2 March 2018

Revolution Bars Group plc (LSE: RBG)

Interim results for the 26 weeks ended 30 December 2017

Revolution Bars Group plc ("the Group"), a leading UK operator of 72 premium bars, trading under the Revolution and Revolución de Cuba brands, today announces its interim results for the 26 weeks ended 30 December 2017.

Overview

Sales for the 26 week period were £73.8m (FY17: £66.7m) with like-for-like** sales up +0.4%. The reporting period comparison was distorted by the absence of New Year's Eve, one of the most significant trading days in the current period, whereas it was the last day of the comparative period. By extending the reporting period by one week (27 weeks) to include New Year's Eve increases like-for-like** sales growth to 1.9%, a more meaningful comparable presentation of the Group's first half underlying performance can be made. The incremental sales and profit benefit from New Year's Eve on 31 December 2016 was £1.0m and £0.5m respectively.

Four new sites were opened during the period. A Revolución de Cuba was opened in Belfast in July, achieving the highest level of sales over its first 24 weeks of all venues which have opened in the last two years and the third highest of all the Group's venues in December. Three new Revolution bars also opened just before Christmas in Solihull, Inverness and Putney with each surpassing their initial sales targets. Currently, the Group trades from 58 Revolution and 14 Revolución de Cuba venues.

With a further Revolución de Cuba opening towards the end of March 2018 in Birmingham and another Revolución de Cuba expected to open in Newcastle-upon-Tyne just before the end of the financial year, our opening programme is on track to meet the planned six new sites in the financial year, taking the estate footprint to 74 venues.

A further three new sites are expected to open early in the new financial year with the pipeline for further sites remaining strong.

Financial highlights

Performance as reported in the financial statements (excludes New Year's Eve in the current period);

- Sales of £73.8m (FY17: £66.7m), up 10.6%
- Like-for-like sales** growth for 26 weeks to 30 December up 0.4%

- Operating loss £3.7m (FY17 Restated*: Operating profit £5.1m) impacted by £9.6m exceptional costs
- Adjusted*** Operating profit £6.0m (FY17 Restated*: £6.0m)
- Adjusted*** EBITDA £8.9m (FY17 Restated*: £8.7m)
- Basic Loss per share 6.8p (FY17 Restated*: Earnings per share 8.5p)
- Adjusted*** EPS 9.4p (FY17 Restated*: 10.0p)
- Interim dividend declared at 1.65p per share (FY17: 1.65p per share)

Alternative measures (comparatives adjusted to remove the benefit of New Year's Eve trading):

- Sales of £73.8m, up 12.3%
- Like-for-like sales** growth for 27 weeks to 6 January 2018 up 1.9%
- Operating loss £3.7m (FY17 Restated*: Operating profit £4.6m)
- Adjusted*** Operating profit £6.0m (FY17: Restated*: £5.5m), up 9.1%
- Adjusted*** EBITDA £8.9m (FY17 Restated*£8.2m), up 8.5%

** Results for the 52 weeks ended 1 July 2017 and for the 26 weeks ended 30 December 2017 both included changes to accounting policies and practices that resulted in prior year adjustments. Further details on the impact of these prior period restatements on the interim statement are given in the Financial Review from page 7.*
*** Like-for-like sales are defined as total retail sales from bars that have been trading continuously for at least 12 months*
**** Adjusted measures exclude exceptional items, bar pre-opening costs and share based payment charges/(credits).*
Sales, operating profit and EBITDA comparatives adjusted to remove 2016 New Year's Eve trading of £1.0m sales and £0.5m profit for 'Alternative measures'.

Future Prospects

The Board is confident in the strength of the Group's brands and its ability to operate and grow, particularly given the scale and strength of its pipeline of new venues and the strong returns achieved from new openings within the last two years. The Board believes that, given its clear and focused strategy, the quality of Revolution's sites and customer proposition, and the talent within the business, it is well placed for further growth. That talent will be further enhanced when Rob Pitcher, our new CEO joins the business, bringing significant sector experience and insight and a personal determination to drive the next phase of growth.

Commenting on the results, Keith Edelman, Executive Chairman, said:

"I am delighted with our sales performance in the second quarter and over the Christmas period which shows the clear underlying strength of our business and continues to demonstrate the appeal and potential of our brands. New openings are performing particularly strongly, and site refurbishments are delivering healthy returns, meaning the group can pursue its strategy of profitable growth and drive like-for-like sales in its core estate. The business is well set for the arrival of Rob Pitcher in the coming months."

The information contained within this announcement is deemed to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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A presentation for analysts will be held today and the presentation will be made available on the Group's corporate website at www.revolutionbarsgroup.com.

EXECUTIVE CHAIRMAN'S STATEMENT

Our business and strategy

Our business comprises two strong leisure brands; Revolution, which is focused on young adults and Revolución de Cuba, which is focused on a broader age range. Whilst both businesses are wet-led, food is an important element of our proposition especially as the market continues to evolve, with eating-out becoming an ever more important element of the consumer's expectations. Our strategy is customer focused, continually striving to provide a better experience both in terms of product quality and value, ambience and facilities resulting in repeat visits and driving like-for-like** sales. The Group is additionally focused on expanding its geographical footprint and number of premium bars by seeking further sites in good locations, and investing capital to deliver high returns.

Merger and Acquisition Activity

On 17 October 2017, shareholders voted against the Offer by Stonegate Pub Company Limited to acquire the Group and accordingly, the cash offer lapsed. The Board also engaged with Deltic Group plc ("Deltic") who indicatively proposed a share-based merger with the Group. Deltic also indicated that a cash offer for the Group was possible, although this was never forthcoming.

Performance

Sales for the 26 week period were £73.8m (FY17: £66.7m) with like-for-like** sales up 0.4%. The reporting period comparison is distorted by the absence of New Year's Eve, one of the most significant trading days of the year, in the current period, whereas it was the last day of the comparative period. Extending the reporting period by one week (for the 27 weeks to 6 January 2018) to include New Year's Eve increases like-for-like** sales growth to 1.9%, which the directors believe is a more comparable presentation of the Group's underlying performance in the first half. The incremental sales and profit benefit from New Year's Eve in 2016 was £1.0m and £0.5m respectively.

Business performance in first three months of the period was adversely impacted by the uncertainty brought about by corporate activity. During the first quarter, like-for-like** sales were up 0.3%. With management's focus restored, performance during the second quarter was significantly improved with strong like-for-like sales growth during the key Christmas trading period assisted by good growth in pre-booked sales. Sales in the key 4 week period from 4 December to 31 December were up 5.9%. For a 14 week period which includes New Year's Eve in both years, like-for like** sales were up 3.1%. We were particularly pleased with trading performance over Christmas given the even stronger comparative like-for-like** sales growth over the same period in the prior year. Christmas 2017 was the fifth successive year of like-for-like** sales growth.

Operating loss for the 26 week period was £3.7m (FY17 Restated*: Operating profit £5.1m). However, the directors believe that Adjusted*** EBITDA provides the best representation of performance as it excludes exceptional items, share-based payment charges or credits (non-cash) and pre-opening expenses which are influenced by the extent and timing of the opening of new venues, none of which items are related to the underlying trading of the business. For the 26 week period, Adjusted*** EBITDA was £8.9m (FY17 Restated*: £8.7m). The change in the reporting calendar for New Year's Eve has also adversely impacted both pre-tax profit and EBITDA measures by £0.5m and therefore the underlying increase in Adjusted*** EBITDA is £0.7m (underlying decrease in Adjusted*** Operating profit £0.9m).

Operating (loss)/profit performance has decreased due to significant exceptional charges £9.6m (FY17 Restated*: £nil) principally associated with (i) the costs incurred in managing the corporate activity as mentioned above, (ii) making provision for onerous lease costs on venues where rental costs exceed the bar contribution, (iii) asset impairment charges, and (iv) the change of CEO.

Development of Estate

At the beginning of the period, the Group operated 67 venues (54 Revolution and 13 Revolución de Cuba). During the reporting period there were four new openings. Revolution in Macclesfield, which had been temporarily closed in May 2017, reopened in September 2017 and therefore the Group currently operates from 72 venues.

Of the four new sites that were opened during the period, our Revolución de Cuba opened in Belfast in July, achieving the highest sales levels over its first 24 weeks of all venues opening in the last two years and the third highest of all the Group's venues in December. Three new Revolution bars also opened just before Christmas in Solihull, Inverness and Putney with each surpassing their initial sales targets. Currently, the Group trades from 58 Revolution and 14 Revolución de Cuba venues.

Two further Revolución de Cuba bars are expected to open, in Birmingham, towards the end of March 2018 and in Newcastle-upon-Tyne just before the end of the financial year, and so delivering the planned six new sites during the financial year, and taking the estate's footprint to 74 venues.

Ensuring that our existing estate remains well maintained is essential to running a premium business, and we continue to find investment opportunities to improve and protect the estate's financial performance. During the period, there were significant refurbishments at the Revolutions in Edinburgh, Glasgow and Nottingham Cornerhouse as well as the Revolución de Cubas in Sheffield and Derby. In April, we plan to undertake a significant refurbishment of Revolution in York which we are confident will deliver a rapid return on investment.

Our property team continues to drive significant value through its site selection and development activities. Contracts have already been exchanged for a new Revolution in Glasgow (Tunnel development) and two new Revolución de Cubas in Southampton and Bristol. All are expected to open very early in the next financial year. The new site pipeline continues to grow with many other good prospects giving the Board confidence that at least six new sites will be opened in the next financial year.

Our Board and management team

On 18 October 2017, Mark McQuater, Chief Executive Officer ("CEO"), resigned from the Board with immediate effect. The Board wishes Mark well for the future.

We undertook a search for a new CEO with extensive and relevant experience to take the Company through its next stage of growth and, on 8 February 2018 we announced the appointment of Rob Pitcher. Rob has over 25 years' experience within the hospitality sector, most recently as a member of the Executive Committee of Mitchells & Butlers ("M&B") as Divisional Director Restaurants responsible for the Harvester, Toby Carvery and Stonehouse brands. Prior to joining M&B, Rob held senior positions at many other leading hospitality companies including Bramwell, Stonegate, Town & City, Laurel, Spirit and Scottish & Newcastle Retail. Rob Pitcher's proven operational experience and leadership qualities will enhance the ongoing development of the Revolution and Revolución de Cuba brands. The Board is looking forward to working with Rob when he joins the Group.

Other changes have been made to the senior team. Jimmy del Giudice, Chief Operating Officer ("COO"), left the business in January. This allowed the senior operator of the Revolution and Revolución de Cuba brands to step up to the senior management team. At the same time, responsibility for Marketing, which previously reported to the COO, has been realigned to Kate Eastwood, who is now responsible for both Sales and Marketing.

Food remains a significant growth opportunity particularly across its day time and early evening business and therefore we recruited Simon Dobson as Food Director in January. Simon was previously managing director of Delaware North and achieved much success in growing and operating very large restaurant businesses. His initial focus will be to revitalise the food offer in the Revolution bars, improving its quality, delivery and service standards and aiming to ensure that customers rate Revolution food as highly as its cocktails.

Change of auditor and further prior period adjustment

Shortly after the completion of the audit for the 52 weeks ended 1 July 2017, the Board conducted a tender process. As a result, PwC was appointed as the new independent auditor to the Group. The tender process, which included prospective auditors undertaking a thorough review of the Group's accounting policies and practices, highlighted improvements that should be made in the Group's methodology for the identification and calculation of asset impairments. This has resulted in a further prior period adjustment, further details of which are given in the Financial review.

Other business developments

The Group has had a strategic partnership with Matthew Clark who supply and provide distribution services for a substantial proportion of the Group's drink products. The current supply agreement, which was signed in 2015, was due to expire in early 2019 but we have secured improved terms effective from January 2018 to cover a new four-year period. This deal should enable us to continue to achieve market-leading gross margins.

Our staff

The Group has a skilled workforce as well as experienced senior and regional management teams with proven credentials in the industry. Strong cohesive teams have been built across our businesses with a focus on staff training and development to continuously improve individual capabilities and trading performance. I would like to recognise the commitment and the substantial effort of all our employees and thank them for their contribution to the Group's performance. It is their continued dedication and commitment to the business together with a clear strategic plan that is integral to our success.

Our dividend

The Board's previously stated policy has been to pay a dividend that reflects the cash flow generation and the long-term earnings potential of the Group while retaining sufficient capital to fund investment to grow the business. Whilst the Group has continued to make progress in growing Adjusted*** EBITDA, the reduction in underlying profitability caused by the prior period adjustments in the accounts for the 52 weeks ended 1 July 2017, the additional cash outflows associated with the exceptional items in the current interim period and the significant capital expenditure outflows associated with three large venues planned to open early in the new financial year, has resulted in a decision by the Board to maintain the interim dividend at the same level as last year. Accordingly, the Company will pay an interim dividend of 1.65 pence per share in respect of the 26 weeks to 30 December 2017**.** This will be paid on 12 April 2018 to shareholders on the register on 23 March 2018. The dividend policy of the Company remains progressive and will reflect the future growth of the business.

Sales performance since the end of the reporting period

In common with other operators, like-for-like** sales since the start of 2018 have been slower than previous years. In the eight weeks to 24 February, like-for-like** sales were up 3.8%, but in the seven week period to exclude New Year's Eve, like-for-like** sales were down 2.0%. Wet sales have generally held up well, particularly at weekends and we have resisted the temptation to aggressively discount as we do not believe that this is in the best long term interests for our premium bars. Food sales have been impacted. January and February is always the quietest time of year for our business and we have observed a long term trend to a later but stronger Christmas trading period being followed by a bigger trough in sales during January.

We believe that like-for-like** sales reduction is temporary and that growth will return as footfall naturally improves as customers recover from the Christmas period, with the better weather and in particular the bank holiday weekends when the business traditionally see stronger sales.

The Board is confident in the underlying strength of the Group's brands and its ability to operate and grow as a standalone business, particularly given the scale and strength of its pipeline of new venues and the strong returns achieved by new venues opened in the last two years. The Board considers that its clear and focused strategy, the quality of Revolution's sites and customer proposition, and the talent within the business leave it well placed for further growth.

Keith Edelman
Executive Chairman

FINANCIAL REVIEW

The 26 week Interim period ended on 30 December 2017 whereas the comparative 26 week period ended on 31 December 2016 and includes the significant trading benefit relating to New Year's Eve. The incremental sales and profit benefit from New Year's Eve on 31 December 2016 was £1.0m and £0.5m respectively. Accordingly, alternative measures are also given as, in the opinion of the directors, these provide a better benchmark for the underlying business performance.

Summary

As reported in the financial statements:

- Sales in the interim period were £73.8m (FY17: £66.7m) up 10.6%
- On a like-for-like** basis, sales were up 0.4%
- Operating loss £3.7m (FY17 Restated*: Operating profit £5.1m) impacted by £9.6m Exceptional costs
- Adjusted*** Operating profit £6.0m (FY17 Restated*: £6.0m)
- Adjusted*** EBITDA £8.9m (FY17 Restated*: £8.7m)
- Basic Loss per share 6.8p loss (FY Restated*: Earnings per share 8.5p)
- Adjusted*** EPS 9.4p (FY17 Restated*: 10.0p)
- Interim dividend declared at 1.65p per share (FY17: 1.65p per share)

Alternative measures (comparatives adjusted to remove the benefit of New Year's Eve trading):

- Sales of £73.8m, up 12.3%
- Like-for-like sales** growth for 27 weeks to 6 January 2018 up 1.9%
- Operating loss £3.7m (FY17 Restated*: operating profit £4.6m) impacted by £9.6m Exceptional costs
- Adjusted*** Operating profit £6.0m (FY17: Restated*: £5.5m), up 9.1%
- Adjusted*** EBITDA £8.9m (FY17 Restated*£8.2m), up 8.5%

** Results for the 52 weeks ended 1 July 2017 and for the 26 weeks ended 30 December 2017 both included changes to accounting policies and practices that resulted in prior year adjustments. Further details are provided below.*
*** Like-for-like sales are defined as total retail sales from bars that have been trading continuously for at least 12 months*
**** Adjusted measures exclude exceptional items, bar pre-opening costs and share based payment charges/(credits).*
Sales, operating profit and EBITDA comparatives adjusted to remove 2016 New Year's Eve trading of £1.0m sales and £0.5m profit for 'Alternative measures'

Basis of preparation

Consistent with previous reporting periods, the Group operates a weekly accounting calendar and as each accounting period can refer only to complete accounting weeks, the period under review reflects the results of the twenty-six weeks to 30 December 2017.

There have been no changes to accounting policies relative to the comparative period other than that referred to below under prior period adjustments. There has been a change to the reporting of share-based payment charges/(credits) in so far as these were previously included in Exceptional items but, consistent with recent pronouncements of the Financial Reporting Council, these are no longer categorised as Exceptional items. However, given the non-cash nature of share-based payment charges/(credits) they continue to be excluded from Adjusted*** EBITDA.

The directors believe that Adjusted*** EBITDA provides the best representation of underlying performance as it excludes the effect of exceptional items, share-based payment charges/credits (non-cash), and bar opening costs that are influenced by the number and timing of new venue openings, none of which items directly relate to the underlying trading performance of the Group.

Prior period adjustments

As previously reported, a number of prior period adjustments were reflected in the accounts for the 52 weeks ended 1 July 2017 following a review of the Group's accounting policies and practices. Those adjustments were fully explained and the resulting corrections made to prior periods were detailed in those accounts. All of those adjustments were undertaken at the end of the last accounting period and therefore the comparative numbers for the interim period have also been adjusted accordingly.

The Executive Chairman's statement accompanying this review draws attention to the Board's decision to change the Group's auditor and that the tender process established by the Board, which required prospective auditors to undertake their own review of the Group's accounting policies and practices, revealed that the Group's methodology for identifying and providing for asset impairments should be improved. As the methodology had been consistently applied for a number of years, a further prior period adjustment has been effected, full details of which are given in note 4 of this interim statement. This adjustment benefits the earnings of future periods as a result of reducing depreciation charges and does not affect cash flow. Its effect is to reduce net assets as at 2 July 2016 by £6.2m and to increase profit after tax for the 52 weeks ended 1 July 2017 by £1.5m and for the 26 weeks ended 31 December 2016 by £0.1m. The significant impact on profit after tax for the 52 weeks ended 1 July 2017 is because impairment charges previously made in that period have been pushed back to the previous period.

A further adjustment to the comparatives for the interim period has been included relating to depreciation to correct an imbalance in last year's charge between the two half years when an extra month's worth of depreciation was charged in the first half and corrected in the second half. The impact of all of the adjustments referred to above on profit and EBITDA measures in the comparative period (by half year) is set out in note 4.

Throughout this report, the 2017 comparatives are described as "Restated" which means they are adjusted for all these prior period adjustments.

Trading performance

Sales for the 26 weeks ended 30 December 2017 rose by 10.6% to £73.8m (FY17: £66.7m). Like-for-like** sales growth over the same period was 0.4%. However, both of these measures are depressed by the absence of the significant benefit of New Year's Eve in the current period and therefore, the Directors believe that the 27 weeks to 6 January 2018 provides a better benchmark for the Group's underlying performance in the first half. Like-for-like** sales during the 27 weeks to 6 January 2018 were up 1.9%.

The misalignment of New Year's Eve between the reporting periods means that the comparative period profit before tax benefitted by £0.5m.

Operating loss was £3.7m (FY17 Restated*: Operating profit £5.1m), the reduction on last year being principally due to exceptional charges as well as the absence of New Year's Eve relative to the comparative reporting period.

Exceptional charges

Exceptional items, by virtue of their size, incidence or nature, are disclosed separately in order to allow a better understanding of the underlying trading performance of the Group. Exceptional charges in the period amounted to £9.6m (FY17 Restated*: £nil) and comprised the following:

	26 weeks ended 30 December 2017	26 weeks ended 31 December restated* 2016	Audited 52 weeks ended 1 July restated* 2017
Professional fees related to merger and acquisition activity	**2,186**	-	-
Costs associated with changes in executive team	**705**	-	190
Fees incurred relating to accounting restatements	**169**	-	239
Impairment of property, plant and equipment	**860**	-	-
Onerous lease charges			
- Charge for vacant sites	**-**	-	1,859
- Charge for traded sites	**5,637**	-	-
Total exceptional items	**9,557**	-	2,288

The professional fees relating to merger and acquisition activity are primarily legal and corporate advisory fees, and registrar and virtual data room services provided in respect of the Board recommended offer from Stonegate and the merger proposals from Deltic.

The costs associated with changes in the executive team relate to compensation payments and legal costs associated with the resignations of the Chief Executive Officer ("CEO") and Chief Operating Officer and also fees and expenses relating to the recruitment of the new CEO.

Fees incurred relating to accounting restatements comprise additional and temporary third party support costs incurred in relation to the review of accounting policies and practices and the restatement of prior period accounts, which work was undertaken during the reporting period.

Following a more robust analysis of the trading performance of the Group's bars, a small number have been identified as requiring an onerous lease provision, based on projected bar contribution and rental commitments. The adjustment will reduce rental charges in future periods; it does not affect the Group's cash flows.

The methodology change relating to impairment testing, as referred to in the section on prior period adjustments, also leads to an impairment charge in the current 26 week period of £0.9m. These charges do not affect the Group's cash flows.

The Group's underlying performance, as measured by Adjusted*** EBITDA, is set out below:

	As reported		Alternative measure	
	26 weeks ended 30 December 2017	26 weeks ended 31 December 2016	26 weeks ended 31 December 2016	Change v Alternative measure
	£000	£000	£000	
Sales	**73.8**	66.7	65.7	12.3%
Adjusted*** EBITDA	**8.9**	8.7	8.2	8.5%
Adjusted *** margin	**12.1%**	13.0%	12.5%	-0.5 pt

The adjusted*** margin of 12.1% of sales compared with 13.0% in the prior period (Restated*), but If the comparative percentage is adjusted to remove the incremental benefit of New Year's Eve the comparative adjusted*** margin reduces to 12.5%. The directors believe that this is a satisfactory performance given that during the period the company absorbed above inflation increases in the National Minimum Wage and National Living Wage, the implementation of a "stealth tax" in the form of the apprenticeship levy effective from April 2017, and very aggressive increases in Business rates as a result of the rating revaluation of business properties also effective April 2017. The charge for Business rates alone in the reporting period is £0.5m higher (+18.2%) on a like-for-like** basis than the comparative period, which also included the benefit of a significant rebate in relation to the 2010 revaluation. Whilst a number of the new valuations will be appealed, any reductions in the amounts chargeable and the refund of any over-payments are unlikely to be agreed for several years.

Following a successful trial at four venues, the Group is in the process of rolling out labour scheduling software across the Group, which will complete by mid-April. The software drives improved customer service by encouraging labour schedules that better match sales patterns and up to date forecasts. This in turn should help like-for-like** growth as well as boost labour productivity so helping to mitigate further above inflationary increases in the National Minimum Wage. The roll-out is several months behind the original plan as a result of management distractions caused by the corporate activity in the summer and autumn of last year and the need avoid disruption and management focus on trading during the important Christmas period. The Board is confident that this initiative will yield benefits in the coming months and years as operational management progressively learns to use the system, implements best practice and monitors relative productivity.

A reconciliation between Operating profit and Adjusted*** EBITDA is given below.

Reconciliation of Non-GAAP measure	(Unaudited) 26 weeks ended 30 December 2017 £'000	(Unaudited) 26 weeks ended 31 December 2016 Restated* £'000	Audited 52 weeks ended 1 July 2017 Restated* £'000
Operating (loss)/ profit	**(3,720)**	5,051	5,480
Exceptional items	**9,557**	-	2,288
Share based payment (credit)/charge	**(765)**	67	483
Non-recurring new bar opening costs	**936**	843	1,393
Adjusted operating profit	**6,008**	**5,961**	**9,644**
Finance expense	**(239)**	(42)	(290)
Adjusted profit before tax	**5,769**	5,919	9,354
Depreciation	**2,880**	2,736	5,422
Finance expense	**239**	42	290
Adjusted EBIDTA	**8,888**	8,697	15,066

An analysis of exceptional items is set out on page 10.

The share based payment credit in the period relates to the lapse of the CEO's share options, awarded under the terms of the Group's Long Term Incentive Plan, following his resignation from office.

Non-recurring new bar opening costs primarily relate to the fours bars opened in the period as well as other bars opening in the coming months. Costs comprise overheads during the fit-out period, recruitment, training and preparing for launch.

The table below shows how Adjusted*** EBITDA has changed in the constituent parts of the estate.

Adjusted*** EBITDA by estate segmentation	Number of venues	(Unaudited) 26 weeks ended 30 December 2017 £m	(Unaudited) 26 weeks ended 31 December 2016 Restated* £m	(Unaudited) 26 weeks ended 31 December 2016 Alternative measure £m
Venues opened pre July 2016	62	**11.6**	12.0	11.5
Venues opened in prior period (FY17)	6	**0.8**	0.4	0.4
Venues opened in current period (FY18)	4	**0.3**	-	-
Adjusted EBITDA from venues	72	**12.7**	12.4	11.9
Central support costs		**(3.8)**	(3.7)	(3.7)
Adjusted EBITDA		**8.9**	8.7	8.2

Venues opened pre July 2016 comprise most of the like-for-like** venues and therefore virtually all of the reduction in the comparative EBITDA relating to New Year's Eve (£0.5m) for the alternative measure, as shown in the table. The balance of the reduction in Adjusted*** EBITDA for this segment mainly relates to increases in overheads.

Of the six venues opened in the prior period, four opened in the first half and two towards the end of the second half. As Adjusted*** EBITDA excludes bar opening costs, the improvement is due to a combination of sales annualisation, sales growth post anniversary of opening (included in like-for-like** sales increase) and maturing EBITDA conversion. Average weekly sales per venue for these six venues in the period was £38,000, with adjusted** EBITDA equating to 14.6% of sales. Further improvements in EBITDA conversion are anticipated in the second half as more of the sites trade through their anniversaries of opening and operate as mature businesses for a full twelve months.

Four venues opened in the current period but only one, Belfast de Cuba, traded for most of the period, the other three (all Revolution bars) opened just before Christmas. Whilst all four sites have performed ahead of their budgeted sales expectations, there is insufficient trading history to make meaningful reference to their profit conversion or returns on investment at this time.

Central costs represent 5.1% of sales compared to 5.5% in the prior period**.**

Capital expenditure

The Group spent £6.6m on capital expenditure during the period (FY17: £6.9m). Of this, £4.3m (FY17: £4.4m) was related to new openings. £2.3m was incurred on the existing estate (FY17: £2.5m) and comprised several significant refurbishments, building renovation works, equipment replacement and IT investments and equipment replacements.

Operating cash flow and net debt

The Group continued to be cash generative in the period with operating cash inflow of £7.1m, an increase of £0.9m over the prior period (Restated*). This increase was driven by favourable working capital management more than offsetting lower operating profit significantly impacted by exceptional costs.

The Group had gross borrowings of £10.5m (FY17: £5.0m) at the end of the period all relating to drawings on its committed revolving credit facility of £25m. The credit facility runs to December 2021. Cash and cash equivalents were £6.0m at the balance sheet date (FY17: £4.9m) and therefore net-debt is £4.5m at the period end (FY17: £0.1m). Net debt has increased by £1.3m during the period but it should be noted that had New Year's trade fallen in to the current reporting period and consistent with the comparative period, net debt at the period end would have been £1.2m lower than reported and therefore is broadly unchanged over the period.

(Loss)/Earnings per share

Basic loss per share 6.8 pence (FY17 Restated*: 8.5 pence per share) as a result of significant exceptional costs in the period. Adjusted*** basic earnings per share for the period was 10.6 pence (FY17 Restated*: 10.5 pence).

Dividend

The Board is declaring an interim dividend of 1.65 pence per share, (FY17: 1.65 pence per share). This will be paid on 12 April 2018 to shareholders on the register on 23 March 2018.

Current outlook

The first half performance reflects the continued execution of the Group's operating model. Whilst recent sales trends have been below the norm, there is reason for optimism on costs given that labour scheduling software and processes should help to mitigate the impact of wage increases over the next two years and the step change cost increases arising from the 2017 rating revaluation of business properties and the introduction of the apprenticeship levy will slow appreciably from April 2019. The development of five large venue openings in major city centres is expected to drive a significant increase in sales in the next 12 months and will yield significant profits as these operations move to maturity.

Mike Foster
Chief Financial Officer
2 March 2018

Revolution Bars Group plc

Condensed Consolidated Statement of Comprehensive Income

for the 26 weeks ended 30 December 2017

	Note	**(Unaudited) 26 weeks ended 30 December 2017**	**(Unaudited) 26 weeks ended 31 December 2016 Restated***	Audited 52 weeks ended 1 July 2017 Restated*
		£'000	£'000	£'000
Revenue		**73,848**	66,708	130,467
Cost of sales		**(17,638)**	(16,113)	(31,075)
Gross profit		**56,210**	50,595	99,392
Operating expenses				
- operating expenses, excluding exceptional items		**(50,373)**	(45,544)	(91,624)
- exceptional items	7	**(9,557)**	-	(2,288)
Total operating expenses		**(59,930)**	(45,544)	(93,912)
Operating (loss)/profit		**(3,720)**	5,051	5,480
Finance expense		**(239)**	(42)	(290)
(Loss)/Profit before taxation		**(3,959)**	5,009	5,190
Tax	8	**545**	(766)	373
(Loss)/profit and total comprehensive income for the period		**(3,414)**	4,243	5,563
(Loss)/Earnings per share				
- Basic and diluted (pence)		**(6.8p)**	8.5p	11.1p

Non-GAAP alternative performance measure				
Operating (loss)/profit		**(3,720)**	5,051	5,480
Exceptional items	7	**9,557**	-	2,288
Share based payment (credit)/charge		**(765)**	67	483
Non-recurring new venue pre-opening costs		**936**	843	1,393
Adjusted operating profit		**6,008**	**5,961**	**9,644**
Finance expense		**(239)**	(42)	(290)
Adjusted profit before tax		**5,769**	5,919	9,354
Depreciation		**2,880**	2,736	5,422
Finance expense		**239**	42	290
Adjusted EBIDTA		**8,888**	8,697	15,066
Adjusted Earnings Per Share				
- Adjusted Earnings Per Share		**9.4p**	10.0p	20.0p

*See Note 4 for an explanation and analysis of the prior year restatements included above in respect of the 26 weeks ended 31 December 2016 and the 52 weeks ended 1 July 2017

Revolution Bars Group plc
Condensed Consolidated Statement of Financial Position
at 30 December 2017

	Note	(Unaudited) 30 December 2017 £'000	(Unaudited) 31 December 2016 Restated* £'000	Audited 1 July 2017 Restated* £'000
Assets				
Non-current assets				
Deferred tax asset		**27**	-	-
Property, plant and equipment		**56,134**	50,047	53,353
		56,161	50,047	53,353
Current assets				
Inventories		**4,394**	3,668	3,320
Trade and other receivables		**7,323**	7,233	9,268
Cash and cash equivalents		**5,961**	4,939	4,336
		17,678	15,840	16,924
Total assets		**73,839**	65,887	70,277
Liabilities				
Current liabilities				
Trade and other payables		**(21,307)**	(19,736)	(20,819)
Tax payable		**(1,250)**	(1,750)	(843)
		(22,557)	(21,486)	(21,662)
Non-current liabilities				
Deferred tax liability		**-**	(2,005)	(925)
Financial liabilities		**(10,500)**	(5,000)	(7,500)
Other liabilities		**(11,366)**	(3,062)	(4,945)
		(21,866)	(10,067)	(13,370)
Total liabilities		**(44,423)**	(31,553)	(35,032)
Net assets		**29,416**	34,334	35,245
Equity attributable to equity holders of the parent				
Issued share capital		**50**	50	50
Merger reserve		**11,645**	11,645	11,645
Reserves		**17,721**	22,639	23,550
Total equity		**29,416**	34,334	35,245

*See Note 4 for an explanation and analysis of the prior year restatements included above in respect of the 26 weeks ended 31 December 2016 and the 52 weeks ended 1 July 2017

Revolution Bars Group plc
Condensed Consolidated Statement of Changes in Equity
for the 26 weeks ended 30 December 2017

	Issued Share Capital £'000	Reserves: Merger reserve £'000	Reserves: Retained earnings £'000	Total shareholders' equity £'000
At 2 July 2016 (Restated*)	**50**	**11,645**	**19,979**	**31,674**
Total comprehensive income for the period	-	-	4,243	4,243
Share based payment	-	-	67	67
Dividend	-	-	(1,650)	(1,650)
At 31 December 2016 (Restated*)	**50**	**11,645**	**22,639**	**34,334**
Total comprehensive income for the period	-	-	1,320	1,320
Share based payment	-	-	416	416
Dividend	-	-	(825)	(825)
At 1 July 2017 (Restated*)	**50**	**11,645**	**23,550**	**35,245**
Total comprehensive loss for the period	-	-	(3,414)	(3,414)
Share based payment (credit)	-	-	(765)	(765)
Dividend	-	-	(1,650)	(1,650)
At 30 December 2017	**50**	**11,645**	**17,721**	**29,416**

*See Note 4 for an explanation and analysis of the prior year restatements included above in respect of the 26 weeks ended 31 December 2016 and the 52 weeks ended 1 July 2017

Revolution Bars Group plc
Condensed Consolidated Statement of Cash Flow
for the 26 weeks ended 30 December 2017

	(Unaudited) 26 weeks ended 30 December 2017	**(Unaudited) 26 weeks ended 31 December 2016 Restated***	Audited 52 weeks ended 1 July 2017 Restated*
	£'000	**£'000**	£'000
Cash flows from operating activities			
(Loss)/profit after tax from operations	**(3,414)**	4,243	5,563
Adjustments for:			
Net finance costs	**239**	42	290
Depreciation of property, plant and equipment	**2,880**	2,736	5,422
Impairment of property, plant and equipment	**860**	-	-
Tax expense	**(545)**	766	(373)
Share-based payment charge	**(765)**	67	483
Operating cash flows before movement in working capital	**(745)**	7,854	11,385
Increase in inventories	**(1,074)**	(707)	(359)
Decrease / (increase) in trade and other receivables	**1,945**	1,070	(965)
Increase / (decrease) in trade and other payables	**1,509**	(2,224)	(644)
Increase in provisions	**5,479**	253	1,663
Tax paid	**-**	-	(1,075)
Net cash flows generated from operating activities	**7,114**	6,246	10,005
Cash flows from investing activities			
Purchase of property, plant and equipment	**(6,619)**	(6,885)	(12,779)
Net cash flows used in investing activities	**(6,619)**	(6,885)	(12,779)
Cash flow from financing activities			
Equity dividend paid	**(1,650)**	(1,650)	(2,475)
Interest paid	**(220)**	(42)	(185)
Drawdown of borrowings	**3,000**	4,500	7,000
Net cash flows generated from financing activities	**1,130**	2,808	4,340
Net increase in cash and cash equivalents	**1,625**	2,169	1,566
Opening cash and cash equivalents	**4,336**	2,770	2,770
Closing cash and cash equivalents	**5,961**	4,939	4,336

*See Note 4 for an explanation and analysis of the prior year restatements included above in respect of the 26 weeks ended 31 December 2016 and the 52 weeks ended 1 July 2017

Notes to the Half-yearly Financial Report

1. Reporting entity

Revolution Bars Group plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. Its Registered Office is at 21 Old Street, Ashton under Lyne, OL6 6LA, United Kingdom. The Company's shares are listed on the London Stock Exchange.

This half-yearly Financial Report is an interim management report as required by DTR 4.2.3 of the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority (the 'FCA').

These condensed consolidated interim financial statements as at and for the 26 weeks ended 30 December 2017 comprises the Company and its subsidiaries (together referred to as the 'Group').

2. Basis of preparation

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The condensed consolidated financial statements of the Group for the 26 weeks ended 30 December 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 1 July 2017.

As required by the Disclosure Guidance and Transparency Rules of the FCA, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the 52 weeks ended 1 July 2017**,** amended as referred to below for i) the prior year restatements, and ii) the change to share based payment arrangements no longer charged as exceptional items.

The comparative figures for the 52 weeks ended 1 July 2017 are extracted from the Company's statutory accounts for that year. Those accounts have been reported on by the Company's auditor, filed with the Registrar of Companies and are available on request from the Company's Registered Office or to download from www.revolutionbarsgroup.com. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 52 weeks ended 1 July 2017, amended as referred to below for i) the prior year restatements, and ii) the change to share based payment arrangements no longer charged as exceptional items. These accounting policies are all expected to be applied for the 52 weeks to 30 June 2018.

Exceptional items
Items that are unusual or infrequent in nature and material in size are disclosed separately in the income statement. The separate reporting of these items helps provide a more accurate indication of the Group's underlying business performance, which the Directors believe would otherwise be distorted. Exceptional items typically include impairments of property, plant and equipment, venue closure costs including provisions for onerous leases, significant contract termination costs including costs associated with making changes to the Executive team and corporate Mergers and Acquisitions activity. Previously, exceptional items have also included charges/credits relating to share based payment arrangements; these are no longer treated as exceptional. As they are 'non-cash' items they will continue to be adjusted for when arriving at Adjusted EBITDA.

Bar opening costs
Bar opening costs refer to costs incurred in getting new sites fully operational and primarily include costs incurred between becoming liable for the costs of a trading property and commencement of trading that property. In the opinion of the directors, the separate reporting of bar opening costs allows a more accurate indication of the Group's underlying business performance, which the Directors believe would otherwise be distorted by the timing and number of new openings.

4. Prior Year Restatements
As previously reported, a number of prior period adjustments were reflected in the accounts for the 52 weeks ended 1 July 2017 following a review of the Group's accounting policies and practices. Those adjustments were fully explained and the resulting corrections made to prior periods were detailed in those accounts. All of those adjustments were undertaken at the end of the last accounting period and therefore the comparative numbers for the interim period have also been adjusted accordingly.

The Executive Chairman's statement accompanying this review draws attention to the Board's decision to change the Group's auditor and that the tender process established by the Board, which required prospective auditors to undertake their own review of the Group's accounting policies and practices revealed that the Group's methodology for identifying and providing for asset should be improved. Impairment tests did not fully allocate head office costs to trading venues. As the methodology had been consistently applied for a number of years, a further prior period adjustment has been made. This adjustment benefits the earnings of future periods as a result of reducing depreciation charges and does not affect cash flow. Its effect is to reduce net assets as at 2 July 2016 by £6.2m and to increase profit after tax for the 52 weeks ended 1 July 2017 by £1.5m and for the 26 weeks ended 31 December 2016 by £0.1m. The significant impact in profit after tax for the 52 weeks ended 1 July 2017 is because impairment charges previously made in that period have been pushed back to the previous period.

A further adjustment to the comparatives for the interim period has been included relating to depreciation to correct an imbalance in last year's charge between the two half years when an extra period's worth of depreciation was charged in the first half and corrected in the second half. The impact of all of the adjustments referred to above on profit and EBITDA measures in the comparative period (by half year) is set out below.

Whilst the directors are disappointed to have to report a further change to prior year accounts, they are confident that the accounts are now drawn up in accordance with the relevant accounting standards. The disclosures in these interim accounts describe the nature and impact of the most recent corrections, and how this has been reflected in the 2017 half year and full year accounts.

Throughout this report, the 2017 comparatives are described as "Restated" which means they are adjusted for prior period adjustments.

Reconciliation of prior year adjustments on H1 FY17 as previously presented

A summary of the combined impact of the prior year adjustments on the consolidated statement of profit and loss account for the 26 weeks ended and consolidated statement of financial position as at 31 December 2016 arising from the restatement are as follows.

The prior year adjustment caused an immaterial working capital adjustment and did not impact the cash position of cash flows of the Group. Accordingly, while the comparative period cash flow statements are identified as restated, restated cash flow notes are not provided.

Restated Consolidated Statement of Comprehensive Income for the 26 weeks ended 31 December 2016

		FY17 PYA		Other		FY18 PYA	
	31 December 2016 - As published £'000	Short life assets £'000	Under accrual of costs £'000	Deprec'n £'000	**31 December 2016 Sub-total* £'000**	Impairments** £'000	**31 December 2016 Restated £'000**
Operating profit	**4,658**	102	(260)	470	**4,970**	81	**5,051**
Finance expense	**(42)**	-	-	-	**(42)**	-	**(42)**
Profit before tax	**4,616**	102	(260)	470	**4,928**	81	**5,009**
Tax	**(766)**	-	-	-	**(766)**	-	**(766)**
Profit after tax	**3,850**	102	(260)	470	**4,162**	81	**4,243**
Adjusted EBITDA	**9,249**	(292)	(260)	-	**8,697**	-	**8,697**

*Sub-total represents adjusted position based on restatements made in the published financial statements of the Group for the 52 weeks ended 1 July 2017, together with the correction of the allocation of depreciation between first and second halves of FY17.

**Impairments includes the effect of restatement on depreciation charge as a result of assets being written down in prior periods.

Consolidated Statement of Financial Position as at 31 December 2016

	31 December 2016 As published	Supplier rebates	Short life assets	Onerous lease provision	Share based payments	Inventory	Depreciation and Impairment*	Under accrual of costs	31 December 2016 Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Non-current assets	**56,504**	—	—	—	—	—	(6,457)	—	**50,047**
Inventories	**4,211**	—	—	—	—	(543)	—	—	**3,668**
Trade and other receivables	**8,432**	(1,199)	—	—	—	—	—	—	**7,233**
Cash and cash equivalents	**4,939**	—	—	—	—	—	—	—	**4,939**
Current assets	**17,582**	(1,199)	—	—	—	(543)	—	—	**15,840**
Trade and other payables	**(17,834)**	—	(292)	—	—	—	—	(1,610)	**(19,736)**
Tax payable	**(2,514)**	237	—	112	—	107	—	308	**(1,750)**
Current liabilities	**(20,348)**	237	(292)	112	—	107	—	(1,302)	**(21,486)**
Deferred tax liabilities	**(3,006)**	—	—	—	202	—	799	—	**(2,005)**
Financial liabilities	**(5,000)**	—	—	—	—	—	—	—	**(5,000)**
Provisions	**(1,379)**	—	—	(571)	—	—	—	-	**(1,950)**
Other liabilities	**(904)**	—	—	—	—	—	—	(208)	**(1,112)**
Non-current liabilities	**(10,289)**	—	—	(571)	202	—	799	(208)	**(10,067)**
Net assets	**43,449**	(962)	(292)	(459)	202	(436)	(5,658)	(1,510)	**34,334**

*Depreciation and impairment net assets movement includes (£6,927k) related to the FY18 Prior Year Adjustment

Reconciliation of prior year adjustments on FY17 as previously presented

A summary of the combined impact of the prior year adjustments on the consolidated statement of profit and loss account for the 52 weeks ended 1 July 2017 and consolidated statement of financial position as at 1 July 2017 arising from the restatement are as follows.

The prior year adjustment caused an immaterial working capital adjustment and did not impact the cash position of cash flows of the Group. Accordingly, while the comparative period cash flow statements are identified as restated, restated cash flow notes are not provided.

Restated Consolidated Statement of Comprehensive Income for the 52 weeks ended 1 July 2017

		FY17 PYA		Other		FY18 PYA		
	1 July 2017 As published £'000	Short life assets £'000	Under accrual of costs £'000	Depre c'n £'000	**1 July 2017 Sub-total £'000**	Impairments** £'000	Onerous lease £'000	**1 July 2017 Restated £'000**
Operating profit before exceptionals	**7,605**	-	-	-	**7,605**	163	-	**7,768**
Exceptional charge	**(3,869)**	**-**	**-**	**-**	**(3,869)**	1,476	105	**(2,288)**
Operating profit after exceptionals	**3,736**	-	-	-	**3,736**	1,639	105	**5,480**
Finance expense	**(185)**	-	-	-	**(185)**	-	(105)	**(290)**
Profit before tax	**3,551**	-	-	-	**3,551**	1,639	-	**5,190**
Tax	**560**	-	-	-	**560**	(187)	-	**373**
Profit after tax	**4,111**	-	-	-	**4,111**	1,452	-	**5,563**
Adjusted EBITDA	**15,066**	-	-	-	**15,066**	-	-	**15,066**

*Impairments includes the effect of restatement on depreciation charge as a result of assets being written down in prior periods

Consolidated Statement of Financial Position as at 1 July 2017

	1 July 2017 As published £'000	Impairments £'000	**1 July 2017 Restated £'000**
Non-current assets	**58,722**	(5,369)	**53,353**
Inventories	**3,320**	-	**3,320**
Trade and other receivables	**9,268**	-	**9,268**
Cash and cash equivalents	**4,336**	-	**4,336**
Current assets	**16,924**	-	**16,924**
Trade and other payables	**(20,819)**	-	**(20,819)**
Tax payable	**(843)**	-	**(843)**
Current liabilities	**(21,662)**	-	**(21,662)**
Deferred tax liabilities	**(1,537)**	612	**(925)**
Financial liabilities	**(7,500)**	-	**(7,500)**
Provisions	**(3,441)**	-	**(3,441)**
Other liabilities	**(1,504)**	-	**(1,504)**
Non-current liabilities	**(13,982)**	612	**(13,370)**
Net assets	**40,002**	(4,757)	**35,245**

Reconciliation of prior year adjustments on Net Assets at 2 July 2016 as previously presented

Net assets as at 2 July 2016

		FY17 PYA		FY18 PYA		
	2 July 2016 As published in the 2 July 2016 financial statements		**2 July 2016 As published in the 1 July 2017 financial statements**	Impairments	Deferred tax	**2 July 2016 Restated**
	£'000	£'000	**£'000**	£'000	£'000	**£'000**
Net assets	**41,182**	(3,299)	**37,883**	(7,008)	799	**31,674**

5. Key Risks

The directors set out below the principal risks and uncertainties that face the business;

- Dependence on key sites
- Acquisition of new sites
- Consumer demand
- Discounting
- Health and safety
- Leasehold rents
- Supplier concentration
- National minimum/living wage legislation

The key risks are consistent with those detailed in the Group's annual financial statements for the 52 weeks ended 1 July 2017. Further information on the key risks is detailed on page 14 of the Revolution Bars Group plc Annual Report 2017.

6. Going concern

The Directors have reviewed the Group's trading forecasts. These forecasts demonstrate that the Group has adequate financial resources, including its £25 million revolving credit facility which is committed until December 2021, to continue in operational existence for the foreseeable future.

The Group is forecast to remain compliant with the terms of the revolving credit facility and the financial covenants attached to it, which are tested quarterly. The Directors expect to utilise the revolving credit facility for cash flow management and general business purposes as required.

7. Exceptional items

Exceptional items, by virtue of their size, incidence or nature, are disclosed separately in order to allow a better understanding of the underlying trading performance of the Group. Exceptional charges in the period amounted to £9.6m (FY17 Restated*: nil) and comprised the following:

	26 weeks ended 30 December 2017	26 weeks ended 31 December restated* 2016	Audited 52 weeks ended 1 July restated* 2017
Professional fees related to merger and acquisition activity	**2,186**	-	-
Costs associated with changes in executive team	**705**	-	190
Fees incurred relating to accounting restatements	**169**	-	239
Impairment of property, plant and equipment	**860**	-	-
Onerous lease charges	**5,637**	-	1,859
Total exceptional items	**9,557**	-	2,288

The professional fees relating to merger and acquisition activity are primarily legal and corporate advisory fees, and registrar and virtual data room services provided in respect of the Board recommended offer from Stonegate and the merger proposals from Deltic.

The costs associated with changes in the executive team relate to compensation payments and legal costs associated with the resignations of the Chief Executive Officer ("CEO") and Chief Operating Officer and also fees and expenses relating to the recruitment of the new CEO.

Fees incurred relating to accounting restatements comprise additional and temporary third party support costs incurred in relation to the review of accounting policies and practices and the restatement of prior period accounts, which work was undertaken during the reporting period.

Following a more robust analysis of the trading performance of the Group's bars, a small number have been identified as requiring an onerous lease provision, based on projected bar contribution and rental commitments. The adjustment will reduce rental charges in future periods; it does not affect the Group's cash flows.

The methodology change relating to impairment testing, as referred to in the section on prior period adjustments also leads to an impairment charge in the current 26 week period of £0.9m. These charges do not affect the Group's cash flows.

8. Income tax

The effective tax rate on the reported loss (2017 interim: profit) for the half year was 13.8% (2017 interim 15.3%). Legal and professional fees relating to the merger and acquisition activity attract no tax relief and are the principal driver in increasing this above the corporation tax rate of 19%.

9. Share-based payments

	26 weeks ended 30 December 2017 £'000s	26 weeks ended 31 December 2016 £'000s	Audited 52 weeks ended 1 July 2017 £'000s
Charge	**358**	**433**	849
Credit relating to lapses in period	**(1,123)**	**(366)**	(366)
Total	**(765)**	**67**	483

10. Dividends

A final dividend of 3.3p per share totalling £1,650,000 was declared on 2 November 2017 and was paid on 8 December 2017.

An interim dividend of 1.65p per share totalling £825,000 was declared on 2 March 2018 and will be paid on 12 April 2018. This is not recognised as a liability at 30 December 2017.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU
- the interim management report includes a fair review of the information required by:

(a)DTR 4.2.7R of the Disclosure Guidance and Transparency Rules , being an indication of important events that have occurred during the first 26 weeks of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining 26 weeks of the year; and

(b)DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first 26 weeks of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Revolution Bars Group plc are detailed on page 24 of the Revolution Bars Group plc Annual Report 2017. Subsequent to the publication of the Annual Report, Mark McQuater resigned from the Board with immediate effect on 17 October 2018 and Keith Edelman became Executive Chairman pending a new Chief Executive joining the Board.

By order of the Board

Mike Foster
Chief Financial Officer
2 March 2018

INDEPENDENT REVIEW REPORT TO REVOLUTION BARS GROUP PLC

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Revolution Bars Group Plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-yearly financial report of Revolution Bars Group Plc for the 26 week period ended 30 December 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 December 2017;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flow for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-yearly financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
2 March 2018

a) The maintenance and integrity of the Revolution Bars Group Plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.