5m or 36.1% (2016: £9.6m) over the comparative period. Adjusted EBITDA was

£0.2m, a decrease of £813k or 81% (2016: £1.0m). Following various adjustments including highlighted items, the income statement shows a pre-tax loss of £756k.

The Group has successfully opened two new sites during 2017 to date, namely Comptoir Gloucester Road in January 2017 and Comptoir Reading in July 2017. The Company currently owns and trades from 24 restaurants (17 Comptoir Libanais, 3 Yalla Yalla, 2 Shawa, 1 Levant and 1 Kenza). The Company's 2 current franchise restaurants are located in Heathrow and Gatwick.

During the period, we focused heavily on quality and consistency of our operation with a major drive in training and improving the consistency of our food offering.

We have observed a significant increase in level of promotional activity within the restaurant sector. The Board has decided not to discount but improve our offering to bring more value for money for the Group's customers.

During the 6-month period to 30 June 2017, and as previously announced, the Group did experience a number of additional cost pressures including higher supplier costs due to currency exchange rate variations, consumer spending impacting on average spend per transaction, increase in business rates and the National living Wage, which was implemented at the beginning of April 2017. The management team have worked hard during the period to mitigate these various cost pressures through efficiencies and implementing initiatives to improve the Group's gross margin and labour.

The Group has seen a noticeable improvement in trading during the last few months as the 9 new restaurant opened in the second half of 2016 have bedded in. The growing maturity of these restaurants has led to increased sales, which also has a positive impact on the labour cost margin and therefore the profitability of the Group. I am confident therefore that the Company is moving in the right direction and Directors' expectations for the full year will be met. In line with this, the Company expects a second half weighting to its financial performance in 2017.

The basic loss per share for the period was 0.55 pence (2016: basic earnings per share 3.97 pence) and diluted loss per share was 0.55 pence (2016: diluted earnings per share 3.97 pence).

Estate Roll-out

It is anticipated that the Group will open 3 new sites before the end of December 2017. These new sites will be Comptoir Oxford and Shawa Oxford, both expected to be opened in late October 2017. In addition the Company is opening its first International Comptoir in Utrecht as a franchise operation with HMS Host.

Cash Flows & Balance Sheet

Cash and cash equivalents decreased in the period by £0.7m, principally used for new sites opening and payments relating to the acquisition of the CPU in Q4 of 2016. The Group's cash balance at the end of the reporting period was £0.1m (2016: £0.8m). As at 30 June 2017 the Group had bank borrowings of £1.7m (2016: £2.0m).

The Company has previously announced that it expected to conclude a sale and leaseback of its freehold central processing unit (CPU), the net proceeds of which were to be used to strengthen the Group's working capital position. It remains the Board's intention to undertake a sale and leaseback in order to release funds, albeit the timing to complete the transaction is expected to take longer. The Board now believes approximately £2.0m could be raised via a sale and leaseback.

Not including any funds received from the sale and leaseback of its CPU, the Board have concluded that the Company requires further funds of approximately £2.0m to meet the financing needs associated with the 2 new owner sites due to open before the end of the current financial year. The Board and connected parties, which account for approximately 76%. of the current issued share capital, have indicated that it would be their intention to meet this funding requirement through an equity placing at a small discount to the share price of the Company. The Board intends to consult with its key shareholders and its advisors on the proposed fundraising and, if there is demand, to allow certain investors to also invest alongside the Directors on the same terms.

If the Company raises any funds above the proposed £2.0m, either through an enlarged fundraise or the sale and leaseback of the CPU, these funds would be used to open new restaurants in 2018.

Management Team Enhancements

The Group has appointed a new Chief Operating Officer, Conrad Patterson, who joined in July 2017 and who is assisting the operations team and head office with improvements in efficiencies and other related issues. It also remains the firm intention of the board to seek an appropriate candidate to be appointed as Chief Financial Officer as soon as possible.

Current Trading and Outlook

As indicated above, the Group continues to control its costs and improve its operational efficiencies and margins and, with the quality of the new site openings planned for the remainder of the financial year, together with the continuing of recent stronger trading that the Group has experienced in July and August, there is a degree of confidence of achieving the board's current expectations for the full 2017 financial year. However, this does assume that there are no material factors which could impact on the results including significant delays in the opening of the new sites or macro-economic factors outside the Group's control.

The pipeline for 2018 is currently under consideration and is dependent on site availability and funds available. The Group's focus however remains on improving the performance of the current estate. Although the Group does continue to assess new sites and acquisition opportunities which may be a strategic fit and add value to the Group's overall operations.

Chaker Hanna
Chief Executive

Consolidated statement of comprehensive income

For the half-year ended 30 June 2017

	Notes	Half-year ended 30 June 2017 £	Half-year ended 30 June 2016 £	Year ended 31 December 2016 £
Revenue		13,135,881	9,649,207	21,513,813
Cost of sales		(3,644,404)	(2,690,156)	(5,818,647)
Gross profit		9,491,477	6,959,051	15,695,166
Distribution expenses		(3,864,456)	(2,570,795)	(5,551,084)
Administrative expenses		(6,350,455)	(4,850,378)	(11,025,955)
Other income		436	93,190	2,114
Operating loss	**2**	(722,998)	(368,932)	(879,759)
Finance costs		(32,835)	(66,522)	(125,237)
Loss before tax		(755,833)	(435,454)	(1,004,996)
Taxation credit/(charge)		224,332	(25,895)	86,883
Loss for the period		(531,501)	(461,349)	(918,113)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		**(531,501)**	**(461,349)**	**(918,113)**
Basic (loss)/earnings per share (pence)	**6**	(0.55)	(3.97)	(1.70)
Diluted (loss)/earnings per share (pence)	**6**	(0.55)	(3.97)	(1.70)

Adjusted EBITDA:				
Operating loss – as above		(722,998)	(368,932)	(879,759)
Add back:				
Depreciation and amortisation		730,852	473,632	979,583
Non-trading items	**2**	1,826	710,371	1,183,592
Restaurant opening costs	**2**	181,386	189,135	1,401,546
Adjusted EBITDA	**12**	**191,066**	**1,004,206**	**2,684,962**

All of the above results are derived from continuing operations.

Consolidated balance sheet

At 30 June 2017

	Notes	30 June 2017 £	30 June 2016 £	31 December 2016 £
Assets				
Non-current assets				
Property, plant and equipment	**7**	11,376,393	7,434,965	11,114,999
Intangibles assets	**8**	1,061,437	-	1,121,021
Deferred tax asset		565,889	267,495	304,995
		13,003,719	7,702,460	12,541,015
Current asset				
Inventories		544,300	315,393	479,830
Trade and other receivables		2,622,780	1,716,232	2,197,315
Cash and cash equivalents		140,866	8,002,286	813,207
		3,307,946	10,033,911	3,490,352
Total assets		16,311,665	17,736,371	16,031,367
Liabilities				
Current liabilities				
Borrowings		(624,398)	(2,152,192)	(632,041)
Trade and other payables		(4,662,292)	(2,687,825)	(3,557,649)
Current tax liabilities		(85,459)	(341,899)	(94,024)
		(5,372,149)	(5,181,916)	(4,283,714)
Non-current liabilities				
Borrowings		(1,061,648)	(1,691,902)	(1,380,407)
Provisions for liabilities		(40,613)	(326,380)	(35,050)
Deferred tax liability		(323,847)	-	(287,287)
		(1,426,108)	(2,018,282)	(1,702,744)
Total liabilities		(6,798,257)	(7,200,198)	(5,986,458)
Net assets		**9,513,408**	**10,536,173**	**10,044,909**
Equity				
Share capital	**10**	960,000	960,000	960,000
Share premium		6,465,687	6,465,587	6,465,687
Other reserves		415,200	513,810	479,210
Retained earnings		1,672,521	2,596,776	2,140,012
Total equity – attributable to equity shareholders of the company		**9,513,408**	**10,536,173**	**10,044,909**

Consolidated statement of changes in equity

For the half-year ended 30 June 2017

	Notes	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Half year ended 30 June 2017						
At 1 January 2017		960,000	6,465,687	479,210	2,140,012	10,044,909
Total comprehensive income		-	-	-	(531,501)	(531,501)
Transactions with owners						
Reserve transfer on cancellation of options	**5**	-	-	(64,010)	64,010	-
Total transactions with owners		-	-	(64,010)	64,010	-
At 30 June 2017		960,000	6,465,687	415,200	1,672,521	9,513,408
Half-year ended 30 June 2016						
At 1 January 2016		100	-	-	3,136,500	3,136,600
Total comprehensive income		-	-	-	(461,349)	(461,349)
Transactions with owners						
Equity dividends	**9**	-	-	-	(78,375)	(78,375)
Share-based payments	**5**	-	-	513,810	-	513,810
Issue of shares	**10**	959,900	6,465,587	-	-	7,425,487
Total transactions with owners		959,900	6,465,587	513,810	(78,375)	7,860,922
At 30 June 2016		960,000	6,465,587	513,810	2,596,776	10,536,173
Year ended 31 December 2016						
At 1 January 2016		100	-	-	3,136,500	3,136,600
Total comprehensive income		-	-	-	(918,113)	(918,113)
Transactions with owners						
Equity dividends	**9**	-	-	-	(78,375)	(78,375)
Share-based payments	**5**	-	-	479,210	-	479,210
Issue of shares	**10**	959,900	6,465,687	-	-	7,425,587
Total transactions with owners		959,900	6,465,687	479,210	(78,375)	7,826,422
At 31 December 2016		960,000	6,465,687	479,210	2,140,012	10,044,909

Consolidated statement of cash flows

For the half-year ended 30 June 2017

	Notes	Half-year ended 30 June 2017 £	Half-year ended 30 June 2016 £	Year ended 31 December 2016 £
Operating activities				
Cash flow from/(used by) operations	**11**	582,123	(221,651)	370,022
Interest paid		(32,835)	(66,522)	(125,237)
Tax (paid)/received		(8,566)	18,409	(199,397)
Net cash from/(used by) operating activities		**540,722**	**(269,764)**	**45,388**
Investing activities				
Purchase of property, plant & equipment		(934,489)	(270,190)	(4,496,844)
Payments for lease premiums		-	-	(1,075,000)
Purchase of business		-	-	(400,000)
Net cash used in investing activities		**(934,489)**	**(270,190)**	**(5,971,844)**
Financing activities				
Proceeds from issue of shares		-	7,425,487	7,425,587
Dividends paid to equity shareholders		-	(78,375)	(78,375)
Drawdown of new bank borrowings		-	825,000	-
Repayment of bank borrowings		(304,480)	(239,216)	(537,729)
Increase in other borrowings		-	-	825,000
Payment of finance lease obligations		(21,921)	(45,487)	(1,549,651)
Net cash (used in)/from financing activities		**(326,401)**	**7,887,409**	**6,084,832**
(Decrease)/increase in cash and cash equivalents		(720,168)	7,347,455	158,376
Cash and cash equivalents at beginning of period		813,207	654,831	654,831
Cash and cash equivalents at end of period		**93,039**	**8,002,286**	**813,207**
Cash and cash equivalents:				
Cash at bank and in hand		140,866	8,002,286	813,207
Bank overdrafts included in creditors payable within one year		(47,827)	-	-

Notes to the financial information

For the half-year ended 30 June 2017

1. Basis of preparation

The consolidated half-yearly financial information for the half-year ended 30 June 2017, has been prepared in accordance with the accounting policies which the group applied in the Company's latest annual audited financial statements and are expected to be applied in the annual financial statements for the year ending 31 December 2017. These accounting policies are based on the EU-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. The consolidated half-yearly information for the half-year ended 30 June 2017 has been prepared in accordance with IAS 34: 'Interim Financial Reporting', as adopted by the EU, and under the historical cost convention.

The financial information relating to the half-year ended 30 June 2017 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. It has, however, been reviewed by the Company's auditors and their report is set out at the end of this document. The comparative figures for the year ended 31 December 2016 have been extracted from the consolidated financial statements, on which the auditors gave an unqualified audit opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. The annual report and accounts for the year ended 31 December 2016 has been filed with the Registrar of Companies.

The group's financial risk management objectives and policies are consistent with those disclosed in the 2016 annual report and accounts.

The half-yearly report was approved by the board of directors on 14 September 2017. The half-yearly report is available on the Comptoir Libanais website, www.comptoirlibanais.com, and at Comptoir Group's registered office, Suite 4 Strata House, 34a Waterloo Road, London, NW2 7UH.

Going concern

The group currently plans to open two new restaurant sites by the end of 2017 which will require capital expenditure of £1.2m. The group's current cash reserves are not sufficient to fund these opening costs. The group intends to raise additional funds by way of an equity placing. The directors have confirmed that they will participate in the planned equity placing with £2m being raised from the directors. The placing is open to other investors as well as the directors and the total raised may be more than £2m. Following the fund raising, and by utilising available overdraft facilities, the group will have sufficient funds for the two new openings and for working capital requirements for the next 12 months.

2. Group operating loss

	Half-year ended 30 June 2017 £	Half-year ended 30 June 2016 £	Year ended 31 December 2016 £
This is stated after charging:			
AIM admission costs (see ***note 3***)	-	196,561	232,586
Impairment of assets (see ***note 7***)	1,826	-	471,796
Share based payments (see ***note 5***)	-	513,810	479,210
Opening costs (see ***below***)	181,386	189,135	1,401,546
Amortisation of intangible assets (see ***note 8***)	59,583	-	28,958
Depreciation of property, plant & equipment (see ***note 7***)	671,269	473,632	950,625

For the initial trading period following opening of a new restaurant, the performance of that restaurant will be lower than that achieved by other, similar, mature restaurants. The difference in this performance, which is calculated by reference to gross profit margins amongst other key metrics is quantified and included within opening costs. The breakdown of opening costs, between pre-opening costs and post-opening costs is shown below:

	Half-year ended 30 June 2017 £	Half-year ended 30 June 2016 £	Year ended 31 December 2016 £
Pre-opening costs	65,073	142,799	907,045
Post-opening costs	116,313	46,336	494,501
	181,386	**189,135**	**1,401,546**

3. AIM admission costs

During the year ended 31 December 2016, the Company carried out an initial public offering ("IPO") of its ordinary shares and on 21 June 2016 the ordinary shares of the Company were admitted to trading on London's Alternative Investment Market ("AIM"). At the time of the IPO the Company issued 16,000,000 new shares to the public at an IPO price of £0.50 each, raising £8,000,000 of new capital for the Group, before issue costs.

The expenses of £574,513 incurred directly on the issue of the new shares were debited to the share premium account, whilst the costs incurred relating to the admission of the Company's existing shares to trading on AIM, which totalled £232,586, were included within AIM admission costs and are shown separately on the face of the statement of comprehensive income.

4. Operating segments

The Group has only one operating segment: the operation of restaurants with Lebanese and Middle Eastern offering and one geographical segment (the United Kingdom). The Group's brands meet the aggregation criteria set out in paragraph 22 of IFRS 8 "Operating Segments" and as such the Group reports the business as one reportable segment.

None of the Group's customers individually contribute over 10% of the total revenue.

5. Share options and share-based payment charge

On 14 June 2016, the company established an Enterprise Management Incentive ("EMI") share option scheme and on the same day granted 2,970,000 EMI share options to certain key employees. The exercise price of all of the options is £0.50, the term to expiration is 10 years and all of the options have the same vesting conditions attached to them.

On 21 June 2016, as a result of the company's IPO, all 2,970,000 of the EMI options in issue vested, resulting in a charge to the income statement equal to the fair value of the options on the date of grant. Since vesting and to the date of approval of this financial information none of the options had been exercised and 570,000 had been cancelled.

The total share-based payment charge for the period was £nil (half-year ended 30 June 2016: £513,810 and year ended 31 December 2016: £479,210).

6. (Loss)/earnings per share

At 31 December 2015, the Company had 5,000 ordinary shares of £0.01 each and 5,000 B ordinary shares of £0.01 each in issue. In June 2016, the 5,000 B ordinary shares were re-designated as ordinary shares of £0.01 each and 79,990,000 new ordinary shares of £0.01 each were allotted and issued to the existing shareholders as a bonus issue of shares.

On the date of the IPO the company issued a further 16,000,000 new shares, bringing the total shares in issue to 96,000,000, as at 30 June 2016. No further shares have been issued up to 30 June 2017.

6. (Loss)/earnings per share (continued)

For the purpose of our non-weighted EPS calculations, we have assumed there to have been 96,000,000 shares in issue at each of the reporting dates.

	Half-year ended 30 June 2017 £	Half-year ended 30 June 2016 £	Year ended 31 December 2016 £
(Loss)/profit attributable to shareholders	(531,501)	(461,349)	(918,113)

	Number	Number	Number
Assumed number of shares			
For basic earnings per share	96,000,000	96,000,000	96,000,000
Adjustment for options outstanding	76,050	1,043,588	1,159,276
For diluted earnings per share	96,076,050	97,043,588	97,159,276

	Pence per share	Pence per share	Pence per share
(Loss)/earnings per share:			
Basic (loss)/earnings per share	(0.55)	(0.48)	(0.96)
Diluted (loss)/earnings per share	(0.55)	(0.48)	(0.96)

The weighted average number of shares reflects the shares during the period ending 30 June 2016 and the year ending 31 December 2016.

	Number	Number	Number
Weighted average number of shares			
For basic earnings per share	96,000,000	11,613,187	54,037,158
Adjustment for options outstanding	76,050	1,043,588	1,159,276
For diluted earnings per share	96,076,050	12,656,755	55,196,276

	Pence per share	Pence per share	Pence per share
Earnings per share:			
Basic (pence)			
From (loss)/profit for the period	(0.55)	(3.97)	(1.70)
Diluted (pence)			
From (loss)/profit for the period	(0.55)	(3.97)	(1.70)

For both of the above earnings per share calculations, the 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, this calculation assumes that the proceeds receivable from the exercise of 'in the money' options would be used to purchase shares in the open market in order to reduce the number of new shares that would need to be issued.

The diluted loss per share for the period ended 30 June 2017 has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

7. Property, plant and equipment

Group As at 30 June 2017	Freehold land and buildings £	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2017	1,562,015	8,385,944	3,973,629	2,139,835	-	16,061,423
Additions	-	415,592	418,810	84,967	15,120	934,489
At 30 June 2017	**1,562,015**	**8,801,536**	**4,392,439**	**2,224,802**	**15,120**	**16,995,912**
Accumulated depreciation and impairment						
At 1 January 2017	(118,550)	(2,798,137)	(1,294,841)	(734,896)	-	(4,946,424)
Depreciation	(33,603)	(349,505)	(216,427)	(70,222)	(1,512)	(671,269)
Impairment adjustment	-	-	(1,457)	(369)	-	(1,826)
At 30 June 2017	**(152,153)**	**(3,147,642)**	**(1,512,725)**	**(805,487)**	**(1,512)**	**(5,619,519)**
NBV						
As at 30 June 2017	1,409,862	5,653,894	2,879,714	1,419,315	13,608	11,376,393
As at 30 June 2016	1,317,830	3,508,438	1,507,251	1,101,446	-	7,434,965
As at 31 December 2016	1,443,465	5,587,807	2,678,788	1,404,939	-	11,114,999

8. Intangible assets

Intangible fixed assets consist of lease premiums and goodwill from the acquisition of Agushia Limited. During the period, the group spent £nil on intangible assets (half-year ended 30 June 2016: £nil and year ended 31 December 2016: £1,149,979). During the period amortisation charges of £59,583 were recognised in respect of these assets.

9. Dividends

Amounts recognised as distributable to equity holders in the period:

	Half-year ended 30 June 2017 £	Half-year ended 30 June 2016 £	Year ended 31 December 2016 £
Dividend for the year ending 31 December 2016 of £7.84 per share	-	78,375	78,375

During 2016, prior to the company's IPO, its Chief Executive, C Hanna, and its Creative and Founding Director, A Kitous, were remunerated by way of dividends in lieu of market rate salaries. Since the company's IPO, these directors have taken market rate salaries instead of such dividends.

10. Share capital

Allotted and fully paid

	Number of ordinary 1p shares		
	30 June 2017	**30 June 2016**	**31 December 2016**
Brought forward	96,000,000	10,000	10,000
Issued in the period	-	95,990,000	95,990,000
Carried forward	96,000,000	96,000,000	96,000,000

	Nominal value		
	30 June 2017	**30 June 2016**	**31 December 2016**
	£	**£**	**£**
Brought forward	960,000	100	100
Issued in the period	-	959,900	959,900
Carried forward	960,000	960,000	960,000

On 31 December 2015, the company had 5,000 ordinary shares of £0.01 each and 5,000 B ordinary shares of £0.01 each in issue. In June 2016, the 5,000 B ordinary shares were re-designated as ordinary shares of £0.01 each and 79,990,000 new ordinary shares of £0.01 each were allotted and issued to the existing shareholders as a bonus issue of shares. On 21 June 2016, the company issued 16,000,000 new shares to the public as part of the IPO and admission of the shares to the AIM market of the London Stock Exchange, raising £8 million, before costs of the share issue.

11. Cash flow from operations

	Half-year ended 30 June 2017	**Half-year ended 30 June 2016**	**Year ended 31 December 2016**
	£	**£**	**£**
Loss for the period	(531,501)	(461,349)	(918,113)
Income tax expense	(224,332)	25,895	(86,883)
Finance costs	32,835	66,522	125,237
Depreciation	671,269	473,632	950,628
Amortisation of intangible assets	59,583	-	28,958
Impairment of assets	1,826	-	471,796
Share-based payment charge	-	513,810	479,210
Movements in working capital			
Increase in inventories	(64,470)	(11,194)	(175,631)
Increase in trade and other receivables	(425,465)	(112,599)	(560,175)
Increase/(decrease) in trade and other payables and provisions	1,062,378	(716,368)	54,995

Cash from/(used by) operations	**582,123**	**(221,651)**	**370,022**

12. Adjusted EBITDA

Adjusted EBITDA was calculated from the profit/loss before taxation adding back interest, depreciation, the costs arising from the flotation (IPO), share-based payments and non-recurring costs incurred in opening new sites, as follows:

	6 months ended 30 June 2017	**6 months ended 30 June 2016**
	£	**£**
Operating (loss)/profit	(722,998)	(368,932)
Add back:		
Amortisation (see ***note 8***)	59,583	473,632
Depreciation (see ***note 7***)	671,269	-
EBITDA	7,854	104,700
Non-trading items:		
AIM admission costs	-	196,561
Share-based payments	-	513,810
Non-recurring costs incurred in opening new sites (see ***note 2***)	181,386	189,135
Impairment of assets (see ***note 7***)	1,826	-
Adjusted EBITDA	191,066	1,004,206

13. Prior period adjustment at 30 June 2016

Changes to the balance sheet – Group	**As previously reported**	**Adjustment at 1 January 2016**	**Adjustment at 30 June 2016**	**As restated**
	£	**£**	**£**	**£**
Non-current assets				
Property, plant & equipment	6,081,515	1,412,725	(59,275)	7,434,965
Current liabilities				
Finance lease liabilities	-	(1,461,043)	(28,969)	(1,490,012)
	6,081,515	(48,318)	(88,244)	5,944,953
Capital and reserves				
Retained earnings	2,733,338	(48,318)	(88,244)	2,596,776

13. Prior period adjustment (continued)

Changes to the profit and loss account– Group	As previously reported	Adjustment	As restated
	£	£	£
Profit/(loss) for the financial period	(373,105)	(88,244)	(461,349)

In order to adjust a treatment of a lease made in prior periods with respect to the classification of a leasehold interest in a property held by the Group, during the current year a prior year adjustment has been made to change the historical treatment of the lease. Previously, the lease had been treated as an operating lease and rental payments were recognised within the income statement of a subsidiary entity. Following a review of the facts, the lease is now considered to have more closely met the definitions of a finance lease rather than that of an operating lease and as such the carrying value of the property has been retrospectively recognised in the accounts from the date the lease was entered, being September 2014. The comparative figures shown in these accounts have been adjusted to include the leasehold investment at its fair value of £1,412,725 brought forward as at 1 January 2016, as well as a finance lease liability outstanding at 30 June 2016 of £1,490,012. The impact on the results for the half-year ended 30 June 2016 and on retained earnings is reflected in the table above.

Independent review report by the auditors

For the half-year ended 30 June 2017

Introduction

We have been engaged by the company to review the condensed set of financial information in the half-yearly financial report for the half-year ended 30 June 2017 which comprises the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, consolidated statement of cash flows and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34: 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410: 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the half-year ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the AIM Rules for Companies.

Going concern

We have considered the adequacy of the disclosures made in note 1 concerning the group's ability to continue as a going concern. The directors have confirmed that they will participate in the planned placing and this is expected to raise £2m from the directors. This fund raising is required to fund the opening of two new sites to the end of 2017. The group's ability to continue as a going concern is dependent on the receipt of the new funds.

UHY Hacker Young
Chartered Accountants

Quadrant House
4 Thomas More Square
London E1W 1YW
15 September 2017

Notes

1. The maintenance and integrity of the Comptoir Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the half-yearly report or the auditors' review report since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.