16 November 2021

Revolution Bars Group plc (LSE: RBG)
Preliminary results for the 53 weeks ended 3 July 2021

Exciting return to normal trade following investment in all brands

Revolution Bars Group plc ("the Group"), a leading UK operator of 67 premium bars, trading under the Revolution and Revolución de Cuba brands, today announces its preliminary results for the 53 weeks ended 3 July 2021.

Introduction

The Group has again faced an extraordinary year where every week of trade was impacted heavily by restrictions or enforced closure. However, the Group used this period to further invest and improve its brands and operations, and the Group is now picking up where it left off prior to COVID-19. Continuing from the positive like-for-like[2] ("LFL") growth before the pandemic, the Group is extremely excited to have fully reopened and see our guests and teams create the fun and memorable experiences for which our brands are renowned. After the first 14 weeks of FY22 we had already exceeded the total revenue generated in FY21. At the time of writing total revenue is currently 137% of FY21, with FY22 LFL[2] revenue since 19 July, when restrictions fully relaxed in England, 14% ahead of the comparable period in FY20.

We have taken advantage of the periods when we were closed or trading under restrictions to fine tune our existing brands through a focus on customer offering, sustainability, and the creation of two exciting new brand concepts, whilst we have also strengthened the engagement of our teams and driven our Diversity & Inclusion agenda, in order to set the business up to perform strongly when trading restrictions ended. We are ready to take advantage of the reduced competition and bring our freshly developed new concepts to the market.

Results to 3 July 2021

	FY21 ***(IFRS 16)***	**FY20** ***(IFRS 16)***	**FY21 APM[3]** ***(IAS17)***	**FY20 APM[3]** ***(IAS17)***
Total Sales	£39.4 million	£110.1 million	£39.4 million	£110.1 million
Operating loss	£(21.2) million	£(32.7) million	£(21.6) million	£(27.5) million
Adjusted[1] EBITDA	£(3.9) million	£9.8 million	£(12.0) million	£0.1 million
Loss Before Tax	£(26.3) million	£(31.7) million	£(22.8) million	£(28.1) million
Loss Per Share (pence)	(21.2) pence	(70.3) pence	(18.4) pence	(56.2) pence
Net bank debt*	£(3.6) million	£(22.0) million	£(3.6) million	£(22.0) million

*Net bank debt is the difference between gross bank debt and cash and cash equivalents at bank.

Key points

Utilising lockdowns to invest in our brands and offerings

- Significant investment in key projects: Sustainability, Diversity & Inclusion ("D&I"), team wellbeing, core brand propositions and guest experience;
- Enhanced commitment to our sustainability strategy by formally adopting a "Net Zero before 2030" policy with at least 40% emissions reduced;
- Increased focus on our wellbeing agenda, collaborating to provide education, events, training and activities on all aspects of mental, physical and financial health;
- Created a D&I Board, represented by individuals across our people to provide a voice for our colleagues; and
- Successful creation of two new brand concepts: Founders & Co., an artisanal market-place experience, and a soon-to-launch competitive socialising concept.

Robust and stable financial position

- Throughout FY21, liquidity has been secured through:
    - an increase in committed debt facilities including £20.0 million of Coronavirus Large Business Interruption Loan Scheme (“CLBILS”) term loans;
    - the Group’s bank, NatWest, postponed various loan facility amortisation payments of £10.5 million originally scheduled during the period March to September 2021;
    - two equity fundraisings were completed in FY21, achieving total net proceeds of £34.0 million, enabling the Group to reduce its level of borrowing, kickstart an enhanced refurbishment programme, and be poised and ready for any suitable acquisition and growth opportunities;
    - negotiating fair agreements with suppliers and landlords through periods of lockdown, and reduced salaries for Board members;
    - Company Voluntary Arrangement (“CVA”) for Revolution Bars Limited in FY21 H1 resulted in the exit from six loss-making sites, and a further two loss-making sites were surrendered. Total cash rental savings agreed across the estate since the start of COVID-19 of £6.0 million;
- Net bank debt reduced from £22.0 million at the end of FY20 to £3.6 million at the end of FY21, and today the Group has cash in bank less all drawings on the RCF and CLBILS (“net cash”) of £4.6 million.

Positive return to normal trading

- Pre-COVID, both our brands were exhibiting good LFL[2] growth, and given the current backdrop we are excited to have seen LFL[2] growth in FY22 since 19 July, when restrictions fully relaxed in England, at 14% versus the comparable period of FY20, the last normal period of trade;
- Since year-end, we have completed three refurbishments;
- Planned delivery of eight new sites across the next two financial years, expecting the majority to be delivered in FY23;
- As at 15 November 2021, we are very pleased to announce a net cash position of £4.6 million;
- Guests continue to choose our bars in ever greater numbers, with weekends busier than ever. We are very pleased to see guests and colleagues creating fun and memorable experiences;
- The Board remains confident in full year expectations.

[1] Adjusted performance measures exclude exceptional items, share-based payment charges and bar opening costs
[2] Like-for-like (LFL) sales are same site sales defined as sales at only those venues that traded in the same week in both the current year and comparative reporting periods
[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Rob Pitcher, Chief Executive Officer, said:

“We are very excited to be back trading and doing what we do best. As we had hoped and expected, our young guest base was ready to return to our bars and we continue to be pleased with our level of trade, reflecting the fun and memorable experiences our teams create for our guests.

Our strategy, and the investment in our brands and people, is showing real results. We are pleased with the launch of our two new brand concepts, and love to see our two established brands continue to thrive and grow.

Whilst the disruption caused by COVID has set back our timescales for expansion, we believe that post COVID, our market place and the competitive landscape will be fundamentally different and there will be good opportunities for our brands to expand their estates at a much lower level of investment.

Given the backdrop of one of the most challenging years for our Company, I am thankful to our colleagues for their resilience, professionalism and dedication. Our teams continue to create the party, and it is this effort that has resulted in our guests returning in such numbers which has in turn allowed us to enjoy such a strong start to our year.”

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

Chairman's Statement

I am pleased that since mid-July our business has finally been allowed to trade without restrictions and we hope that this return to normality and positivity continues. FY21 was a year of pandemic-related challenges, with ongoing changing restrictions, tiers and lockdowns being both unpredictable and frustrating.

Our Management expertly navigated and adapted to the ever-changing field, and ensured, when allowed to do so, we were ready to open in a safe environment where colleagues and guests could return to, and enjoy, our bars. Although in FY21 we did not have any weeks of completely "normal" trade, with some form of restriction in place at all times, we were very pleased to see our guests return in numbers when our bars reopened.

During the year we have taken the opportunity to drive our core strategies. We have made significant headway in our Diversity and Inclusion agenda, as well as a real focus on Wellbeing as our people faced unprecedented personal challenges throughout the pandemic. We have made significant investment in sustainability, winning a prestigious award in recognition of our success. Management has taken advantage of lockdown periods to both enhance and drive the offering at our two core brands, whilst also opening a third new, exciting brand in Swansea, and preparing for a fourth competitive socialising brand to open FY22 H1.

Our senior management team has shown exceptional leadership and resilience in the face of the most extreme circumstances and taken all appropriate actions to ensure that our bars could reopen safely when permitted to do so and to protect and safeguard the future of the business.

Our business

At the end of the reporting period, the Group operated 67 premium bars with a strong presence throughout the UK for its two high-quality retail brands: Revolution (48 bars), focused on young adults; and Revolución de Cuba (18 bars), which attracts a broader age range. Most of the Group's sales are derived from drink and food with some late-night admission receipts driven by entertainment completing the sales mix.

We successfully opened a third brand in FY21, with the introduction of Founders & Co. - an artisanal market-place experience, and are set to open our fourth brand, a competitive socialising experience, in November 2021.

Following the successful recent equity fundraisings, I'm very pleased to say that we are emerging from the pandemic with a strong balance sheet which allows us to refocus our resource on investment in the existing estate to improve the underlying performance of the business, as well as seeking expansion opportunities. We are in an excellent position to grow the business, whether that is organically, through acquisition of single sites, or acquisition of small groups.

In FY21, a Company Voluntary Arrangement ("CVA") was undertaken by the Group's wholly owned subsidiary, Revolution Bars Limited. As part of this process we exited six sites, and we also surrendered a further two separately with the respective landlords resulting in an estate of 67 premium bars as at 15 November 2021. The CVA and landlord negotiations have delivered significant rent savings; coupled with other cost-savings where possible, including a streamlining of our Support Centre resource and negotiations with other suppliers, the Board believes the Group is well-positioned to operate more efficiently and, longer term, achieve a higher net margin.

I must take this opportunity to thank our suppliers who have been extremely supportive by suspending contracts or agreeing deferred payments, our Board for their salary sacrifices, the many landlords who have part-waived rent, NatWest who has been very supportive and increased our committed debt facilities, and our shareholders for supporting our two successful equity fundraisings. I would also like to acknowledge the outstanding efforts of Kate Nicholls, CEO of UKHospitality, who has represented the hospitality sector with unwavering vigour, dedication and determination throughout this challenging period.

Our results

Sales of £39.4 million (2020: £110.1 million) were 64.2% lower than the previous period as a result of the various COVID-19 ("COVID") lockdowns and restrictions throughout the entirety of FY21, compared to just the last 14 weeks of FY20. Our statutory loss before tax for the year of (£26.3) million reflects this restricted trading period, whereas the prior year loss before tax includes a significant exceptional impairment taken during the start of the COVID pandemic. Adjusted[1] EBITDA, our preferred KPI, is significantly impacted by IFRS 16 and thus the Directors believe that business progress is best measured by the directly comparable IAS 17 Alternative Performance Measures[3] ("APM") measure of adjusted[1] EBITDA which was (£12.0) million (2020: £0.1 million). Due to the operational leverage in the business, the full year adjusted[1] EBITDA performance was severely impacted by the multiple lockdowns and ongoing restrictions.

When free to trade without the imposed COVID restrictions, we are a highly cash generative business. We secured £20.0 million of Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans in FY21, as well as

£34.0 million from the net proceeds of the two equity fundraisings. These funds have been used to de-lever the business and as at the year-end the Group had net bank debt of £3.6 million compared to £22.0 million at the end of FY20. As at today, the Group has cash in bank less all drawings on the RCF and CLBILS ("net cash") position of £4.6 million.

Our Board
As announced in the previous Annual Report, at the FY20 AGM on 22 December 2020, Mike Foster retired from the Board as Chief Financial Officer. On the same day, Danielle Davies was appointed to the Board in his place as Chief Financial Officer. The Board continues to demonstrate significant commitment to the business over the last 20 months dealing with the consequences of COVID and to review and ratify many of the difficult decisions made by the senior management team and to provide a sounding board and support to the Executive Directors given the unprecedented situation. The Board also showed strong leadership and empathy for the difficulties that COVID has caused for most of the Group's workforce by agreeing to various waived reductions in salary throughout the pandemic, until trading could begin in earnest in May 2021.

Our team members
At the end of the reporting period, the Group employed around 2,500 people, all of whom strive to provide the outstanding guest experience that is at the heart of our strategy. FY21 has been a year like no other in terms of the challenges our team members at every level of the business have faced and I must pay tribute to their resilience throughout the lockdown period, their enthusiasm towards returning to work under extremely difficult operating conditions, and for their whole-hearted support of the management team in the face of some very difficult actions necessary to safeguard the business. I must also pay tribute to the senior management team and indeed all levels of management who have had to adapt to very different ways of operating and leading and having to deal with many matters they could not have contemplated 20 months ago.

Our Future
Overall like-for-like[2] ("LFL") revenue generated in FY22 since 19 July, when restrictions fully relaxed in England, is up 14% on the equivalent period in FY20 (the last equivalent normal trading period). Total revenue in the year to date is also 137% of the full-year revenue generated in FY21. We are so pleased to see a LFL[2] increase as a reflection of both the pent-up demand in our young customer base, but also as a direct result of the time and investment which management has given to driving our customer offering and ensuring we offer a safe and fun environment where guests can enjoy amazing experiences. As at 15 November 2021 we are also pleased to report a net cash position of £4.6 million. We continue to operate cautiously, aware that the risk of COVID has not yet vanished, but continue to be pleasantly satisfied with the return to normal trading.

The Financial Review provides information on liquidity and going concern, and also the full going concern disclosures, which include references to material uncertainty, can be found in note 1.

I cannot end my report without my sincere thanks to our two Executive Directors, Rob and Danielle. Throughout the darkest days, their enthusiasm and motivation never waivered and in addition to keeping all the staff involved and engaged they have managed to complete two equity fundraisings and a CVA, whilst at the same time led from the front by taking large salary reductions. I must also thank my colleagues Jemima and Will for their support and dedication throughout the very many Board meetings to accomplish all of the above.

We have clearly made a good start to the year, although given the uncertainty in the market it remains difficult to forecast customer demand.

Keith Edelman
Non-Executive Chairman

15 November 2021

[1] *Adjusted performance measures exclude exceptional items, share-based payment charges and bar opening costs*
[2] *Like-for-like (LFL) sales are same site sales defined as sales at only those venues that traded in the same week in both the current year and comparative reporting periods*
[3] *APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis*

Chief Executive Officer's statement

Business review

During the 53 weeks ended 3 July 2021, our business has traded as well as we could have expected in the face of the enforced restrictions, although this has in no way been a reflection of the true performance we can deliver when allowed to do so without restrictions. The Group has been unable to trade for 47% of the year, with varying restrictions in place for the remainder of the year.

Despite this significant impact on our business, I am very proud of the performance and perseverance displayed by our colleagues during the periods of trading. COVID-19 ("COVID") has had a significant impact on city centre late-night hospitality, which has been disproportionately disadvantaged by Government messaging and restrictions. This includes the instructions, at various times during the pandemic, to work from home, curfews, Rule of 6, social distancing, and to avoid the use of public transport wherever possible.

The Group has had to endure varying abilities to trade; the financial year began relatively positively with the phased reopening of our bars from 6 July 2020, after the first lockdown, further enhanced by the Government's "Eat Out to Help Out" campaign. Despite this, summer trading was severely impacted by COVID restrictions, with the table-service-only instruction affecting our ability to operate our bars to normal capacity levels, trade the late hours our guests are accustomed to, and provide guests with the fun experiences they know and love us for.

After relatively stable, yet challenging, trading conditions in the summer the Group faced further unprecedented constantly changing restrictions, with a further lockdown in November, and highly restricted trading in December. Understanding and adapting quickly to the latest Government guidance, and ensuring a high level of safety for our teams and guests, has been of the utmost importance to management during the year.

The second half of the year began with a 14-week third lockdown, lasting until outdoor trading was allowed in England from 12 April 2021 when we were pleased to open 20 bars. This followed with indoor trading, still under restrictions, from 17 May 2021 when we had 63 bars from our portfolio open and trading. After this, the Group looked forward to a return to normal trading on 21 June 2021 and was disappointed to learn of the delay to "freedom day" until 19 July 2021. The challenges faced, and trading levels seen, with varying rules and restrictions has been exacerbated by the differing home nation rules, with highly disproportionate trading between the home nations as a direct result of the ongoing restrictions following the third lockdown in Wales, Scotland and Northern Ireland.

Aside from keeping on top of the ever-changing landscape, our priority has been to put people first. The safety of our colleagues and guests is paramount and we have taken all measures possible, from ensuring our bars met the highest safety standards, to a cautious approach to reopening, including choosing not to reopen on Saturday 4 July 2020 as the Board considered that a potentially very busy Saturday was not the right environment to open in the best interest of our colleagues.

Despite up to 98.5% of our colleagues being on furlough at times through the lockdowns, team engagement has increased with the introduction of regular virtual team briefings ensuring all our colleagues are kept abreast of developments. We also ensured all colleagues had pre-opening refresher training where relevant to deliver the standards our guests expect, but most importantly to ensure people felt comfortable and ready to return. Following the announcement of the roadmap, we were really excited to host a virtual "Welcome home party" for all our colleagues where we could explain our plans and strategies, and reinvigorate them for an exciting return to the bars.

To ensure the continued success of the Group, Management has also focussed on financial strength for relaunching the business. Within the financial year, the Group secured £20.0 million of Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans, and achieved a total net fundraising (across two fundraisings) of £34.0 million. These funds have been used to pay down the existing Revolving Credit Facility, and we end the financial period with a strong balance sheet with net bank debt of £3.6 million (2020: £22.0 million). Today the Group has a net cash position of £4.6 million. This provides us with a solid platform to relaunch the business and focus on starting to grow.

The ***strategic priorities*** set for FY21 are making great progress, despite the distraction of COVID, with some of the highlights set out below:

- *Investing in our team*:
  - created a new immersive induction scheme, launched in time for reopening, so all our new colleagues could enjoy the benefit;
  - after the challenges of COVID and furlough, a mass recruitment drive increased our team from approximately 2,000 at the point of reopening for outdoor trading in April 2021, to 2,500 by the beginning of July 2021, and to over 2,900 by August 2021;

    - "Set for Success" Management team restructure implemented to ensure we can deliver our strategy effectively;
    - Diversity and Inclusion ("D&I") champions recruited from across the entire workforce to set up a new D&I advisory Board;
    - collaboration with "Wiser", to formulate our long-term D&I strategy;
    - Partnered with "So Let's Talk" enabling the provision of education, events, training and activities on all aspects of mental, physical and financial health relevant to the hospitality industry; and
    - a virtual "Welcome home party" to reinvigorate and engage our colleagues prior to reopening.

- *Investing in our brands and guest experience:*
    - a major focus on our digital capabilities, the urgency for which became much greater in order to operate effectively under the imposed COVID restrictions. Building on the success seen in FY20, the Revolution App now has 923,000 registered users, up from 230,000 in February 2020, and we've seen over 90% of all sales made at times via the App when open;
    - increased focus on meaningful online interactions via social media such as online cocktail masterclasses, live DJ sets, exercise classes and yoga tutorials;
    - over 1,300 bottles of our Revolution Flavoured vodkas sold via our online shop in the year; and
    - development of our competitive socialising concept, ready for launch in H1 FY22.

- *Investing in our estate:*
    - one new opening, completed in FY21 H2, with the launch of our new brand, Founders & Co., in Swansea. This brand offers artisanal food from local entrepreneurs, gifts and homewares from our emporium, a co-working coffee shop space, an off-licence, plus a range of hand-crafted cocktails in a marketplace style venue. Delivering a safe and fun environment for likeminded groups and families across the entire day and evening;
    - one refurbishment delivered in FY21 H2 at our busiest bar, Manchester Revolución de Cuba, ensuring it was primed and ready for reopening;
    - all other planned refurbishments were halted to protect liquidity through closure periods, but essential repairs and maintenance work continued to allow a successful estate relaunch;
    - the most recent June 2021 fundraising allows the business to refocus on growth and refurbishments, and an accelerated refurbishment programme started in FY22 H1 has already delivered refurbishments at 3 Revolution bars. It has also allowed us to build our new site pipeline with confidence; and
    - a real drive forwards in our sustainability programme, winning a prestigious Green Apple Award for Environmental Best Practice, recognising the great achievements accomplished so far in energy and waste reduction.

Group strategic objectives
Our three strategic objectives are now more relevant than ever; these being:

- Building guest loyalty;
- Driving sustained profit improvement; and
- Development of our estate.

These three pillars continue to be our guiding principles and drive our long-term decision-making. Our three-year plan, mapped out over two years ago, made clear that our initial focus was on the first two objectives but suggested that we expected to be able to start planning for estate expansion at the end of FY20. Whilst the disruption caused by COVID has set back our timescales for expansion, we believe that post COVID, our market place and the competitive landscape will be fundamentally different and there will be good opportunities for our brands to expand their estates at a much lower level of investment.

Strategic priorities for FY22
COVID has continued to dominate the strategic direction of the Group in FY21; necessarily our day to day actions have focused on adapting our operations in accordance with the constantly changing rules and guidance issued by the various UK statutory authorities. Our priorities remain the health and safety of all our colleagues and guests, ensuring that we can trade viably and are doing everything possible to safeguard the future of the business.

We have come out of the pandemic stronger than ever, and our equity fundraisings and current net cash position provide a solid platform on which to grow the business. We are evolving our two core brands, with stronger propositions following increased focus during lockdowns, and are so excited to see our two new brands come to fruition. Founders & Co. launched at the very end of FY21, and we've been pleased to see positive feedback and performance, and we will be launching the second new brand in FY22 H1, a competitive socialising concept with a nostalgic nod to the games found at a British seaside pier coupled with amazing pizza and cocktails. Management is also actively seeking good value acquisition opportunities, whether that be single sites or small groups.

With these exciting plans and focus for FY22, we remain committed to the following strategic priorities in FY22:

- *Investing in our team:*

  - health & wellness partnerships established to build on mental health first aid training;
  - remapping and reinvigorating the career paths for both front-of-house and back-of-house team members including the development of our apprenticeships programme;
  - progressive approach to moving away from being a national minimum wage employer;
  - huge focus on D&I at the 2021 conference, introducing the "Inclusion Revolution" – our quest to be the place where everyone wants to be through an even more diverse and inclusive business; and
  - further training and education for colleagues in collaboration with our Wellbeing partners.

- *Investing in our brands and guest experience:*
  - introduction of a new guest feedback platform, "Feed It Back", to harness even greater insights from our guests allowing us to deliver the excellent experiences they expect;
  - refining the customer service journey through further development of Order & Pay at table to relieve the ongoing challenges of queuing at the bar, and allow a smoother guest experience;
  - maximising our market-leading position for hosting the biggest party on the high street at Revolution;
  - capitalising on the demand for live music with the continued development of this Revolución de Cuba fame-point; and
  - maximise the return-to-the-office opportunity through our corporate sales team.

- *Investing in our estate:*
  - recent fundraisings have allowed a returned focus on growth and new site acquisition, with planned delivery of eight new sites across the next two financial years, expecting the majority to be delivered in FY23;
  - launching our competitive socialising brand, trial site to open in November 2021;
  - delivery of our largest single year refurbishment plan, comprising 19 sites;
  - assessment of value-accretive acquisition opportunities; and
  - implementation of the RBG Sustainability Charter, recently becoming the UK's first bar group to commit to Science-Based Targets to achieve Net Zero before 2030.

Market outlook

Following the delay to "freedom day", the Group is now enjoying largely unrestricted trading and getting back to what it does best. We continue to be comforted by the successful vaccine rollout, with 80% of the adult population now with two doses, which is well above initial Government expectations. Our young guest base are at the lowest risk of becoming seriously ill, and because of this we continue to see their excitement and enthusiasm to party resulting in full bars and very strong trading.

As a result of the successful vaccine rollout, we see vaccine passports as an unnecessary administrative burden on businesses that will not have a significant positive impact on increased health outcomes. We hope the Government recognises the challenges the Hospitality industry has faced in the last 20 months, and that the economy cannot take another lockdown. We are at a point where we are so excited to be open and trading, seeing our guests enjoying themselves – COVID is now something we have to live with and we should not go back to further lockdowns or significant restrictions. In a normal year we generate approximately £48.0 million in taxation and duty for the Government, which amounts to over 40% of normal sales. The Government should be mindful of the amount of tax revenue generated for the Exchequer by bar companies such as Revolution and the wider Hospitality sector which would be lost as a result of the imposition of future lockdowns or restrictions.

The UK Government must recognise the urgent need to introduce business rates reform; UKHospitality estimates the Hospitality industry overpays £2.4bn each year; following the pandemic, which hit the Hospitality industry particularly hard, there is undue pressure and expense on heavily indebted businesses who are trying to rebuild. UK high streets are seeing the effects of the dated and inefficient system, causing serious unjust imbalances in the rates businesses are paying. We recognise an online sales tax could be hard to implement, but just because something is difficult doesn't mean it shouldn't happen, and we would welcome any reform which alleviates the very serious problem causing undue burden and expense.

The Hospitality industry provides a safe and fun environment which brings people together; the importance of human connections on mental health are more important now than ever, after prolonged periods of isolation. We love nothing more than seeing our guests coming back to us, reconnecting with friends and family alike, and making sure we're the place where everyone wants to be. It is clear that our young guest base are out in force and making up for lost time; they need to be free to live their lives as those in previous generations have been. This is against the challenging backdrop of the reopening of hospitality, where there is a shortage of available workforce and input cost pressures across the supply chain. We would encourage the Government to maintain the current reduced VAT of 12.5% for non-alcohol beverages and food.

Current Trading

We were very disappointed with the delay to "freedom day" from 21 June to 19 July 2021, as we recognised our young guests' desperation to be allowed out for late-night events, vertical drinking, dancing and having a party. The delay further drove demand, and upon the release of restrictions we've been very pleased to see sales have exceeded our expectations. In the first 14 weeks of FY22 we have already generated more revenue than during the whole of FY21. Our bars are predominantly city centre based, and the whole UK has seen city centres fill with young people ready to get on with their lives, and we're delighted that many of them are celebrating in our bars. Please reference the going concern disclosures for information on liquidity, which include references to material uncertainty, in note 1.

As previously mentioned, the difference in restrictions between the home nations has caused highly differing trading conditions and results; we are particularly disappointed with the approach taken with Scotland and Northern Ireland which has maintained significant restrictions far longer than England and Wales. The introduction of vaccine passports in Scotland and Wales is extremely disappointing and is this year's version of "needing to eat a scotch egg to drink a pint in a pub". However, restrictions on foreign travel have been beneficial to us with most people staying in the UK for a "staycation"; we offer a fun environment where people can enjoy a brunch with friends, a lunch with colleagues, a family dinner, or a full night out and because of this all-day offering we've benefitted from people staying in the UK for their holidays.

Alongside Christmas, the return of students from September is one of the most valuable trading periods of the year. After months of online study, young students are out enjoying themselves and have returned to university towns. We ensured a strong student offering, with appropriate marketing and promotional strategies to encourage them into our bars. Christmas bookings have been building more slowly than we would normally expect, which we believe is due to a level of uncertainty around the "return to office" and the UK Government COVID autumn and winter plan; this leads us to believe the shape of Christmas trading will be different, including smaller parties and much higher levels of walk-ins which we have previously been unable to accommodate.

Following the return to trading from 12 April 2021, we have faced the same challenges as the rest of the Hospitality sector with team member recruitment, supply chain issues and industry cost pressures including utilities, and are mitigating these challenges wherever possible. Utility rates are largely fixed until April 2023. Notwithstanding these challenges, we are pleased to have built our team back up from approximately 2,000 at the point of reopening for outdoor trading in April 2021, to over 3,000 by November 2021. We are proud to continue attracting a high-quality, dedicated and diverse workforce, providing rewarding jobs for young adults to start their careers.

We have also been very proud of the launch of our third brand, Founders & Co. The new venture, in Swansea, has been performing well so far and receiving positive guest feedback. We are building a great business in partnership with our Founders, the food traders we collaborate with, and continue to offer a variety of events and reasons for our guests to keep returning. The test site for our fourth brand will open in November 2021, offering a competitive socialising experience, and we couldn't be more excited to see our guests reaction to this new offering.

We are very pleased with the advancements in brand offerings, D&I, sustainability and the guest journey furthered in the year. We are seeing the results of this, with guests enjoying themselves in our bars, which adds further confidence in the full year outlook.

Our Team

The last 20 months, dealing with COVID and the related fall-out in terms of its impact on our business and the many difficult decisions we have had to make to safeguard its future, has been an immense challenge for all our colleagues. Throughout this period, I have been amazed and uplifted by unsolicited feedback and support from our team members acknowledging the efforts and achievements of the senior team to keep the Revolution Bars Group family together and their generosity of spirit in dealing with those very difficult decisions and the circumstances generally, and I would like to take this opportunity to thank all our colleagues. I feel very proud and very fortunate to lead such a great team and continue to recognise the ongoing challenges our people face operating in the current environment.

Rob Pitcher
Chief Executive Officer
15 November 2021

Financial Review

Financial Review

Introduction
- The Group continues to offer comparative Alternative Performance Measures[3] ("APM") of the numbers converted to IAS 17 following the implementation of IFRS 16 in FY20. APM[3] for the current period are given equal prominence in this review because, in the opinion of the Directors, these provide a better guide to the underlying performance of the business;
- the results information therefore gives FY21 IFRS 16 statutory numbers, followed by APM[3] of FY21 under IAS 17, and the equivalent comparison from FY20. A reconciliation between statutory and APM[3] figures is provided in note 28;
- when considering the results for the period, it should also be noted that trade has been restricted including two lockdown periods where the Government enforced the closure of pubs, bars and restaurants in November and January until mid-March, as well as varying rules in the tier systems significantly impacting Christmas trade, and ongoing social distancing restrictions for the remainder of the year. Comparatively, in FY20 the business was unable to trade for the last 14 weeks of the period;
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£'million	FY21 *(IFRS 16)*	FY20 *(IFRS 16)*	FY21 APM[3] *(IAS17)*	FY20 APM[3] *(IAS17)*
Total Sales	£39.4 million	£110.1 million	£39.4 million	£110.1 million
Operating loss	£(21.2) million	£(32.7) million	£(21.6) million	£(27.5) million
Adjusted[1] EBITDA	£(3.9) million	£9.8 million	£(12.0) million	£0.1 million
Non-cash exceptionals	£(3.2) million	£(27.4) million	£(0.5) million	£(19.7) million
Cash exceptionals	£(2.2) million	£(0.4) million	£(2.7) million	£(0.4) million
Net bank debt	£(3.6) million	£(22.0) million	£(3.6) million	£(22.0) million

Presentation of results
Consistent with previous reporting periods, the Group operates a weekly accounting calendar and as each accounting period refers only to complete accounting weeks, the period under review reflects the results of the 53 weeks to 3 July 2021. Prior year comparatives relate to the 52 weeks ended 27 June 2020. There have been no changes to accounting policies following the implementation of IFRS 16 in FY20. The Directors believe that adjusted[1] EBITDA provides a better representation of underlying performance as it excludes the effect of exceptional items and share-based payment charge/credits (non-cash), none of which directly relate to the underlying performance of the Group. The adjusted[1] EBITDA represents IFRS 16 and therefore excludes any rental costs. APM[3] adjusted[1] EBITDA represents IAS 17 and is therefore after deducting the IAS 17 rental charge.

Results
The Group is very pleased to have seen a positive upturn in trading since social distancing restrictions were lifted post year-end on 19 July 2021, but, when considering the FY21 results (being the 12 months commencing July 2020), it is important to remember the impact COVID-19 has had on the business:

- a summer of restricted trading in 2020 with caps on numbers and trading ability;
- tiers introduced in the autumn with varying rules, and a four-week lockdown in November;
- more restrictions and a curfew introduced in winter;
- a three-and-a-half-month lockdown starting in January;
- outdoor trading only permitted from 12 April;
- indoor trading with social distancing restrictions from 17 May; and
- finally, the year ended with a delay of the release of restrictions until 19 July 2021.

Restrictions have included various changing tiers and rules, requirements for social distancing between tables, enhanced health and safety restrictions, substantial meals needing to be purchased alongside alcoholic drinks, curfews, and restrictions on household numbers to name but a few.

Due to this, the Group has seen a significant reduction in revenue in the year to £39.4 million (2020: £110.1 million). Indeed, we have already generated more revenue since the FY21 year-end than during the whole of FY21, which shows the level of disruption that the lockdowns have created. FY20 was also impacted by COVID-19 but only by the inability to trade for the final 14 weeks of the period. Our statutory loss before tax for the year of (£26.3) million reflects this, whereas our prior year loss before tax of (£31.7) million includes the exceptional impairment that we recognised at the start of lockdown.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA (see note 28), was £12.1 million lower, at a loss of (£12.0) million (2020: profit of £0.1 million). This is our preferred metric because it shows the underlying cash available, in a normal trading period, for investment, loan servicing and repayment, and for distributing to shareholders in the form of dividends. Adjusted[1] EBITDA was a loss of (£3.9) million (2020: profit of £9.8 million). This is a direct result of the reduced sales and continued fixed costs during periods of enforced closure. Management efforts have been focused on cost reduction, cash liquidity and stakeholder communication during these times.

Gross profit in the year amounted to £28.1m (2020: £83.5 million) which amounted to a gross margin of 71.2%, down from 75.9% in the period year. The deterioration in margin was in part due to a change in the mix of products sold, with customers enjoying our daytime food offering more than in previous years, and a higher participation of cocktails being enjoyed. These items are lower margin than the higher margin bottles of spirits and magnums which are more traditionally enjoyed late night, which was not permitted during FY21. In addition, the ongoing opening and closing of bars throughout FY21 due to the changes in restrictions lead to higher obsolescence and write-offs, and lower supplier income.

Headcount reduced from 2,968 at the start of FY21 to c. 2,000 in April 2021, before increasing to 2,495 at the end of FY21, as we recruited once bars re-opened. The increased furlough claims and reduced headcount meant that total payroll costs for the year were £22.1 million compared to £35.8 million in FY20. Across the year the Board took voluntary pay cuts of up to 50%; these salaries have returned to full pay following the reopening of the estate.

The Group took advantage of all applicable Government support throughout the period. The Group had previously utilised HMRC's Time to Pay scheme and began repaying this debt in the year. VAT liabilities of £2.1 million had also been deferred from the first lockdown, and the Group took advantage of the further deferral under monthly repayments till January 2022 with £1.4 million still outstanding at year-end. The Group continued to utilise the Coronavirus Job Retention Scheme ("CJRS") during periods of enforced closure, and to support bars as they reopened; the Group has claimed total CJRS grants to date of £22.0 million. In the year the Group has also obtained various Local Authority grants aimed at the Hospitality industry of £3.4 million which has been recognised as Other Income within operating profit.

The 100% rates holiday for the Hospitality industry was applicable throughout the period until the end of June 2021 and resulted in a £6.5 million saving; this will then become a two-thirds reduction from July 2021, subject to a £2.0 million cap until April 2022.

Management continued to negotiate beneficial payment and contract terms through periods of closure with key suppliers and landlords and the Group thanks them for their support. As discussed in the Group Annual Report and Accounts 2020, the Group completed the Company Voluntary Arrangement ("CVA") of Revolution Bars Limited which was approved on 13 November 2020. This resulted in a total exit of six sites, with a further two loss-making sites separately surrendered in the year. Total cash rental savings agreed across the estate since the start of COVID-19 are £6.0 million.

The Group incurred an operating loss of £21.2 million (2020: £32.7 million). This was after charging non-cash exceptional items of £3.2 million (2020: £27.4 million) and cash exceptionals of £2.2 million (2020: £0.4 million), which are detailed further below.

Underlying profitability

The Board's preferred profit measures are APM[3] adjusted[1] EBITDA and APM[3] adjusted[1] pre-tax (loss)/profit as shown in the tables below. The APM[3] adjusted[1] measures exclude exceptional items, bar opening costs and charges/credits arising from long-term incentive plans.

	3 July 2021 IFRS 16 £m	**27 June 2020 IFRS 16 £m**	**3 July 2021 APM[3] IAS 17 £m**	**27 June 2020 APM[3] IAS 17 £m**
Pre-tax loss	**(26.3)**	**(31.7)**	**(22.8)**	**(28.1)**
Add back Exceptional items	5.4	27.8	3.2	20.1
Add back Charge arising from long-term incentive plans	0.1	0.0	0.1	0.0
Deduct Exceptional finance income	-	(5.9)	-	-
Adjusted[1] pre-tax loss	**(20.8)**	**(9.8)**	**(19.5)**	**(8.0)**
Add back Depreciation	11.8	14.6	6.3	7.5
Add back Amortisation	0.0	0.0	0.0	0.0
Add back Finance costs	5.1	4.9	1.2	0.6
Adjusted[1] EBITDA	**(3.9)**	**9.8**	(12.0)	0.1

Exceptional items, bar opening costs and accounting for long-term incentive plans

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. The statutory exceptional position of £5.4 million is £2.2 million higher than the APM[3] exceptionals of £3.2 million due to additional impairment on right-of-use assets, and accounting treatment changes (IAS 17 to IFRS 16) on fixed asset impairments and on the surrender of leases and onerous lease provisions, all of which result from the implementation of IFRS 16.

The statutory charge of £5.4 million comprises £3.2 million (2020: £27.4 million) of non-cash exceptionals relating to property, plant and equipment and right-of-use impairment charges of £11.6 million offset by a gain on disposal recognised under IFRS 16 upon surrender of leases of £8.4 million. It also includes cash exceptionals of £2.2 million (2020: £0.4 million) relating to property restructure costs including legal and professional expenditure incurred in the CVA and various landlord deals, and the cost of exiting sites. In the prior reporting period, non-cash exceptionals also related to impairment and a gain on disposal, and the cash exceptional related to moving the listing of the Company's shares from the London Stock Exchange premium segment to AIM. A full analysis of exceptional items is given in note 3 to the financial statements.

Charge relating to long-term incentive schemes resulted from equity-settled share-based payment transactions; this was a charge of £64k (2020: £42k). No awards vested in either the current period or prior period.

Finance costs

Finance costs of £5.1 million (2020: £4.9 million) are made up £1.1 million of bank interest paid on borrowings (2020: £0.6 million) and £4.0 million of lease interest (2020: £4.3 million). Charges related to the Company's committed revolving credit facility with NatWest (the "Facility") including commitment fees relating to any undrawn element of the Facility, and the amortisation of arrangement fees over the life of the Facility were much higher than the prior period due primarily to higher average bank debt levels during the year as a result of increased borrowings due to COVID-19, as well as the interest charged on the Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans.

Liquidity

At the start of the period, the Group received a £16.5 million CLBILS term loan from NatWest in the form of a three-year term loan which was used to pay down the Revolving Credit Facility ("RCF") and the RCF commitment was reduced to £21.0 million from £30.0 million and its term extended to June 2022. This provided the Group with committed facilities of £37.5 million of which £7.5 million was due to be prepaid at the end of March 2021 with the RCF reducing a further £1.0 million at the end of June each year. The CLBILS was due to amortise by £1.0 million per annum.

On 27 July 2020, the Group completed an equity fundraising of £15.0 million, receiving net proceeds of £14.1 million. These net proceeds were used to repay all remaining outstanding loan draw downs on the Facility.

On 16 December 2020, due to the continued COVID restrictions, NatWest agreed to defer both the £7.5 million prepayment on the committed facilities due at the end of March 2021 and the £1.0 million reduction on the Facility due at the end of June 2021.

Additionally, in April 2021, NatWest agreed to waive £2.0 million of amortisation scheduled for September 2021 and approved a further £3.5 million CLBILS term loan.

On 15 June 2021, the Group completed a further equity fundraising of £21.0 million, receiving net proceeds of £19.9 million. These net proceeds were also used to repay all remaining outstanding loan draw downs on the Facility, with remaining funds held for an enhanced refurbishment scheme and expansion opportunities. Therefore, at year-end the Group had remaining gross bank debt of £15.8 million which consisted entirely of remaining CLBILS loans. The RCF also reduced to £17.3 million following £3.7 million of amortisation in June 2021.

On 11 November 2021, the RCF was extended to 30 June 2023, and interest was increased by 1.2% with a further up-to 1% chargeable if the RCF is drawn to within £5.0 million of total limits. A new deleveraging method was also agreed based on overperformance compared to the severe but plausible downside case; please see note 1 for further details on the key assumptions in the severe but plausible downside case. The Company now has committed Facilities as follows:

	RCF £m	CLBILS £m	Total £m
31 December 2021	17.3	15.3	32.6
30 June 2022	16.3	14.8	31.1
31 December 2022	16.3[1]	14.3[1]	30.6[1]
30 June 2023	15.3[1]	13.8[1]	29.1[1]

[1] Facilities are due to deleverage after 30 June 2022 under the overperformance deleverage agreement detailed above, meaning the facilities will reduce further at this point based on overperformance of FY22 against the severe but plausible downside case

The Facility is due for expiry on 30 June 2023. The original £16.5 million CLBILS loan is a three-year term loan expiring 5 July 2023, and the new £3.5 million CLBILS loan is a three-year term loan expiring 9 May 2024. We would like to thank NatWest and our shareholders for this support during the year. At the time of writing, after 17 weeks of near-normal trade, the Group has net cash of £4.6 million.

Taxation

There is no tax payable in respect of the current period due to losses made. Accordingly, the charge in the current year is £nil (2020: charge £3.5 million). The prior year charge principally arises from the derecognition of the deferred tax asset that was created on the implementation of IFRS 16, given the difficult trading outlook resulting from COVID.

Earnings/(loss) per share

Basic loss per share for the period was 21.2 pence (2020: loss 70.3 pence). Adjusting for exceptional items, non-recurring opening costs and credits arising from long-term incentive plans resulted in an adjusted[1] loss per share for the period of 18.9 pence (2020: loss of 37.3 pence).

Operating cash flow and net bank debt

The Group utilised net cash flow from operating activities in the period of (£2.3) million (2020: generated £6.5 million) as a direct result of the continued expenditure and cash strain on the business during periods of closure in the year. The Group focused on minimising its cash outflow and liquidity during periods of closure or reduced trading to ensure that the business would be in a strong position to resume trading when conditions permitted. This was somewhat mitigated through payment deferral arrangements with the Group's largest suppliers, rent concessions agreed with a number of landlords as well as the CVA, utilisation of the Coronavirus Job Retention Scheme and HMRC Time to Pay schemes, reduction of capital expenditure and reduction of costs wherever possible. Furthermore, in FY21 the Group received £20.0 million CLBILS loans and £36.0 million gross (£34.0 million net) of equity fundraising to support the business and to allow it to come out of COVID-19 in a strong position.

Capital expenditure payments of £2.0 million, lease surrender payments of £1.7 million, bank loan interest £1.1 million and loan repayments of £52.7 million offset with proceeds from fundraising of £34.0 million and drawdown of borrowings of £44.0 million all contributed to a net cash inflow in the period of £9.6 million decreasing net bank debt to a closing position of £3.6 million. This is in comparison to 2020, where capital expenditure payments of £4.2 million, lease surrender payments of £1.4 million, bank loan interest £0.6 million, loan repayments of £12.0 million and drawdown of borrowings of £19.0 million all contributed to a net cash outflow of £0.1 million which resulted in net bank debt of £22.0 million.

Capital expenditure

The Group made capital investments of £2.0 million (2020: £4.2 million) during the period; this was incurred entirely on the existing bars, comprising building renovation works, equipment replacement and IT investment and minor refurbishment work where urgent. During COVID-19, planned refurbishments were halted to focus on cash management, and will restart with an enhanced refurbishment programme in FY22.

Dividend

As notified previously, the Board has suspended payments of dividends. Furthermore, (a) a condition of taking on the CLBILS facility is that the Company is unable to pay a dividend whilst the CLBILS remains outstanding and (b) as a result of the CVA referred to above, the Company's subsidiary entity, Revolution Bars Limited, is unable to pay a dividend for a period of three years until 13 November 2023. A restriction on the Group's principal trading subsidiary being unable to make a dividend payment to its Parent Company may significantly impact the Company's ability to make a dividend payment until after 13 November 2023. There was no dividend paid or declared in either the current or prior period.

Going concern

Under the terms of its banking facilities with NatWest, the Company has one financial covenant – "minimum liquidity headroom" between its net bank debt and its committed bank debt facilities. The Directors have modelled both a management base case forecast scenario and a severe but plausible downside case scenario; please see note 1 for further details on the key assumptions in the severe but plausible downside case. No forecast breach of the banking covenant arises under either forecast scenario but there is very limited headroom under the severe but plausible downside forecast scenario under which headroom is minimised to £0.9 million at the end in April 2022.

The low level of liquidity headroom relative to the minimum liquidity covenant in the severe but plausible downside case, and the material uncertainty caused by COVID coupled with forecasting difficulties as a result of constantly changing operating restrictions means that the Group cannot be assured that it will not breach the minimum liquidity covenant. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of £15.8 million of non-current borrowings to current borrowings as at the date of the consolidation statement of financial position. The Directors have assessed, however, that given a strong underlying business, particularly post lease surrenders of under-performing bars and the CVA undertaken during 2020, the Group's existing relationships with its main creditors, its success in recent years in obtaining covenant waivers and renegotiating its banking facilities and recent equity fundraisings, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be successful.

Despite a return to normal trading in England since July 2021, the severe disruption to the Group's trade prior to that since March 2020 caused by COVID, and the resultant and frequently changing operating restrictions imposed by the UK Government and the devolved authorities means that there is a material uncertainty over the going concern of the Group. This uncertainty exists because of the unpredictability of the nature, extent and duration of COVID, and the possibility of further restrictions or lockdowns imposed by the Government, and how this will impact the Group's operational performance and in particular the level of sales and EBITDA generated that will in turn determine the Group's covenant compliance.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group and the Company have sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the impact of possible COVID restrictions on our trading indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group and Company to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group (and the Company) were unable to continue as a going concern.

A more comprehensive disclosure on going concern including the banking facilities, liquidity and the detailed assumptions behind both forecast scenarios is given in note 1 to the financial statements.

Danielle Davies
Chief Financial Officer
15 November 2021

[1] *Adjusted performance measures exclude exceptional items and share-based payment charges and bar opening costs*
[2] *Like-for-like (LFL) sales are same site sales defined as sales at only those venues that traded in the same week in both the current year and comparative reporting periods*
[3] *APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis*

Revolution Bars Group plc

Consolidated statement of profit or loss and other comprehensive income

for the 53 weeks ended 3 July 2021

	Note	**53 weeks ended 3 July 2021 £'000**	52 weeks ended 27 June 2020 £'000
Revenue	3	**39,417**	110,074
Cost of sales		**(11,352)**	(26,571)
Gross profit		**28,065**	83,503
Operating expenses:			
– operating expenses, excluding exceptional items	3	**(47,217)**	(88,388)
– exceptional items	4	**(5,361)**	(27,770)
– grant income	5	**3,357**	-
Total operating expenses		**(49,221)**	(116,158)
Operating loss	6	**(21,156)**	(32,655)
Finance expense	7	**(5,140)**	(4,934)
Exceptional finance income	7	**-**	5,869
Loss before taxation		**(26,296)**	(31,720)
Income tax	8	**-**	(3,461)
Loss and total comprehensive expense for the period		**(26,296)**	(35,181)
Loss per share:			
– basic and diluted (pence)	9	**(21.2)**	(70.3)
Dividend declared per share (pence)		**-**	-

There were no items of other comprehensive income and therefore a separate statement of other comprehensive income is not presented.

Consolidated statement of financial position

at 3 July 2021

	Note	**3 July 2021 £'000**	27 June 2020 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	**33,945**	41,222
Right-of-use assets	10	**64,044**	70,689
Intangible assets		**24**	20
		98,013	111,931
Current assets			
Inventories	11	**2,956**	3,593
Trade and other receivables	12	**5,218**	3,429
Tax receivable		**-**	50
Cash and cash equivalents	13	**12,118**	2,502
		20,292	9,574
Total assets		**118,305**	121,505
Liabilities			
Current liabilities			
Trade and other payables	14	**(20,361)**	(15,795)
Provisions	17	**(842)**	-
Lease liabilities	15	**(5,143)**	(10,203)
		(26,346)	(25,998)
Net current liabilities		**(6,054)**	(16,424)
Non-current liabilities			
Lease liabilities	15	**(100,034)**	(102,960)
Interest-bearing loans and borrowings	16	**(15,751)**	(24,500)
Provisions	17	**(1,404)**	(1,019)
		(117,189)	(128,479)
Total liabilities		**(143,535)**	(154,477)
Net liabilities		**(25,230)**	(32,972)
Equity attributable to equity holders of the parent			
Share capital		**230**	50
Share premium		**33,794**	-
Merger reserve		**11,645**	11,645
Accumulated losses		**(70,899)**	(44,667)
Total equity		**(25,230)**	(32,972)

Consolidated statement of changes in equity

for the 53 weeks ended 3 July 2021

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
At 29 June 2019	50	-	11,645	(9,528)	2,167
Loss and total comprehensive expense for the period	-	-	-	(35,181)	(35,181)
Charge arising from long-term incentive plans	-	-	-	42	42
At 27 June 2020	50	-	11,645	(44,667)	(32,972)
Loss and total comprehensive expense for the period	-	-	-	(26,296)	(26,296)
Fundraising	180	33,794	-	-	33,974
Charge arising from long-term incentive plans	-	-	-	64	64
At 3 July 2021	**230**	**33,794**	**11,645**	**(70,899)**	**(25,230)**

Consolidated statement of cash flow

for the 53 weeks ended 3 July 2021

	Note	**53 weeks ended 3 July 2021 £'000**	52 weeks ended 27 June 2020 £'000
Cash flow from operating activities			
Loss before tax from operations		**(26,296)**	(31,720)
Adjustments for:			
Net finance expense	7	5,140	4,934
Exceptional finance income	7	-	(5,869)
Exceptional gain on disposal	4	(8,388)	-
Depreciation of property, plant and equipment	10	6,045	7,397
Depreciation of right-of-use assets	10	5,770	7,215
Impairment of property, plant and equipment	4	3,273	8,727
Impairment of right-of-use assets	4	8,315	19,566
Lease modification	4	(28)	(897)
Working Capital and Other movements	19	3,881	(2,883)
Net cash flow (used in)/generated from operating activities		**(2,288)**	6,470
Cash flow from investing activities			
Purchase of intangible assets		**(5)**	(12)
Purchase of property, plant and equipment	10	**(2,038)**	(4,213)
Net cash flow used in investing activities		**(2,043)**	(4,225)
Cash flow from financing activities			
Net proceeds from equity fundraising		**33,974**	-
Interest paid	7	**(1,133)**	(599)
Lease surrender premiums paid		**(1,700)**	(1,369)
Principal element of lease payments	15	**(4,438)**	(3,067)
Interest element of lease payments	15	**(4,007)**	(4,335)
Repayment of borrowings		**(52,749)**	(12,000)
Drawdown of borrowings		**44,000**	19,000
Net cash outflow generated from/(used in) financing activities		**13,947**	(2,370)
Net increase/(decrease) in cash and cash equivalents		**9,616**	(125)
Opening cash and cash equivalents		2,502	2,627
Closing cash and cash equivalents	13	**12,118**	2,502

Reconciliation of net bank debt		
Net increase/(decrease) in cash and cash equivalents	**9,616**	(125)
Cash inflow from increase in borrowings	**(44,000)**	(19,000)
Cash outflow from repayment of borrowings	**52,749**	12,000
Opening net bank debt	**(21,998)**	(14,873)
Closing net bank debt	**(3,633)**	(21,998)

Notes to the consolidated financial information

for the 53 weeks ended 3 July 2021

1. General information

(a) Basis of preparation

The accounting period runs to the Saturday falling nearest to 30 June each year and therefore normally comprises a 52-week period but with a 53-week period arising approximately at five-year intervals. The period ended 3 July 2021 is a 53-week period; the period ended 27 June 2020 was a 52-week period. The consolidated financial statements have been prepared under the historical cost convention in accordance with those parts of the Companies Act 2006 applicable to companies reporting under International Financial Reporting Standards ("IFRS"). References to 2021 or FY21 relate to the 53-week period ended 3 July 2021 and references to 2020 or FY20 relate to the 52-week period ended 27 June 2020 unless otherwise stated. The consolidated financial statements are presented in Pounds Sterling with values rounded to the nearest thousand, except where otherwise indicated. These policies have been applied consistently unless otherwise stated.

(b) Going concern

Going concern

Going concern

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks and, in particular, the possible adverse impact on financial performance, specifically on revenue and cash flows, as a result of restrictions imposed by the UK Government and the devolved authorities in response to COVID. The going concern status of the Company and subsidiaries is intrinsically linked to that of the Group.

Liquidity

At the end of the reporting period, the Group had net bank debt of £3.6 million (2020: £22.0 million). In FY21, the Group took out three separate Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans to a sum of £20.0 million, of which £15.8 million was still outstanding as at year-end. The Group maintains a £17.3 million Revolving Credit Facility ("RCF") of which no amounts were drawn down as at year-end.

The RCF reduced from £21.0 million in June 2021, to £17.3 million following £3.7 million of amortisation. The RCF is due to amortise by a further £1.0 million to £16.3 million at the end of June 2022, and has been extended to 30 June 2023 in November 2021. The interest rate on the RCF has been increased by 1.2% with a further up-to 1% chargeable if the RCF is drawn to within £5.0 million of total limits.

Following the refinancing in November 2021, a new deleveraging method has been agreed with NatWest based on overperformance compared to the severe but plausible downside case. This protects the Group with sufficient liquidity in the event of further Government restrictions but also allows the Group to move to a more normal debt structure when over-delivering against the severe but plausible downside case. This will be tested 2 July 2022, and the overperformance between the severe but plausible downside case and actualised FY22 will be shared between the Group and repayment of bank facilities to NatWest, pro-rata between the RCF and CLBILS (the "facilities"). The first £3.0 million of overperformance will be retained by the Company to provide an additional liquidity buffer, with any overperformance thereafter shared 50:50.

In FY21, the Group completed two equity fundraises to support liquidity. The first completed on 27 July 2020 for gross £15.0 million, net £14.1 million, and all funds were fully received by 3 August 2020 and used to repay the remaining outstanding balance of the RCF. A second equity fundraising was completed on 15 June 2021 for gross £21.0 million, net £19.9 million, and all funds were fully received by 17 June 2021. The second fundraising was also used to repay £11.0 million of RCF, whilst retaining sufficient funds to allow the Group to start an enhanced refurbishment programme of its bars, and also be in a position to take advantage of any good acquisition and expansion opportunities.

1. General information (continued)

(b) Going concern *(continued)*

As at 15 November 2021, the above facilities expire and amortise as follows:

Facility	Commitment	Expiry	Amortisation
RCF	£17.3 million	30 June 2023	£1.0 million on 30 June 2022 and 30 June 2023 Overperformance deleverage on 2 July 2022[1]
CLBILS	£15.3 million	5 July 2023 and 9 May 2024[2]	£1.0 million per annum in equal monthly instalments Overperformance deleverage on 2 July 2022[1]

[1] Per above, total facilities are due to amortise under an overperformance deleverage agreement to be tested on 2 July 2022

[2] The original £16.5 million CLBILS expires 5 July 2023, and the £3.5 million second CLBILS expires 9 May 2024

In accordance with these arrangements and subject to compliance with financial covenants, the Group will have committed funding facilities available during the going concern assessment period as follows:

	RCF	CLBILS	Total
	£m	£m	£m
31 December 2021	17.3	15.3	32.6
30 June 2022	16.3	14.8	31.1
31 December 2022	16.3[1]	14.3[1]	30.6[1]
30 June 2023	15.3[1]	13.8[1]	29.1[1]

[1] Facilities are due to deleverage after 30 June 2022 under the overperformance deleverage agreement detailed above, meaning the facilities stated will reduce further at this point provided the severe but plausible downside case net debt overperformed in FY22 by at least £3.0 million

Current Net bank debt and available liquidity

As at 15 November 2021, the Group's net bank cash position was £4.6 million, and therefore the Group has available liquidity of £37.2 million.

Covenants

The facilities are subject to one financial covenant only, which is that the Group is required to maintain minimum liquidity headroom between its net bank debt and the committed facilities on a six-month look forward basis. The required headroom under the covenant varies on a monthly basis, and in November 2021 it was agreed with NatWest that the minimum liquidity covenant would be adjusted to reflect the level of expected headroom, and bring it in line with normal banking requirements.

Significant judgements and base case

The financing arrangements referred to in this going concern section are expected to provide a sufficient platform for the business to meet the trading uncertainty that lies ahead as the Group trades through winter with the uncertainty of further potential restrictions and lockdowns imposed by the UK Government. During the entirety of FY21 the Group has either been subject to forced closure or traded under strict restrictions, which has severely impacted its performance. Although the Group is hopeful of the continued normality in trading in England, and continues to monitor the devolved nations carefully, it is not clear what level of trade may be possible should the UK Government impose further restrictions.

The level of sales that the Group generates drives EBITDA and cash generation, which in turn impacts the level of liquidity required and compliance with the covenant test. In reaching their assessment that the financing arrangements are expected to be sufficient for the business, the Directors have reviewed a base case forecast scenario which assumes flat performance to the last 12 months before COVID began, with a softer December to reflect the potential for some level of restrictions, or reduced demand, across the UK. Capital expenditure is included in line with that communicated during the second equity fundraise, which retains our refurbishment and expansion programme, which was the purpose of the second equity fundraise. Under the base case forecast, there is no forecast breach of the banking covenant. The forecast average amount of headroom for net bank debt relative to the minimum liquidity covenant between December 2021 and November 2022 is £17.9 million with the lowest point of £11.6 million in October 2022.

1. General information (continued)

(b) Going concern *(continued)*

Severe but plausible downside scenario

The Directors have also reviewed a severe but plausible downside case which takes the base case and assumes a full lockdown in November and January to April inclusive, and thus no trade in these months. December again remains softened to reflect the potential for restrictions, or reduced demand, and it is assumed the remaining months will be in line with the base case. No further Government assistance is assumed, and Capex remains at the same level as base case. This remains an area of flexibility in the event of a longer lockdown, whereby the programme, if necessary, could be adjusted to enhance liquidity in the business.

The severe but plausible downside case shows no forecast breach of the banking covenant but, as would be expected, the forecast average amount of net bank debt headroom relative to the minimum liquidity covenant between December 2021 and November 2022 is lower at £5.0 million with the lowest point of £0.9 million in April 2022.

Whilst there are currently no indications that further lockdowns and restrictions above and beyond those included in the severe but plausible downside case would occur, the Directors note the unprecedented decisions that have previously been taken and could again be imposed by the UK Government. However, the Directors also believe that if severe operating restrictions or lockdowns occurred above those already assumed the financial effects could potentially be mitigated wholly or partially by a number of factors that are not reflected in the severe but plausible downside case, but which are not all wholly within the control of the Directors, including reintroduction of the Coronavirus Job Retention Scheme, further rent mitigation, receipt of local authority grants as these are made available but which have not been included in the Group's forecasts, and any extension to business rates relief.

The low level of liquidity headroom relative to the minimum liquidity covenant in the severe but plausible downside case, and the material uncertainty caused by COVID coupled with forecasting difficulties as a result of constantly changing operating restrictions means that the Group cannot be assured that it will not breach the minimum liquidity covenant. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of £15.8 million of non-current borrowings to current borrowings as at the date of the consolidation statement of financial position. The Directors have assessed, however, that given a strong underlying business, particularly post lease surrenders of under-performing bars and the CVA undertaken during 2020, the Group's existing relationships with its main creditors, its success in recent years in obtaining covenant waivers and renegotiating its banking facilities and recent equity fundraisings, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be successful.

Going concern statement

Despite a return to normal trading in England since July 2021, the severe disruption to the Group's trade prior to that since March 2020 caused by COVID, and the resultant and frequently changing operating restrictions imposed by the UK Government and the devolved authorities means that there is a material uncertainty over the going concern of the Group. This uncertainty exists because of the unpredictability of the nature, extent and duration of COVID, and the possibility of further restrictions or lockdowns imposed by the Government, and how this will impact the Group's operational performance and in particular the level of sales and EBITDA generated that will in turn determine the Group's covenant compliance.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group and the Company have sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the impact of possible COVID restrictions on our trading indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group and Company to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group (and the Company) were unable to continue as a going concern.

2. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 53 weeks ended 3 July 2021. These accounting policies are all expected to be applied for the 52 weeks to 2 July 2022.

Leases
Where the Company is a lessee, a right-of-use asset and lease liability are both recognised at the outset of the lease. Each lease liability is initially measured at the present value of the remaining lease payment obligations taking account of the likelihood of lease extension or break options being exercised. Each lease liability is subsequently adjusted to reflect imputed interest, payments made to the lessor and any modifications to the lease. The right-of-use asset is initially measured at cost, which comprises the amount of the lease liability, plus lease payments made at or before the commencement date adjusted by the amount of any prepaid or accrued lease payments, less any incentives received to enter in to the lease, plus any initial direct costs incurred by the Group to execute the lease, and less any onerous lease provision. The right-of-use asset is depreciated in accordance with the Group's accounting policy on property, plant and equipment. The amount charged to the income statement comprises the depreciation of the right-of-use asset and the imputed interest on the lease liability.

The Company has utilised the practical expedient to not assess whether rent waivers agreed as a result of COVID-19 are lease modifications.

Items impacting Alternative Performance Measures

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 and right-of-use assets, venue closure costs, significant contract termination costs and costs associated with major one-off projects.

Share based payments
Charges relating to share-based payment arrangements, while not treated as an exceptional item, are adjusted for when arriving at adjusted EBITDA on the basis that such amounts are non-cash, can be material and often fluctuate significantly from period to period, dependent on factors unrelated to the Group's underlying trading performance.

Key Risks
The directors believe that the principal risks and uncertainties faced by the business are as set out below. Occurrence of any of these risks or a combination of them may significantly impact the achievement of the Group's strategic goals;

- COVID-19
- Supply chain
- Dependence on key sites
- Acquisition of new sites
- Consumer demand and PR
- Health and safety
- Leasehold rent increases
- Supplier concentration
- National minimum/living wage legislation

The Group's operating environment is severely impacted by COVID-19, significantly restricting its ability to trade during FY21 at normal levels due to social distancing measures and periods of enforced closure and reduced opening hours.

3. Segmental information
The Group's continuing operating businesses are organised and managed as reportable business segments according to the information used by the Group's Chief Operating Decision Maker ("CODM") in its decision making and reporting structure.

The Group's internal management reporting is focused predominantly on revenue and APM IAS 17 adjusted EBITDA, as these are the principal performance measures and drives the allocation of resources. The CODM receives information by trading venue, each of which is considered to be an operating segment. All operating segments have similar characteristics and, in accordance with IFRS 8, are aggregated to form an 'Ongoing business' reportable segment. Within the ongoing business, assets and liabilities cannot be allocated to individual operating segments and are not used by the CODM for making operating and resource allocation decisions.

The Group performs all its activities in the United Kingdom. All the Group's non-current assets are located in the United Kingdom. Revenue is earned from the sale of drink and food with a small amount of admission income.

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Revenue	**39,417**	110,074
Cost of sales	**(11,352)**	(26,571)
Gross profit	**28,065**	83,503
Operating expenses:		
– operating expenses excluding exceptional items	**(47,217)**	(88,388)
– exceptional items	**(5,361)**	(27,770)
– grant income	**3,357**	-
Total operating expenses	**(49,221)**	(116,158)
Operating loss	**(21,156)**	(32,655)

4. Operating expenses

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Sales and distribution	**43,639**	101,161
Administrative expenses	**8,939**	14,997
Total operating expenses	**52,578**	116,158

The Group also received grant income of £3.4 million which is included in operating expense; please see note 5 for further information.

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/(credits) comprised the following:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Administrative expenses:		
– impairment of right-of-use assets	**8,315**	19,566
– impairment of property, plant and equipment	**3,273**	8,727
– lease modification	**(28)**	(897)
– gain on disposal	**(8,388)**	-
– delist from Main market and admission to AIM	**-**	371
– property restructure	**2,189**	-
– other	**-**	3
Total exceptional items	**5,361**	27,770

Following implementation of IFRS 16, impairment reviews now also include right-of-use assets relating to leases. The net book value of property, plant and equipment at 30 of the Group's bars (2020: 37) was written down, including right-of-use asset write-downs at 31 bars (2020: 37). Four (2020: eight) of these bars had not been subject to impairment charges previously. The impairment charge is attributable to the combined effect of the increase of the right-of-use assets following lease re-gears and the impact of COVID-19 on trading performance. The Directors considered that trading at these bars is unlikely to recover in the foreseeable future to a level that would justify their current book value.

A credit for lease modification was recognised where the respective IFRS 16 creditors had reduced following a reduction in rental amount or length of lease. Where a lease modification reduces the scope of a lease, the gain is netted against the related right-of-use asset. Where the right-of-use asset is fully impaired, the gain is taken as a credit to administrative expenses.

During the period, two loss-making leases have been surrendered (Liverpool Cavern Quarter and Huddersfield de Cuba) and a further six sites (America Square, Birmingham, Clapham Junction, Richmond, Solihull and Sunderland) returned to their landlords through a Company Voluntary Arrangement ("CVA") undertaken by the Group's wholly owned subsidiary entity, Revolution Bars Limited. The Property Restructure costs predominantly comprise the associated CVA professional fees, alongside other legal and professional costs incurred through landlord negotiations and the relevant closure costs of the affected sites.

Exceptional gains on disposal occurred in respect of these lease surrenders as a result of extinguishing IFRS 16 lease liabilities, and is net of surrender premiums paid and payable to landlords and other relevant exit costs; this net position is classified as an exceptional gain on disposal.

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Gross gain on disposal	**(9,686)**	-
Surrender premiums paid in period	**450**	-
Related surrender costs paid in period	**71**	-
Impairment on exited properties	**777**	-
Total exceptional gain on disposal	**(8,388)**	-

5. Grant income

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Local authority grants	**3,357**	-
	3,357	-

The Government have provided various Local Authority grants to support the hospitality industry, particularly for periods of closure or severe restrictions. There have been various rules around claiming these, with the values predominantly based on the rateable value of the properties. This income has been recognised as Other Income within operating loss.

6. Group operating loss

Group operating loss is stated after charging:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Depreciation of property, plant and equipment	**6,045**	7,397
Depreciation of right-of-use assets	**5,770**	7,215
Impairment of property, plant and equipment	**3,273**	8,727
Impairment of right-of-use assets	**8,315**	19,566
Amortisation of intangibles	**1**	1
Auditors' remuneration:		
– audit fees payable to the Company's auditors for the audit of these financial statements	**155**	151
Fees payable to the Company's auditors for:		
– audit of financial statements of subsidiary companies	**85**	76
– interim review	**-**	21

7. Finance expense and income

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Interest payable on bank loans and overdrafts	**1,133**	599
Interest on lease liabilities	**4,007**	4,335
Interest payable	**5,140**	4,934

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Gross gain on disposal	**-**	(8,893)
Surrender premiums paid in period	**-**	1,369
Related surrender costs paid in period	**-**	405
Surrender premiums to be paid	**-**	1,250
Total exceptional finance income	**-**	(5,869)

Exceptional gains on disposal occurred in respect of lease surrenders as a result of extinguishing IFRS 16 lease liabilities, and is net of surrender premiums paid and payable to landlords; this net position is classified as exceptional finance income.

8. Income tax

The major components of the Group's tax credit for each period are:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Analysis of credit in the period		
Current tax		
UK corporation tax on the loss for the period	**-**	-
Adjustment in respect of prior periods	**-**	-
	-	-
Deferred tax – Profit and loss account		
Origination and reversal of timing differences	**-**	(413)
IFRS 16 deferred tax unwinding	**-**	310
Write-off of IFRS 16 deferred tax asset	**-**	3,564
	-	3,461
Deferred tax - Reserves		
Tax impact of change in accounting policy	**-**	(3,874)
Total deferred tax	**-**	(413)
Total tax credit	**-**	(413)
Factors affecting current tax credit for the period		
Loss before taxation	**(26,296)**	(31,720)
Loss at standard rate of UK corporation tax (2021: 19.0%; 2020: 19.0%)	**(4,996)**	(6,027)
Effects of:		
– expenses not deductible for tax and other permanent differences	**386**	1,463
– adjustment in respect of prior periods	**(4)**	(111)
– changes in expected tax rates on deferred tax balances	**(5,635)**	3
– deferred tax not recognised	**10,249**	8,133
Total tax charge/(credit) for the period	**-**	3,461

At 3 July 2021, the Group has carried forward tax losses of £23.6 million (2020: £13.8 million) available to offset against future profits for which no deferred tax asset has been recognised (2020: no deferred tax liability recognised).

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19% for the years starting 1 April 2020 and 2021. The Group has recognised deferred tax in relation to UK companies at 19% accordingly.

In the March 2021 Budget, it was announced that from 1 April 2023 the Corporation Tax Rate for non-ring fenced profits will be increased to 25% applying to profits over £250,000. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a margin relief providing a gradual increase in the effective Corporation Tax rate, and a small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%.

9. Loss per share

The calculation of loss per Ordinary Share is based on the results for the period, as set out below.

	53 weeks ended 3 July 2021	52 weeks ended 27 June 2020
Loss for the period (£'000)	**(26,296)**	(35,181)
Weighted average number of shares – basic and diluted ('000)	**124,075**	50,029
Basic loss per Ordinary Share (pence)	**(21.2)**	(70.3)

Loss for the period was impacted by one-off exceptional costs and bar opening costs. A calculation of adjusted earnings per Ordinary Share is set out below.

Adjusted EPS	**53 weeks ended 3 July 2021 £'000**	52 weeks ended 27 June 2020 £'000
Loss on ordinary activities before taxation	**(26,296)**	(31,720)
Exceptional items, share-based payments and bar opening costs	**5,425**	27,812
Exceptional finance income	**-**	(5,869)
Adjusted loss on ordinary activities before taxation	**(20,871)**	(9,777)
Taxation (charge)/credit on ordinary activities	**-**	(3,461)
Taxation on exceptional items and bar opening costs	**(2,600)**	(5,447)
Adjusted loss on ordinary activities after taxation	**(23,471)**	(18,685)
Basic and diluted number of shares ('000)	**124,075**	50,029
Adjusted basic and diluted loss per share (pence)	**(18.9)**	(37.3)

On 27 July 2020 an additional 75,017,495 of shares were issued as part of the Group's admission to AIM and Fundraising, and on 15 June 2021 an additional 105,001,866 of shares were issued as a further Fundraising, taking the total issued share capital to 230,048,520. The shares have been weighted accordingly for the above tables based on date of issue.

10. Property, plant and equipment and right-of-use assets

Property, plant and equipment	Freehold land and buildings £'000	Short leasehold premises £'000	Fixtures and fittings £'000	IT equipment and office furniture £'000	Total £'000
Cost					
At 29 June 2019	1,426	80,868	54,579	8,217	145,090
Additions	-	1,872	1,667	674	4,213
At 27 June 2020	1,426	82,740	56,246	8,891	149,303
Additions	-	1,133	641	264	2,038
Transfers	-	15	-	-	15
At 3 July 2021	**1,426**	**83,888**	**56,887**	**9,155**	**151,356**
Accumulated depreciation and impairment					
At 29 June 2019	(1,216)	(35,190)	(42,403)	(6,956)	(85,765)
Provided in the period	-	(3,709)	(2,880)	(808)	(7,397)
Impairment charges	-	(11,853)	(2,997)	(69)	(14,919)
At 27 June 2020	(1,216)	(50,752)	(48,280)	(7,833)	(108,081)
Provided in the period	-	(3,238)	(2,282)	(525)	(6,045)
Impairment charges	-	(2,750)	(465)	(58)	(3,273)
Transfers	-	-	(6)	(6)	(12)
At 3 July 2021	**(1,216)**	**(56,740)**	**(51,033)**	**(8,422)**	**(117,411)**
Net book value					
At 3 July 2021	**210**	**27,148**	**5,854**	**733**	**33,945**
At 27 June 2020	210	31,988	7,966	1,058	41,222
At 29 June 2019	210	45,678	12,176	1,261	59,325

Right-of-use assets	Short leasehold premises £'000	Vehicles £'000	Total £'000
Cost			
At 29 June 2019	-	-	-
Recognition of right-of-use assets	94,268	398	94,666
Reassessment/modification of assets previously recognised	2,767	10	2,777
Additions	-	27	27
At 27 June 2020	97,035	435	97,470
Reassessment/modification of assets previously recognised	8,234	-	8,234
Additions	-	-	-
Disposals	-	(17)	(17)
At 3 July 2021	**105,269**	**418**	**105,687**
Accumulated depreciation and impairment			
At 29 June 2019	-	-	-
Provided in the period	(7,035)	(180)	(7,215)
Impairment charges	(19,566)	-	(19,566)
At 27 June 2020	(26,601)	(180)	(26,781)
Provided in the period	(5,625)	(145)	(5,770)
Impairment charges	(9,092)	-	(9,092)
At 3 July 2021	**(41,318)**	**(325)**	**(41,643)**
Net book value			
At 3 July 2021	**63,951**	**93**	**64,044**
At 27 June 2020	70,434	255	70,689

Depreciation and impairment of property, plant and equipment and right-of-use assets are recognised in operating expenses in the consolidated statement of profit or loss and other comprehensive income. £777k of right-of-use asset impairment was offset against the exceptional gain on disposal as it related to exited sites, whereas the rest is included in exceptional operating costs.

The Group has determined that for the purposes of impairment testing, each bar is a cash generating unit ("CGU"). The bars are tested for impairment in accordance with IAS 36 "Impairment of Assets" when a triggering event is identified. The recoverable amounts for CGUs are predominantly based on value in use, which is derived from the forecast cash flows generated to the end of the lease term discounted at the Group's weighted average cost of capital.

During the 53 weeks ended 3 July 2021, the Group impaired the property, plant and equipment of 30 CGUs (2020: 37 CGUs) and the right-of-use assets of 31 CGUs (2020: 37 CGUs), either partially or in full, based on the value in use of the CGU being lower than the prevailing net book value. When an impairment loss is recognised, the asset's adjusted carrying value is depreciated over its remaining useful economic life.

Impairment testing methodology
At the end of each reporting period, a filter test is used to identify whether the carrying value of a CGU is potentially impaired. This test compares a multiple of run rate EBITDA, adjusted for an allocation of central overheads, to the carrying value of the CGU. If this test indicates a potential impairment, a more detailed value in use review is undertaken using cash flows based on Board-approved forecasts covering a three-year period. These forecasts combine management's understanding of historical performance and knowledge of local market environments and competitive conditions to set realistic views for future growth rates. Cash flows beyond this three-year period are extrapolated using a long-term growth rate to the end of the lease term. The cash flows assume a 5-year refurb cycle, with an increase in revenue factored after refurbishments based on historical refurbishment outcomes.

Historically, the multiple of earnings applied in the filter test has been multiplied by the shorter of the remaining lease term or eight years. However, in the current period, a lower multiple of seven has been used in recognition of the severely adverse trading impact of COVID raising the prospect of more widespread CGU impairments that may only be revealed by detailed value in use reviews. Using the lower multiple naturally flags more CGUs for the more detailed value in use review.

The key assumptions in the value in use calculations are typically the cash flows contained within the Group's trading forecasts, the long-term growth rate and the risk-adjusted pre-tax discount rate as follows:

- The Budget for FY22 is based on the last twelve months of trading prior to COVID-19, being the last twelve months of normal trade, and then accordingly adjusted. Management have applied a -5% to the first quarter of FY22, and -5% softening at Christmas, to account for restrictions in the devolved nations and a cautious return of customers. The rest of the year is flat; based on the return of customers and pent up demand seen at the end of FY21 which is viewed as a reasonable base case. Management's Three Year

Plan is then used as the best forecast for FY23 and FY24, which applies a 2% and then 3% increase in sales year-on-year. This is deemed the most suitable basis at the year-end for considering whether the assets were impaired at the balance sheet date and, therefore, management has adopted these assumptions in all of the detailed value in use reviews.

Trade has improved since the balance sheet date, with the release of restrictions in England in July and release of restrictions in the devolved nations. The Group continues to enjoy positive trade, but clearly a level of uncertainty exists as the Group enters Winter. As such, a severe but plausible downside case has been applied as a sensitivity, being Management's best estimate as a severe but plausible scenario. This assumes November is a full lockdown, as is the period January – April, with no trade in any of these months. Applying this to the impairment calculations, instead of the budget, would increase impairment by approximately £0.6 million.

- The long-term growth rate has been applied from July 2021 at 1.0 per cent (2020: 1.0 per cent).
- Pre-tax discount rate: 9.0 per cent (2020: 8.2 per cent) based on the Group's weighted average cost of capital.

Sensitivity analysis has been performed on each of the long-term growth rate and pre-tax discount rate assumptions with other variables held constant. Increasing the pre-tax discount rate by 1 per cent would result in additional impairments of £0.2 million. A 0.1 per cent decrease in the long-term growth rate would result in additional impairments of less than £0.1 million. As referred to above, a November lockdown period and January – April lockdown period, removing all sales during those periods, would result in an increase in the impairment charge of circa £0.6 million.

11. Inventories

	3 July 2021 £'000	27 June 2020 £'000
Goods held for resale	**1,996**	2,525
Sundry stocks	**960**	1,068
	2,956	3,593

Sundry stocks include items such as glasses, packaging, uniform and drinks decorations. Inventory is net of provision of £543,000 (2020: £810,000).

The cost of inventories is recognised as an expense in cost of sales as follows:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Cost of inventories	**11,352**	26,571

12. Trade and other receivables

	3 July 2021 £'000	27 June 2020 £'000
Amounts falling due within one year		
Trade receivables	**1,896**	661
Accrued rebate income	**720**	114
Prepayments	**2,469**	2,054
Other debtors	**133**	600
	5,218	3,429

The above Other debtors relates to a furlough claim for £133k made on 14 July 2021 for the period 1 June 2021 to 30 June 2021.

In total, amounts of £14.5 million have been claimed relating to FY21, of which £14.3 million was received pre year-end. A further £5k has been claimed as at the date of this report relating to FY22 due to the reopening of the business.

13. Cash and cash equivalents

	3 July 2021 £'000	27 June 2020 £'000
Cash and cash equivalents	**12,118**	2,502

Cash and cash equivalents consist entirely of cash at bank and on hand. Balances are denominated in Sterling. The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

14. Trade and other payables

	3 July 2021 £'000	27 June 2020 £'000
Trade payables	**7,526**	5,587
Other payables	**122**	24
Accruals and deferred income	**10,197**	7,364
Other taxes and social security costs	**2,516**	2,820
At 3 July 2021	**20,361**	15,795

Trade and other payables are non-interest bearing and are normally settled 30 days after the month of invoice. Trade payables are denominated in Sterling. The Directors consider that the carrying value of trade and other payables approximates to their fair value. The value of trade payables and accruals is substantially higher at 3 July 2021; this is as a result of the Group's return to trading.

15. Lease liabilities

	Short leasehold properties £'000	Vehicles £'000	Total £'000
At 27 June 2020	112,903	260	113,163
Reassessment/modification of liabilities previously recognised	8,233	-	8,233
Modifications taken as a credit to administrative expenses (note 4)	(28)	-	(28)
Surrender of leases (note 4)	(9,686)	(20)	(9,706)
Lease liability payments	(8,296)	(149)	(8,445)
Lease concessions	(2,047)	-	(2,047)
Finance costs	4,000	7	4,007
At 3 July 2021	**105,079**	**98**	**105,177**

Cash payments in the period comprise interest of £4.0 million and principal of £4.4 million. Lease liabilities are comprised of the following balance sheet amounts:

	3 July 2021 £'000	27 June 2020 £'000
Amounts due within one year	5,143	10,203
Amounts due after more than one year	100,034	102,960
	105,177	113,163

16. Interest-bearing loans and borrowings

	3 July 2021 £'000	27 June 2020 £'000
Revolving credit facility	-	24,500
Coronavirus Large Business Interruption Loan Scheme	15,751	-
	15,751	24,500

As at the date of the consolidated financial position, the Group had an undrawn revolving credit facility (the "Facility") of £17.3 million expiring in June 2022.

At the start of the reporting period, the Group received a £16.5m Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loan. The CLBILS is a three-year term loan, the proceeds of which were used to pay down the Facility. A further £3.5 million CLBILS was received in April 2021.

The Facility and the CLBILS are secured and supported by debentures over the assets of Revolution Bars Group plc, Revolución De Cuba Limited, Revolution Bars Limited, Revolution Bars (Number Two) Limited and Inventive Service Company Limited, and an unlimited guarantee.

17. Provisions

Provisions relate to a provision for dilapidations due at the end of leases. The Group provides for unavoidable costs associated with lease terminations and expiries against all leasehold properties across the entire estate, built up over the period until exit.

	Other provisions £,000	**Dilapidations provision £'000**	Total provisions £'000
At 27 June 2020	-	1,019	**1,019**
Movement on provision	842	533	**1,375**
Utilisation of provision	-	(148)	**(148)**
At 3 July 2021	**842**	**1,404**	**2,246**

	3 July 2021 £'000	27 June 2020 £'000
Current	**842**	-
Non-current	**1,404**	1,019
	2,246	1,019

Other provisions include provisions for various COVID-19 related items. Dilapidation provisions are expected to be utilised over the next 5-15 years as leases come to an end.

18. Dividends

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the 53 weeks ended 3 July 2021 of nil per share (52 weeks ended 27 June 2020 of nil per share)	**-**	**-**
	-	**-**

19. Note to accompany the consolidated statement of cash flow

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Cash flow from operating activities		
Loss before tax from operations	**(26,296)**	(31,720)
Adjustments for:		
Net finance expense	5,140	4,934
Exceptional finance income	-	(5,869)
Exceptional gain on disposal	(8,388)	-
Depreciation of property, plant and equipment	6,045	7,397
Depreciation of right-of-use assets	5,770	7,215
Impairment of property, plant and equipment	3,273	8,727
Impairment of right-of-use assets	8,315	19,566
Lease modification	(28)	(897)
Working Capital and Other movements (further analysed below)	3,881	(2,883)
Amortisation of intangibles	1	1
Charge arising from long-term incentive plans	64	42
Operating cash flows before movement in working capital	**(6,104)**	9,396
Decrease in inventories	**637**	493
(Increase)/decrease in trade and other receivables	**(2,908)**	6,444
Increase/(decrease) in trade and other payables	**4,859**	(10,483)
Increase in provisions	**1,228**	619
	(2,288)	6,469
Tax refunded	**-**	1
Net cash flow (used in)/generated from operating activities	**(2,288)**	6,470

20. Post-balance sheet events

Changes to committed borrowing facilities

As at the date of the consolidated financial position, the Group had a revolving credit facility ("RCF") of £17.3 million expiring in June 2022. In November 2021 the RCF was extended to June 2023. The interest rate on the RCF has been increased by 1.2% with a further up-to-1% chargeable if the RCF is drawn to within £5.0 million of total limits. A new deleveraging method has also been agreed with NatWest based on overperformance compared to the severe but plausible downside case. Further details of the Facilities, their duration, amortisation profiles, future availability of committed funding and financial covenant are set out under the going concern section of note 1 to the financial statements.

21. Alternative Performance Measures - Adjusted EBITDA – Non-IFRS 16 Basis

The Board's preferred profit measures are Alternative Performance Measures ("APM") adjusted EBITDA and APM adjusted pre-tax loss, as shown in the tables below. The APM adjusted measures exclude exceptional items, bar opening costs and charges/credits arising from long term incentive plans. Non-GAAP measures are presented below which encompasses adjusted EBITDA on an IFRS 16 basis:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Non-GAAP measures		
Revenue	**39,417**	110,074
Operating loss	**(21,156)**	(32,655)
Exceptional items	**5,361**	27,770
Charge arising from long-term incentive plans	**64**	42
Adjusted operating loss	**(15,731)**	(4,843)
Finance expense	**(5,140)**	(4,934)
Adjusted loss before tax	**(20,871)**	(9,777)
Depreciation	**11,815**	14,612
Amortisation	**1**	1
Finance expense	**5,140**	4,934
Adjusted EBITDA	**(3,915)**	9,770

The below table reconciles from the statutory non-GAAP adjusted EBITDA to the APM formats, which translates to a pre-IFRS 16 basis by inputting the rental charge and other relevant adjustments.

	53 weeks ended 3 July 2021	**Reduction in depreciation**	**Reduction in interest**	**Onerous lease provision interest**	**Rent charge**	**53 weeks ended 3 July 2021**
	IFRS 16					**IAS 17**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adjusted loss before tax	**(20,871)**	5,497	4,007	(37)	(8,124)	**(19,528)**
Depreciation	**11,815**	(5,497)	-	-	-	**6,318**
Amortisation	**1**	**-**	-	-	-	**1**
Finance expense	**5,140**	**-**	(4,007)	37	-	**1,170**
Adjusted EBITDA	**(3,915)**	**-**	**-**	**-**	**(8,124)**	**(12,039)**

	52 weeks ended 27 June 2020	Reduction in depreciation	Reduction in interest	Onerous lease provision interest	Rent charge	52 weeks ended 27 June 2020
	IFRS 16					**IAS 17**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Adjusted loss before tax	**(9,777)**	7,161	4,335	(48)	(9,685)	**(8,014)**
Depreciation	**14,612**	(7,161)	-	-	-	**7,451**
Amortisation	**1**	**-**	-	-	-	**1**
Finance expense	**4,934**	**-**	(4,335)	48	-	**647**
Adjusted EBITDA	**9,770**	**-**	**-**	**-**	**(9,685)**	**85**

The APM profit measures have been prepared using the reported results for the current period and replacing the accounting entries related to IFRS 16 Leases with an estimate of the accounting entries that would have arisen when applying IAS 17 Leases. The effective tax rate has been assumed to be unaltered by this change. Impairment assumptions have been re-geared for an IAS 17 perspective, and the onerous lease provision movement has been included.

The APM profit measures see a large reduction in depreciation due to the non-inclusion of IFRS 16 depreciation on the right-of-use assets, and similarly non-inclusion of the finance expense of interest on lease liabilities. The operating loss is impacted by the inclusion of rent expenditure from the income statement and inclusion of the onerous lease provision. Exceptionals are significant impacted by the change in impairment, gain on disposals recognised under IFRS 16, and the classification of certain cash closure exceptionals.