

Company Registration Number 07741283 (England and Wales)

COMPTOIR GROUP PLC
(PREVIOUSLY LEVANT RESTAURANTS GROUP LIMITED)
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Company information

Directors	C Hanna J Kaye A Kitous R Kleiner	<i>Chief Executive</i> <i>Non-Executive Director</i> <i>Creative and Founding Director</i> <i>Non-Executive Chairman</i>
Secretary	AIS Secretarial Services Limited	
Company number	07741283	
Registered office	Suite 4 Strata House 34a Waterloo Road London NW2 7UH	
Business address	2 nd Floor Instone House Instone Road Dartford Kent DA1 2AG	
Nominated Advisor and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW	
Solicitors	Howard Kennedy LLP No.1 London Bridge London SE1 9BG	
Registrars	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	

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Financial highlights

For the year ended 31 December 2016

- Group revenue increased 21% to £21.5m (2015 - £17.7m)
- Gross profit increased 21% to £15.7m (2015 - £13.0m)
- Adjusted* EBITDA up 7% to £2.7m (2015 - £2.5m)
- Adjusted* pre-tax profit was 4% lower at £1.6m (2015 - £1.6m)
- IFRS loss before tax of £1.0m (2016 - £1.3m profit)
- (Loss)/earnings per share from IFRS loss of (1.70)p (2015: 1.79p earnings per share)
- Earnings per share from adjusted* profit of 2.57p (2015: 2.31p)
- Six new restaurants opened and three acquired.
- Twenty-two restaurants trading as at 31 December 2016

*excluding the impact of £1.2m (2015 – Nil) non-trading costs and £1.4m opening costs

Chairman's statement

For the year ended 31 December 2016

I am pleased to present the Group's results for the year ended 31 December 2016, being our first set of full-year results since successfully listing on AIM. I am also pleased to report considerable progress with our strategy to grow our operations and extend the presence of our brands to new locations both in and outside of London.

Results

Group revenue increased by £3.8m or 21% from £17.7m to £21.5m and adjusted* EBITDA was 7% higher at £2.7m (2015 - £2.5m).

Given that we opened six new restaurants in the period, off a base of only 13 restaurants, the one-off costs incurred in connection with these openings rose sharply to £1.4m (2015 £0.3m), with a commensurate impact on reported profits. For this reason, we add back these opening costs in calculating adjusted* EBITDA, as the Board believes this gives the most useful measure of the underlying performance of the business.

After the inclusion of restaurant opening costs and £1.2m non-trading items, which comprises £0.5m (2015 – Nil) on impairment of property, plant and equipment, £0.5m share option charge (2015 – Nil) and £0.2m (2015 – Nil) of AIM listing fees, the Income Statement shows a pre-tax loss of £1.0m (2015 - £1.3m profit).

The Board does not recommend the payment of any dividend at this time, as it is anticipated that all available funds will be required for investment in new restaurants or the existing estate for the foreseeable future.

Growth in operations

The Group has delivered on its plan to step up its rate of expansion in the second half of the year, following the successful IPO, increasing the number of restaurants trading from 14 to 22 at the close of the year.

We have invested £7.5m in the fit-out of these new openings, the acquisition of Yalla Yalla and the purchase of the freehold of our Central Processing Unit (CPU). Taken together with one further additional opening in London in January, this has been funded by the proceeds of our AIM flotation and at the end of the year we had retained cash and cash equivalents of £0.8m (2015 - £0.7m).

People

The friendliness, dedication and passion of our people is at the heart of our success as a business. The busy opening programme that we embarked on over the second half of 2016 has presented new challenges for our management team, who have risen to the task magnificently. I would like to thank them particularly and also our new recruits who are delivering our delicious food with great service and enthusiasm in our new restaurants, for all their efforts.

Current trading

The Board is pleased that the financial outcome for 2016 was in line with expectations.

The Group ended the year with 22 restaurants and 2 franchise operations, ahead of expectations and is currently trading from 23 restaurants. Due to the Group's opening programme being ahead of the schedule anticipated at the time of IPO, the Group expects to only open a further three restaurants during the current year. 2017 will therefore be focused on bedding in new openings, promoting the Comptoir brand to consumers in new locations and delivering on anticipated returns.

During the first quarter of 2017 we have experienced the UK consumer being cautious. Trading in January and February, traditionally the Company's quietest months, was below expectations, however, we saw improved trading in March. The Group expects further positive trading in April (which includes Easter) and into the summer months.

The Board has made the decision to reduce its opening schedule for 2018 to 4 restaurants (4 in 2017), which will impact the financial performance in 2018. The Board will increase the number of openings ahead of this revised 2018 target if suitably attractive locations become available and dependent on market conditions.

Richard Kleiner
Chairman
11 April 2017

Chief Executive's review

For the year ended 31 December 2016

I am delighted to report on what has been an exciting period of development for the Group. We have had an extremely busy and productive second half of the year, in which we have opened six new restaurants, before acquiring three additional restaurants under the Yalla Yalla brand, taking our portfolio up to twenty-two units at the end of the year.

As a result, we have grown our annual sales to £21.5m (2015 - £17.7m) and adjusted EBITDA (excluding one-off costs incurred in opening new restaurants and other highlighted items) rose 7% to £2.7m (2015 - £2.5m).

Review of operations

The existing estate delivered a solid performance, with further growth from the restaurants that were opened late in 2016. Despite, cost pressures in the supply chain in the wake of Brexit and the introduction of the National Living Wage for employees over the age of 25 in April 2016, our teams worked hard to control costs and I am pleased to report that overall margins have been maintained.

As anticipated, much of the focus over the second half of the year has been on opening and bedding in our new restaurants. We have recruited and trained 237 new staff over this period and this has provided the opportunity for existing members of the team to take on greater responsibility in the General Manager and Assistant Manager roles.

Opening costs

Opening costs during the period were £1.4m (2015 - £0.3m) and are added back in adjusted* EBITDA.

There are a number of aspects of our particular operations that are important to fully understand.

- While Lebanese food is growing in popularity, it is not familiar to all our potential customers and for this reason we have to educate the local population and our sales tend to build towards maturity over a number of years rather than maturing after several months.
- With all but two items on our menu, being freshly prepared either in our central processing unit (CPU) or in our own restaurant kitchens, this means that we have to hire skilled chefs and sous chefs and our wage costs will always be higher in the initial months following opening compared to other casual dining concepts.
- With our current small scale, the costs incurred on recruiting, training and supporting the teams put in place in our restaurants, particularly those out in more isolated regional locations, are necessarily higher than they would likely be in a much larger chain which already enjoys national coverage.

For these reasons, it takes us a few months after opening a new restaurant to bring our wage costs fully into line with our model and for this reason our policy in respect of Opening costs is to include not only the costs of overheads (rent, rates, insurance) and wage costs up to the date of opening, but we also include an element of wages, training and marketing costs incurred over the first three months of trading only so that the level of costs included in the site profit & loss account are "normalised".

We believe this approach is both appropriate for our offering and is consistent with the policy we have always applied. We also feel it is appropriate for our stage of development.

Estate development

In the second half of the year, we opened new restaurants in Bath, Exeter and Leeds to augment our existing regional presence in Manchester which was opened in 2015.

At the same time, we also extended our operations in London. Firstly, we relocated our Soho branch of Comptoir Libanais to larger premises on Poland Street and then we also opened a Comptoir Libanais within the John Lewis store on Oxford Street. In addition, we also launched our first Shawa branch which is not in a shopping centre, on Haymarket.

In December, we announced that we had acquired three operations (located in Soho, Fitzrovia and Greenwich) trading as Yalla Yalla. With a distinct offering, billed as Beirut street food, we believe that there may be potential to extend the presence of Yalla Yalla strategically to additional London locations. Importantly, Yalla Yalla, while a distinct brand, is also able to use the Group's Central Production Unit (CPU) and food skills within the business, enabling its integration into the Group to be seamless.

We opened a further Comptoir Libanais restaurant directly opposite Gloucester Road tube station in January, where sales are building steadily week to week and so we are now trading from 23 restaurants and two franchise operations.

We continue to develop our property pipeline. Further openings are anticipated in Reading and Oxford, come summer and autumn, respectively, and a number of other site opportunities are being evaluated, both for 2018 and beyond. As set out earlier, however, the Board is adopting a cautious approach to new openings in 2018.

Cashflows and financing

Cash generated from operations was £0.4m (2015 - £2.0m), once again impacted by a relatively high level of one-off costs in connection with the opening of new restaurants.

Capital expenditure, principally incurred on the fitting-out of new restaurants totalled £6.0m (2015 - £3.0m), but also including the purchase of three Yalla Yalla restaurants. A further £1.6m was incurred in the purchase of the Group's Central Production Unit (CPU) towards the end of the year, taking the total level of investment up to £7.6m.

With an additional £0.8m of bank loans advanced during the year and £7.4m proceeds from the AIM flotation, this resulted in an overall cash inflow of £0.2m (2015 - £1.1m outflow) and at the end of the year the Group had cash balances of £0.8m (2015 - £0.7m).

The three further anticipated openings for 2017 can be funded from internally generated cash and we are currently in discussions with our bank regarding additional funding which will enable us to continue the roll-out in 2018. Depending on the outcome, the freehold of the CPU (which has been independently valued at £1.8m) also provides a means to raise additional funds if required.

Outlook

As set out in the Chairman's statement trading in the first two months of the year was below expectations, however we saw a marked improvement in March and we anticipate strong sales in April, particularly over the Easter holiday period.

Sales at the new restaurants are gradually building towards the levels anticipated at maturity and the Company is putting in place a number of marketing initiatives, including a new menu, ahead of the critical summer trading period to promote sales at both existing and new restaurants. The Company is also heavily focused on cost control.

The Directors believe the Group's current Comptoir Libanais restaurant estate has significant potential for organic growth which will continue to provide attractive returns for shareholders.

Chaker Hanna
Chief Executive Officer
11 April 2017

Strategic Report

For the year ended 31 December 2016

The Directors present their strategic report for the year ended 31 December 2016.

Business model

The Group's principal brand is Comptoir Libanais, which offers a fresh and healthy all-day dining experience based on Lebanese and Eastern Mediterranean cuisine. This type of food is growing steadily in popularity due to its flavoursome, healthy, low fat and vegetarian friendly ingredients, as well as the ability to share many of the (Mezze) dishes across the table with a group of friends.

We seek to design each restaurant with a bold and fresh design and give it a Middle Eastern café culture feel, which is welcoming to all age groups and types of consumer. This is further enhanced by an in-store retail offering that offers Arabic products including colourful embroidered bags, harissa tins, and assorted pastries and sweets.

Shawa is a Lebanese grill concept serving lean grilled meats, rotisserie chicken, homemade falafel, halloumi and fresh salads, through a counter service operation located in high footfall locations.

The estimated average spend per head at Comptoir Libanais is c. £14 and the average spend at Shawa is lower than this, 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 only limited direct competition, in marked contrast to other areas of the market.

Strategy for growth

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

We also believe that there is considerable potential to grow the Group's franchised operations and we see this as a complimentary and relatively low-risk route to extend the presence of our brands, both within the UK and in overseas territories.

Review of the business and key performance indicators (KPIs)

Group revenue increased by 21% to £21.5m (2015 - £17.7m) and the Income Statement shows a pre-tax loss of £1.0m (2015 - £1.3m). However, as stated above, at this stage in the development of the business the Board believes that it is more helpful to focus on adjusted EBITDA, which excludes non-recurring items and costs incurred in connection with the opening of new restaurants and on this measure, we were ahead by 7% at £2.7m (2015 - £2.5m).

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, gross and operating profit margins percentages and these are appraised against budgeted, forecast and last year's achieved levels.

In terms of non-financial KPI's, the standard of service provided to customers is monitored via the scores from a programme of regular monthly "mystery diner" audits carried out at each store and we use feedback from health and safety audits conducted by an external consultant to ensure that critical operating procedures are being adhered to.

Further explanation of the performance of the business over the year is provided in the Chairman's Statement on page 1 and the Chief Executive's Review on page 3.

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

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. Any weakness in consumer confidence could have an adverse effect on footfall and customer spend in our restaurants.

As indicated above, the core brands which the Group is rolling out are positioned in the affordable segment of the casual dining market. A strong focus on superior and attentive service together with value added marketing initiatives can help to drive sales when customer footfall is more subdued.

Input cost inflation

The Group's key input variables are the cost of food and drink and associated ingredients and the progressive increases in the UK National Living Wage and Minimum Wage rates present a challenge we must face up to alongside our peers and competitors.

We aim to maintain an appropriate level of flexibility in our supplier base so we can work to mitigate the impact of input cost inflation. Our teams work hard on predictive and responsive labour scheduling so that our costs are well controlled.

Strategic and execution

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

The Group has secured the services of an experienced property consultant and having raised its profile as a consequence of its successful AIM flotation, is developing stronger contacts with potential landlords and their agents and advisers. However, there will always be competition for the best sites and the Board will continue

to be highly selective in its evaluation of new sites in order to ensure that target levels of return on investment are achieved.

Future developments

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

On behalf of the Board

Chaker Hanna
Chief Executive Officer
11 April 2017

Statement of corporate governance

Compliance with the 2014 UK Corporate Governance Code

The company is not required to comply with the 2014 UK Corporate Governance. Set out below are the corporate procedures that have been adopted.

The Board

The Board of Comptoir Group plc is the body responsible for the group's objectives, its policies and the stewardship of its resources. At the balance sheet date, the board comprised four directors being C Hanna and A Kitous as executive directors and J Kaye and R Kleiner as non-executive directors.

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

The Board has eleven board meetings during the year. The two independent directors sit on both the audit and the remuneration committees, namely Richard Kleiner and Jonathan Kaye. R Kleiner is the chairman of both the audit committee and the remuneration committee. The terms of reference of both these committees have been approved by the Board.

Remuneration Committee

The remuneration committee's responsibilities include the determination of the remuneration and options of directors and senior executives of the group and the administration of the company's option schemes and arrangements. The committee takes appropriate advice, where necessary, to fulfil this remit.

Audit Committee

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

Nomination Committee

The company does not have a nomination committee. Any board appointments are dealt with by the Board itself.

Internal Control

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

Internal Audit

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

Relations with shareholders

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

Going concern

On the basis of the current financial projections, the directors have a reasonable expectation that the company and the group have adequate financial resources to continue in operational existence for the foreseeable future. The directors accordingly have adopted the going concern basis in the preparation of the group's accounts. See page 21 for further details on going concern.

Report of the directors

The Directors present their report together with the audited financial statements for the year ended 31 December 2016.

Results and dividends

The consolidated statement of comprehensive income is set out on page 16 and shows the loss for the year.

The Directors recommended the payment of a dividend in the year amounting to £78,375 (2015: £669,675).

Principal activities

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

Directors

The Directors of the Group, during the year, and their shareholding, at the yearend date, were as follows:

	Number of ordinary shares	Percentage of shareholding (%)
Executive		
A Kitous	50,000,000	52.1%
C Hanna	14,000,000	14.6%
Non-Executive		
R Kleiner	60,000	0.1%
J Kaye	2,666,666	2.8%
	<i>Appointed on 25 May 2016</i>	

Substantial shareholders

Besides the directors, the only other substantial shareholder at the year-end date is Schroders plc, whom have a 5.2% shareholding (5,000,000 ordinary shares).

Directors' remuneration

The remuneration of the directors for the year ended 31 December 2016 was as follows:

	Year ended 31 December 2016			Year ended 31 December 2015
	Remuneration £	Pension £	Total £	Total £
A Kitous	119,013	564	119,577	37,733
C Hanna	119,013	569	119,582	37,745
R Kleiner	28,917	-	28,917	25,000
J Kaye	13,269	31	13,300	-
	280,212	1,164	281,376	100,478

Creditor payment policy

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

Employees

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

The Group takes a positive view toward employee communication and has established systems for ensuring employees are informed of developments and that they are consulted regularly.

Donations

The Group made charitable donations of £1,337 (2015: £nil) in the year.

Financial Instruments

Details of the use of financial instruments and the principal risks faced by the Group are contained in note 26 to the financial statements.

Future developments

Details of future developments are contained in the Strategic report (page 6).

Auditors

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

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

On behalf of the board

Chaker Hanna
Chief Executive Officer
11 April 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Reports and the group and parent company financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law, and as required by the AIM rules, the directors have elected to prepare group financial statements under International Financial Reporting Standards (IFRSs), as adopted by the European Union, and the parent company financial statements under United Kingdom Accounting Standards.

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

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

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

Independent auditors' report

To the members of Comptoir Group Plc

We have audited the financial statements of Comptoir Group plc for the year ended 31 December 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Statements of Cash Flows and the related notes to the Consolidated and Parent Company accounts. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union for the consolidated financial statements and, as regards the parent company financial statements, United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2016 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Colin Wright (Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London E1W 1YW

11 April 2017

Consolidated statement of comprehensive income

For the year ended 31 December 2016

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 (Restated) £
Revenue	2	21,513,813	17,727,212
Cost of sales		(5,818,647)	(4,755,920)
Gross profit		15,695,166	12,971,292
Distribution expenses		(5,551,084)	(4,459,684)
Administrative expenses		(11,025,955)	(7,146,583)
Other income	2	2,114	50,000
Operating (loss)/profit	3	(879,759)	1,415,323
Finance costs	7	(125,237)	(127,810)
(Loss)/profit before tax		(1,004,996)	1,287,513
Taxation credit/(charge)	8	86,883	(317,706)
(Loss)/profit for the year		(918,113)	969,807
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(918,113)	969,807
Basic (loss)/earnings per share (pence)	9	(1.70)	1.79
Diluted (loss)/earnings per share (pence)	9	(1.66)	1.79

Adjusted EBITDA:

Operating (loss)/profit – as above		(879,759)	1,415,323
Add back:			
Depreciation and amortisation		979,583	755,533
Non-trading items	3	1,183,592	-
Restaurant opening costs	3	1,401,546	348,130
Adjusted EBITDA		2,684,962	2,518,986

All of the above results are derived from continuing operations. (Loss)/profit for the year and total comprehensive (loss)/income for the year is entirely attributable to the equity shareholders of the company.

Consolidated balance sheet

At 31 December 2016

	Notes	31 December 2016 £	31 December 2015 (Restated) £
Assets			
Non-current assets			
Property, plant and equipment	12	11,114,999	7,638,406
Intangible assets	11	1,121,021	-
Deferred tax asset	19	304,995	82,573
		12,541,015	7,720,979
Current asset			
Inventories	14	479,830	304,199
Trade and other receivables	15	2,197,315	1,637,140
Cash and cash equivalents		813,207	667,247
		3,490,352	2,608,586
Total assets		16,031,367	10,329,565
Liabilities			
Current liabilities			
Borrowings	17	(632,041)	(2,050,986)
Trade and other payables	16	(3,557,649)	(3,433,163)
Current tax liabilities		(94,024)	(273,341)
		(4,283,714)	(5,757,490)
Non-current liabilities			
Borrowings	17	(1,380,407)	(1,236,258)
Provisions for liabilities	18	(35,050)	(27,388)
Deferred tax liability	19	(287,287)	(171,829)
		(1,702,744)	(1,435,475)
Total liabilities		(5,986,458)	(7,192,965)
Net assets		10,044,909	3,136,600
Equity			
Share capital	20	960,000	100
Share premium		6,465,687	-
Other reserves	21	479,210	-
Retained earnings		2,140,012	3,136,500
Total equity – attributable to equity shareholders of the company		10,044,909	3,136,600

The financial statements of Comptoir Group PLC (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 11 April 2017 and were signed on its behalf by:

Chaker Hanna
Chief Executive Officer

Consolidated statement of changes in equity

For the year ended 31 December 2016

	Notes	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Year ended 31 December 2015						
At 1 January 2015 (restated)		100	-	-	2,836,368	2,836,468
Profit for the year		-	-	-	998,651	998,651
Prior year adjustment	29				(28,844)	(28,884)
Total comprehensive income		-	-	-	969,807	969,807
Transactions with owners						
Equity dividends		-	-		(669,675)	(669,675)
Total transactions with owners		-	-	-	(669,675)	(669,675)
At 31 December 2015		100	-	-	3,136,500	3,136,600
Year ended 31 December 2016						
At 1 January 2016		100	-	-	3,136,500	3,136,600
Loss for the year					(918,113)	(918,113)
Total comprehensive income		-	-	-	(918,113)	(918,113)
Transactions with owners						
Equity dividends	10	-	-	-	(78,375)	(78,375)
Share-based payments	23	-	-	479,210	-	479,210
Issue of shares	20	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 year ended 31 December 2016

	Notes	Year ended 31 December 2016 £	Year ended 31 December 2015 (Restated) £
Operating activities			
Cash inflow from operations	24	370,022	2,512,281
Interest paid		(125,237)	(127,810)
Tax paid		(199,397)	(218,547)
Net cash from operating activities		45,388	2,165,924
Investing activities			
Purchase of property, plant & equipment	12	(4,496,844)	(3,012,283)
Payments for lease premiums	11	(1,075,000)	-
Purchase of business	11	(400,000)	-
Net cash used in investing activities		(5,971,844)	(3,012,283)
Financing activities			
Proceeds from issue of shares, net of issue costs		7,425,587	(100)
Dividends paid to equity shareholders		(78,375)	(669,675)
Capital element of finance leases paid		(1,549,651)	(124,204)
New bank loans		825,000	1,000,000
Bank loan repayments		(537,729)	(468,891)
Net cash inflow/(outflow) from financing activities		6,084,832	(262,870)
Increase/(decrease) in cash and cash equivalents		158,376	(1,109,229)
Cash and cash equivalents at beginning of year		654,831	1,764,060
Cash and cash equivalents at end of year		813,207	654,831
Cash and cash equivalents:			
Cash at bank and in hand		813,207	667,247
Bank overdrafts included in creditors payable within one year		-	(12,416)

Principal accounting policies for the consolidated financial statements

For the year ended 31 December 2016

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 Company was formerly called Levant Restaurants Group Limited and on 8^{June} 2016 it re-registered as a public limited company and changed its name to Comptoir Group Plc. The address of the Company's registered office is Suite 4, Strata House, 34A Waterloo Road, London, NW2 7UH.

The consolidated financial statements of the Company for the year ended 31 December 2016 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 International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB), as adopted by the European Union. 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 on pages 55 to 62.

Going concern basis

The consolidated financial statements have been prepared on the going concern basis as, after making appropriate enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approving these financial statements. The principal risks and uncertainties facing the Group and further comments on going concern are set out in the report of the Directors.

Basis of preparation

These consolidated financial statements for the year ended 31 December 2016 are the first financial statements of the Company prepared in accordance with IFRS. The date of transition to IFRS was 1 January 2015.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' permits companies adopting IFRS for the first time to take certain optional exemptions from the full retrospective application of IFRS. The Group and parent company previously adopted FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland' (UK GAAP) in their financial statements for the year ended 31 December 2015 which is materially consistent with IFRS. No further transitional adjustments or disclosures are required from the conversion of the Group's UK GAAP financial statements to these IFRS consolidated financial statements.

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.

Principal accounting policies for the consolidated financial statements (continued)

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.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments 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 income 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 recognized in the profit or loss in those expense categories consistent with the function of the impaired asset.

An impairment of assets of £471,796 was required in the year ended 31 December 2016.

Principal accounting policies for the consolidated financial statements (continued)

Lease classification

The Group has a substantial number of leases and therefore their classification as either finance or operating leases is critical to the financial statements. The accounting for leases involves the exercise of judgment, particularly in determining whether the leases meet the definition of an operating or a finance lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of the ownership to the lessee. All other leases are classified as operating leases.

Deferred tax liability

The Group estimates future profitability in arriving at the fair value of the deferred tax assets and liabilities. If the final tax outcome is different to the estimated deferred tax amount the resulting changes will be reflected in the statement of comprehensive income, unless the tax relates to an item charged to equity in which case the changes in tax estimates will also be reflected in equity.

Future accounting policies

At the date of authorisation of these financial statements, the following new and revised IFRS Standards and Interpretations have been adopted in the current year, where applicable to the Group. Their adoption has not had any significant impact on the amounts reported in the financial statements.

IFRS 11	(Amended)	Accounting for Acquisitions of Interests in Joint Operations
IAS 16 & IAS 38	(Amended)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 1	(Amended)	Disclosure Initiative
IFRS 14	(Issued)	Regulatory Deferral Accounts
IFRS 2012 – 2014 Cycle		

At the date of authorisation of these financial statements, the following IFRS Standards and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IAS 7	(Amended)	Disclosure Initiative
IFRS 2	(Revised)	Classification and measurement of Share-based Payment Transactions
IFRS 9	(Revised)	Financial Instruments
IFRS 15		Revenue from Contracts with Customers
IFRS 16		Leases
IFRS 2014 – 2016 Cycle		

The Directors have assessed the impact and timing of application of the Standards and Interpretations listed above and do not expect that their adoption will have a material impact on the financial statements of the Group in future periods.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Principal accounting policies for the consolidated financial statements (continued)

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) Comparative data

The comparative figures for the year ended 31 December 2015 have been extracted from the consolidated financial statements, which were prepared in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") and the requirements of Companies Act 2016. FRS102, also known as the new UK Generally Accepted Accounting Practice ("new UK GAAP") is materially consistent with IFRS for the Group. No further transitional adjustments and disclosures are required from the conversion of the Group's UK GAAP financial statements to IFRS.

(b) Basis of consolidation

These financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings drawn up to 31 December 2016.

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 that 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.

(c) 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.

Principal accounting policies for the consolidated financial statements (continued)

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.

(d) 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. Loans and receivables are classified as 'trade and other receivables' in the statement of financial position.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. After initial recognition loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognised in the income statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

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

Financial liabilities

The Group's financial liabilities include trade and other payables.

Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR" method).

Principal accounting policies for the consolidated financial statements (continued)

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.

(e) Property, plant and equipment

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

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied properties (excluding land element) acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment. Lease payments are accounted for as described in accounting policy (o).

Subsequent costs

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

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

Land and buildings Leasehold	Over the length of the lease
Land and buildings Freehold	4% straight line basis
Plant and machinery	15% on reducing balance
Fixture, fittings and equipment	10% on reducing balance

The carrying values of property, 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 recognized 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.

Principal accounting policies for the consolidated financial statements (continued)

(f) 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.

(g) Intangible assets – lease premiums

Lease premiums paid to previous tenants are recognised within the Balance Sheet as an intangible asset and amortised over the length of the lease. The amortisation is charged to the statement of comprehensive income on a straight-line basis.

(h) 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.

(i) 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.

(j) 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.

Principal accounting policies for the consolidated financial statements (continued)

(k) 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 profit or loss in the period it arises.

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.

(l) Deferred tax and current tax

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.

(m) 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.

Principal accounting policies for the consolidated financial statements (continued)

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.

(n) 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 their value can be reliably measured.

(o) Expenses

Operating lease payments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the comprehensive income statement on a straight-line basis over the term of the lease. Incentives to enter into an operating lease are also spread on a straight-line basis over the lease term as a reduction in rental expense.

Finance lease payments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases. Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss.

Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

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.

Principal accounting policies for the consolidated financial statements (continued)

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 accruals basis.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

Notes to the consolidated financial statements

For the year ended 31 December 2016

1. Segmental analysis

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

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

2. Revenue

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Income for the year consists of the following:		
Revenue from continuing operations	21,513,813	17,727,212
Other income not included within revenue in the income statement:		
Other income	2,114	50,000
Total income for the year	21,515,927	17,777,212

3. Group operating (loss)/profit

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
This is stated after charging/(crediting):		
AIM admission costs (see <i>note 4</i>)	232,586	-
Operating lease charges	2,194,804	1,839,372
Impairment of assets (see <i>note 12</i>)	471,796	-
Share based payments (see <i>note 23</i>)	479,210	-
Opening costs (see <i>below</i>)	1,401,546	348,130
Amortisation of intangible assets (see <i>note 11</i>)	28,958	-
Depreciation of property, plant and equipment (see <i>note 12</i>)	950,625	755,533
Exchange losses	-	159
Audit fees (see <i>note 5</i>)	90,000	38,500

Non-trading items shown on the consolidated statement of comprehensive income totalling £1,183,592 comprises AIM admission costs (£232,586), share-based payments (£479,210) and impairment of assets (£471,796).

Notes to the consolidated financial statements (continued)

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:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Pre-opening costs	907,045	225,870
Post-opening costs	494,501	122,260
	1,401,546	348,130

4. 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 £574,413 incurred directly on the issue of the new shares have been 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, have been included within AIM admission costs and are shown separately on the face of the statement of comprehensive income.

5. Auditors’ remuneration

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Auditors’ remuneration:		
Fees payable to Company’s auditor for the audit of its annual accounts	15,000	15,000
Other fees to auditors		
The audit of Company’s subsidiaries	20,000	20,000
Total audit fees	35,000	35,000
Reporting accountant services	55,000	-
Tax services	-	3,500
Total non-audit fees	55,000	3,500
Total auditors’ remuneration	90,000	38,500

Notes to the consolidated financial statements (continued)

6. Staff costs and numbers

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
(a) Staff costs (including directors):		
<i>Wages and salaries:</i>		
Kitchen, floor and management wages	6,594,374	5,397,157
<i>Other costs:</i>		
Social security costs	549,430	352,309
Share-based payments (<i>note 23</i>)	479,210	-
Pension costs	39,907	28,051
Total staff costs	7,662,921	5,777,517
(b) Staff numbers (including directors):		
	Number	Number
Kitchen and floor staff	566	349
Managements staff	86	60
Total number of staff	652	409
(c) Directors' remuneration:		
Emoluments	251,295	74,736
Money purchase (and other) pension contributions	1,164	742
Non-Executive directors fees	28,917	25,000
Total directors' costs	281,376	100,478

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

Emoluments	119,013	37,368
Money purchase (and other) pension contributions	569	377

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

7. Finance costs

	Year ended 31 December 2016 £	Year ended 31 December 2015 (Restated) £
Interest payable and similar charges:		
Interest on finance leases and hire purchase contracts	50,831	68,505
Interest on bank loans and overdraft	74,406	16,848
Other interest	-	42,457
Total finance costs for the year	125,237	127,810

Notes to the consolidated financial statements (continued)

8. Taxation

The major components of income tax for the years ended 31 December 2016 and 2015 are:

(a) Analysis of charge in the year:

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
<i>Current tax:</i>		
UK corporation tax on the (loss)/profit for the year	13,995	273,666
Adjustments in respect of previous years	6,086	-
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(114,414)	44,629
Tax losses carried forward	7,450	(589)
Total tax (credit)/charge for the year	(86,883)	317,706

(b) Factors affecting the tax charge for the year:

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

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
(Loss)/profit on ordinary activities before tax	(1,004,996)	1,287,513
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(201,000)	260,721
<i>Effects of:</i>		
Depreciation on non-qualifying assets	(14,314)	48,677
Expenses/(income) not deductible for tax purposes	132,445	17,335
Effect of change in corporation tax	-	(52)
Adjustments in respect of previous tax years	6,086	-
Dividend income	-	36
Other miscellaneous items	4,084	5,571
Deferred tax adjustments in respect of prior years	-	(14,582)
Losses utilised in the year	(14,184)	-
Total tax (credit)/charge for the year	(86,883)	317,706

Notes to the consolidated financial statements (continued)

9. (Loss)/earnings per share

The company had 5,000 ordinary shares of £0.01 each and 5,000 B ordinary shares of £0.01 each in issue as 31 December 2015. 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. The basic and diluted earnings per share figures, based on the weighted average number of shares in issue during the period ended 31 December 2016 and the actual number of shares in issue at 31 December 2015, are set out below.

		Year ended 31 December 2016	Year ended 31 December 2015
		£	£
(Loss)/profit attributable to shareholders		(918,113)	969,807
Non-trading items	3	1,183,592	-
Opening costs	3	1,401,546	348,130
Estimated tax effect of excluded items		(280,309)	(70,496)
Adjusted profit for the year		1,386,716	1,247,441

Adjusted EBITDA, calculated by taking the adjusted profit before tax figure shown above and adding back interest, depreciation and amortisation was £2,684,962 (2015: £2,518,986).

	Number	Number
Weighted average number of shares		
For basic earnings per share	54,037,158	54,037,158
Adjustment for options outstanding	1,159,276	-
For diluted earnings per share	55,196,434	54,037,158

	Pence per share	Pence per share
Earnings per share:		
<u>Basic (pence)</u>		
From (loss)/profit for the period	(1.70)	1.79
From adjusted profit	2.57	2.31
<u>Diluted (pence)</u>		
From (loss)/profit for the period	(1.66)	1.79
From adjusted profit	2.51	2.31

The loss per share for the comparative year ended 31 December 2015 has been calculated on a comparable basis using the same average weighted average number of ordinary shares in issue as if the shares had been in issue during that period.

Notes to the consolidated financial statements (continued)

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.

10. Dividends

Amounts recognised as distributable to equity holders in the period:

	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Dividend for the year ended 31 December 2015 of £66.97 per share	-	669,675
Dividend for the year ending 31 December 2016 of £7.84 per share	78,375	-

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 received market rate salaries instead of such dividends.

Notes to the consolidated financial statements (continued)

11. Intangible assets

Group	Lease premiums £	Goodwill £	Total £
Cost			
At 1 January 2016	-	-	-
Additions	1,075,000	74,979	1,149,979
At 31 December 2016	1,075,000	74,979	1,149,979
Accumulated amortisation			
At 1 January 2016	-	-	-
Amortised during the year	28,958	-	28,958
At 31 December 2016	28,958	-	28,958
Net Book Value as at 31 December 2015	-	-	-
Net Book Value as at 31 December 2016	1,046,042	74,979	1,121,021

Acquisition

On 14 December 2016, the Group purchased the trade and assets, valued at £400,000, of Agushia Limited, including the Yalla Yalla brand and three restaurants trading under the brand as part of the group's strategic goal to expand its network of restaurants in London and the rest of the United Kingdom. The goodwill reported in the Balance Sheet arising on the acquisition of this business amounts to £74,979 and represents the amounts paid in excess of the fair value of the net assets acquired.

Goodwill arising on business combinations is not amortised but is subject to an impairment review annually, or arising on acquisition is monitored and an impairment test is carried out which compares the value in use to its carrying value. The transaction has been treated as a business combination under IFRS 3 'Business Combinations'. Details of the identifiable assets and liabilities, purchase consideration and goodwill are set out below:

	Book value & fair values
	£
Intangible assets	10,000
Fixtures and fittings	59,996
Property, plant and equipment	342,177
Liabilities	(87,152)
Total net assets acquired	325,021
Consideration paid:	
Cash	400,000
Goodwill arising on acquisition	74,979

Notes to the consolidated financial statements (continued)

12. Property, plant and equipment

Group	Freehold land and buildings £	Leasehold Land and buildings £	Plant and machinery £	Fixture, fittings & equipment £	Total (Restated) £
Cost					
At 1 January 2015	1,481,879	4,009,851	1,419,937	1,238,456	8,150,123
Additions	-	1,646,617	998,736	366,930	3,012,283
At 31 December 2015	1,481,879	5,656,468	2,418,673	1,605,386	11,162,406
Accumulated depreciation and impairment					
At 1 January 2015	9,879	1,613,606	728,045	416,937	2,768,467
Depreciation during the year	59,275	410,246	183,377	102,635	755,533
At 31 December 2015	69,154	2,023,852	911,422	519,572	3,524,000
Cost					
At 1 January 2016	1,481,879	5,656,468	2,418,673	1,605,386	11,162,406
Additions	80,136	2,729,476	1,212,779	474,453	4,496,844
Business combination additions	-	-	342,177	59,996	402,173
At 31 December 2016	1,562,015	8,385,944	3,973,629	2,139,835	16,061,423
Accumulated depreciation and impairment					
At 1 January 2016	69,154	2,023,852	911,422	519,572	3,524,000
Depreciation during the year	49,396	478,025	297,872	125,335	950,628
Impairment during the year	-	296,260	85,547	89,989	471,796
AT 31 December 2016	118,550	2,798,137	1,294,841	734,896	4,946,424
Net Book Value as at 31 December 2015	1,412,725	3,632,616	1,507,251	1,085,814	7,638,406
Net Book Value as at 31 December 2016	1,443,465	5,587,807	2,678,788	1,404,939	11,114,999

Notes to the consolidated financial statements (continued)

Assets held under finance leases	Group	
	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Cost		
At 1 January 2016	1,853,942	1,853,942
Additions	80,136	-
Legal ownership transferred	(1,618,460)	-
Cost as at 31 December 2016	315,618	1,853,942
Accumulated depreciation		
At 1 January 2015	170,987	73,445
Depreciation during the year	84,622	97,541
Impairment	87,600	-
Legal ownership transferred	(139,601)	-
At the end of year	203,608	170,986
Net book value at the end of the year	112,010	1,682,956

Legal ownership transferred relates to a property held under finance lease that has subsequently been purchased outright during the current year.

Notes to the consolidated financial statements (continued)

13. Subsidiaries

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

Name	Country of incorporation and principal place of business	Proportion of ownership interest as at 31 December		Non-Controlling interests Ownership/voting interest at 31 December	
		2016	2015	2016	2015
Timerest Limited	England & Wales	100%	100%	-	-
Chabane Limited	England & Wales	100%	100%	-	-
Comptoir Franchise Limited	England & Wales	100%	100%	-	-
Shawa Group Limited*	England & Wales	100%	100%	-	-
Shawa Bluewater Limited	England & Wales	100%	100%	-	-
Shawa Limited	England & Wales	100%	100%	-	-
Shawa Rupert Street Limited*	England & Wales	100%	100%	-	-
Comptoir Stratford Limited*	England & Wales	100%	100%	-	-
Comptoir South Ken Limited*	England & Wales	100%	100%	-	-
Comptoir Soho Limited	England & Wales	100%	100%	-	-
Comptoir Central Production Limited	England & Wales	100%	100%	-	-
Comptoir Westfield London Limited*	England & Wales	100%	100%	-	-
Levant Restaurants Group Limited	England & Wales	100%	100%	-	-
Comptoir Chelsea Limited*	England & Wales	100%	100%	-	-
Comptoir Bluewater Limited	England & Wales	100%	100%	-	-
Comptoir Wigmore Limited*	England & Wales	100%	100%	-	-
Comptoir Kingston Limited	England & Wales	100%	100%	-	-
Comptoir Broadgate Limited	England & Wales	100%	100%	-	-
Comptoir Manchester Limited	England & Wales	100%	100%	-	-
Comptoir Restaurants Limited	England & Wales	100%	100%	-	-
Comptoir Leeds Limited*	England & Wales	100%	100%	-	-
Comptoir Oxford Street Limited*	England & Wales	100%	100%	-	-
Comptoir I.P. Limited*	England & Wales	100%	100%	-	-
Comptoir Reading Limited*	England & Wales	100%	100%	-	-
TKCH Limited*	England & Wales	100%	100%	-	-
Comptoir Bath Limited*	England & Wales	100%	100%	-	-
Comptoir Exeter Limited*	England & Wales	100%	100%	-	-
Yalla Yalla Restaurants Limited	England & Wales	100%	-	-	-
Shawa Haymarket Ltd	England & Wales	100%	-	-	-
Comptoir Oxford Limited*	England & Wales	100%	-	-	-

*Dormant companies

Notes to the consolidated financial statements (continued)

Changes to subsidiaries during the year ended 31 December 2016:

Comptoir Bath Limited changed its name from Comptoir Wardour Street Limited on 20 February 2016.

Comptoir Exeter Limited changed its name from Comptoir Strand Limited on 20 February 2016.

Shawa Rupert Street Limited and Shawa Haymarket Limited were incorporated on 30 March 2016.

Comptoir Reading Limited was incorporated on 22 February 2016. The company changed its name from Comptoir Reading Limited to Shawa Wardour Street on 8 August 2016 and back to Comptoir Reading Limited on 2 September 2016.

Yalla Yalla Restaurants Limited, a subsidiary, which was incorporated on 5 September 2016, changed its name from Shawa Wardour Street on 30 November 2016.

14. Inventories

	Group	
	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Finished goods and goods for resale	479,830	304,199

15. Trade and other receivables

	Group	
	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Trade debtors	572,691	323,235
Other debtors	499,934	677,780
Prepayments and accrued income	1,124,690	602,619
Corporation tax recoverable	-	33,506
Total trade and other receivables	2,197,315	1,637,140

16. Trade and other payables

	Group	
	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Trade creditors	1,383,209	828,569
Accruals	1,546,108	569,701
Other taxation and social security	541,314	825,772
Other creditors	87,018	636,521
Directors' loan accounts	-	572,600
Total trade and other payables	3,557,649	3,433,163

Notes to the consolidated financial statements (continued)

17. Borrowings

	Group	
	Year ended 31 December 2016	Year ended 31 December 2015 (Restated)
	£	£
Bank loans	1,990,527	1,703,256
Bank overdrafts	-	12,416
Finance lease	-	1,461,043
Hire purchase liabilities	21,921	110,529
Total borrowings	2,012,448	3,287,244

The long-term bank loans are secured by way of fixed charges over the assets of various Group companies. Some of the bank loans are secured by a personal guarantee given by A Kitous, director, amounting to £6,925,000 across all loans. Bank loans of £1,990,527, represent amounts repayable within one year of £610,120 and amounts totalling £1,380,407 which are repayable in more than one year but less than five years. All loans have a five-year term with maturity dates of between 2018 and 2020. All loans attract a rate of interest of 3.25% over the Bank base rate.

The liability in respect of the finance lease that was entered into in November 2014 is £nil for the year ended 2016. The comparative relates to a property held under finance lease that has subsequently been purchased outright, during the current year. Previously interest was charged at a rate of 4% plus LIBOR.

The entire hire purchase liability is due within one year.

18. Provisions for liabilities

	Group	
	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Provisions for leasehold property dilapidations	35,050	27,388
Total provisions	35,050	27,388
Movements on provisions:		Group
		£
At 1 January 2016		27,388
Provision in the year (net of releases)		7,662
Total at 31 December 2016		35,050

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.

Notes to the consolidated financial statements (continued)

19. Deferred Taxation

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

Group	Liabilities	Liabilities	Assets	Assets
	2016	2015	2016	2015
	£	£	£	£
Accelerated capital allowances	287,287	171,829	44,020	(82,160)
Tax losses	-	-	160,978	164,733
Share-based payment	-	-	99,997	-
	287,287	171,829	304,995	82,573

Movements in the year:	Group	Group
	2016	2015
	£	£
Net (liability)/asset at 1 January	(89,256)	(45,216)
(Credit)/charge to Statement of Comprehensive Income (note 8)	106,964	(44,040)
Net asset/(liability) at year end	17,708	(89,256)

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.

20. Share capital

Authorised, issued and fully paid

	Number of 1p shares	
	Year ended 31 December 2016	Year ended 31 December 2015
Brought forward	10,000	10,000
Issues in the period	95,990,000	-
Carried forward	96,000,000	10,000

	Nominal value	
	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Brought forward	100	100
Issues in the period	959,900	-
Carried forward	960,000	100

The company had 5,000 ordinary shares of £0.01 each and 5,000 B ordinary shares of £0.01 each in issue as 31 December 2015. In June 2016, the 5,000 B ordinary shares were re-designated as ordinary shares of £0.01 each

Notes to the consolidated financial statements (continued)

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.

21. Other reserves

The other reserves account in the balance sheet reflects the credit to equity made in respect of the charge for share-based payments made through the income statement and the purchase of shares in the market in order to satisfy the vesting of existing and future share awards under the Long-Term Incentive Plan.

22. Retirement benefit schemes

Defined contribution schemes	31 December 2016	31 December 2015
	£	£
Charge to profit and loss	39,907	28,051

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.

23. Share-based payments scheme

Equity-settled share-based payments

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. On exercise the scheme provides for eligible employees to be allotted ordinary shares in Comptoir Group PLC. The scheme includes all subsidiary companies headed by Comptoir Group PLC. 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.

The total share-based payment charge for the year was £479,210 (2015: £Nil). This is included within non-trading items on the face of the statement of comprehensive income.

On the same day, 14 June 2016, the Company also granted 1,440,000 unapproved share options to family members of directors, in relation to their capacity as shareholders investing in the company. The exercise price of these options is £0.50, the term to expiration is 10 years and all of the unapproved options have the same vesting conditions attached to them.

If options remain unexercised after a period of 10 years from the date of grant, the options expire. Unvested options are forfeited if the employee leaves the group before the options vest, vested options are forfeited if the employee leaves the group before the options are exercised.

Notes to the consolidated financial statements (continued)

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 the financial statements none of the options had been exercised and 200,000 options cancelled.

	Year ended 31 December 2016		Year ended 31 December 2015	
	Shares No.	Average Exercise price £	Shares No.	Average Exercise price £
Options outstanding, beginning of year	-	-	-	-
Granted	2,970,000	0.50	-	-
Cancelled	(200,000)	0.50	-	-
Options outstanding, end of year	2,770,000	0.50	-	-
Options exercisable, end of year	2,770,000	0.50	-	-

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:

	Year ended 31 December 2016	Year ended 31 December 2015
Risk free rate of return	0.10%	-
Expected term	10 years	-
Estimated volatility	28%	-
Expected dividend yield	0%	-
Weighted average fair value of options granted	£0.173	-

Risk free interest rate

The risk-free interest rate is based on the UK 2-year Gilt yield.

Expected term

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

Estimated volatility

The estimated volatility is the amount by which the price is expected to fluctuate during the period. The standard deviation of share price fluctuations of similar businesses was used to quantify the amount of estimated dispersion as there has been less than 6 months of trade for the group.

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

Notes to the consolidated financial statements (continued)

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, for the year ended 31 December 2016 no dividend rate was used in the assumptions to calculate the share based compensation expense.

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

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
(Loss)/profit for the year	(918,113)	969,807
Income tax (credit)/expense	(86,883)	317,706
Finance costs	125,237	127,810
Depreciation	950,628	755,533
Amortisation of intangible assets	28,958	-
Impairment of assets	471,796	-
Share-based payment charge	479,210	-
Movements in working capital		
Increase in inventories	(175,631)	(130,821)
Increase in trade and other receivables	(560,175)	(536,884)
Increase in trade and other payables and provisions	54,995	1,009,130
Cash from operations	370,022	2,512,281

Notes to the consolidated financial statements (continued)

25. Reconciliation of changes in cash to the movement in net debt

Net debt:	Year ended 31 December 2016 £	Year ended 31 December 2015 £
At the beginning of the year	(2,619,998)	(1,103,863)
Movements in the year:		
Repayment of loan borrowings	613,346	527,022
New loans advances	(825,000)	(1,000,000)
Finance lease payments	1,508,978	90,000
Hire purchase lease payments	91,710	101,723
Non-cash movements in the year	(126,653)	(125,655)
Cash inflow/(outflow)	158,375	(1,109,229)
At the end of the year	(1,199,242)	(2,619,998)

Represented by:	At 31 December 2014 £	Cash flow movements in the year £	Non- cash flow movements in the year £	At 31 December 2015 £
Cash and cash equivalents	1,764,060	(1,096,813)	-	667,247
Overdraft	-	(12,416)	-	(12,416)
Bank loans	(1,122,147)	(522,976)	(58,133)	(1,703,256)
Other loans	(50,000)	50,000	-	-
Finance leases	(1,491,475)	90,000	(59,569)	(1,461,044)
Hire purchase liabilities	(204,301)	101,725	(7,953)	(110,529)
	(1,103,863)	(1,390,480)	(125,655)	(2,619,998)

	At 31 December 2015 £	Cash flow movements in the year £	Non- cash flow movements in the year £	At 31 December 2016 £
Cash and cash equivalents	667,247	145,959	-	813,206
Overdraft	(12,416)	12,416	-	-
Bank loans	(1,703,256)	(211,654)	(75,617)	(1,990,527)
Finance leases	(1,461,044)	1,508,978	(47,934)	-
Hire purchase liabilities	(110,529)	91,710	(3,102)	(21,921)
	(2,619,998)	1,547,409	(126,653)	(1,199,242)

Notes to the consolidated financial statements (continued)

26. Financial instruments

The Group finances its operations through equity and borrowings, with the borrowing interest typically subject to 3.25% per annum over base rate.

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

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

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

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

Financial assets and liabilities

Group financial assets:

	31 December 2016	31 December 2015
	£	£
Cash and cash equivalents	813,207	667,247
Trade and other receivables	2,197,315	1,637,140
Total financial assets	3,010,522	2,304,387

Group financial liabilities:

	31 December 2016	31 December 2015
	£	£
Overdraft	-	12,416
Trade and other payables excl. corporation tax	3,557,649	2,860,563
Directors' loans	-	572,600
Hire purchase lease debt	21,921	88,606
Finance lease debt	-	1,461,043
Bank loan	610,120	437,501
Short-term financial liabilities	4,189,690	5,432,729
Bank loan	1,380,407	1,265,755
Finance lease debt	-	21,923
Long-term financial liabilities	1,380,407	1,287,678
Total financial liabilities	5,570,097	6,720,407

*The loans held in the subsidiaries typically have the interest rate of 3.25%p.a. over base rate.

At 31 December 2016, the Group has £Nil of committed borrowing facilities in excess of gross borrowings (2015: £Nil) and £Nil of undrawn overdraft (2015: £Nil).

Notes to the consolidated financial statements (continued)

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:

	Overdraft £	Trade and other payables * £	Directors' loans £	Bank loans £	Finance lease debt £	Hire purchase lease liability £
As at 31 December 2016						
Within one year	-	3,557,649	-	674,484	-	22,081
Within two to five years	-	-	-	1,449,311	-	-
After five years	-	-	-	-	-	-
Less future interest payments	-	-	-	(133,268)	-	(160)
Total	-	3,557,649	-	1,990,527	-	21,921
As at 31 December 2015						
Within one year	12,416	2,860,563	572,600	493,991	1,508,978	91,708
Within two to five years	-	-	-	1,336,755	-	22,083
After five years	-	-	-	-	-	-
Less future interest payments	-	-	-	(127,490)	(47,935)	(3,262)
Total	12,416	2,860,563	572,600	1,703,256	1,461,043	110,529

*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.

Notes to the consolidated financial statements (continued)

27. Financial risk management

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

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

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

Credit Risk

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

As a retail business with trading receipts settled either by cash or credit and debit cards, there is very limited exposure from customer transactions. The Group is exposed to credit risk in respect of commercial discounts receivable from suppliers but the Directors believe adequate provision has been made in respect of doubtful debts and there are no material amounts past due that have not been provided against.

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

Liquidity risk

The Group has built an appropriate mechanism to manage liquidity risk of the short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed through the maintenance of adequate cash reserves and bank facilities by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's loan facilities (as set out in **note 17**), ensure continuity of funding, provided the Group continues to meet its covenant requirements.

Foreign currency risk

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

Notes to the consolidated financial statements (continued)

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.

28. Lease commitments

Finance lease commitments

Future lease payments in respect of finance leases are due as follows:

	Minimum lease payments	
	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Within one year	22,081	1,600,686
Within two and five years	-	22,083
After five years	-	-
Less future interest payments	(160)	(51,197)
Present value of lease obligations	21,921	1,571,572

All finance lease commitments at the year-end date 31 December 2016 are due to be paid within one year.

Analysed as:

Amounts due for settlement within one year	21,921	1,552,751
Amounts due for settlement after one year	-	18,821
Present value of lease obligations	21,921	1,571,572

Notes to the consolidated financial statements (continued)

Lease commitments are in respect of rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of lease periods and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent lease payments. There are no finance leases where the Group itself is the lessor. The interest rate applied in calculating the present value of the payments is the incremental borrowing cost of the Group in relation to each lease, however the time value of money is considered by the Directors to be insignificant in the context of discounting the minimum lease payments and accordingly the present value of the minimum lease payments is considered to be not materially different from the absolute value. The fair value of the lease payments is estimated as £21,921 (2015: £103,994).

Operating lease commitments

The Group has entered into a number of property leases on standard commercial terms as lessee. There are no restrictions imposed by the Group's operating lease arrangements, either in the current or prior year.

At the reporting date the total future minimum rentals payable under non-cancellable operating leases over the remaining lives of the leases are:

	31 December 2016	31 December 2015
	£	£
Within one year	2,247,070	1,209,422
Within two and five years	5,637,967	3,724,313
After five years	6,125,427	3,611,945
Total	14,010,464	8,545,680

Notes to the consolidated financial statements (continued)

29. Prior year adjustment

Changes to the balance sheet – Group	As previously reported	Adjustment at 1 January 2015	Adjustment at 31 December 2015	As restated
<i>Balances as restated before IFRS transition adjustments:</i>	£	£	£	£
Non-current assets				
Property, plant & equipment	6,225,681	1,472,000	(59,275)	7,638,406
Current liabilities				
Finance lease liabilities	-	(1,491,475)	30,431	(1,461,043)
	6,225,681	(19,475)	(28,844)	6,177,363
Capital and reserves				
Retained earnings	3,184,819	(19,475)	(28,844)	3,136,500

Changes to statement of comprehensive income – Group	As previously reported	Adjustment	As restated
	£	£	£
<i>Balances as restated before IFRS transition adjustments:</i>			
Total comprehensive income for the year	998,651	(28,844)	969,807

A prior year adjustment has been made to reflect a change in treatment of a leasehold interest held by the Group throughout the prior year. 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 £1,472,000 brought forward as at 1 January 2015 and carried forward as at 31 December 2015, as well as a finance lease liability outstanding at 31 December 2015 of £1,461,043. The impact on brought forward reserves is reflected in the table above.

Notes to the consolidated financial statements (continued)

30. Contingent liabilities

The Group had no contingent liabilities at 31 December 2016 or 31 December 2015.

31. Capital commitments

The Group had no capital commitments at 31 December 2016 or 31 December 2015.

32. Directors' transactions

During the year Comptoir Group PLC paid a dividend of £39,188 (2015: £352,425) to C Hanna, who is a director and shareholder of Comptoir Group PLC.

Comptoir Group PLC paid a dividend of £39,188 (2015: £317,250) to A Kitous, who is a director and shareholder of Comptoir Group PLC.

Included within trade and other payables at the reporting date is £Nil (2015: £340,850) which is owed to the director, A Kitous and £Nil (2015: £231,750) which is owed to director, C Hanna

33. Related party transactions

Remuneration in respect of key management personnel, defined as the Directors for this purpose, is disclosed in note 6. Further information concerning the Directors' remuneration is provided in the Directors' remuneration report.

70,000 and 150,000 of the EMI options that were issued on the 14 June 2016 and are detailed in note 23, were granted to M Kitous, brother of Director, A Kitous and P Hanna, son of Director, C Hanna, respectively.

All of the unapproved share options that were issued on the 14 June 2016 and are detailed in note 23, were issued to family members of J Kaye, a director of the company. The exercise price of these options is £0.50, the term to expiration is 10 years and all of the unapproved options have the same vesting conditions as the approved options attached to them.

During the year, the Group paid fees of £10,417 (2015: £25,000) to Messrs Gerald Edelman, a firm in which director R Kleiner is a partner, in respect of part of his non-executive director fees. Also during the year, the Group paid further amounts totalling £33,433 to Messrs Gerald Edelman, in respect of accountancy and corporate finance services provided to the Group.

34. Ultimate controlling party

The ultimate controlling party is A Kitous, one of the Group's directors due to his ownership of 52.1% of the share capital at the year end.

35. Subsequent events

There were no significant subsequent events which the directors consider require disclosure within these financial statements.

Parent Company financial statements (under UK GAAP)

Company balance sheet as at 31 December 2016

	Notes	31 December 2016 £	31 December 2015 (Restated) £
Fixed assets			
Property, plant and equipment	iii	28,356	34,299
Investment property	iv	1,680,136	1,600,000
Intangible assets	v	72,896	-
Investments in subsidiaries	vi	480,590	1,380
		2,261,978	1,635,679
Current assets			
Debtors	vii	8,746,986	2,162,059
Cash and cash equivalents		105,779	23,605
		8,852,765	2,185,664
Total assets			
		11,114,743	3,821,343
Liabilities			
Current liabilities			
Creditors	ix	(2,272,010)	(2,867,781)
		(2,272,010)	(2,867,781)
Provisions for liabilities			
	viii	(23,624)	-
Total liabilities			
		(2,295,634)	(2,867,781)
Net assets			
		8,819,109	953,562
Equity			
Share capital	x	960,000	100
Share premium	x	6,465,687	-
Other reserves	x	479,210	-
Retained earnings	x	914,212	953,462
Total equity – attributable to equity shareholders of the company			
		8,919,109	953,562

The financial statements of Comptoir Group Plc (company registration number 07741283) were approved by the Board of Directors and authorised for issue on 11 April 2017 and were signed on its behalf by:

Chaker Hanna
Chief Executive Director

Company financial statements – under UK GAAP

Accounting policies and basis of preparation

Basis of accounting

The accounts 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 accounts have been prepared under IFRS and are shown separately. The Company accounts have been prepared under the historical cost convention in accordance with applicable UK accounting standards and on the going concern basis.

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. 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

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.

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 23 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.

Company financial statements – under UK GAAP

Accounting policies and basis of preparation (continued)

Reserves

The Company's reserves are as follows:

- Called up share capital reserve 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;
- Profit and loss accounts represents cumulative profits or losses, net of dividends paid and other adjustments.

Investment property

In accordance with FRS 102, property leased to subsidiary entities is classified as Investment Property. Investment property is carried at fair value and revaluation surpluses or losses are recognised in the Statement of Comprehensive Income. Deferred tax is provided on the gains at the rate expected to apply when the property is sold.

Company financial statements – under UK GAAP

Notes to the accounts

i) Profit attributable to members of the holding company

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 £39,125. Remuneration of the auditor is borne by a subsidiary undertaking, Timerest Limited.

ii) Employee costs and numbers

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

iii) Property, plant and equipment

	Leasehold Land and buildings £	Plant and machinery £	Fixture, fittings & equipment £	Total £
Cost				
At 1 January 2016	11,290	26,655	5,555	43,500
Additions	-	-	-	-
At 31 December 2016	11,290	26,655	5,555	43,500
Accumulated depreciation and impairment				
At 1 January 2016	3,126	5,256	819	9,201
Depreciation during the year	2,258	3,210	475	5,943
AT 31 December 2016	5,384	8,466	1,294	15,144
Net Book Value as at 31 December 2015	8,164	21,399	4,736	34,299
Net Book Value as at 31 December 2016	5,906	18,189	4,261	28,356

Company financial statements – under UK GAAP

Notes to the accounts (continued)

iv) Investment property

	£
Fair value at 1 January 2016	1,600,000
Additions	80,136
Revaluations	-
At 31 December 2016	1,680,136

The property is held at Directors' valuation. The Board consider that, during the year, there have been no indicators, which they believe would lead to a material change in the value from the prior year, and as a result there have been no changes to the valuation previously recorded.

v) Intangible assets

Goodwill	Total £
Cost	
At 1 January 2016	-
Acquisition during the year	74,979
At 31 December 2016	74,979
Accumulated amortisation and impairment	
At 1 January 2016	-
Amortisation during the year	2,083
At 31 December 2016	2,083
Net book value as at 31 December 2015	-
Net book value as at 31 December 2016	72,896

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 20 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. The intangible assets reported on the statement of financial position include goodwill arising on the acquisition on 14 December 2016 of the trade and assets of Agushia Limited. The transaction is described in more detail in note 11 to the consolidated financial statements.

Company financial statements – under UK GAAP

Notes to the accounts (continued)

vi) Investments in subsidiary undertakings

	Shares	Loans and other	Total
	£	£	£
Cost			
At 31 December 2015	1,380	-	1,380
Additions – share-based payments re-charged	-	479,210	479,210
At 31 December 2016	1,380	479,210	480,590
Amounts written off			
At 31 December 2015 and 31 December 2016	-	-	-
Net book value at 31 December 2015	1,380	-	1,380
Net book value at 31 December 2016	1,380	479,210	480,590

vii) Debtors

	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Trade debtors	-	12,804
Other debtors	49,561	14,786
Amounts receivable from group undertakings	8,697,425	2,134,469
Total	8,746,986	2,162,059

viii) Deferred tax liabilities

Deferred tax recognised in balance sheet:

Deferred tax liabilities:

Brought forward	-
Liability incurred on revaluation of investment property	23,624
Total deferred tax	23,624

Company financial statements – under UK GAAP

Notes to the accounts (continued)

ix) Creditors

	Year ended 31 December 2016	Year ended 31 December 2015 (Restated)
	£	£
Trade creditors	22,486	15,231
Directors' loans	-	506,250
Amounts due to group undertakings	2,248,054	883,787
Obligations under finance leases - xi	-	1,461,043
Other creditors	1,470	1,470
Total	2,272,010	2,867,781

x) Share capital and reserves

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 January 2016, as previously stated	100	-	-	814,505	814,605
Prior period adjustment - xi	-	-	-	138,957	138,957
At 1 January 2016, as restated	100	-	-	953,462	953,562
Issue of shares	959,900	6,465,687	-	-	7,425,587
Employee shared-based payment schemes	-	-	479,210	-	479,210
Profit for the year	-	-	-	39,125	139,122
Dividends paid	-	-	-	(78,375)	(78,375)
At 31 December 2016	960,000	6,465,687	479,210	914,212	8,819,109

Details of share issues during the year are given in note 20 of the consolidated accounts and details of the dividends paid and proposed during the year are given in note 10 of the consolidated accounts.

Company financial statements – under UK GAAP

Notes to the accounts (continued)

xi) Prior period adjustment

A prior year adjustment has been made to reflect a change in treatment of a leasehold interest held by the Company throughout the prior year. 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 of the Company from the date the lease was entered into, being September 2014. As the property has been leased to a group company since inception of the lease, the property is classified as an investment property in the Company's accounts and is carried at its fair value. A finance lease liability has also been brought into the accounts, with interest being charged thereon being taken to the Statement of Comprehensive Income. The comparative figures shown in these accounts have been adjusted to include freehold investment property at its fair value of £1,600,000 brought forward as at 1 January 2015 and carried forward as at 31 December 2015, as well as a finance lease liability outstanding at 31 December 2015 of £1,461,043.

The impact on brought forward reserves is a net increase of £138,957, which represents the fair value adjustment of £118,121, plus rental income of £90,000 receivable from one of the Company's subsidiaries, less finance costs of £69,164. See note 29 of the consolidated accounts for the effect on the group financial statements.

xii) Contingent liabilities

The company had no contingent liabilities at 31 December 2016 or 31 December 2015.

xiii) Capital commitments

The company had no capital commitments at 31 December 2016 or 31 December 2015.

xiv) 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.

xv) Ultimate controlling party

The ultimate controlling party is A Kitous, one of the company's directors.

xvi) Subsequent events

There were no significant subsequent events which the directors consider require disclosure within these financial statements.

Notice of Annual General Meeting

Comptoir Group PLC

Registered in England and Wales with no. 7741283

Notice is hereby given that the 2017 Annual General Meeting of Comptoir Group Plc will be held at 73, Cornhill, London EC3V 3QQ on 7 June 2017 at 12.00 p.m. for the transaction of the following business:

ORDINARY BUSINESS

As ordinary business to consider and, if thought fit, to pass the following resolutions, each of which will be proposed as ordinary resolutions:

1. THAT, the Company's annual accounts for the 52 weeks ended 31 December 2016, together with the report of the auditors and the directors thereon, be received and adopted.
2. THAT, Jonathan Kaye, who retires in accordance with the Company's articles of association, be re-elected as a director.
3. THAT, Chaker Hanna, who retires in accordance with the Company's articles of association, be re-elected as a director.
4. THAT, UHY Hacker Young LLP be re-appointed as auditors to the Company until the conclusion of the next Annual General Meeting at which accounts of the Company are presented and the directors be authorised to fix their remuneration.

SPECIAL BUSINESS

As special business to consider and, if thought fit, to pass the following resolutions, of which resolution 5 will be proposed as an ordinary resolution and resolution 6 as a special resolution:

5. THAT, the directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares, or to grant rights to subscribe for or to convert any securities into shares, of up to an aggregate nominal amount of £96,000 during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting), but so that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or to convert any securities into shares to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any securities into shares, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all subsisting authorities, to the extent unused.
6. THAT, the directors be and they are empowered during the period commencing on the passing of this resolution and expiring on the date of the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting) pursuant to section 570(1) of the Act to allot equity securities (within the meaning of section 560(1) of the Act) wholly for cash pursuant to the authority conferred by resolution 5 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities for cash up to an aggregate nominal amount of £96,000; and
 - (ii) the allotment of equity securities in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors

may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange, but so that this authority shall allow the Company to make offers or agreements before the expiry and the directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired.

By order of the Board

AIS Secretarial Services Limited

Secretary

11 April 2017

Registered Office: Suite 4, Strata House, 34a Waterloo Road, London, NW2 7UH

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 5 June 2017. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 12.00 (UK time) on 7 June 2017 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the registrar of the Company whose contact details are provided below.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
6. To be valid, any form of proxy or other instrument appointing a proxy, must be returned by no later than 12pm on 4 June 2017 through any one of the following methods:

by post, courier or (during normal business hours only) hand to the Company's UK registrar at:

Capita Asset Services
PXS1
34 Beckenham Road
Beckenham
BR3 4ZF;

electronically through the website of the Company's UK registrar at www.capitashareportal.com; or

in the case of shares held through CREST, via the CREST system (see notes below);

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12pm on 5th June 2017. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

As at 12 April 2017 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 96,000,000 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 April 2017 are 96,000,000.

Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business

which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from am on the day of the Meeting until the conclusion of the Meeting:

Copies of the Directors' letters of appointment or service contracts.

You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.comptoirlibanais.com