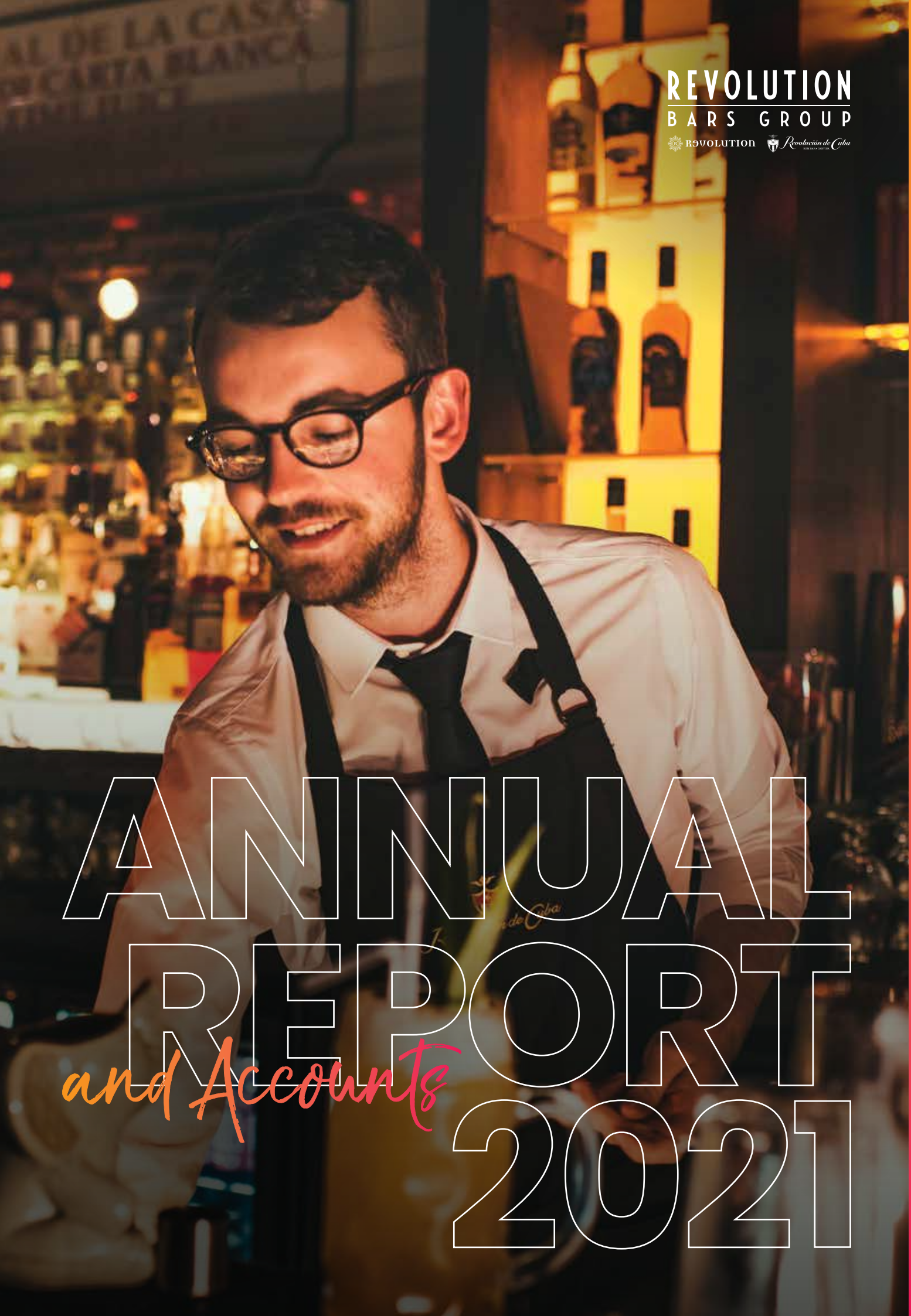
REVOLUTION
BARS GROUP



ANNUAL REPORT and Accounts 2021

WE ARE A LEADING OPERATOR OF *premium* BARS...

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STRATEGIC REPORT

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...operating two market-leading brands, "Revolution" and "Revolución de Cuba". We have a strong national presence across the UK but with significant opportunities for further expansion and currently trade from 67 bars located exclusively in town or city centre high streets.

Both brands focus on a premium drinks range and a quality food offering typically trading from late morning through into the late evening.

VENUES ACROSS THE UK

67

PURPOSE

We create fun and memorable experiences with our teams and guests.

VISION

The place where everyone wants to be.

VALUES

Fun

It's at the heart of what we do, it's who we are. Have fun, be fun and create fun.

Integrity

Just doing the right thing, because it's the right thing to do!

Ambition

Always striving to be the best version of ourselves.

Recognition

Creatively rewarding and recognising the achievements of all our people.

FINANCIAL HIGHLIGHTS

REVENUE

FY21	£39.4m
FY20	£110.1m

£39.4M

GROSS MARGIN

FY21	£28.1m
FY20	£83.5m

£28.1M

APM ADJUSTED EBITDA*

(£12.0m)	FY21
FY20	£0.1m

(£12.0M)

LOSS BEFORE TAX

(£26.3m)	FY21
(£31.7m)	FY20

(£26.3M)

* Adjusted performance measures exclude exceptional items, share-based payment charges and bar opening costs (see reconciliation table in the Financial Review).

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,

"FY21 was a year of pandemic-related challenges, with ongoing changing restrictions, tiers and lockdowns being both unpredictable and frustrating."

Keith Edelman, Non-Executive Chairman

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

REVENUE £M

2021	£39.4m
2020	£110.1m

GROSS MARGIN £M

2021	£28.1m
2020	£83.5m

NET BANK DEBT

£3.6M

2020: £22.0M

APM[3] ADJUSTED EBITDA (LOSS)

(£12.0M)

2020: £0.1M

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

AT A GLANCE

TWO PREMIUM BRANDS

REVOLUTION | Revolución de Cuba RUM BAR • CANTINA

DRINKS

- A wide range of premium cocktails and vodka focused drinks
- Rum-led cocktails and Latin American inspired drinks

FOOD

- Signature pizzas and burgers supported by delicious grazing dishes
- Cuban and Latin American inspired tapas focused food menu

ENTERTAINMENT

- Delivering the party spirit since 1996, the best place to celebrate any occasion with our amazing DJs
- Authentic live Latin music and dance productions

INVESTMENT *Case*

Our talented management team are focused on our strategy and core strengths are beginning to yield results.

Management is ready to drive the trading performance, refurbishments, expansion of the estate, and exciting new brands. Recent fundraising allows the Group to accelerate the refurb programme.

AN *exciting* FUTURE

TWO EXCITING PREMIUM BRANDS

Revolution has been delivering the party spirit since 1996 and continues to be famed for creating fun and memorable experiences

Revolución de Cuba brand presents relatively high barriers to entry and delivers a highly differentiated offer in the marketplace

Exciting introduction of a further two new brands:

- Founders & Co. – an eclectic mix of independent food vendors, makers, sellers, and creators all under one roof
- Our exciting fourth concept – a competitive socialising concept with a nostalgic nod to the games found at a British seaside pier coupled with amazing pizza and cocktails

Read more on page 4

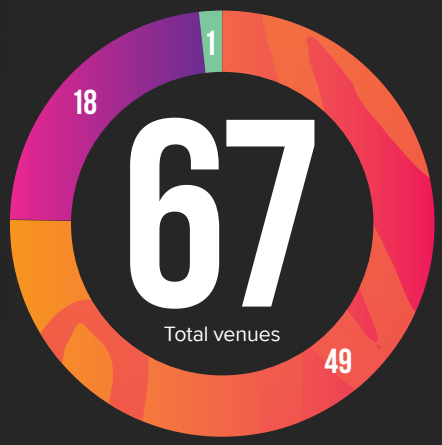
VENUES ACROSS THE UK

Our first Revolution bar opened in Manchester in 1996, and now we have 48 bars across the UK.

Our first Revolución de Cuba bar opened in Sheffield in 2011, and we now operate 18 bars across the UK.

We opened our first Founders & Co. in Swansea in June 2021.

7 SCOTLAND
12 NORTH-EAST
11 NORTH-WEST
12 MIDLANDS
3 WALES
13 SOUTH-EAST
8 SOUTH-WEST
1 NORTHERN IRELAND*



Revolution
Revolución de Cuba
Founders & Co

* Revolución de Cuba only in Northern Ireland

CLEAR STRATEGY IN PLACE

Building guest loyalty

Driving sustained profit improvement

Developing and expanding our estate

Investing in:

- Our teams
- Our brands
- Our estate

Read more on pages 14 to 17

THE RIGHT TEAM AND STRONG CULTURE

Experienced Executive team empowered by the Board to maximise trading post COVID-19

Purpose, Vision and Values embedded throughout the businesses

Focus on safeguarding our colleagues and guests

Engaging our 3,000-strong passionate team

Attracting new talent and new thinking

Read more on pages 32 to 35

FINANCIALLY WELL STRUCTURED

Strong cash generation

Significantly improved liquidity from increased debt financing, including £20.0 million Coronavirus Large Business Interruption Loan Scheme (CLBILS) loan and £34.0 million of net equity fundraises

Debt target to below one times APM (IAS 17) adjusted EBITDA

Read more on pages 20 to 23

COVID-19 Timeline

After months of uncertainty and restrictions, we've finally brought the party back!

The last year has allowed Management time to consolidate and focus on strategy. Now restrictions are lifted, we are excited to see pent-up demand bringing our guests back to us in numbers that have exceeded our expectations.

Live online classes

A SUMMER OF TRADE

Gradual reopening of our bars from July to September. Although heavy restrictions reduced capacity, we traded well when allowed to do so. Aided by the newly developed App and Order and Pay at table facility which allowed a safe environment for our guests and teams.

INVESTING IN OUR GUEST EXPERIENCE

The Group focused efforts on online trade to counter periods of closure and for those guests not ready to return to bars. Live DJ sets operated on social media, and we took Revolución de Cuba into people's homes with the development of our online product offering and cocktail masterclasses.

PREPARING TO REOPEN OUR DOORS

The majority of landlord deals now concluded, making cash rent savings of £6.0 million across the estate. With the announcement of trading commencing from April 2021, the Group saw huge pent-up demand and increases in bookings in advance of reopening our doors. We continued to communicate virtually with our colleagues on a regular basis in advance of returning to work.

Q1 2020/21

JULY AUG SEPT

CAUTIOUS REOPENING OVER SUMMER

- Reopening of hospitality from 4 July 2020
- Eat Out to Help Out aided recovery
- £15.0 million gross, £14.1 million net, fundraising achieved and delist to AIM

Q2 2020/21

OCT NOV DEC

VARIOUS TRADING CONDITIONS

- CVA announced and concluded resulting in exit of six loss-making bars and various other rent reductions across remaining estate
- Curfews, varying tiers of restrictions, second lockdown from 5 November, and all bars closed by 31 December, thereby missing NYE trading
- Continued focus on our online offering and guest experience

Q3 2020/21

JAN FEB MAR

THE THIRD LOCKDOWN

- Third lockdown for over three months from 6 January 2021 until we could reopen outdoor spaces, and over four months before indoor trading
- Continued cost reduction focus whilst not trading, making sensible and fair agreements with suppliers
- Management took this time to consolidate plans and work on two new brands

Bringing the party back!

THE SECOND FUNDRAISING

The Group raised gross £21.0 million, net £19.9 million, to refocus energies on deleveraging the business, accelerate its existing site refurbishment programme and to take advantage of favourable market conditions for estate expansion.

BRINGING THE PARTY BACK

With the end of social distancing, the Group fully reopened for late-night trading, vertical drinking, live music and dancing. A pleasing performance across our bars is seen due to the hard work done to refine and enhance our brand, together with the excitement our guests feel to finally be allowed to enjoy themselves.

RETURN OF STUDENTS

September saw the return of students and the exciting, high-energy events that Revolution is known for offering. With continued positive custom, the Group was very pleased to exceed the total revenue of FY21 after 14 weeks of trading in FY22.

Q4 2020/21

APR MAY JUN

A RETURN TO TRADING

- A second fundraising is achieved of net £19.9 million, and further £3.5 million CLBILS loan secured
- Outdoor trading in England restarts from 12 April and indoors from 17 May
- Full release of restrictions in England delayed from 21 June to 19 July, and new brand Founders & Co. prepares to open

Q1 2021/22

JULY AUG SEPT

RELEASE OF RESTRICTIONS

- Social distancing restrictions in England relaxed from 19 July allowing the party to really get started
- Gradual releasing of devolved nation's restrictions
- End of the Coronavirus Job Retention Scheme

Q2 2021/22

OCT NOV DEC

CAUTIOUSLY OPTIMISTIC

- After 14 weeks of trading in FY22, the Group exceeds total revenue generated in the entirety of FY21
- Launch of new exciting fourth concept in Northampton, a competitive socialising concept coupled with amazing pizzas and cocktails
- Looking forwards to continued normal trading and offering our guests fun and memorable experiences

BUSINESS *Model*

Our business model is built on solid foundations that are enabling us to recover quickly from the COVID-19 disruption.

LEVERAGING OUR SOURCES OF COMPETITIVE ADVANTAGE

Two established and recognised brands

- Revolution and Revolución de Cuba, both of which are synonymous with a fun night out
- Two new brands, Founders & Co. and our fourth concept

New brands launched

2

Improved estate quality

- Leases of six sites exited through CVA process in the period, and a further two loss-making sites also surrendered

Sites exited in the year

8

Experienced team and skilled staff

- Highly experienced and dedicated Executive team empowered by the Board to reposition business during the COVID-19 period and drive the business forwards now conditions allow

Employees at period-end

2,495

Strong financial structure

- Two fundraisings securing £34.0 million net cash, and strong cash generation after reopening

Net bank debt at year-end

£3.6M

CREATING VALUE FROM OUR CUSTOMER PROPOSITION

MAXIMISING VALUE

1

Strong expansion strategy

See page 5

2

Embedded values

See page 26

Impactful

VENUES

Large, characterful spaces

Premium

DRINKS

Two thirds of drinks sales from cocktails and spirits

Lively

ENTERTAINMENT AND ENERGY

Live music, DJs and entertainers

Innovative

FOOD

All-day menus that are both delicious and Instagram worthy

SHARING VALUE WITH OUR STAKEHOLDERS

Guests

- Fun and safe night out for our predominantly female guests

Percentage of our colleagues under 30

72%

Colleagues

- Rewarding roles, with opportunities for advancement

Percentage of our people who feel the Group has an inclusive culture

86%

Shareholders

- Exceeded FY21 total revenue after first 14 weeks of FY22, and business is currently in net cash position

Net cash as at 15 November 2021

£4.6M

Communities

- Vibrant bars and job opportunities at the heart of communities

Locations

67

3 Robust risk management

See page 18

4 Sound governance

See page 36

CHIEF EXECUTIVE'S *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.

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.

I am very proud of the performance and perserverence displayed by our colleagues during the periods of trading."

Rob Pitcher, Chief Executive Officer

STRATEGIC PRIORITIES

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:

1 Building guest loyalty

2 Driving sustained profit improvement

3 Development of our estate

NUMBER OF USERS OF THE REVOLUTION APP

923,000

EXPECTED NEW SITES ACROSS FY22 AND FY23

8

NEW BRANDS LAUNCHED IN 2021

2

REFURBISHMENTS IN FY22 SO FAR

3

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.

CHIEF EXECUTIVE'S *Review continued*

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 doeses, 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

WELCOME HOME PARTY

On 14 May 2021 the entire Group got together virtually for our Welcome Home Party.

Bar staff and Support Centre alike met (socially distanced, of course!) in their local bars to view Rob Pitcher and the rest of the Exec team deliver key messages and get everyone in the party spirit before reopening our internal spaces on 17 May 2021.

CONFIDENCE IN LEADERSHIP

79%

STRATEGIC *Framework*

Strong delivery when allowed to trade, and advancement of customer proposition strategy. Cost reductions and fundraisings allowing the Group to come out of COVID-19 with a strong cash position for future investment in new sites and refurbishments.

FY21 STRATEGIC PRIORITIES

1 *Investment*

Invest in our team, our brands and guest experience and our core estate

2 *Debt reduction*

Net bank debt reduction targeting below one times APM (IAS 17) adjusted EBITDA

3 *Work-streams*

Deliver workstreams

The Group has faced unprecedented trading conditions over the last year but it has been really exciting to see an excellent return to positive trading since the release of social distancing restrictions on 19 July 2021, with the return of partying, vertical drinking and dancing.

During periods of closure or reduced trade, Management has taken the opportunity to focus on cost reduction and cash liquidity through ongoing negotiations with suppliers and landlords, securing a total of £20.0 million of CLBILS loans, and achieving a total gross proceeds via fundraisings of £36.0 million (£34.0 million net). This funding has allowed the business to come out of COVID-19 with a level of net bank debt not seen since before the pandemic, and places the Group in an excellent position to further an enhanced refurbishment plan and take advantage of favourable market conditions for estate expansion.

The Group is pleased to see a return to the late-night trading, which it has historically been known for. However, COVID-19 gave the Group the opportunity to focus on building daytime trade through greater emphasis on food and brunch offerings. Customer feedback has been very encouraging, and since reopening for trade in April 2021 we have seen an increase in daytime guest visits and sales. This, coupled with the excitement of late-night trade, has allowed the Group to come out of the pandemic in a stronger trading position than ever and we're very excited to continue to grow.

CUSTOMER PROPOSITION

Workstream

- Female customer at heart of both our major brand propositions; focus on clean, well-maintained, safe environments
- Focus on online offerings and marketing – Cocktail Making, virtual entertainment

Progress

- Bottomless Brunch bookings seeing increased popularity in shift to daytime trade
- Friday evening guided rum tastings provided by leading brand ambassadors for up to 500 people at a time
- New Revolution food menu launched August 2021

KPIs

- 4.5 feedback rating in Revolution (FY20: 4.5) and Revolución de Cuba at 4.3 (FY20: 4.4)
- 240 new events launched prior to onset of COVID

Next Steps

- Maintain high level of feedback response both centrally and at our bars
- Finding more ways of delivering what our customers want
- Continue innovating and refreshing our drinks offer by working with key brand owners

TEAM ENGAGEMENT

Workstream
- Training available to all staff
- Encouragement for all staff to live and breathe fun into their jobs
- Bringing our teams back to work safely
- Regular updates to all team members throughout lockdown, including those on furlough

Progress
- Collaborating to further both our Wellbeing and D&I agendas
- Continued utilistion of our Quality of Life survey across all colleagues
- New D&I Board represented across entire workforce

KPIs
- Digital "Welcome Home" party before indoor reopening in May 2021
- "Rob's Recaps" newsletter launched and released every month with updates and good news
- New employee food menu for teams on shift
- Virtual communication sessions for site and support office

Next Steps
- Continued support of our venue-based staff to help them deliver an amazing customer experience
- Further development around our employee welfare, and diversity and inclusion policies

DIGITAL JOURNEY

Workstream
- New App features to enhance customer loyalty
- New Party Booking and management system
- Revamped music offerings in all our bars

Progress
- Over 923,000 registered downloads of the App since launch
- Order and pay at table via the App
- Online sales from cocktail kits and masterclasses

KPIs
- Over 90% of sales made via the App since reopening
- Over 80% of bookings are made via our booking system
- Over 1.2 million followers on Social Media

Next Steps
- Continued development of the Apps
- Further use of technology in delivering customer journey

SALES GENERATION

Workstream
- Focus on daytime offerings like food, brunch and themed events
- Reduced level of discounts given lower footfall and operating capacity reductions to protect margin
- Selling fun times and happy, memorable experiences

Progress
- Cocktail "make at home" kits delivered through lockdowns
- Menu adaption and changes in bar ergonomics to drive sales
- Increased personalisation of goods, including birthday Revolution Flavour and Ciroc Vodka

KPIs
- At issue of report, like-for-like sales since 19 July 2021 were up 14% on FY20
- Over 1,000 bottles of our famous Revolution Flavour delivered to people's homes
- Revolution's 25th and Revolución de Cuba's 10th birthdays this year
- New Revolution food menu with increased focus on vegan offering

Next Steps
- Cocktail Masterclasses offered direct to your table
- Relaunch of high-energy entertainment packages (Saturday X and Saturday Y) when late-night trading was allowed to resume
- Focus on profit generation during peak evening trade

COST LEADERSHIP

Workstream
- Re-engineered menus with focus on cost-effective products to improve margin and improve speed of service
- Partnering with cost reduction specialist incentivised to reduce costs on all non-resale product spend
- Support from suppliers in challenging market conditions

Progress
- 19% reduction in energy usage since 2017
- Effective use of Government support including furlough and grants
- Restructure of Support Centre teams for maximum efficiency and right people in the right place

KPIs
- Cash burn rate reduced to £0.4M per week during lockdown, including rent
- Significant cash savings through payment holidays and suspension of contracts through lockdown
- Zero Heroes in all our bars pushing sustainability and energy reductions

Next Steps
- Ongoing focus on how to minimise the impact from National Living Wage increases
- Continued process simplification and increased speed of service
- Focus on maximisation of App sales and efficiency of product delivery

ESTATE DEVELOPMENT

Workstream
- Continued focus during 2020/21 on exiting underperforming sites
- Investment in making bars COVID-safe to ensure customer confidence on reopening post lockdown
- Rent reductions via negotiations with landlords

Progress
- Realigned property team to best address key focuses and focus on refurbishments
- Significant investment in PPE, screens, sanitiser, signage, all making a COVID-safe environment for staff and customers
- Company Voluntary Agreement (CVA) for Revolution Bars Limited completed

KPIs
- 3 bars already refurbished in FY22
- Two loss-making leases surrendered during the period
- CVA – exiting further six underperforming bars
- Total cash rent savings across the estate since start of COVID-19 of £6.0 million

Next Steps
- Using fundraising funds to launch enhanced refurbishment scheme
- Ready to take advantage of favourable market conditions for estate expansion
- Ongoing negotiations with landlords for continued improved rental terms

STRATEGY IN *Action*

INVESTMENT IN OUR CUSTOMER EXPERIENCE

In a world increasingly focused on digital entertainment, we recognise that when people get together they expect something extraordinary. Our vision is to be the place where everyone wants to be, and the way to achieve that is offering truly exciting experiences, and a fun and safe environment, to our guests.

When COVID-19 resulted in the enforced closure of our businesses, we took the opportunity to prioritise our strategy, ensuring we were able to operate in a safe and secure environment and be compliant with the operating restrictions, as well as preparing for the relaxation of restrictions. We significantly accelerated our digital offering via the development of "Order and Pay at table", the App, and our online booking platform for periods of closure, and also enhanced our customer in-bar proposition for COVID-safe trade through the development of "at table Masterclasses" and a focus on queue management.

CUSTOMER PROPOSITION STRATEGIES

BRING THE PARTY BACK!

- Exclusive partnerships with our favourite suppliers to offer our customers something they can't get anywhere else – in celebration of Revolution's 25th birthday we offered personalised birthday bottles of Ciroc vodka so guests could party with us, as well as special birthday editions of our very own Revolution Flavour;
- recent introduction with Absolut to bring guests "Pimp your Pornstar" – the ability to upgrade the well-known cocktail with your choice of flavour;
- complete revamp of our music offering, taking you from cool daytime vibes, live bands after work, to the true party-starting bangers at night;
- going big on Bank holidays – offering our customers all day brunching, including our new Ibiza Brunch, and going on into the night with our famous Saturday X events; and
- our fabulous kitchen staff have created some of the tasty treats that feature in our new 2021 Revolution menu, such as the Crispy Mac 'N' Cheese Bites by Elliot, our Kitchen Manager at Wilmslow, or the Buffalo Crispy Chicken Pizza by Drew, our Kitchen Manager at Cambridge.

TRADING UNDER THE NEW NORMAL

- Introduction of our "at table Masterclass" via trolley, for use during periods of restriction and customers more careful about returning to our bars. This was also designed to accommodate a lower number of guests than the at-bar masterclasses, opening up new opportunities;
- analysis of App trends as we move back to trade without restrictions. Effective queue-at-bar management where we can ensure App orders get the same focus as in-person orders;
- following increased custom in daytime trade, we launched our new "Revs Afternoon Tea" – not your average Afternoon Tea; when we say we've given your standard tea sippin' session a sprinkle of Revs spice, we've added the whole jar; and
- recognising the increased daytime custom means we have a real need to maximise on peak evening trade through "bottle to table" service, new exciting cocktails, and entertainment performers.

HAPPY TEAM HAPPY GUESTS!

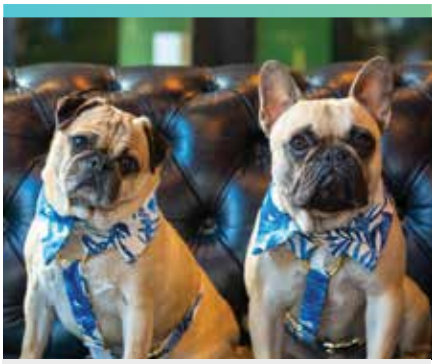
- Following the release of social distancing restrictions, bringing back our Support Centre Social Committee ("SCSC") – a team of people across the core departments who drive fun events where our 100-strong Support Centre can come together to drive relationships, let off some steam, and creating synergies between teams who might not usually work together;
- a focus on health and wealth with the introduction of our colleague food menu. Addressing the requirement for healthier and cheaper food options for colleagues on shift, available at all times;
- Wellbeing is embedded in our culture, and lockdowns have given us the opportunity to accelerate our agenda by collaborating to provide education, events, training and activities on all aspects of mental, physical and financial health;
- we created our new Diversity & Inclusion Board, committed to working together with respect for each other at all times and in a truly collaborative way; and
- we also started our Inclusion Survey, sent to the entire workforce, to give a louder employee voice on the issue.

Investment

This year, we celebrated Revolution's 25th and Revolución de Cuba's 10th birthdays in style! Unfortunately, both these massive celebrations fell during a lockdown but we wanted our guests to celebrate with us, by knowing we were there for them and ready to party digitally via Live Stream DJ Events and celebration masterclasses, whilst also ensuring we were ready to reopen our doors, welcome our guests and resume the party when permitted.

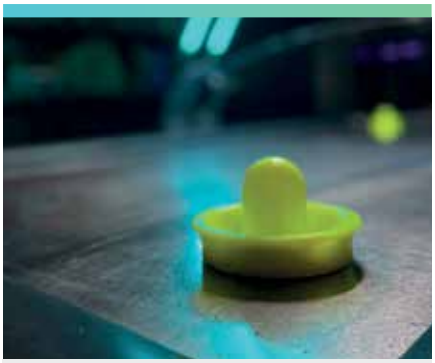
Following the relaxation of social distancing restrictions on 19 July 2021, we have continued to monitor customer trends and ensure we're offering the exciting experiences our guests want to enjoy. Below are some of our core customer proposition strategies and successes we are really proud of this year.

TWO NEW BUSINESS VENTURES:



FOUNDERS & CO.

- An eclectic food hall based on Wind Street, Swansea. Offering an all-day venue with a food hall, bar and coffee shop;
- coaching our Partners, we offer a supportive environment where new and established businesses have a home to grow;
- retail space "the Emporium" offering up locally sourced goods, be it handmade soaps, records, plants, local artwork, anything! Supporting and celebrating our local traders, and offering them a place to showcase their talents;
- a safe, fun environment for workspace and events (for humans and doggos alike!), we offer a monthly workspace subscription to give our guests value for money, and host a variety of events including Life Drawing, Baby Lover group, Creative Writing, Yoga, Propagation & Prosecco, and Essential Oils Workshops;
- the food hall is filled with artisanal delights, our bar is stocked with local drinks to die for – all created and curated by the finest homegrown South Wales talent.



OUR EXCITING FOURTH CONCEPT

- Your place to thrill, chill, and fill on Bridge St., Northampton;
- bringing you a mix of next-level gaming experiences, with pizza and an innovative drinks range;
- the Gaming area has all the classics including Air-hockey, Basketball, and Time Crisis, but we've levelled-up with some high tech showstoppers that you just won't see anywhere else. Our giant 10 person raceway steals the show...think remote controlled Mario Kart, where you're in the racing seat with real pedals and a racing steering wheel;
- a unique bar offering a premium range draft cocktails and beers, alongside an exciting vending machine range to ensure its always quick and easy to quench your thirst;
- New York-inspired giant pizza slices are prepared with our 24hr dough freshly made in house, and topped with the finest ingredients for a truly authentic taste. Available by the slice, or share a metre with friends.

% OF COLLEAGUES WHO FEEL RBG IS THE PLACE TO BE

88%

NUMBER OF YEARS REVOLUTION HAS BEEN BRINGING THE PARTY

25

RISK Report

RISK MANAGEMENT

In order to fully understand and manage the Group's exposure to risk, each key area of our operations is reviewed annually using a methodology that allows us to measure, evaluate, document and monitor our key risks.

Our risk management process identifies, monitors, evaluates and escalates risks as they emerge, enabling management to take appropriate action wherever possible in order to control them whilst enabling the Board to keep risk management under review.

PRINCIPAL RISKS

The risk factors set out below are those which the Board believes are the most significant to the Group's business model that could adversely affect its operations, revenue, profit, cash flow or asset values and which may prevent the Group from achieving its strategic objectives. There may be additional risks and uncertainties that are currently unknown or currently believed to be immaterial that may also have an adverse effect on the Group.

RISK MANAGEMENT FRAMEWORK

Board
Responsible for risk management

Audit Committee | **Risk Committee**

Non-Executive Directors

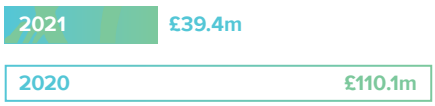
Underlying cause of risk	Response and mitigation	Change to residual risk in FY21	Commentary
COVID-19			
The Group's operating environment was severely impacted by COVID, significantly restricting the ability to trade at normal levels due to social distancing and restricted opening hours during periods. There is the risk of ongoing extensive local or national lockdowns and potential fines if operating restrictions are not fully complied with.	• Operational procedures implemented to ensure safeguarding of our teams and guests • Investment to ensure COVID-safe venues through use of signage, PPE, technology and enhanced cleaning procedures • Regular Board reviews and action planning to deal with local and national lockdowns • Significant step up in cash liquidity, via fundraises and available debt, made available to support further lockdowns	<>	The Group continues to carefully monitor the ongoing situation and will react quickly to further local and national restrictions for hospitality businesses.
SUPPLY CHAIN			
Brexit may have short-term impacts on consumer prosperity and disposable income. The reopening of the global economy post-COVID has caused supply chain and HGV issues that have impacted the availability of certain products, with the situation constantly evolving. The UK is seeing cost prices rise across several product lines, including utilities.	• The Group's suppliers have assured us they are monitoring the position closely and have contingency plans in place to maintain supply • Product offerings can be easily adapted and switched to alternative suppliers and ingredients • Increase in our retail selling prices may be required to counter the growing costs • Utility rates are largely fixed until April 2023	^	The Group operates wholly within the UK and therefore exposure is limited. The Board will continue to monitor the situation and react accordingly to mitigate risk, including contract reviews with suppliers to ensure securing the best prices.
REFURBISHMENT AND ACQUISITION OF BARS			
The Group's long-term strategy is based on growth through the acquisition of new bars. Longer-term market expectations rely on the Group sourcing and developing a pipeline of good sites. Continued like-for-like sales growth is dependent on refurbishment and quality of existing bars, and high-quality offerings at our highest performing bars.	• The development team and property agents have sufficient resources to ensure the investigation of new site opportunities, as required • 5/6-year investment cycle for all bars • Bars refurbished have proven track record of improvement in sales • Operational management focus on economically significant bars	^	Following a successful fundraising in June 2021 the Group has refocussed on identifying potential new sites and acquisitions, whilst refurbishing existing bars. This allows the Group to refurbish all the bars that were halted during COVID-19.

Underlying cause of risk	Response and mitigation	Change to residual risk in FY21	Commentary
CONSUMER DEMAND AND PR			
The out of home markets for eating and drinking depend on the consumers' disposable income. Macroeconomic factors, such as employment levels, interest rates and consumer confidence are important influences on disposable income. In an increasingly digital world, customers are more likely to express dissatisfaction on social media rather than alerting a member of staff, which can have reputational impacts. There is a growing trend for consumer-led digital campaigns against sectors or brands that they believe require change.	• Ability to tailor offerings in response to macroeconomic influences, including quick adjustments to promotional activity • Ensure a safe and welcoming environment in a COVID world • Group's proposition is not based solely on selling price; a more affluent demographic is targeted • Increased focus on guest experience and feedback, with recent partnership with "Feed It Back" to monitor customer experience • Our brands take a progressive approach to consumer trends, allowing them to be on the right side of most consumer-led campaigns	^	COVID has increased macroeconomic uncertainty and consumer demand both financially and from a health risk perspective. All bars are tasked with reviewing feedback and addressing it, whilst Management also review overall customer experience scores. New PR firm has been appointed to help manage any crisis that may occur.
HEALTH AND SAFETY			
The Group's bars are open to the public and the Group has a duty of care to look after its staff and its customers. Allergens are a heightened risk for our customer base, and thus the Group must ensure strict guidelines are adhered to in order to ensure the safety of guests.	• The Group's policies and procedures manual covers all aspects of operations, as well as detailed ongoing training for all staff • Adherence to these is strictly enforced both through internal operational line management and through external third-party audits • Incidents are thoroughly investigated, and any lessons learned communicated throughout the business • The physical safety of our guests is paramount, and our bar and operational teams are trained in managing guest safety	^	Independent audits of Health & Safety continue across all bars to ensure a high quality of safety. Enhanced procedures to ensure a safe environment for teams and guests. Group policies, procedures and staff training are constantly evolving. Exec team sit on industry bodies to ensure up to date on any issues.
LEASEHOLD RENTS			
All of the Group's operating sites are held under leases. Typically, rents are determined on a five-year cycle by reference to open market rents prevailing at the time of the review.	• The Group employs specialist rent review advisers who deal only with tenant reviews • CVA in year resulted in exit of six sites, and improvements in terms on others • Further two loss-making sites exited • Many concessions and rent reviews finalised due to COVID negotiations	v	The difficult economic backdrop has eased the pressure on rent reviews and improved rental terms have been agreed on many Revolution bars in the year.
SUPPLIER CONCENTRATION			
The drinks distribution market is dominated by one significant business, Matthew Clark, which is the Group's principal supplier. Matthew Clark operates nationwide whereas other drink wholesalers do not. If Matthew Clark were to face business difficulties or otherwise change its arrangements or pricing, then the Group's operations could be disrupted.	• The proposed strategy is to tolerate the risk, based on the Group's assessment that Matthew Clark is the best supplier, and a three-year deal is in place to September 2024 • A tested contingency plan is in place to move to an alternative supplier should Matthew Clark be unable to supply	< >	In April 2018, Matthew Clark's parent company entered administration, and the Group invoked its contingency plan for several weeks with an alternative supplier to no significant adverse impact.
NATIONAL MINIMUM/LIVING WAGE			
A significant proportion of bar-based teams are affected, directly or indirectly, by wage legislation and the national minimum living wage. Recent years have seen rises above inflation imposed on the business. Post-COVID, we face challenges in availability of the right people and we must ensure we offer competitive packages to attract and be the best place to work. This extends to the costs of other people-focused suppliers like security staff.	• Technology is utilised to deploy staff more effectively and to streamline back office processes that will help mitigate wage increases • Contracts are reviewed regularly for external suppliers to ensure securing the best rates • Increase in sales price of goods may be required to counter the growing costs	^	Better adoption and refinements of the labour scheduling system have allowed improvements in efficiency of staff rostering. The Group has recently increased the rate paid for security staff to ensure meeting licence requirements and providing guests with a safe night out.

FINANCIAL *Review*

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 it is important to remember the impact COVID-19 has had on the business.

REVENUE



£39.4M

CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES

(£2.3M)

ADJUSTED[1] EBITDA

(£3.9M)

ADJUSTED[1] LPBT

(£20.9M)

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;

Management efforts have been focused on cost reduction, cash liquidity and stakeholder communication."

Danielle Davies, Chief Financial Officer

- 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.

SUMMARY

- 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;

	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

FINANCIAL *Review continued*

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, 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.

SECTION 172(1) Statement

Stakeholder engagement is critical to the success of the business.

Under Section 172 of the Companies Act 2006 ("S172"), a Director is required to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

STAKEHOLDER ENGAGEMENT

This report discusses how the interests of other stakeholders impact the long-term success of the Company, and explains how the Company's Directors have:

- engaged with employees, suppliers, customers and others; and
- had regard to employee interests, the need to foster the Company's business relationships with suppliers, customers and others, in relation to the principal decisions taken by the Company during the financial year.

The S172 statement focuses on matters of strategic importance to the Group. The Board's two Executive Directors are closely involved in all aspects of the Group's business on a day-to-day basis in conjunction with the senior management team (together, the Executive Committee) whose activity is reported back to and influenced by the full Board.

The Group provides regular engagement and consultation with investors, with regular trading updates. Executive Directors are regularly available for direct meetings with institutional and individual investors, particularly following publication of the Group's interim and annual results.

COVID-19 had a significant impact on all of our stakeholders throughout the 53 week period ending 3 July 2021. We set out here the key priorities and the ways in which we engaged with them during FY21. This list is not intended to be an exhaustive list of all stakeholder priorities and engagement activity, but to provide a summary that illustrates the importance stakeholder groups play in the Board's decision making.

WE ENGAGE WITH:

WHY WE ENGAGE:

COLLEAGUES

Attracting and retaining the best people is fundamental to driving business success, particularly given the Group's purpose, vision and values.

Creating fun and memorable experiences would not succeed without a diverse group of engaged, well-trained and motivated people that enjoy working in our bars.

SUPPLIERS

Accessing new premium products is a key element of keeping the Group's offering vibrant, refreshed and interesting, whilst providing the brand owners with an opportunity to showcase their products in a fun environment.

Great relationships with suppliers allow us to source the best value goods for the benefit of our guests.

CUSTOMERS

We want to create a safe environment in which our guests love coming to us for the fun and memorable experiences we are known for, and in order to do so we must recognise our guests' needs.

The Board recognises the need for innovation to provide our guests with a new and exciting offering.

HOW WE ENGAGE:

MATERIAL TOPICS:

The shift to remote working allowed the opportunity for the Board, Executive team and wider colleagues to work together more closely and successfully than ever through the adoption and use of virtual conferencing.

Regular virtual updates were also provided by Rob Pitcher, Chief Executive Officer, and other Executive members to the wider business in periods of closure and furlough to ensure our People felt supported and updated.

The Board considers the twice-yearly Quality of Life survey undertaken across the whole of the Group's workforce to be the most effective way of measuring employee engagement, motivation, affiliation and commitment to the business.

The Executive team and core management undertake regular bar visits to allow the teams time for communication and feedback.

- Providing a safe, diverse and inclusive working environment
- The Group is determined that it remains a responsible employer
- Introduction of the Diversity & Inclusion Board, made up of members across our workforce, committed to working together with respect for each other and the Group at all times and in a truly collaborative way
- New charity partner, Campaign Against Living Miserably ("CALM"), voted for by our colleagues

Brand owners and all key suppliers are invited to attend the Group's annual conference, which includes sessions for the drink brands to understand how they can work with the Group and provides them an opportunity to showcase new products.

All major contracts are reviewed and approved by the Board when they are first entered into and at renewal. The senior management team regularly engages with the development teams at the leading drinks brands to look at menu innovation.

We would like to again take this opportunity to thank our suppliers and landlords for their support through COVID-19.

- Negotiations with key suppliers and landlords for mutually beneficial agreements throughout COVID-19
- The Matthew Clark contract was re-tendered, and a three-year contract signed until September 2024
- Major suppliers are required to include statements on modern slavery and anti-bribery, and are asked to partner with us on sustainable workflows

Social media and review platforms are internally and externally reviewed, with high response rates to guests to understand their experiences with our bars.

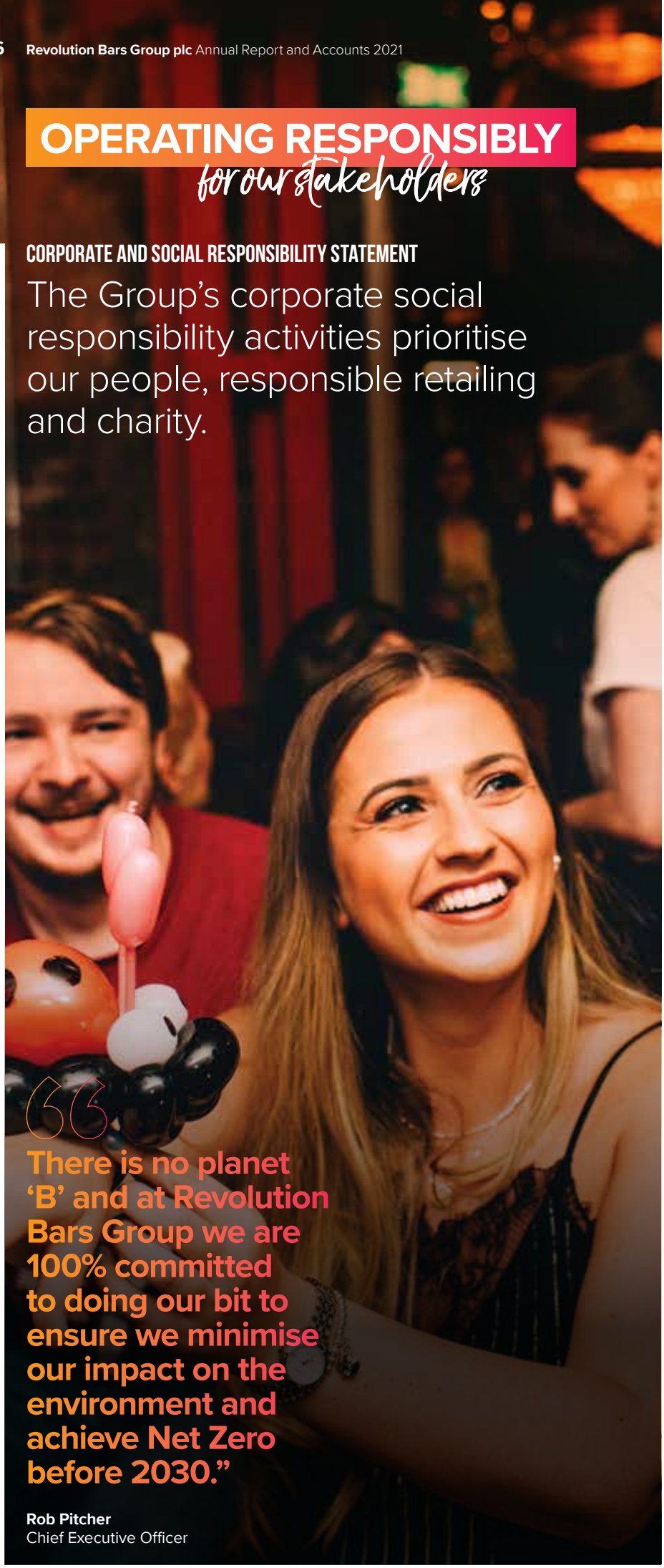
Recognising the increased focus on health and wellbeing, the Board is also mindful that the Group's trade is associated with the retailing of alcohol. Accordingly, significant resources are allocated to staff training and guest supervision to ensure that guests do not gain entry if they are intoxicated and that they leave our bars in a safe and orderly fashion so as not to cause disruption to others.

- Our guests are showing an increased focus on the environment and sustainability agenda, and we recently announced our intention to become the UK's first Bar group to achieve Net Zero before 2030
- Increased health & safety requirements, ensuring a safe environment in which our guests can return following COVID-19

OPERATING RESPONSIBLY *for our stakeholders*

CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT

The Group's corporate social responsibility activities prioritise our people, responsible retailing and charity.



"There is no planet 'B' and at Revolution Bars Group we are 100% committed to doing our bit to ensure we minimise our impact on the environment and achieve Net Zero before 2030."

Rob Pitcher
Chief Executive Officer

PEOPLE

We currently employ just over 3,000 people and are committed to creating an inclusive environment where all employees have the opportunity to develop their careers. Throughout the financial year 2021, we have continued to face our most difficult trading challenge to date with the majority of our teams furloughed and our operation paused for months on end. However, we have utilised this time to push forward on our hugely important people agendas such as Diversity and Inclusion ("D&I") and our Wellbeing projects. Thus, helping to ensure that when our people returned to the business, we came back with engaged teams that were motivated to take on the seemingly never-ending challenges that the pandemic has thrown at our industry.

When welcoming the return of our teams, it was more important than ever before to re-induct and provide refresher training for all colleagues due to the fact that many of them had not been operational for over six months. Prior to reopening, we launched "the festival of training" utilising our online training platform to refresh our teams on COVID safe operational processes and also took the opportunity to provide Food Safety Level 3 for all of our Kitchen Management and General Management population to extend and deepen their knowledge in this fundamental area.

We knew the importance of ensuring our teams felt safe to return to an environment that was aligned to our Purpose, Vision & Values and on Friday 14 May 2021, the weekend prior to our full return to trade, we hosted our first ever, company-wide, virtual conference, live streaming our show to all bars and delivering some key motivational messages. The event included both live and pre-recorded interviews, an interactive, fun company quiz with prizes and the introduction of some pivotal, new partnerships to the wider business. One new collaboration with "So Let's Talk", a not-for-profit platform with a mission to "86 the silence", has enabled the provision of education, events, training and activities on all aspects of mental, physical and financial health relevant to the hospitality industry.

We also launched our Inclusion Revolution which presented our commitment to Diversity and Inclusion and introduced our partnership with "Wiser", a people agency committed to "changing the way we think about work". This collaboration enabled a full diversity data capture of our people, tapping into some sensitive areas which were analysed globally to allow us to truly understand the diverse

needs of our organisation. We also collated data from an Inclusion Survey, which captured more qualitative data and represented the way in which our colleagues feel about the culture of RBG. Alongside this rich insight, we worked with Wiser to analyse all cultural and structural pillars that make up our Inclusion Value Proposition ("IVP") – our promise to our people regarding Inclusion. The IVP allows us to evaluate and articulate where we are on our Inclusion journey so that we can make informed decisions around D&I actions, commitment and strategy and so that we can truly bring to life our vision, "To be the place where everyone wants to be".

Of our workforce, 46% is female and 54% is male, with increased female representation at Board level to 40% (from 20%) and within the Executive team to 50% (from 18% three years ago) and therefore we are leading by example at senior leadership level. However, there is still much work to be done within our sites and Area Management population. One of our eight geographical areas currently have a 50/50 male/female split at General Manager level, of those who identify themselves as male/female. This again shows progression in the right direction, but much improvement can be made across all forms of diversity and parity as we embark on our Inclusion Revolution, a journey that will continue to evolve.

Within hospitality the recruitment challenge has been one of the most difficult obstacles to overcome since our return to trade with both the pandemic and Brexit having a huge impact on our employee turnover and ability to attract candidates. We have increased our recruitment resource and forged forward with our people retention strategies to mitigate the risk, and this will remain a huge area of focus for the business in the coming months.

We aim to create defined career paths for every role so that we maintain a strong pipeline of managers to lead and grow the business. We have focused on a review of our bartender career path, which we launched during lockdown to keep our team motivated and engaged. We will be launching both the sales and kitchen career pathways by the end of 2021. Our detailed succession plan and talent management programmes have historically seen us fill over 80% of our management positions internally.

We have invested in the internal accreditation of the Mental Health First Aid course which will enable us to quickly roll out this vital training to all managers that feel comfortable around this crucial education and will commence training for our General Manager population, as well as further members of our support centre in the next calendar year.

We have a suite of reward and incentive schemes in place but, due to the suspension of trade, we deferred certain bonus payments and were forced to suspend all bonus schemes in FY20 and part of FY21, with employees supportive of the measures in the circumstances. However, following approval by the Remuneration Committee, 75% of the deferred bonus payment was made in July 2021. A full review of all bonus schemes was undertaken following our return to trade with some changes made including the alignment of our Kitchen and Assistant kitchen managers into the same operational team bonus, which has increased their earning potential and aligned their focus with the rest of the management teams. This was an important step given the ongoing kitchen recruitment challenge.

The Group's performance as an employer is usually measured twice yearly through an independently administered "Quality of Life" survey sent to every employee. However, as we spent a large amount of time with the operation paused in FY21 in November 2020, we sent out a sentiment survey as a more relevant way of measuring our employee engagement at this time. In analysis 79% of respondents agreed or strongly agreed they had confidence in the Company's leadership during the crisis. Similarly, 82% were happy with the level of communication and 72% felt that they have had access to the right level of support from the Company throughout the pandemic. In addition to these results our Inclusion Survey has helped to paint a very positive picture as we scored incredibly highly confirming our people know our purpose, vision and values and overall felt that RBG has an inclusive culture.

RESPONSIBLE DRINKS RETAILING

The Group supports practices which promote responsible drinking and has established its own "Responsible Alcohol Retailing Policy", supported by staff training and monitoring. The Group's pricing models are set so as to avoid deeply discounting products. Events are promoted responsibly and are accompanied by individual risk assessments. A number of bars enter local "Best Bar None" schemes (run by local authorities and the police to encourage good behaviour in town centres), promoting a safe and secure environment. Test purchasing exercises are organised through Serve Legal to ensure that staff are exercising their judgement in the way that they are trained to do with regard to age verification.

FOOD INFORMATION AND QUALITY

The Group continuously aims to improve the quality of its food offering and provide customers with the required information about its products to allow them to make informed decisions about their food consumption. This includes providing allergen and calorie information for all dishes via our website. Products not containing gluten or meat are highlighted on the printed menu. Full training is provided to bar teams to enable them to deal with customer queries and prevent cross-contamination. The Group sets out strict specifications for all products so that high standards of quality are met.

The Group continues to place greater emphasis on offering increased menu choices for vegetarians, vegans and those with food intolerances, given that this is important to an increasing proportion of our customer base.

CHARITY

As part of its social responsibility agenda, the Group has chosen a new corporate charity partner, announced in August 2021. Following an internal vote, over 75% of those that voted chose the Campaign Against Living Miserably ("CALM"). Following the challenging year where at times up to 98.5% of our workforce were on furlough, the Group has an increased focus on employee wellbeing and ensuring a safe and supporting environment for them to return to work. Our people told us that suicide support was an incredibly serious concern given the challenging year many had faced, and the Group is proud to support CALM in their journey. The Group will be donating 50p from every sharing platter sold, and additional fundraising activity will be planned.

Prior to this, the Group supported its previously nominated charity, Shelter. Over a three-year period the Group raised over £85,000 for Shelter through various employee activities including sponsored events and by the Group promoting the donation of 20 pence from every hot beverage sold.

The Group also has a programme designed to promote other charitable activity within its workforce. The scheme, called "You raise it, we match it", rewards funds raised by staff for other charities and matches what they have raised.

ANTI-BRIBERY AND CORRUPTION POLICY

The Group has in place an anti-bribery and corruption policy that is communicated through all heads of department to their teams, and included in the colleague handbook. The policy requires transparency and the maintenance of an entertainment register that is regularly reviewed by the Board. Key suppliers have also been made aware of the policy.

MODERN SLAVERY POLICY AND HUMAN RIGHTS

The Group has in place a Modern-slavery policy that has been approved by the Board. Suppliers are required to acknowledge the Group's policy and their obligation to adhere to it as part of any contractual arrangements.

The Group does not have a formal human rights policy, but it is committed to conducting business with integrity and fairness.

OPERATING RESPONSIBLY *for our stakeholders continued*

ENVIRONMENT

The Group endeavours to conduct its business in a way that is sympathetic to the environment. Where possible, glassware and bottles are recycled, as is cardboard packaging. All new sites and major refurbishment projects include fitting energy-efficient lighting and other control devices in order to minimise energy consumption. Smart meters have been fitted throughout our estate to allow the monitoring of hourly energy consumption on a daily basis in order to highlight unusual consumption spikes and to be able to benchmark individual site performance. The Group's appointed energy consultant, Energise Limited, facilitates the production of a suite of reports enabling bars to identify energy wastage; these reports are monitored both locally and centrally. The reporting is very useful for evaluating the impact of new energy-saving initiatives, including investments in new technology and more efficient equipment.

Streamlined Energy and Carbon Reporting (SECR) Disclosure

Our SECR disclosure for the Group presents our carbon footprint across Scopes 1, 2 and 3, together with an appropriate intensity metric and our total energy use. The reporting of greenhouse gas emissions is for the period 1 July 2020 to 30 June 2021. All of the Group's operations are based in the UK, and therefore all of the below figures purely relate to the UK.

	kWh (Scope 1 & 2 Only)			CO_2e tonnes (Location Based)		
Emission Type	**Current Year (2020–21)**	**Previous Year (2019–20)**	**Var.%**	**Current Year (2020–21)**	**Previous Year (2019–20)**	**Var.%**
Scope 1: Operation of Facilities	–	–	–	–	–	–
Scope 1: Combustion	3,798,991	8,453,731	-55.1%	715	1,580	-54.7%
TOTAL Scope 1	**3,798,991**	**8,453,731**	**-55.1%**	**715**	**1,580**	**-54.7%**
Scope 2: Purchased Energy	10,088,994	19,219,442	-47.5%	2,352	4,912	-52.1%
TOTAL Scope 2	**10,088,994**	**19,219,442**	**-47.5%**	**2,352**	**4,912**	**-52.1%**
Scope 3: Indirect Energy use	–	–	–	10,238	31,364	-67.4%
TOTAL Scope 3	**–**	**–**	**–**	**10,238**	**31,364**	**-67.4%**
Total	**13,887,985**	**27,673,173**	**-49.8%**	**13,305**	**37,856**	**-64.9%**

Greenhouse Gas Emissions Intensity Ratio:

Total Footprint (Scope 1, Scope 2 and Scope 3) - CO_2e tonnes	**Current Year (2020–21)**	**Previous Year (2019–20)**	**Year on Year Variance**
Turnover (£m)	39.4 m	110.1 m	-64.2%
Intensity Ratio (tCO_2e/£100,000)	33.77	34.38	-1.8%

Intensity Ratio Trend Review	**Current Year (2020–21)**	**Previous Year (2019–20)**	**2018–19**
Intensity Ratio	33.77	34.38	7.02
Difference	-0.61	+27.36	-1.53
Variance %	-1.8%	+389.8%	-17.9%

	CO_2e tonnes (Dual Reporting Methodology)		
Emission Type	**Location Based**	**Market Based (Supplier Specific)**	**Variance**
Scope 1: Operation of Facilities	–	–	–
Scope 1: Combustion	715	715	0%
TOTAL Scope 1	**715**	**715**	**0%**
Scope 2: Purchased Energy	2,352	182	-92.3%
TOTAL Scope 2	**2,352**	**182**	**-92.3%**
Scope 3: Indirect Energy use	10,238	10,238	0%
TOTAL Scope 3	**10,238**	**10,238**	**0%**
Total	**13,305**	**11,135**	**-16.3%**

The Dual Reporting Methodology shows data from the same financial period, calculated using different conversion factors. The location-based emissions are calculated using the UK average electricity carbon factor and the market-based emissions are calculated based on the specific electricity carbon factors of the Group's electricity suppliers.

This table therefore demonstrates the reduction in the Group's overall footprint achieved by purchasing renewable energy; by purchasing renewable energy our carbon emissions associated with electricity are approximately 92.3% lower than they would have been if they remained on a standard, non-renewable electricity tariff.

SCOPE AND METHODOLOGY:

- Our methodology has been based on the principles of the Greenhouse Gas Protocol, taking account of the 2015 amendment which sets out a "dual reporting" methodology for the reporting of Scope 2 emissions. In the "Total Footprint" summary above, purchased electricity is reported on a location-based method;
- We have reported on all the measured emissions sources required under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 except where stated;
- This Streamlined Energy and Carbon Report has been compiled by our energy and net zero carbon partner, Energise Limited;
- This report includes emissions under Scope 1 and 2, except where stated, and includes emissions from Scope 3 sources relating to business travel, purchased

goods and services, capital goods, employee commuting, fuel- and energy-related activities, water and waste;

- Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2020-21;
- Conversion factors for UK electricity (market-based methodology) are published on the fuel mix disclosures on each supplier's website;
- Emissions in relation to fugitive emissions are excluded from the scope of reporting due to the lack of quality data records in this area;
- Estimation has been required in some areas where data has not been available. These have been completed using standard estimation methods (direct comparison, pro-rata etc.). Where FY20 data has been used as a comparable period for direct comparison, these have been adjusted for COVID-19 impact using either a site-specific calculation based on opening patterns (where available) or a standard portfolio calculated average of 36% of FY20 usage levels. This percentage figure is based on a calculation combining days from national lockdown closed periods with local lockdown periods within the FY (where this information was available) against a total of standard operating days.

ENERGY EFFICIENCY ACTION

The period covered by this report has been significantly impacted by the COVID-19 pandemic, with the majority of sites closed for large sections of the year during both the national lockdowns and the local tiered lockdowns.

Progress has been made with the Net Zero Strategy workstreams, including progressing the adoption of the strategy itself within the business, appointing zero heroes and promoting engagement and the submission of intent to a science-based target.

On-site improvements regarding energy efficiency have been limited due to the COVID-19 pandemic, however with our Pathway to Net Zero defined, we are in a position to move forwards with a clear and defined plan as to when upcoming energy efficiency actions will be completed.

SUSTAINABILITY

This year brings sustainability into the heart of our bars with the following major changes/commitments:

- We are the UK's first bar group to commit to a Science-Based Target for reducing our emissions;
- The Board has formally adopted our Net Zero/Sustainability strategy which commits us to being Net Zero before 2030, achieving at least a 40% emissions reduction across all scopes by that date;
- We were a founding member of the Zero Carbon Forum, which is developing solutions for Net Zero for the Hospitality sector collaboratively and have contributed to the forthcoming sector roadmap;
- We have made a formal commitment to a Science Based Target with a commitment for our ambitions and actions to be aligned to a maximum of 1.5C level of global warming, considered internationally the mark of best practice;
- We have submitted to the Carbon Disclosure Project ("CDP") for the first time, following feedback from our stakeholders. Our submission to the Climate Change questionnaire will allow us to rate and monitor our progress over the years as we strive to Net Zero.

Our achievements in this area have been recognised by winning a prestigious "Gold Level" Green Apple Award for Environmental Best Practice by The Green Organisation, the international environmental group dedicated to rewarding and promoting environmental best practice globally. This award is in recognition of the great achievements accomplished so far in energy and waste reduction through our Zero Hero programme and our activities since we embarked on our greater focus on Sustainability since 2017. The Group has already reduced its energy consumption by 19% on a like-for-like basis.

We have made the following commitments moving forward as part of our strategy:

- to reduce our carbon intensity by at least 40% by 2030;
- to achieve a further 20% energy efficiency improvement by 2025;
- to commit to working towards and maintaining thereafter 100% renewable electricity supply;
- to achieve a 30% reduction in water consumption by 2030;
- to reduce supply chain emissions by 30% by 2030;
- to reduce waste to landfill by 50% by 2030; and
- to reduce overall waste volumes by 15% by 2030.

We are making progress on delivering those commitments through the following work:

- Our Zero Hero programme brings sustainability to life in our bars, through a member of management tasked with driving more sustainable operations within their bar. We offer monthly Group webinars partnered with our core suppliers on matters close to our hearts, for example, energy reduction with our energy supplier, and recycling training with Biffa. These great ideas are shared on the Bars' Hero Boards so the whole team can get involved. It really can be as simple as remembering to turn off a light!
- In April 2020, we moved all our direct electricity supplies to a zero-carbon supplier whose power is from biomass generation. These supplies are backed by Renewable Energy Guarantees of Origin. Electricity supplies that are part of landlord services arrangements remain with their existing suppliers;
- We want to work with suppliers who care about this as much as us, which is why we are embarking on a project to ask our major contractors to partner with us on sustainable workflows, such as reducing the number of vehicle drops to us as part of our commercial contracts or taking back cardboard for recycling after a delivery;
- We have adopted a supply chain questionnaire as standard for all significant tenders;
- We are trialing new ideas in our quest to become Net Zero within our sites;
- We have implemented the following programmes:
  - recycling zones behind our bars
  - focused reduction on Out of Hours energy consumption
  - ongoing energy efficiency trials including new cellar cooling equipment
  - continuing to roll out LED lighting in the front of house areas of our bars

As the Group embarks on an enhanced refurbishment programme over the next couple of years we are placing sustainability and energy-savings at the heart of each planned refurbishment.

On behalf of the Board.

Danielle Davies
Company Secretary

15 November 2021

PROPORTION OF EXECUTIVE TEAM WHO ARE FEMALE

50%

LIKE-FOR-LIKE REDUCTION OF ENERGY CONSUMPTION SINCE 2017

19%

GOVERNANCE REPORT

live entertainment

BOARD OF *Directors*

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

LENGTH OF SERVICE

0–2 years 2–4 years 4+ years

GENDER ANALYSIS

Male Female

EXECUTIVE/NON-EXECUTIVE ANALYSIS

Executive Non-Executive

KEITH EDELMAN

Non-Executive Chairman

DATE APPOINTED TO BOARD

16 February 2015

RELEVANT PAST EXPERIENCE

Keith has served on the Boards of public companies for over 30 years across a wide range of businesses and markets, with extensive experience in the retail and consumer sectors. Keith's previous executive roles include being Managing Director of Arsenal Holdings plc from 2000 to 2008 and Chief Executive Officer of Storehouse plc (encompassing BHS and Mothercare) from 1993 to 1999. Keith has a BSc in management studies from the University of Manchester (Institute of Science and Technology).

ROB PITCHER

Chief Executive Officer

DATE APPOINTED TO BOARD

25 June 2018

RELEVANT PAST EXPERIENCE

Rob has over 25 years' experience within the hospitality sector, most recently as Divisional Director of Restaurants at Mitchells & Butlers responsible for the Harvester, Toby Carvery and Stonehouse brands. Prior to joining M&B, Rob held senior positions at many other leading hospitality companies, including Stonegate, Laurel Pub Company, Spirit Group, and Scottish & Newcastle Retail.

OTHER APPOINTMENTS

Keith is currently a Non-Executive Director of Headlam Group Plc, a Non-Executive Director of Altitude Group plc, and a Non-Executive Director (and Chairman of the Audit Committee) of the London Legacy Development Corporation. He is also a Non-Executive Director of both JE Beale PLC and Beale Limited, having been appointed to these companies in December 2019 and both being put into administration in January 2020. He is also a Director of Jewellery Quarter Bullion Limited, and a Non-Executive Director of E20 Stadium LLP. He was Non-Executive Director of Pennetro Energy PLC during part of the year and resigned on 15 April 2021.

As announced on 13 November 2020, Mike Foster stepped down from his role on the Board as Chief Financial Officer at the conclusion of the Annual General Meeting on 22 December 2020, at which point Danielle Davies was appointed as Chief Financial Officer.

KEY

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Chair

DANIELLE DAVIES
Chief Financial Officer

DATE APPOINTED TO BOARD
22 December 2020

RELEVANT PAST EXPERIENCE
Danielle is a Chartered Accountant with extensive corporate finance and hands-on financial and commercial management experience gained in senior positions at large multi-site retail businesses. Most recently, she was Chief Financial Officer at Footasylum plc. Prior to that she was Director of Finance at Pets at Home where she worked on a number of refinancing activities and acquisitions under private equity ownership, prior to supporting its public offering in 2014. She has also performed senior financial roles at Matalan, Royal and Sun Alliance and the Co-operative Group.

JEMIMA BIRD
Senior Independent Non-Executive Director

DATE APPOINTED TO BOARD
19 December 2016

RELEVANT PAST EXPERIENCE
Jemima is a marketer with more than 20 years' experience working with many of the UK's leading high street brands, most recently leading the rebrand for the Co-op Food business. She formed Hello Finch, a brand and marketing consultancy, in 2013. Between 2008 and 2015, Jemima held executive Board positions at Moss Bros plc, Tragus and Musgrave Retail Partners.

OTHER APPOINTMENTS
Jemima is a Director of Hello Finch Limited and a Board Trustee for the Football Foundation, the UK's largest sports charity.

WILLIAM TUFFY
Independent Non-Executive Director

DATE APPOINTED TO BOARD
26 November 2018

RELEVANT PAST EXPERIENCE
William Tuffy is a Chartered and Certified Accountant with over 35 years' experience in senior general and financial management roles in retail, FMCG and property investment and management. He has also been involved with business transformation and turnaround projects in companies ranging from large multi-nationals to mid-sized businesses and start-ups. He has held non-executive positions, including four years at Beale plc, during which time he was initially senior independent Director and then Non-Executive Chairman. Whilst at Beale plc, William also served as chair of both audit and remuneration committees.

OTHER APPOINTMENTS
William is also a Director of Miromore Limited and Structadene Limited.

Principal skills and experience	Leisure	Retail	Marketing	Operational	People	Finance
Keith Edelman Non-Executive Chairman	●	●	●	●		●
Rob Pitcher Chief Executive Officer	●	●	●	●	●	
Danielle Davies Chief Financial Officer	●	●				●
Jemima Bird Senior Non-Executive Director	●	●	●	●		
William Tuffy Non-Executive Director	●	●				●

SENIOR *Management*

In addition to the Executive Directors, the following senior managers are considered to have the relevant expertise and experience to support the strategic development of the Group's brands and the day-to-day direction and decision-making of the business.

BETH ANDERSON
PEOPLE DIRECTOR

Beth joined the business in 2012 with a strong operational background before moving into the People Development Team in 2014. Beth has held several roles within the People Development team including Human Resources Business Partner for the Southern region and subsequently National Talent Development Manager. She was promoted to Head of People in the summer of 2019 and has recently been further promoted to People Director.

Since graduating from university, Beth has studied for CIPD qualifications, attaining Level 5 CIPD in Learning and Development, and completed her Level 7 CIPD qualification in Human Resource Management earlier this year.

ANDY DYSON
BUSINESS DEVELOPMENT DIRECTOR

Andy joined the business in 1998, having graduated from Leeds University where he studied Civil Engineering (BEng (Hons)). He has performed several operational roles within the Group, including Bar General Manager, Area Manager and Operations Director – Revolution North. Andy has recently been promoted to Business Development Director and his many responsibilities are primarily associated with ensuring process efficiency for those services that cross both brands and ensuring that the many and varied workstreams driving change and innovation, including the development of new brands, get the required focus.

ALEX YOUNG
SALES & MARKETING DIRECTOR

Alex joined as maternity cover for the Head of Marketing role in December 2018, taking on the Interim Sales & Marketing Director role in January 2020 covering the remit of the sales, marketing and food teams. In December 2020 Alex joined the Group permanently, managing the sales and marketing teams. A CIM qualified marketer, Alex began her career working in software and logistics, expanding to include business development when she moved into the festivals and events industry.

FIONA HALL
COMMERCIAL DIRECTOR

Fiona worked with the business as a Hospitality Consultant in both 2018 and 2019 focusing on pricing and margin optimisation. In December 2020 Fiona joined the Group permanently, managing the Commercial and Food teams, and was recently promoted in August 2021 to the position of Commercial Director. With over 15 years' experience in the industry, Fiona's focus has been on driving margin across multiple companies, such as the Stonegate Pub Company, The Alchemist, The Deltic Group, Town and City Pubs, Bay Restaurant Group and Laurel. Fiona began her career working in various blue-chip companies including Banks, Telecoms and Tech. She is a qualified Chef with an enormous passion for Food.

CLINTON GHENT
BRAND OPERATIONS DIRECTOR – REVOLUCIÓN DE CUBA

Clinton joined the business in 2008 as a General Manager after beginning his career with Fat Cat Café Bars. He has been responsible for the development and delivery of the Revolución de Cuba brand since its inception in 2011 and has overseen the opening of all of the Revolución de Cuba bars.

MARK WALTER
BRAND OPERATIONS DIRECTOR – REVOLUTION

Mark joined the business, as Operations Director – Revolution South, in September 2018 from Mitchells & Butlers where he had been a Regional Operations Manager for three years, responsible for 125 destination venues. Mark has spent his career in hospitality running late-night venues, pubs and bars and prior to joining Mitchells & Butlers, Mark was an Area Manager for Stonegate Pub Company, Town and City and Laurel. He is now responsible for the day-to-day operations of the entire Revolution branded estate.

THE BUSINESS ADDRESS OF EACH SENIOR MANAGER IS:

21 Old Street, Ashton-under-Lyne, Tameside OL6 6LA.

GOVERNANCE SECTION

Chairman's Introduction to Governance

THIS IS THE COMPANY'S SEVENTH GOVERNANCE REPORT.

The Board recognises the importance of, and is committed to, high standards of corporate governance, and all Directors are fully aware of their duties and responsibilities under the UK Corporate Governance Code 2018 (the "Code") that became effective for the first time in the prior reporting period, the Disclosure Guidance and Transparency Rules ("DTRs") and the Listing Rules.

Whilst the Company's ordinary shares are now admitted to trading on AIM (following the cancellation on 27 July 2020 of the admission of the Company's ordinary shares to listing on the FCA's Official List (premium segment) and to trading on the London Stock Exchange's main market for listed securities), the 2021 Annual Report & Accounts have been prepared as if the Company were still a fully listed company (complying with the requirements of the FCA's 'Listing Rules', Schedule 8 (Quoted Companies Directors Remuneration Report) as amended by the provisions of The Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (SI 2008/410) and The UK Corporate Governance Code).

On 4 November 2021 the Board approved the Company's intended transition to compliance with the provisions of Corporate Governance Code published by the Quoted Companies Alliance (the "QCA Corporate Governance Code") by Spring 2022. It is therefore anticipated that the annual report and accounts of the Company for the financial year ending 2 July 2022 will be prepared in accordance with the Company's obligations as an AIM company and the requirements of the QCA Corporate Governance Code.

COMPLIANCE WITH THE CODE

The Board considers that the Group has complied with the requirements of the Code throughout the reporting period but notes that it has not included a viability statement in its Governance schedule given the extensive disclosures on going concern that are set out in the Directors' Report and in note 1 of the financial statements and further references in the Financial Review.

The Group continues to implement a robust governance structure to ensure compliance with the Code. Key elements include:

- the Board comprises a majority of independent Non-Executive Directors, of which there are three, including myself as Non-Executive Chairman (deemed independent on appointment), and two Executive Directors;
- each Non-Executive Director has a proven track record in business at a high level and has good retail and leisure sector skills and experience that are highly relevant;
- the Board and its sub-committees are structured in accordance with the requirements for a listed company with both the Audit and Remuneration Committees fully comprising Non-Executive Directors. The Non-Executive Directors provide critical challenge and support to those areas of the Group that they believe are of particular importance;
- regular review of new developments in corporate governance best practice and consideration of how to apply them appropriately. The Board is regularly updated on corporate governance developments by the Company Secretary and when new or updated sections of the Code are released, it is normal practice to arrange, when relevant, for the Group's corporate lawyer to present formally at a Board meeting and lead a discussion; and
- an increased focus on increasing the level of the Board's engagement and direction in corporate culture and workforce engagement, risk management and sustainability in acknowledgement of the extended responsibilities introduced by the UK Corporate Governance Code 2018.

There have been no changes to the composition of the Board or any of its sub-committees during the year.

Each Director was selected on the basis of having the appropriate level of public company, commercial and market sector skills required to drive the Group forward. The Board takes appropriate advice on governance matters from external advisers, including its lawyers and a specialist remuneration consultant, FIT Remuneration Consultants.

The remuneration of Directors is set out in the Remuneration Report, which starts on page 48 and includes a link to the Company's website where the remuneration policy for both Executive Directors and Non-Executive Directors is detailed.

The Group has the principles of transparency and openness at the heart of its culture and is committed to achieving high standards of corporate governance. The Board firmly believes that its corporate governance structures and robust processes will help drive a more efficient and competitive business performance and enable strong relationships with all stakeholders.

Keith Edelman
Chairman

15 November 2021

REVOLUTION BARS GROUP PLC BOARD:

Chairman:	Chief Executive Officer:	Chief Financial Officer:	Senior Independent Non-Executive Director:	Independent Non-Executive Director:
Keith Edelman	Rob Pitcher	Danielle Davies	Jemima Bird	William Tuffy

AUDIT COMMITTEE:	REMUNERATION COMMITTEE:	NOMINATION COMMITTEE:
Chair: William Tuffy	**Chair:** Jemima Bird	**Chair:** Keith Edelman
Jemima Bird Keith Edelman	Keith Edelman William Tuffy	Jemima Bird Rob Pitcher William Tuffy

GOVERNANCE SECTION
Corporate Governance Report

OVERVIEW

This report sets out the Group's governance structure and how it complies with the UK Corporate Governance Code 2018 (the "Code"), published by the Financial Reporting Council in July 2018, and also includes items required by the Disclosure Guidance and Transparency Rules ("DTRs"). The Code is available on the Financial Reporting Council website at www.frc.org.uk.

The Code has at its heart an updated set of principles that emphasise the value of good corporate governance to long-term sustainable success. These principles are:

A A successful Company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

B The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example, and promote the desired culture.

C The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

D In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.

E The Board should ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

The disclosures in this report relate to our responsibilities for preparing the Annual Report and Accounts, including compliance with the Code to the extent required, our report on the effectiveness of the Group's risk management and internal control systems and the functioning of our Committees, and where appropriate we have referenced how the Board and Company has adapted its approach and adopted new workstreams to specifically address the principles of the Code.

The Directors consider that the Group has complied with those provisions of the Code applicable to a company of its size. The Board is committed to the highest standards of corporate governance.

Whilst the Company's ordinary shares are now admitted to trading on AIM (following the cancellation on 27 July 2020 of the admission of the Company's ordinary shares to listing on the FCA's Official List (premium segment) and to trading on the London Stock Exchange's main market for listed securities), the 2021 Annual Report & Accounts have been prepared as if the Company were still a fully listed company (complying with the requirements of the FCA's 'Listing Rules', Schedule 8 (Quoted Companies Directors Remuneration Report) as amended by the provisions of The Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (SI 2008/410) and The UK Corporate Governance Code).

On 4 November 2021 the Board approved the Company's intended transition to compliance with the provisions of Corporate Governance Code published by the Quoted Companies Alliance (the "QCA Corporate Governance Code") by Spring 2022. It is therefore anticipated that the annual report and accounts of the Company for the financial year ending 2 July 2022 will be prepared in accordance with the Company's obligations as an AIM company and the requirements of the QCA Corporate Governance Code.

BOARD COMPOSITION

Executive Non-Executive

COMPLIANCE WITH THE CODE: BOARD COMPOSITION

The Board comprises a Non-Executive Chairman, two Executive Directors and two other Non-Executive Directors and therefore has a majority of Non-Executive positions.

All Board members are widely experienced in large retail businesses, including the Executive Directors who are both very experienced and well-respected operators in the sector. The Board also has an excellent mix of skills and functional disciplines. Details of the Board members and their backgrounds are given on pages 32 to 33.

Jemima Bird is the Senior Independent Director and leads meetings of Non-Executive Directors, appraises the Chairman's performance and provides a sounding board for the Chairman and is available as an intermediary to the other Directors when necessary.

Jemima Bird is the designated Non-Executive Director in respect of workforce engagement and has regular meetings with the Group's People Director to discuss all relevant matters.

Jemima Bird has also been and is available to shareholders if they have any concerns. Jemima can be contacted by shareholders through the normal channels of Chairman, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") where their issues have failed to be resolved or for which contact with any other office holder is inappropriate.

The Chairman confirmed to shareholders in the Notice of the Annual General Meeting ("AGM") that he and the Board believe that the performance of each Director, both Executive and Non-Executive, and the Board Committees continue to be effective and demonstrate commitment to their relevant responsibilities.

BOARD GOVERNANCE

The Board is appointed by shareholders, who are the owners of the Group. The Board's principal responsibility is to act in the best interests of all shareholders within the legal framework of the Companies Act 2006. It is also collectively responsible to shareholders for the long-term success of the Group and it agrees the strategic direction and governance structure that will help achieve this long-term success and deliver shareholder value. The Board oversees those matters that it regards as critical to the success of the Group including corporate and brand strategies, accounting policies and maintaining a sound system of internal control, risk management, monitoring the performance of senior management and ratifying all senior appointments, and establishing the remuneration and reward framework for the entire workforce to ensure that this is consistent with the Group's cultural values and will result in a full engagement.

The Board's main responsibilities are included in a schedule of matters reserved for the Board, as set out below:

- agreeing the Group's strategy and objectives;
- changing the funding structure and capital of the Group;
- approving changes to the Group's bank lending facilities;
- approving the annual budget;
- approving the Annual Report and Accounts, and interim financial statements;
- approving the Group's dividend policy and declaration of dividends;
- reviewing the effectiveness of the Board;
- reviewing the effectiveness of risk management processes and the Group's internal control systems;
- approving significant expenditure commitments and material transactions and contracts;
- ensuring dialogue with the Group's major shareholders takes place on a regular basis;
- appointing and removing Directors and other members of the senior management team;
- determining the remuneration policy and adjustments to the remuneration for Executive and Non-Executive Directors and the senior management team;
- approval of the Group's bonus and incentive arrangements at all levels;
- reviewing the Group's overall corporate governance arrangements;
- delegating authority to the CEO;
- setting annual objectives for the business in line with the current Group strategy;
- monitoring performance of the Group's objectives through Board reports, which include updates from the CEO, the CFO and other functional heads of key departments; and
- considering and continually updating a rolling agenda of items that includes any current issues or matters as they arise.

The Board has an ongoing process for identifying, evaluating and managing the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This process has been in place throughout the year under review and up to the date of approval of the Annual Report and Accounts. The principal risks are regularly reviewed by the Board. A description of these risks together with an assessment of how they are being managed or mitigated is included on pages 18 and 19.

Effective operation and improvement of the Group's risk management and internal control systems has remained a key focus for the Board during the reporting period. The strengthening of the finance team in recent years through recruitment and a focus on training and development, and improvements in financial reporting and forecasting capabilities have served the business well during 2021 and particularly during the COVID challenges. The speed and efficiency with which additional debt facilities, the equity fundraises and the admission to AIM took place was testament to having a high-performing team in place.

The Risk Committee formed in 2018, meets quarterly, and continues to improve the management of risk across all areas of the business and to hold individuals to account. The Committee's terms of reference centre around Health and Safety and minimising cash losses but extend to the identification and management of any business risk. In the lead in to, during and post the Government enforced closure of pubs and restaurants, the Committee members, which are made up of relevant management and department heads, were focused on the health and safety aspects of COVID to ensure that when trading was allowed to recommence, the Group could provide a safe environment for staff and customers. All Board Committees play an essential role in supporting the Board to implement its strategy and provide focused oversight of key aspects of the business. Minutes and action points arising from all Committee meetings are circulated to all Directors and reviewed at Board meetings.

The full terms of reference for each Committee are available on the Group's website, www.revolutionbarsgroup.com.

BOARD BALANCE AND INDEPENDENCE

The Code recommends that a group outside the FTSE 350 (such as the Group, an AIM listed business) should have at least two independent Non-Executive Directors, being individuals determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Directors' judgement. It also recommends that a non-FTSE 350 group's remuneration and audit committees should comprise at least two independent Non-Executive Directors, and that its nomination committee should comprise a majority of independent Non-Executive Directors. The Group has complied fully with these recommendations throughout the reporting period.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Group has established a clear division between the respective responsibilities of the Non-Executive Chairman of the Board and the CEO. The Non-Executive Chairman is Keith Edelman and he is responsible for the effective operation, leadership and governance of the Board, leading the Board's discussions and its decision-making. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors. The CEO is Rob Pitcher, who, through delegation from the Board, is responsible for leading the Group's business organisation and performance and the day-to-day management of the Group.

This separation of responsibilities between the Chairman and the CEO, coupled with the schedule of matters reserved for the Board, ensures that no individual has unfettered powers of decision-making.

NON-EXECUTIVE DIRECTORS AND INDEPENDENCE

The independence of each Non-Executive Director was considered at the time of their appointment. The Group's Non-Executive Directors provide a broad range of skills and experience to the Board which assists both in their roles in formulating the Group's strategy and in providing constructive challenge to the Executive Directors. The Group considers that each Non-Executive Director continues to be independent for the purposes of the Code.

CORPORATE GOVERNANCE Report continued

BOARD MEETINGS

The Board's intention is to meet at least eight times per year for structured Board meetings covering all aspects of the business. The operating restrictions imposed by COVID from March 2020 made physical meetings impossible at times, but many Board calls and virtual meetings using video software such as Zoom and Teams were used in order to hold meetings. These meetings were organised and managed in exactly the same way as a physical meeting with an agenda and papers distributed in advance, the meeting chaired in the same way and minutes and action points arising from the meeting prepared and approved in due course. Meeting papers include business reports and updates from the CEO and the CFO. Members of the Group's senior management team are also invited to present at Board meetings on a regular basis, as appropriate, so that Non-Executive Directors keep abreast of developments in the Group.

Due to COVID-19 and the increased complexities and necessary speed associated with organising increased debt facilities, the equity fundraises, and other urgent matters, the Board met on considerably more occasions than would be considered normal. During the 53 weeks to 3 July 2021 there were 26 Board calls or meetings. These meetings have been held predominantly virtually, with a number attended in-person by all members, and on occasion by some members depending on requirements.

The attendance record of each of the Directors at full Board and the sub-committees of the Board is set out below:

	Number of meetings			
	Board	Audit	Remuneration	Nomination
Keith Edelman	26	4	7	–
Rob Pitcher	26	4	7	–
Danielle Davies	15	4	5	–
Mike Foster	14	2	3	–
Jemima Bird	22	4	7	–
William Tuffy	21	4	7	–

Attendance of Executive Directors to Remuneration and Audit Committee meetings are by invitation only.

APPOINTMENT AND TENURE

The Board believes that all Directors are effective, are committed to their roles and have sufficient time available to perform their duties. Mike Foster retired from the Board after the 2020 AGM held on 22 December 2020 and Danielle Davies was appointed as CFO. All members of the Board will be offering themselves for election at the Group's 2021 AGM. All Directors have service agreements or letters of appointment and the details of the terms of their engagement are set out in the Directors' Remuneration Report. The service agreements and letters of appointment are available for inspection at the Group's registered office during normal business hours.

No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested subsisted during or at the end of the financial period.

EVALUATION AND EFFECTIVENESS

The Chairman met with the Non-Executive Directors on at least one occasion during the year without the Executive Directors present to discuss Board balance, the performance of each Executive Director, monitor the powers of individual Executive Directors and discuss other issues pertaining to the effective operation of the Board.

DEVELOPMENT

In line with the Code, the Group ensures that any new Directors joining the Board receive appropriate support and are given a comprehensive, formal and tailored induction programme organised through the Company Secretary, including the provision of background material on the Group, briefings with senior management and accompanied operational visits. Each Director's individual experience and background will be taken into account in developing a programme tailored to their requirements. Any new Director will also be expected to meet with major shareholders if required.

DIRECTORS' CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Group unless that conflict is preauthorised by the Board. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the Board to authorise such potential conflicts, and there is a procedure in place to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all the circumstances. All potential conflicts approved by the Board are recorded in a conflicts of interest register, which is reviewed by the Board on a regular basis to ensure that the procedure is working effectively.

At the Board meeting of 15 February 2021, William Tuffy advised the Board that he would be taking up a directorship at Structadene Limited, a private, unquoted company, with effect from 1 March 2021. Hatton Garden Properties Limited, who are landlord of the Swansea bar which belongs to Revolution Bars Limited, are a 100% wholly owned subsidiary of Structadene Limited.

There were no other potential conflicts during the period under review.

EXTERNAL DIRECTORSHIPS

The service agreements of the Executive Directors do not permit them to accept external commercial Non-Executive Director appointments. Where Non-Executive Directors have external directorships, the Board is comfortable that these do not impact on the time that the Non-Executive Director devotes to the Group and believes that such experience enhances the capability of the Board.

INFORMATION AND SUPPORT AVAILABLE TO DIRECTORS

All Board Directors have access to the Company Secretary and Assistant Company Secretary, who advise on governance matters. The Chairman and Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors, and of sufficient quality to enable the Board to properly discharge its duties. Specific business-related presentations are given to the Board on a regular basis during the course of the year by members of senior management to keep the Board abreast of major initiatives and any significant challenges faced by the business and this allows the Board the opportunity to influence and challenge business strategy and potentially identify other related opportunities. As well as the support of the Company Secretary,

there is a procedure in place for any Director to take independent professional advice at the Group's expense in the furtherance of their duties, where considered necessary.

SHAREHOLDER ENGAGEMENT

Responsibility for shareholder relations rests with the Chairman, the CEO and the CFO. They ensure that there is effective communication with shareholders on matters such as governance and strategy, and they are responsible for ensuring that the Board understands the views of major shareholders. The Board aims to present a balanced and clear view of the Group in communications with shareholders and seeks to be transparent in describing how it views the Group's market segment and the prospects for the business.

The Board communicates with shareholders in several ways. The full and half-year reporting is followed by presentations by the CEO and CFO to relevant market analysts and a series of meetings with institutional shareholders as well as hosting Group meetings for larger private investors who appreciate direct contact with the Executive Directors. At the same time, the Company's joint brokers take the opportunity to arrange meetings with prospective shareholders to introduce them to the Group as an investment opportunity. Periodically, visits are arranged to business sites to give analysts and major shareholders first-hand experience of how the business operates. These visits and meetings are principally hosted by the CEO and the CFO, although other senior management is present from time to time. Any relevant material resulting from such meetings is uploaded to the Group's website so that it is available to all shareholders. The Board receives regular updates at its meetings on the views of its shareholders as well as any material changes in shareholdings as advised by its brokers. A detailed list of shareholders is updated and circulated to the Board quarterly.

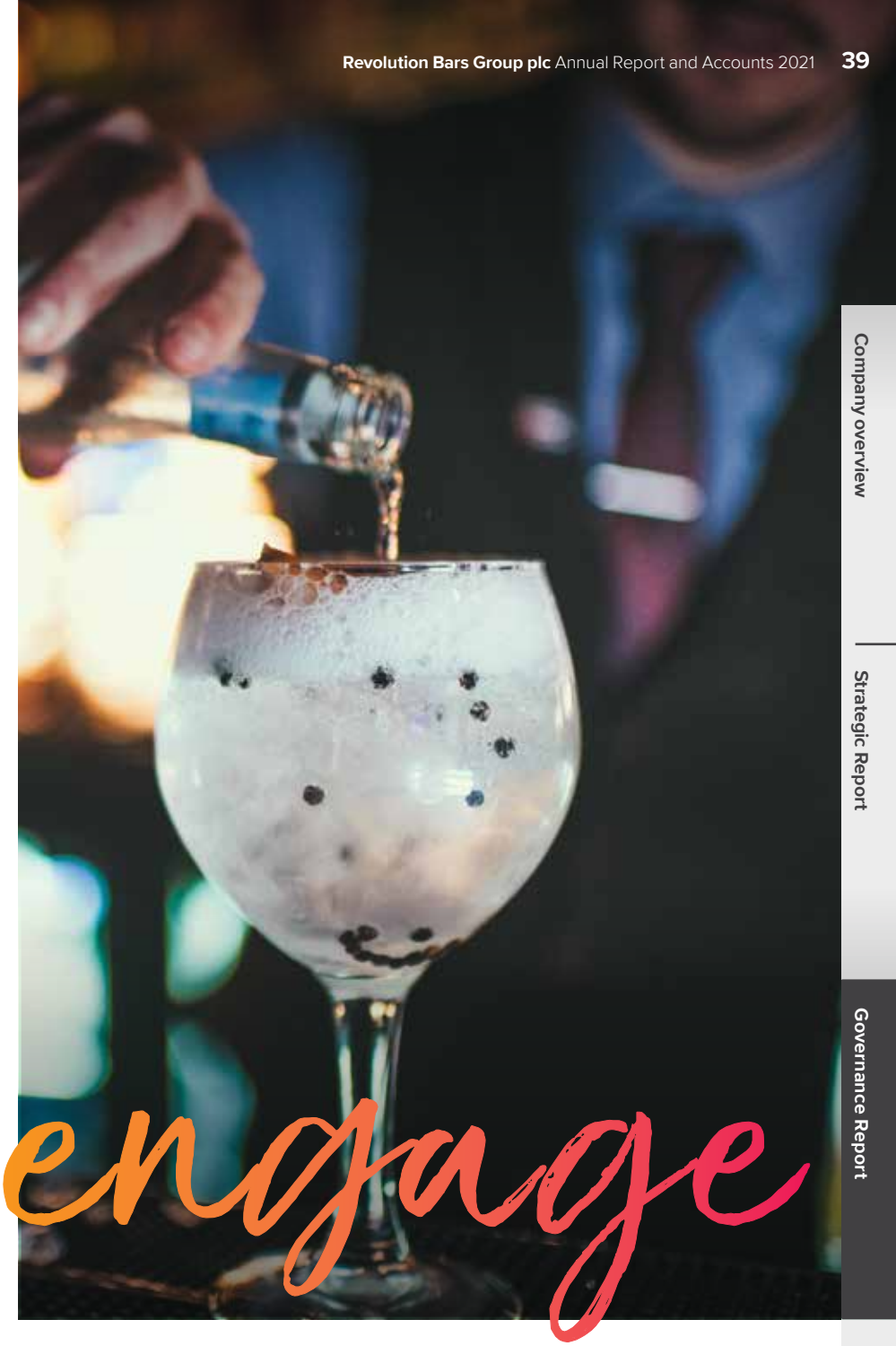
The Group's corporate website is also regularly updated with news and market information, including this Annual Report and Accounts, which sets out the Group's strategy and performance together with its plans for future growth.

INDEPENDENT AUDITORS

Towards the end of the current year's external audit, and therefore after the end of the reporting period, the Committee reviewed the effectiveness of the audit and concluded it was satisfactorily effective.

2021 ANNUAL GENERAL MEETING

The AGM of the Company will take place at 11.00 am on Wednesday 22 December 2021 at Revolution Bar, Parsonage Gardens, Manchester and shareholders will be able to attend this year in person. The Notice of the 2021 AGM can be found in the Circular



that will be made available on the Company's website (and posted to shareholders who have requested a hard copy of any such document) at the same time that this Annual Report and Accounts is published and made available on the Company's website. The Notice of the 2021 AGM sets out the business of the meeting and explanatory notes on all resolutions. Separate resolutions are proposed in respect of each substantive issue. The Chairman, the Chairman of each of the Committees and both Executive Directors will be present at the 2021 AGM to answer shareholders' questions.

If any amendments to the arrangements for the AGM are required due restrictions relating to COVID, these will be communicated via the website and the regulatory news service.

REMUNERATION COMMITTEE REPORT

The Remuneration Committee Report is set out on pages 48 to 53. The report describes how the remuneration policy is implemented and discloses the amounts paid to Directors during the 53 weeks ended 3 July 2021. The report includes a link to the Group's corporate website where the remuneration policy for the Company's Directors is set out.

Danielle Davies
Chief Financial Officer
and Company Secretary

15 November 2021

BOARD *Activity*

BUSINESS REVIEW AND STRATEGY

- Reviewed the Group's strategy and vision
- Received regular presentations from operating division Directors and business function Directors to consolidate the understanding of trading performance, opportunities and challenges
- Reviewed progress reports on major work streams, new concepts and business plans in pursuance of strategy
- Reviewed various potential acquisition opportunities
- Approved CVA of Revolution Bars Limited
- Agreed Board agenda programme for the year

FINANCIAL

- Received regular financial performance updates from the Chief Financial Officer
- Approved 2020 Annual Report and Accounts and Annual General Meeting (AGM) business
- Approved 2021 interim report and trading updates
- Reviewed and approved 2021 Forecast updates and the annual budget
- Reviewed and approved three-year financial model update

INTERNAL CONTROL AND RISK MANAGEMENT

- Reviewed minutes of Risk Committee meetings
- Received regular reports on litigation and regulatory matters including licensing updates and health and safety matters
- Reviewed effectiveness of risk management and internal control systems
- Reviewed all insurance arrangements ahead of June 2021 renewal

GOVERNANCE AND SHAREHOLDERS

- Executive Director virtual meetings with individual institutional shareholders following publication of FY20 results and FY21 interims
- Reviewed feedback from institutional shareholders following Executive Director meetings
- Review of shareholder register (quarterly)
- Approved 2020 Modern Slavery Statement
- Received regular updates on health and safety
- Reviewed and amended Company Share Dealing Policy following the Company's admission to AIM
- Approved amendments to Terms of Reference for Audit, Remuneration and Nomination Committees following the Company's admission to AIM

COVID-19

- Reviewed and approved several market updates on trading and measures to improve liquidity and access to funding
- Approval of a two-staged increase in bank lending facilities, including a new £16.5 million CBILS facility, and further £3.5 million CLBILS facility in April 2021
- Approval of shareholder circular in relation to a Placing and Placing and Open Offer to raise £15.0 million of new equity in July 2020 and a further £21.0 million of new equity in June 2021
- Regular progress reviews of measures taken to minimise the Group's cost base during the enforced closure period
- Reviews of safety protocols for reopening to ensure that all reasonable measures were being taken in accordance with available guidance for the safe operation of venues for both team members and customers

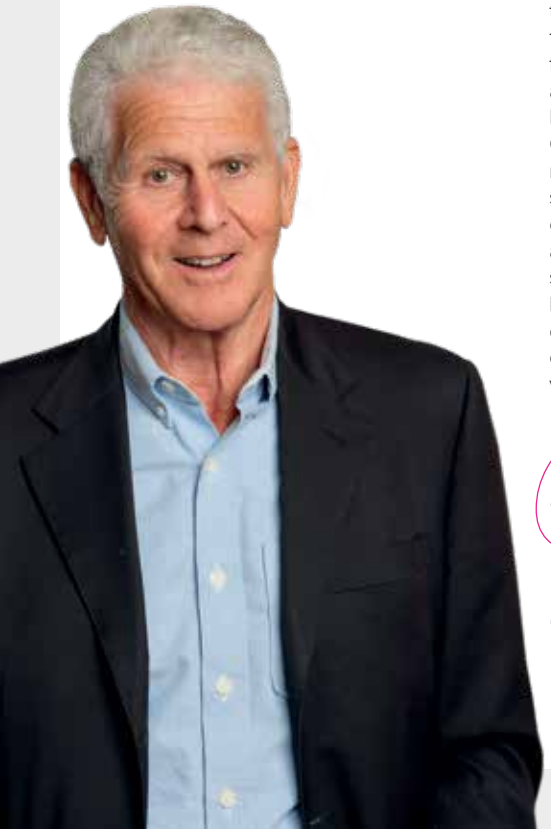
OTHER

- Reviewed and approved changes to the Executive Management structure
- Reviewed the Group's IT strategy, including proposed changes to systems architecture, cyber-security protection, GDPR procedures, and organisational changes to encourage more proactive development to drive competitive advantage
- Reviewed and approved major supply contract proposals with major drink and food brands
- Reviewed six-monthly Quality-of-Life Survey results undertaken across the entire workforce to better understand the levels of workforce engagement and any underlying issues requiring attention
- Top to bottom review of bonus incentives for employees at all levels to ensure improved balance and fairness between different groups of employees
- Reviewed and recommended grant of share options for certain senior employees to Remuneration Committee

NOMINATION COMMITTEE *Report*

DEAR SHAREHOLDER

I AM PLEASED TO INTRODUCE THE REPORT OF THE NOMINATION COMMITTEE FOR THE 53 WEEKS TO 3 JULY 2021.



RESPONSIBILITIES

The Committee's terms of reference can be found on the Group's website and can be obtained from the Company Secretary. The responsibilities of the Committee, as covered in its terms of reference, include reviewing the Board composition, appointing new Directors, the reappointment and re-election of existing Directors, succession planning taking into account the skills and expertise that will be needed on the Board in the future, reviewing the time requirement from Non-Executive Directors, determining membership of Board Committees and their modus operandi, and ensuring an objective evaluation of the performance of the Board and each Director takes place on a regular basis.

COMPOSITION

The Code recommends that a majority of members of the Nomination Committee should be independent Non-Executive Directors. The Committee is chaired by me as independent Non-Executive Chairman, and its other members are Jemima Bird and William Tuffy who are independent Non-Executive Directors, and the Chief Executive officer ("CEO"), Rob Pitcher. Accordingly, the Committee complies with the Code recommendation. By invitation, the meetings of the Committee may be attended by the Chief Financial Officer ("CFO") although this did not occur during the year under review.

MEETINGS AND ATTENDANCE

During the 53 weeks ended 3 July 2021, the Nomination Committee did not meet formally due to the only recent change to the Board being agreed in FY20, being the appointment of Danielle Davies. Furthermore, Board attention has been focussed on COVID-19 in the year. The Committee formally reviews succession plans for all Board and senior management positions so that in the event of unforeseen events, there is a clear and agreed understanding of both the short-term and long-term actions that would be implemented, and in certain cases other changes made to ensure that appropriate contingencies are in place and operational vulnerabilities minimised.

The Committee will continue to meet formally at least once a year from FY22 and at such other times as the Board or the Committee Chairman requires. The Committee has access to sufficient resources to carry out its duties, including the services of the Company Secretary. Independent external legal and professional advice is taken if the Committee believes it is necessary to do so, this typically being related to executive search matters and Board performance evaluation.

ELECTION OF DIRECTORS

On the recommendation of the Committee, per the articles of association, and in line with the Code, each of the Company's serving Directors will stand for election at the forthcoming AGM and will subsequently offer themselves for re-election on an annual basis.The biographical details of the Directors are set out on pages 32 to 33.

DIVERSITY

We pride ourselves on being a diverse and inclusive business. All employees are welcomed and treated with respect, regardless of their background. We are committed to offering equal opportunities for colleagues to develop, progress and grow.

The Committee supports the recommendations outlined in the Hampton-Alexander Review "FTSE Women Leaders" and is aware of the need to increase the number of women on the Board and in other senior management positions. The Board strives to make appointments based on merit and against objective criteria to ensure the best individual is appointed for each role and that the appointee can add to or complement the existing range of skills and experience of the relevant team. However, the Board is also committed to equality and acknowledges that it must lead by example. Recent senior management appointments of Chief Financial Officer, People Director, Marketing and Sales Director, and Commercial Director have all involved members of the Board in the appointment process and all appointees have been female. At the end of the reporting period, 45% (2020: 30%) of the positions at Board and senior management level were female. This represents a significant step forward towards gender equality and the

> **"We have created a D&I Board represented by individuals across the workforce to bring a voice to our colleagues"**

Keith Edelman
Chairman of the Nomination Committee

Board believes that appointing females to these key positions will help drive change throughout the Group.

Our commitment to supporting equality and diversity has been demonstrated by being regularly represented at and actively participating in "Women in Hospitality, Travel and Leisure", which is a forum for organisations in our industry sector to collaborate and work up tangible actions to improve diversity and inclusion across the sector. We have also provided support in the form of hosting facilities, including free food and drink, for Plan B mentoring events. Plan B mentoring is an initiative organised by a small group of female hospitality executives, to prepare senior women executives for Board level positions in our sector.

Of 2,495 employees, females represented approximately 46% of the workforce as at 3 July 2021 (27 June 2020: 45%). The Group is committed to continuing to develop the potential of its female employees through its training programmes and its corporate development pipeline.

Diversity also encompasses background, ethnicity and disability. The Board is fully committed to the principles of equality and diversity throughout the business and recognises that there is more to achieve in this area. During the year, we continued our Diversity and Inclusion strategy, focused solely on driving the right behaviours and actions across every part of the business. We have created a D&I Board represented by individuals across the workforce to bring a voice to our colleagues, and we have invested significant training resource to ensure that every employee understands and is fully engaged with the principles. Every employee has been required to undertake an online training module on equality and diversity. The training module concludes with a short test and the training does not complete until a pass has been achieved.

The Board acknowledges the recent protests against racism and understands that it needs to listen more closely to both our teams and our guests as part of our own ongoing education in these matters. We know that tackling inequality begins by understanding it, recognising it, and then calling it out. We are committed to listening more intently to our teams' views and providing a safe place for them to share their ideas, thoughts, and feedback. This will better inform us, aid our understanding of the wider issues and ensure that both as a business and as a team we learn and move forward in the right way.

GENDER PAY GAP

Following the disruption caused by the enforced closure of the business during COVID-19 and the allowance in accordance with the extension granted by the GEO and EHRC in the prior year, the Group published its gender pay report in late 2021. The effect of COVID-19 has reduced the qualifying workforce for analysis in the report, and the Group therefore expects to present a more meaningful measurement in 2022 also. The latest report can be downloaded from our corporate website at www.revolutionbarsgroup.com.

I hope to be able to take any questions from shareholders on the work of the Nomination Committee at the Annual General Meeting on 22 December 2021.

Keith Edelman
Chairman of the Nomination Committee

15 November 2021

EMPLOYEE GENDER SPLIT

Male Female

BOARD AND SENIOR MANAGEMENT GENDER SPLIT

Male Female

AUDIT COMMITTEE *Report*

DEAR SHAREHOLDER

I AM PLEASED TO INTRODUCE THE REPORT OF THE AUDIT COMMITTEE FOR THE 53 WEEKS ENDED 3 JULY 2021.

The Code recommends that all members of the Committee be Non-Executive Directors, independent in character and judgement and free from any relationship or circumstance which may, could or would be likely to, or appear to, affect their judgement and that at least one such member has recent and relevant financial experience. Accordingly, the Committee comprises all three independent Non-Executive Directors including me as Committee Chairman, considered by the Board to have recent and relevant financial experience due to my previous experience as an Audit Committee Chair in another publicly listed company, in other senior financial roles, and my FCA and FCCA qualifications.

I have over 35 years' experience in senior general and financial management roles in Retail, FMCG and property investment and management and have been involved with business transformation and turnaround projects in companies ranging from large multi-nationals to mid-sized businesses and start-ups. I have also held Non-Executive positions, including four years at Beale plc, during which I was initially senior independent Director and then Non-Executive Chairman. Whilst at Beale plc, I served as chair of both audit and remuneration committees. I have solid experience in retail and many other complimentary sectors and am therefore suitably experienced to lead the Committee.

Regular Committee meetings are also normally attended by the Chief Executive Officer, Chief Financial Officer and our external auditor, PwC. The Chief Financial Officer, who is also the Company Secretary, acts as secretary to the Committee. Other members of management, particularly senior financial managers, may be invited to attend depending on the matters under discussion.

The Committee meets at least twice a year at the appropriate times in the reporting and audit cycle and seeks also to ensure that twice per annum there is an opportunity for meeting time with the external auditor without members of management present. The Committee was set up by the Board to assist it with its responsibilities in respect of financial reporting, including reviewing annual and half-year results, external auditing, internal controls, and advising on the independence and appointment of the external auditor. The Committee routinely reviews the impact of any upcoming changes in accounting treatment as a result of new or modified IFRS that are likely to materially impact the Group and also reviews as a matter of course any matters considered by the external auditor to be of significant audit risk.

PricewaterhouseCoopers LLP ("PwC") was appointed as the Group's external auditor on 29 January 2018; the period under review represents their fourth year of audit. The Committee is satisfied that PwC has undertaken its responsibilities as the Group's external auditor to a high standard and therefore the Committee will be recommending that PwC be reappointed as auditor at the 2021 Annual General Meeting ("AGM"). The PwC audit partner responsible for the Group is Randal Casson.

During the year, the Directors continued to assess the following key areas:

- Board governance, including the Committee and the procedure for assessing the Group's key risks;
- management accounting processes to ensure that high-quality information is provided to the Board;
- external financial reporting procedures and audit arrangements and reporting standards, with a particular focus in the prior and current year on the impact and disclosures relating to IFRS 16, as well as appropriateness of going concern conclusions and stress testing;
- complex transactions such as the arrangements to surrender and re-gear a number of leases including deferred consideration and a subsequent renegotiation of the consideration following the Government enforced closure of venues, and the accounting for a number of unique circumstances, including reliefs provided by stakeholders as a result of COVID-19;
- information systems; and
- budgeting and forecasting procedures and controls.

> "The Committee routinely reviews the impact of any upcoming changes in accounting treatment as a result of new or modified IFRS."

William Tuffy
Chair of the Audit Committee

The Directors recognise the need to maintain robust financial reporting procedures, review them on a continuing basis and adapt them to changing circumstances. Their review forms part of the Committee's agenda going forward together with its wider role and responsibilities, which are set out in more detail in this report.

I hope to be able to take any questions from shareholders at the AGM on 22 December 2021, at which the Annual Report will be approved, to answer any questions on the work of the Audit Committee.

ASSESSING EFFECTIVENESS OF EXTERNAL AUDIT PROCESS

Whilst the Committee does not rely solely on the work of the external auditor, it regards the breadth and quality of the work performed by the external auditor as contributing significantly to several of the Committee's objectives, particularly regarding assurance relating to the accuracy and reliability of its external reporting and for reviewing objectively the Group's systems and internal controls. For that reason, planning meetings are held with the external auditor to review their proposed work programmes and any recommendations made by the external auditor are reviewed in depth, as are their findings from their review of the interim and year-end accounts. The Committee meets to discuss the performance of the external auditor and to consider priority areas for future work.

For the auditor to be fully effective, they must be totally independent from the Company. To that end, the Committee intends to ensure that no other work is performed by the external auditor so that their independence is not compromised. New EU legislation on permitted non-audit services came into effect from 17 June 2016 which introduced a permitted non-audit services fee cap of 70% of the average audit fee over a consecutive three-year period. This cap came into effect for the Group in the prior financial period, ended 27 June 2020. During the year, the value of non-audit services provided by the external auditor amounted to nil (2020: £0.02 million). The non-audit services in the prior year related only to the interim review; whilst this is classified as non-audit work, the Committee believes that it is incidental to the role as auditor and is supportive to performing its role as auditor. Following the move to AIM, an interim review by the auditors is no longer required.

ROLE AND RESPONSIBILITIES

The Committee's terms of reference can be found on the Group's website or may be obtained from the Company Secretary. The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities to protect the interests of shareholders as to the integrity of financial reporting, audit, risk management and internal controls. In doing so the Committee shall act in a way which would be most likely to promote the success of the Company for the benefit of its members as a whole and in so doing have regard (amongst other matters) to:

- the likely long-term consequences of any decision;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- any other matters required to be considered in accordance with section 172 of the Companies Act 2006.

External Audit

- **Audit tender process:** The Committee oversees the exercise of undertaking a tender for external audit services as required. The last such tender was in 2018.
- **Appointment, reappointment and dismissal of auditor:** Taking into account the obligations noted above, the Committee considers and makes recommendations to the Board, to be put to the shareholders for approval at the AGM, regarding the appointment and reappointment or dismissal of the external auditor. The Committee oversees the selection process of new auditors and ensures that all firms participating in the tender process are given access to such information and individuals as may be appropriate. If an auditor resigns the Committee investigates the circumstances and decides whether any action is required.
- **Remuneration of auditor:** The Committee approves the remuneration and terms of engagement, including an engagement letter, ensuring that the level of fees is appropriate to enable an effective and high-quality audit to be conducted. The Committee reviews the audit fees annually and also considers any other fees proposed in respect of non-audit activities, particularly in relation to the impact this may have on independence, taking into account the relevant regulations and ethical guidance on the subject.
- **Independence of auditor:** The Committee, at least annually, reviews and satisfies itself with the independence and objectivity of the external auditor, in consideration of relevant UK professional and regulatory guidelines. The Committee satisfies itself that there are no relationships such as family employment or financial investment, or other business arrangements between the Group and the auditor, other than in the ordinary course of business and also monitors the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office, partner and other related requirements.
- **Audit effectiveness:** The Committee reviews the effectiveness of the external audit process, taking account of relevant UK professional and regulatory requirements.
- **Employment of former employees of auditors:** The Committee recommends to the Board a policy on the employment of former employees of the auditors and monitors implementation of this policy.
- **Audit qualifications:** The Committee annually assesses the qualifications of the auditors, their expertise and resources, as well as the effectiveness of the audit process.
- **Coordination with internal audit:** The Committee seeks to ensure coordination of internal audit activities alongside the external audit.
- **Audit planning:** The Committee meets regularly with the auditors including at the planning stage for the year-end, where the scope of the audit and the annual audit plan are considered in relation to areas of high risk based on business developments and performance in the year, and post the detailed audit work and prior to finalisation of the financial statements. The Committee reviews the findings of the audit and discusses any major issues arising during the audit, any relevant accounting and audit judgements, the levels of errors identified during the audit and the effectiveness of the audit. The Committee also discusses any matters the auditor wishes to raise (in the absence of management, if appropriate). The Committee ensures that any representation letters, management letters and responses from management is reviewed and acted upon.

AUDIT COMMITTEE *Report continued*

Financial Statements

- **Integrity of financial statements:** The Committee monitors the integrity of the financial statements by a process of reviewing and challenging, as appropriate:
  - the consistency of or changes to accounting practices and policies across the Group including going concern;
  - the methods used to account for significant or unusual transactions where different approaches may give materially different outcomes;
  - whether the Group has followed appropriate accounting standards and made appropriate estimates and judgements, and considering the views of the external auditor; and
  - the clarity of disclosure in the Company's financial statements and the corporate governance statement,

  and reports to the Board if it is not satisfied with any aspect of the proposed financial statements.
- **Significant issues and judgements:** The Committee reviews and may report to the Board for ratification of significant financial reporting issues and critical judgements contained in the financial statements, particularly if the auditors have expressed any uncertainty or concerns.
- **Other statements containing financial information:** The Committee reviews other statements containing financial information where a review prior to Board approval is practicable and consistent with any prompt reporting requirements under any law or regulation including the AIM Regulations.
- **Annual Report and Accounts:** The Committee reviews the content of the Annual Report and Accounts and advises the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and whether it informs the Board's statement in the Annual Report on these matters as required under the Code.

Other Matters

- **Corporate Governance:** The Committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the AIM Regulations and any other applicable rules, as appropriate.
- **Whistleblowing:** The Committee reviews the Group's procedures for handling allegations from whistleblowers and ensures that these arrangements allow for proportionate and independent investigation of such matters and appropriate follow up. The Committee reviews the Company's procedures for detecting fraud and the systems and controls for the prevention of bribery and receives reports of non-compliance.
- **Training:** The Committee is provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- **S172 CA2006:** The Committee assists the Board in relation to preparing the statement required to be published annually describing how the Directors have had regard to the matters set out in section 172 of the Companies Act 2006.
- **Performance review:** The Committee arranges for periodic reviews of its own performance, and, at least annually, reviews its constitution and terms of reference, to ensure that it is operating at maximum effectiveness and recommends any changes that it considers necessary to the Board for approval.

MEETINGS AND ATTENDANCE

During the 53 weeks ended 3 July 2021, the Audit Committee met formally on four occasions, with all members attending. At all of the meetings, the Committee had access to the external auditor without management present.

Work performed by the Committee during the financial year has included:

- reviewing the Annual Report and Accounts for 2020 and recommending to the Board its adoption as fair, balanced and understandable. In fulfilling this task, the Committee reviewed the process undertaken to produce the Annual Report and Accounts 2020, which included internal verification processes and content approval procedures;
- reviewing the Group's accounting policies and critical judgements and sources of estimation and uncertainty including the appropriateness of going concern;
- reviewing the designation of certain items of income and expenditure as Exceptional and appropriateness of alternative performance measures;
- reviewing compliance with and explaining any exceptions from the UK Corporate Governance Code;
- reviewing the independence and objectivity of PwC as external auditor, together with its effectiveness, following the 2020 audit and recommending its appointment to shareholders at the General Meeting in February 2021;
- reviewing the transitional rules for the implementation of IFRS 16, its impact on the presentation of the financial statements and the adoption of pro forma disclosures in order to show IAS 17 comparatives in the FY20 reporting;
- reviewing the auditor comments on the FY21 interim announcement;
- reviewing and approving the external audit plan for the 53 weeks ended 3 July 2021;
- receiving the external auditor's reports to the Committee and acting on any recommendations therein; and
- considering the risk assessment, mitigation actions and assurance activities produced by management.

INTERNAL AUDIT

The Group does not have an internal audit function and to date has considered that the key risks to the business are covered by a combination of resources including its compliance department, stock-takers and area managers.

The Group's compliance department is responsible for managing many of the principal risks facing the business concerning alcohol licensing and health and safety. Their work is supported by external consultants and as part of these arrangements annual contracts are in place to provide at least two audit visits per annum to every trading venue by fully qualified health and safety advisers. Additionally, the Group's compliance department monitors and acts on any matters relating to cash and stock losses.

For most of the period under review, the Group employed two stock-takers who check stocks and other compliance matters such as cash controls on a risk assessed basis. Each bar's stock is counted on average between six and eight times per annum. Stock-take results are reviewed by both operational and compliance management immediately the results become available.

An important element of the area manager's role is to perform spot checks on cash, stocks, licensing and health and safety matters, as part of their regular site visits. The area manager assessments are used, amongst other things, for performance assessing general managers; poor scores relating to these matters and brand standards reduce the bonus earnings potential of a bar's management team.

RISK COMMITTEE

To strengthen and complement the Audit function, a Risk Committee is chaired by the Chief Financial Officer and comprises several members of the senior management team including the Heads of Compliance, Property, Operations, Food, IT and People. The purpose of the Committee, which is not a Board committee, is:

- to identify, mitigate and prevent risk as far as possible;

- to protect the financial, physical and reputational image of the business;
- to ensure that the Group fulfils its legal and statutory obligations; and
- to ensure visibility and transparency over controls.

The Committee's terms of reference are available from the Company Secretary and can be found on the Company's website at www.revolutionbarsgroup.com.

During the period, the Committee was only able to hold two of its quarterly meetings with all members or their deputies attending those meetings. Following COVID-19, a key focus for the business was operating in a safe manner for all staff and customers and this was a key agenda item at all senior management team meetings rendering the quarterly Risk Committee meetings during this period unnecessary. The key activities of the Committee during the period have been:

- to monitor the audits carried out by the external consultants and to ensure any critical issues identified have been rectified in a timely function;
- to monitor health and safety standards in bars including compliance certification, reviews of updated risk assessments, and compliance with all matters concerning food safety;
- to review serious incidents involving staff or customers to ensure that all lessons are learned and that any necessary improvements to controls and procedures to prevent a recurrence are acted upon;
- to ensure the Company adheres strictly to the licensing objectives to protect all premises' licenses;
- to ensure that all changes in relevant legislation and policies are identified and acted upon in a timely manner; and
- to review insurance policies and coverage.

SIGNIFICANT ACCOUNTING MATTERS

In reviewing the financial statements with management and the external auditor, the Committee has discussed and debated the critical accounting judgements and key sources of estimation uncertainty as set out in note 1 to the consolidated financial statements.

As a result of its review, the Committee has identified the following items that require particular judgement or have significant impact on the interpretation of the Annual Report and Accounts for 2021:

- **Accrued rebates from suppliers:** Rebates are usually invoiced on a monthly or quarterly basis based on supplied volumes and whilst these can usually be quickly assessed post-period, judgements are sometimes required as to whether longer-term contractual thresholds will be met. Good records are maintained in this area to monitor volumes on a contract by contract basis and reviewed monthly by senior finance management, thus minimising the degree of judgement required. There is further complexity due to the COVID-19 pandemic and various periods of enforced closure of bars. All major supplier contracts have been extended or terms modified in order to ensure that commitments to contractual volumes can be maintained. Where relevant, the Committee is satisfied that appropriate judgements have been made.

- **Recoverable amount of property, plant and equipment:** The Group keeps the carrying value of its fixed assets under review. Formal procedures are used in each external reporting period to assess the appropriateness of the balance sheet asset carrying values. Due to the adoption of IFRS 16 in FY20, right-of-use assets have been recognised in respect of leasehold properties, substantially increasing reported tangible asset values and necessitating more extensive and rigorous impairment testing. Regears in the year as a result of COVID-19 have also resulted in significant increased right-of-use assets. Also, the ongoing and frequently changing operating restrictions and rules and availability of Government support has caused significant difficulty in assessing the near-term and medium-term trading outlook. Impairment calculations are based upon assumptions that were considered reasonable as at the balance sheet date. However, given the timing to publishing the financial statements, additional disclosures are given in note 1 to the financial statements to provide an understanding of the charges that would have resulted had the current outlook been apparent at the balance sheet date. The Committee has considered and approved the assumptions regarding trading outlook at both the balance sheet date and at the date of signing the accounts, as well as scrutinised all resultant impairment charges. The Committee has also approved a dilapidations provision to recognise that amounts may be payable on the expiration of lease terms if the Group is unable or unwilling to extend the lease on agreeable terms.
- **Capitalisation of employment costs:** The Committee has reviewed capitalisation policies, in particular the capitalisation of internal costs in relation to property development and IT systems development and is satisfied that its policies and the amounts capitalised are appropriate.
- **Exceptional items:** Exceptional items on a pre-tax basis of £5.4 million (2020: £27.8 million) represent a material item in the profit and loss account. The charge in the reporting period comprises a gain on disposal from surrender of leases, impairment of property, plant and equipment and right-of-use assets, and costs involved with the property restructure, including costs associated with the Company Voluntary Arrangement (see note 3 to the consolidated financial statements). The Committee considered the appropriateness of presenting these items as exceptional.
- **Going concern:** The Committee recognises that with the degree of uncertainty in the trading outlook and the ever changing position of both the UK Government and the devolved administrations, and notwithstanding that the business has a level of liquidity that under normal circumstances would be more than adequate to allow going concern sign-off of the financial statements, it is right to reference material uncertainty when considering going concern statements. Detailed descriptions are given with regard to the Board's assumptions on its base case forecast scenario as well as a severe but plausible downside forecast scenario so that users of the accounts are able to understand the trading backdrops that would likely require a further injection of liquidity over and above that which is currently committed. The Committee has carefully studied the assumptions relating to both sets of projections and believes that they are sensible and appropriate to the circumstances.

The Committee reviewed reports presented by PwC detailing its key audit findings in relation to the above matters.

William Tuffy
Chair of the Audit Committee

15 November 2021

DIRECTORS' REMUNERATION *Report*

DEAR SHAREHOLDER

I AM PLEASED TO PRESENT, ON BEHALF OF THE BOARD, THE DIRECTORS' REMUNERATION REPORT OF THE REMUNERATION COMMITTEE.

Following the Company's move to AIM last year, the Company is not required to apply the full Listing Rules of the Financial Conduct Authority or the requirements of Schedule 8 (Quoted Companies Directors Remuneration Report) as amended by the provisions of The Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (SI 2008/410) (the "Regulations") and The UK Corporate Governance Code) and hence is not required to present a report on remuneration in accordance with those rules. However, the Board considers it appropriate for the Company to provide shareholders with information in respect of executive remuneration that follows the "spirit" of the Regulations where appropriate.

PERFORMANCE AND REWARD IN RELATION TO THE 53 WEEKS ENDED 3 JULY 2021

COVID-19 has continued to severely impact the performance of the business following ongoing forced closures, tier systems and significant restrictions on trade. When permitted to trade, the business has performed well. Management is also pleased with the return of customers and sales since the reopening of hospitality on 12 April 2021, which again was restricted by outdoor trading until 17 May 2021, and then social distancing restrictions for the remainder of the period. Pent-up demand continues to entice our young customer base back, and the Group remains hopeful for a sustained return to normality and positive trading through FY22.

Due to lengthy closure periods and restrictions on trading, the priorities of the senior team shifted to ensuring the survival of the business through careful cash management, engaging with all stakeholders including suppliers and landlords to elicit support, ensuring that the Group was able to take maximum advantage of the many forms of Government support, and improving cash liquidity through agreeing a substantial increase in debt funding facility and two equity fundraises.

This has continued to be a period like no other in the Group's history, and one that has stretched the senior management team to new limits. Rarely does such good underlying business progress and high personal performances go without reward. However, the management team, working closely with the Committee throughout this difficult period, agreed significant salary reductions to support the business and to show solidarity with many other stakeholders who have provided support through this challenging period, and concluded that it was not appropriate to operate an annual bonus plan for the FY21 financial period notwithstanding the management team's strong personal performance.

IMPLEMENTATION OF THE POLICY IN FY22

In respect of operating the Remuneration Policy in FY22:

- no changes, aside from a cost of living increase, will be made to base salaries of the Executive Directors, benefits or pension provisions. Any new Excutive Board appointments would receive workforce aligned pension provision;
- annual bonus provision for FY22 will be capped at 100% of salary for Executive Directors with a majority based on sliding scale profit-related targets and a minority based on strategic targets. While the profit and strategic targets are currently commercially sensitive, details of the targets and performance against the targets will be disclosed in next year's Directors' Remuneration Report;

"This has continued to be a period like no other in the Group's history, and one that has stretched the senior management team to new limits. Rarely does such good underlying business progress and high personal performance go without reward."

Jemima Bird
Chair of the Remuneration Committee

- the Committee intends to grant Restricted Share Awards ("RSAs") in line with the Remuneration Policy approved by shareholders in 2020 which will:
  - be set at no more than 100% of salary for Executive Directors;
  - vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment against a performance underpin. No shares can be disposed of by Executive Directors until at least five years from grant, other than those required to settle any taxes directly related to the vesting of those shares.

  Further details in respect of the RSA grant for 2021 are set out in the Annual Report on Remuneration.
- shareholding guidelines will continue to operate at 200% of salary; and
- the two non-executive Directors (not including the Chairman) both received a £5,000 fee uplift for FY22.

COMMITTEE ACTIVITIES

The Committee met seven times during the year. The Committee's main activities were to:

- determine the Chairman's fee and the framework and policy for the remuneration of the Executive Directors and other members of the Executive Committee and ensure that they remained appropriate in light of Covid-19;
- advise on the design of, and to determine and agree, the total individual remuneration package of each of the Executive Directors and other members of the Executive Committee, giving due regard to any relevant legal requirements, the provisions and recommendations set out in the prevailing Code and the AIM Rules and associated guidance;
- consider and approve the design of, and targets for, the annual bonus (which was initially postponed and then ultimately cancelled for FY21) and long-term share schemes operated for the Executive Directors and other members of the Executive Committee; and
- oversee remuneration and benefit structures and policies throughout the Group's business and to give advice on any major changes.

In addition, the Committee has considered how the Policy and practices are consistent with the six factors set out in Provision 40 of the 2018 UK Corporate Governance Code:

- **Clarity**: Our Policy is understood by our senior executive team and has been clearly articulated to our shareholders and representative bodies (both on an ongoing basis and when changes are proposed).
- **Simplicity**: The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our executive remuneration policies and practices are straightforward to communicate and operate.
- **Risk**: Our Policy has been designed to ensure that inappropriate risk-taking is discouraged and will not be rewarded via: (i) the balanced use of annual and long-term pay; (ii) the significant role played by equity in our remuneration arrangements; and (iii) malus/clawback provisions.
- **Predictability**: Our incentive plans are subject to individual caps and our share plans are also subject to market standard dilution limits.
- **Proportionality** :There is a clear link between individual awards, delivery of strategy and our long-term performance, together with the structure of the Executive Board directors' service contracts, ensures that poor performance is not rewarded.
- **Alignment to culture:** Our executive pay policies are fully aligned to Revolution's culture through the use of metrics in our annual incentive plans that measure how we perform against our KPIs.

The Committee's terms of reference are available from the Company Secretary and can be found on the Company's website at www.revolutionbarsgroup.com.

SHAREHOLDER FEEDBACK

The Committee is committed to consulting with its major shareholders and the main shareholder representatives, both when material changes are being made to the Remuneration Policy and in respect of the implementation of the Policy. As set out in the Annual Report on Remuneration, the Company's NOMAD and major shareholders were consulted in respect of the implementation of the Policy for FY22.

On behalf of the Board, I would like to thank shareholders for their continued support, and I look forward to your approval of our Directors' Remuneration Report at the forthcoming AGM.

Jemima Bird
Chair of the Remuneration Committee

15 November 2021

DIRECTORS' REMUNERATION Report continued

DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy (as can be found at https://www.revolutionbarsgroup.com/media/1319/revbars_notice_agm_2020_final_for-website.pdf) was approved by shareholders in 2020 by way of an advisory vote.

ANNUAL REPORT ON REMUNERATION

COMPOSITION OF THE REMUNERATION COMMITTEE (UNAUDITED)

The Committee currently consists of Jemima Bird (Committee Chair), Keith Edelman and William Tuffy. None of the Committee has any personal financial interest (other than as a shareholder), conflicts of interest from cross-directorships, or day-to-day involvement in the running of the business.

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") may be invited to attend meetings, although are not present when matters affecting their own remuneration is discussed. The Company Secretary or their nominee acts as secretary to the Committee.

The Committee receives independent remuneration advice from FIT Remuneration Consultants LLP ("FIT") on aspects of senior executive remuneration. FIT is a member of the Remuneration Consultants Group and is a signatory to its code of conduct. FIT has no connection with Revolution Bars Group plc other than in the provision of advice on executive remuneration. The terms of engagement are available from the Company Secretary on request.

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE 53 WEEKS ENDING 3 JULY 2021 (UNAUDITED)

Base annual salary

Current Executive Director salary levels are as follows:

Role	Director	From 1 April 2021*	From 1 April 2020	% Increase
Chief Executive Officer	Rob Pitcher	£350,000	£350,000	0%
Chief Financial Officer	Danielle Davies	£225,000	–	0%

* Or appointment to the Board if later

Salaries shown from 1 April 2021 are the contractual salaries applicable. As a result of the Government enforced closure of the Group's trading venues, the Executive Directors agreed to waive the normal 1 April 2020 and defer the 1 April 2021 annual salary reviews and furthermore agreed a temporary 50% salary reduction from 29 March 2020 to 31 July 2020. Subsequently, following the commencement of the reopening of trading venues in July 2020, the salary reduction changed to 80% of normal levels from 1 August 2020 and returned to contractual levels from 1 October 2020. However, in light of the national restrictions introduced by the UK Government from 5 November 2020, Executive Director salaries were reduced to 75% of normal levels from 8 November 2020 to 22 May 2021. From 23 May 2021 Director salaries increased to 90% (following the announcement for indoor hospitality to start from 17 May 2021), and then increased to contractual levels from 20 June 2021 onwards.

Annual bonus

Annual bonus provision for FY22 will be capped at 100% of salary for Executive Directors with a majority based on sliding scale profit-related targets and a minority based on strategic targets. While the profit and strategic targets are currently commercially sensitive, details of the targets and performance against the targets will be disclosed in next year's Directors' Remuneration Report.

Share awards

The Committee intends to grant Restricted Share Awards ("RSAs") in 2021 in line with the Remuneration Policy approved by shareholders in 2020 which will:

- be set at no more than 100% of salary for the CEO and no more than 80% of salary for the CFO (with lower levels cascaded below Board); and
- vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment of performance against an underpin (i.e. the Committee must be satisfied that Revolution's underlying performance and delivery against its strategy and recovery plans is sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance) and the shareholder experience more generally (including the risk of windfall gains)). No shares can be disposed of by Executive Directors until at least five years from grant, other than those required to settle any taxes directly related to the vesting of those shares.

While these award levels are within the shareholder approved Policy, they are higher than the normal RSA levels given that the Board considers retaining and incentivising Rob Pitcher and Danielle Davies to be critical to the Company's future success in what is an increasingly competitive recruitment market. For information, since Rob Pitcher joined the business in June 2018, no annual bonuses have been awarded to Executive Directors and past LTIP awards have either lapsed or are expected to lapse with no value, owing to the restrictions placed upon the business as a result of Covid. In addition, the modest RSAs granted in 2020 provide only limited retention given that the value has remained flat given the fundraising (which the Committee will not adjust the awards for) and continued impact of Covid.

In determining the 2021 award levels, the Committee consulted with the Company's NOMAD and major shareholders in advance of the grant to ensure majority support.

NON-EXECUTIVE DIRECTORS' FEES AND INCENTIVES

The two non-executive Directors (not including the chairman) both received a £5,000 uplift for FY22.

DIRECTORS' REMUNERATION FOR THE 53 WEEKS ENDED 3 JULY 2021 (AUDITED)

		Fees/Salary[1] £'000	Taxable Benefits[2] £'000	Pension[3] £'000	Annual Bonus[4] £'000	Long-term Incentives[5] £'000	Total £'000
Executive Directors							
Rob Pitcher	2021	272	18	45	–	107	442
	2020	310	17	42	–	–	369
Danielle Davies[6]	2021	85	8	3	–	55	151
	2020	–	–	–	–	–	–
Non-Executive Directors							
Keith Edelman	2021	69	–	–	–	–	69
	2020	80	–	–	–	–	80
Jemima Bird	2021	27	–	–	–	–	27
	2020	31	–	–	–	–	31
William Tuffy	2021	27	–	–	–	–	27
	2020	31	–	–	–	–	31
Former Directors							
Mike Foster	2021	85	13	–	–	–	98
	2020	180	20	–	–	–	200
Aggregate emoluments							
	2021	565	39	48	–	162	814
	2020	632	37	42	–	–	711

1 Salaries shown from 1 April 2021 are the contractual salaries applicable. As a result of the Government enforced closure of the Group's trading venues, the Executive Directors agreed to defer the normal 1 April 2020 annual salary review and furthermore agreed a temporary 50% salary reduction from 29 March 2020 to 31 July 2020. Subsequently, following the commencement of reopening trading venues in July 2020, the salary changed to 80% of normal levels from 1 August 2020 and returned to contractual levels from 1 October 2020. However, in light of the national restrictions introduced by the UK Government from 5 November 2020, Executive Director salaries were reduced to 75% of normal levels from 8 November 2020 to 22 May 2021. From 23 May 2021 Director salaries increased to 90% (following the announcement for indoor hospitality to start from 17 May 2021), and then increased to contractual levels from 20 June 2021 onwards.

2 Taxable benefits comprise medical insurance policies and car allowances.

3 Rob Pitcher received a pension provision/salary supplement of 15% of salary. Danielle Davies received a pension provision/salary supplement of 3% of salary from appointment. No pension provision was provided to Mike Foster.

4 No annual bonus plan was operated for Executive Directors in respect of FY21 as a result of the impact of Covid-19 on the Company.

5 Based on the face value of Restricted Share Awards granted to Executive Directors on 24 December 2021 (see below).

6 Danielle Davies was appointed to the Board as CFO from 22 December 2020.

DIRECTORS' REMUNERATION *Report continued*

ANNUAL REPORT ON REMUNERATION CONTINUED

ANNUAL BONUS (AUDITED) FOR FY21

Given the impact of Covid-19 on the Group, the Remuneration Committee took the decision to postpone, and then ultimately cancel, the introduction of the Executive Director annual bonus plan for FY21. As such, no targets were set or are therefore disclosable.

SHARE AWARDS GRANTED IN FY21 (AUDITED)

The following share awards, which were granted materially below the 100% of salary Policy maximum and below the normal award level of 50% of salary, were issued to Executive Director in the 53 weeks to 3 July 2021:

Executive	Type of award	Exercise Price (p)	Number of awards granted	Basis of award	Face value[1]
Rob Pitcher	RSA	0.1	475,759	30% of salary	£107,046
Danielle Davies	RSA	0.1	244,676	24% of salary	£55,052

1 Based on a share price of 22.5 pence on 22 December 2020.

The awards shall vest and become exercisable on the date that is the later of the date which is three years from the date of grant being 24 December 2023 and the preliminary announcement of the results for the 52 weeks ending 1 July 2023, subject to the Group's Remuneration Committee being satisfied that the Group's underlying performance and delivery against its strategy and plans is sufficient to justify the level of vesting having regard to such factors as the Remuneration Committee considers to be appropriate in the round (including, inter alia, revenue, earnings and share price performance) and the shareholder experience more generally (including windfall gains).

OUTSTANDING EXECUTIVE SHARE AWARDS (AUDITED)

Executive Director	Scheme	Grant date	Exercise price (p)	No of shares at 28 June 2020	Granted during the year Number	Vested during the year Number	Lapsed during the year Number	No. of shares at 3 July 2021	Vesting date
Rob Pitcher	PSP*	18.10.18	0.1	585,154	–	–	–	585,154	18.10.21
	CSOP	18.10.18	114.5	26,200	–	–	–	26,200	18.10.21
	PSP	23.10.19	0.1	531,269	–	–	–	531,269	23.10.22
	RSA	24.12.20	0.1	–	475,759	–	–	475,759	24.12.23
Total				**1,142,623**	**475,759**	–	–	**1,618,382**	
Danielle Davies	RSA	24.12.20	0.1	–	244,676	–	–	244,676	24.12.23
Total				–	**244,676**	–	–	**244,676**	
Mike Foster	PSP*	14.11.17	0.1	240,000	–	–	240,000	–	14.11.20
	CSOP	14.11.17	162.0	18,518	–	–	18,518	–	14.11.20
Total				**258,518**	–	–	**258,518**	–	

* PSP awards with associated CSOP awards attached (any awards which vest and which are exercised under the CSOP are directly offset by a reduction in vesting under the PSP of equivalent value).

PAYMENTS MADE FOR LOSS OF OFFICE AND PAYMENTS TO PAST DIRECTORS (AUDITED)

As announced on 13 November 2020, Mike Foster stepped down from the Board at the 22 December 2020 AGM. Mike continued as an employee for six months (receiving his normal salary and benefits). No payments for loss of office were paid or are payable and Mike's outstanding share awards lapsed at cessation (as detailed in the table above). £28,638 of outstanding holiday pay was due to Mike as at the end of the reporting period, which has subsequently been paid.

DIRECTORS' INTERESTS AND SHAREHOLDING GUIDELINES (UNAUDITED)

The following table shows Directors' interests in the Company

Director	Beneficially owned at 3 July 2021 Number	Outstanding Share awards Number	Outstanding share awards under all employees share plans Number	Total interest in shares Number	Shareholding as a % of base salary at 3 July 2021
Rob Pitcher	775,000	1,618,382	–	2,393,382	49%
Danielle Davies	75,000	244,676	–	319,676	7%
Keith Edelman	370,000	–	–	370,000	n/a
William Tuffy	100,000	–	–	100,000	n/a
Jemima Bird	7,500	–	–	7,500	n/a

Executive Directors are expected to build and then hold shares equal in value to at least 100% of base salary in Company shares. 50% of any awards which vest under the Company's LTIPs (net of any taxes due) must be retained until the requirement has been met. The table above shows Directors' interests in shares and the percentage of the guideline held as at 3 July 2021.

The shareholding counting towards the measurement of the guideline is based on legally owned shares. The percentage of guideline met is based on the annual base salary and the higher of the acquisition cost of the shareholding or its current market value. Once an Executive Director meets the required holding, the Executive Director is only required to purchase additional shares equivalent to the value of any increase in base salary.

Approval

This report was approved by the Remuneration Committee and signed on its behalf by:

Jemima Bird
Chair of the Remuneration Committee

15 November 2021

DIRECTORS' Report

THE DIRECTORS PRESENT THEIR ANNUAL REPORT AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND GROUP FOR THE 53 WEEKS ENDED 3 JULY 2021.

"At the end of the reporting period, the Group had net bank debt of £3.6 million (2020: £22.0 million)."

Danielle Davies
Chief Financial Officer

INTRODUCTION

This Directors' Report includes additional information required to be disclosed under the Companies Act 2006, the Code, the DTRs (Disclosure Guidance and Transparency Rules) and the Listing Rules of the Financial Conduct Authority. Certain information required to be included in the Directors' Report is included in other sections of this Annual Report as follows:

- the Strategic Report on pages 2 to 29 sets out a review of the Group's business during the 53 weeks ended 3 July 2021 and the financial position of the Group at the end of that period to enable shareholders to assess how the Directors have performed their duty under section 172 of the Companies Act. The Strategic Report also describes the principal risks and uncertainties facing the Group, provides a fair review of the Group's business at the end of the financial year and an indication of likely future developments in the business;
- the Corporate Governance Statement on pages 36 to 39; and
- related party transactions as set out in note 26 to the consolidated financial statements.

This Directors' Report together with the Strategic Report set out on pages 2 to 29 represents the "Management Report" for the purpose of compliance with the DTR 4.1.5R.

RESULTS AND DIVIDEND

The Group's results for the year are shown in the statement of comprehensive income on page 70. The Directors are not recommending a final dividend in respect of the 53 weeks ended 3 July 2021 (2020: nil pence per share issued). There was no interim dividend during the period (2020: nil pence per share), and thus the total dividend for the 53 weeks ended 3 July 2021 is nil pence per share (2020: nil pence per share).

SHARE CAPITAL AND RELATED MATTERS

The Company has only one class of share and the rights attached to each share are identical. Details of the rights and obligations attaching to the shares are set out in the Company's Articles of Association, which are available from the Company Secretary and can also be found on the Company's website www.revolutionbarsgroup.com under investor relations and shareholder information. The Ordinary Shares are listed on the official list and are traded on AIM as at the date of this report, following the Company's delisting from the Main Market London Stock Exchange to AIM effective 27 July 2020. The Company may refuse to register any transfer of a share which is not a fully paid share. At a General Meeting of the Company, every member has one vote on a show of hands, and on a poll one vote for each share held. Details of the voting procedure, including deadlines for exercising voting rights, are set out in the Notice of Annual General Meeting 2021.

At 3 July 2021, the issued share capital of the Company was 230,048,520 Ordinary Shares of £0.001 each. Details of the share capital as at 3 July 2021 are shown in note 21 to the consolidated financial statements. In the year the Group announced and completed two Firm Placings and Placings and Open Offers at 20 pence per New Ordinary Share. The first raised gross proceeds of £15.0 million and net proceeds of £14.1 million and completed in July 2020 increasing share capital by 75,017,495, and the second raised gross proceeds of £21.0 million and net proceeds of £19.9 million and completed in June 2021 increasing share capital by a further 105,001,866.

POWERS OF THE DIRECTORS

The Directors may exercise all powers on behalf of the Group including, subject to obtaining the required authority from the shareholders in General Meeting, the power to authorise the issue of new shares and the purchase of the Company's shares. During the year, the Directors have not exercised any of the powers to purchase shares in the Company.

RESTRICTIONS ON TRANSFER

There are no general restrictions on the transfer of Ordinary Shares in the Company other than in relation to certain restrictions imposed from time to time by laws and regulations (for example, insider trading laws). Pursuant to the Listing Rules, Directors and certain officers and employees of the Group require the approval of the Company to deal in the Ordinary Shares of the Company.

The Company has in place certain share incentive plans; details of these can be found on page 50. As at the financial period end on 3 July 2021 and up to the date of this report, 1,618,382 share options have been granted to the Company's Chief Executive Officer, Rob Pitcher and 244,676 share options have been granted to the Company's Chief Financial Officer, Danielle Davies.

DIRECTORS

The Directors of the Company and their biographies are set out on pages 32 to 33. Their interests in the Ordinary Shares of the Company are shown in the Directors' Remuneration Report on page 53.

APPOINTMENT AND REMOVAL OF DIRECTORS

Directors may be appointed by ordinary resolution of the Company or by the Board. All Directors will stand for re-election on an annual basis in line with the recommendations of the Code. In addition to any powers of removal conferred by the Companies Act 2006, the Company may by special resolution remove any Director before the expiration of their period of office.

DIRECTORS' INDEMNITIES AND INSURANCE

The Articles of Association of the Company permit it to indemnify the Directors of the Company against liabilities arising from or in connection with the execution of their duties or powers to the extent permitted by law. The Group had Directors' and officers' indemnity insurance in place in place throughout the year and at the date of approval of the financial statements. Subsequent to the end of the reporting period, the Group entered into a qualifying third-party indemnity (the terms of which are in accordance with the Companies Act 2006) with each of the Directors. Neither the indemnity nor insurance provides cover in the event that a Director or officer is proved to have acted fraudulently.

TRANSACTIONS WITH RELATED PARTIES

Details of the transactions entered into by the Group with parties who are related to it are set out in note 26 to the consolidated financial statements. There were no material transactions with related parties during the 53 weeks ended 3 July 2021.

CHANGE OF CONTROL

The provisions of the Group's share incentive plans may cause options and awards granted to employees under such plans to vest on a change of ownership of the Group. The Group does not have agreements with any Director that would provide compensation for loss of office or employment resulting directly from a change of its ownership.

AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION

The Company may alter its Articles of Association by special resolution passed at a General Meeting of shareholders.

POLITICAL DONATIONS

The Group has not made in the past, nor does it intend to make in the future, any political donations.

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.

DIRECTORS' Report continued

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 £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 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.

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.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, newsletters distributed by email and virtual briefings using Teams software. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

In addition, certain employees receive an annual bonus related to the overall profitability of the Group.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Company will take place on 22 December 2021. The Notice of Annual General Meeting is set out in the explanatory circular that accompanies this Annual Report and Accounts.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks, including interest rate risk, liquidity risk and credit risk. Information regarding such financial risks is detailed in note 23. The Group's risk management policies and procedures and principal risks and mitigations can be found on pages 18 to 19.

INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITOR

PricewaterhouseCoopers LLP ("PwC") have expressed their willingness to be reappointed as indepdent auditors of the Company. In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of PwC as independent auditors of the Company is to be proposed at the forthcoming General Meeting on 22 December 2021.

By order of the Board

Danielle Davies
Chief Financial Officer

15 November 2021

STATEMENT OF *Directors' Responsibilities*

IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

The directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.

Rob Pitcher
Chief Executive Officer

Danielle Davies
Chief Financial Officer

15 November 2021

FINANCIAL STATEMENTS

Bringing the party back

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVOLUTION BARS GROUP PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Revolution Bars Group plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 3 July 2021 and of the Group's loss and the Group's and Company's cash flows for the 53 week period then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 3 July 2021; the Consolidated statement of profit or loss and other comprehensive income, the Consolidated and Company statements of changes in equity, and the Consolidated and Company statements of cash flow for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the Group financial statements and note 1 to the Company financial statements concerning the Group's and the Company's ability to continue as a going concern. The Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these financial statements. The severe disruption to the Group's trade since the beginning of the COVID-19 pandemic, has significantly impacted the Group's performance and financial position. There is unpredictability in the nature, extent and duration of COVID-19 and the level of operating restrictions that may be imposed during the next 12 months and beyond. It is uncertain how this will impact the Group's operational performance, and in particular the level of sales and EBITDA generated, that will all in turn determine the Group's ability to comply with the covenant associated with its banking facilities. In addition, the going concern status of the Company is intrinsically linked to that of the Group. These conditions, along with the other matters explained in those notes to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- we obtained management's forecasts and information, which included the ongoing impact of COVID-19;
- we evaluated and assessed the process by which the Group's future cash flow forecasts were prepared;
- we assessed and challenged management as to the reasonableness of the key assumptions in the going concern model, including the forecast sales and cost assumptions over at least the next 12 months and how quickly the Group were forecasting to return to pre COVID-19 sales levels;
- we obtained the terms of the Group's financing facility and the covenant in place in relation to this facility, and determined that the Group cash flow forecasts show compliance with all covenant conditions for at least 12 months from the date of the approval of financial statements;
- we agreed the opening position of the Group's cash flow forecasts to the September 2021 management accounts. We also agreed the gross debt and cash per the September 2021 management accounts to the Group's bank statements; and
- we evaluated the appropriateness of the severe but plausible cash flow forecast used in management's determination of the going concern basis of preparation, which included an assessment of any key assumptions underpinning the cash flows throughout the going concern period.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in note 1 to the Group financial statements and note 1 to the Company financial statements, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the directors' identification in the financial statements of any other material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR AUDIT APPROACH

Overview

Audit scope

- The Group includes six statutory entities, four of which are included within scope to support the Group and Company audit opinion. All components are managed by the same finance team and operate entirely within the UK. Full scope audits were performed on four trading entities within the Group, which together comprise 100 per cent of revenue and adjusted EBITDA. The remaining entities were not included within Group scope, however statutory audits of these entities are performed.

Key audit matters

- Material uncertainty related to going concern (Group and Company)
- Impairment of property, plant and equipment and right-of-use asset (Group)
- Impairment of investments (Company)
- Recognition of supplier rebates (Group)
- Impact of COVID-19 (Group and Company)

Materiality

- Overall Group materiality: £253,000 (2020: £258,000) based on 2.5% of 4-year average Adjusted EBITDA, on an IFRS 16 basis less lease payments.
- Overall Company materiality: £180,000 (2020: £155,000) based on 1% of total assets, capped at approximately 70% of the overall materiality for the Group.
- Performance materiality: £189,750 (Group) and £134,000 (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVOLUTION BARS GROUP PLC

CONTINUED

OUR AUDIT APPROACH CONTINUED

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment and right-of-use asset (Group)	
Refer to page 47 of the Audit Committee Report and notes 1 and 11 of the Notes to the Consolidated financial information. The property, plant and equipment balance of £33,945k and right-of-use asset balance of £64,044k has been tested for impairment during the period. Testing has been performed at a cash generating unit level, which has been assessed as an individual bar. The impairment tests performed, which are based on a value in use calculation, identified an impairment charge of £12,365k, of which £3,273k relates to property, plant and equipment and £9,092k relates to right-of-use assets, which has been recognised as an exceptional item during the period. We focused on this area as the assessment of impairment of property, plant and equipment and right of use assets requires the use of estimates in the value in use calculation, including future forecast cash flows, a discount rate and long-term growth rate. In addition, the classification of items as exceptional also requires the use of judgement.	To review the impairment assessment performed by the Directors' based on a value in use model, we performed the following: • we evaluated and assessed the process by which the Group's future cash flow forecasts were prepared; • we assessed the reasonableness of the forecast cash flows, including assessing the revenue and costs included in those forecasts, based on our understanding of the Group; • we tested the Directors' historical budgeting accuracy by evaluating whether previous budgets had been achieved. Where budgets had not been achieved, we understood the reasons why; • we tested the Directors' key assumptions for long-term growth rates outside the budget period, by comparing them to forecast inflation rates in the UK; • we considered the discount rate by forming our own independent expectation of what we would consider to be an appropriate range; and • we considered whether the charge recognised in respect of impairment should be recognised as an exceptional item, and, given the magnitude of the charge, concurred that the presentation as exceptional was appropriate.
Impairment of investments (Company)	
Refer to notes 1 and 5 of Notes to the Company financial information. The Company holds an investment balance on the Statement of financial position of £29,650k. This investment is in the trading subsidiaries of the Group. Management have performed both a fair value less costs to sell exercise, and a value-in-use assessment, to calculate the recoverable amount of the investment. The recoverable amount supports the carrying value of the investment and therefore management concluded that no impairment is required.	To review the impairment assessment performed by the Directors', based on value in use and fair value less cost to sell models, we performed the following: • we evaluated and assessed the process by which the Group's future cash flow forecasts were prepared; • we assessed the reasonableness of the forecast cash flows, based on our understanding of the Group; • we tested the Directors' key assumptions for long-term growth rates outside the budget period, by comparing them to forecast inflation rates in the UK; • we considered the discount rate by forming our own independent expectation of what we would consider to be an appropriate range; and • we assessed management's fair value less costs to sell calculation, based on the recent level of the market capitalisation of the Group and premiums typically associated with control.

Key audit matter	How our audit addressed the key audit matter
Recognition of supplier rebates - Group	
Refer to page 47 of the Audit Committee Report and note 1 of the Notes to the Consolidated financial information. The Group receives rebates from certain key suppliers. The terms of the rebates vary by supplier but largely relate to listing or marketing fees, or volume-based rebates on purchases made throughout the financial period, with the value being determined by the level of spend. Amounts recognised as a reduction from costs in the consolidated statement of profit or loss and other comprehensive income, and amounts recognised as a receivable in the consolidated statement of financial position, are material to the financial statements. We focused on this area because the amount of supplier rebates income in respect of the period is determined by the terms for each supplier, which are negotiated separately and, as a result, differ from one another. This means that the calculation of the rebates recognised in the consolidated statement of profit or loss and other comprehensive income, and as a receivable at the period end, is inherently more prone to error. We also focused on the existence and accuracy of the supplier rebate income, and the valuation of period-end receivable, due to the risk of potential under or overstatement given the manual nature of the process.	To test supplier rebates, we performed the following for a sample of suppliers: • we recalculated the rebate income recognised within the consolidated statement of profit and loss and other comprehensive income in the period, and receivable as at 3 July 2021; • we compared purchases recorded in the period, and the contractual rebate arrangements agreed with each supplier, to the Directors' calculation of the rebate income; • we compared the receivable recognised at the prior period end to the amounts paid in the period ended 3 July 2021 in respect of those receivables; • we tested whether rebate arrangements recognised as income in the period ended 3 July 2021, had been accounted for in the right period; and • we agreed amounts paid by suppliers post 3 July 2021 to source documentation to check amounts were recoverable.
Impact of Covid-19 (Group and Company)	
Refer to page 55 of the Directors' Report and note 1 of the Notes to the Consolidated financial information. Similar to most businesses in the hospitality sector, COVID-19 has had a significant adverse impact on the performance of the Group following the enforced closures throughout the period and subsequent restrictions on re-openings. The key areas of the financial statements most impacted by the increased uncertainty are detailed below: i) The Directors have considered the appropriateness of the going concern basis of preparation in the Group's financial statements; ii) The recoverability of supplier rebates has been considered in light of the increased uncertainty over supplier liquidity and the ability of the Group to collect amounts due; and iii) Impairment of £12,365k have been recorded against the carrying value of property, plant and equipment and right-of-use assets as explained in the previous key audit matter.	In response to the key areas identified as being significantly impacted by COVID-19, we performed the following procedures: i) Our work and conclusions in respect of going concern are set out in the "material uncertainty related to going concern" section above; ii) Refer to the third key audit matter above for details of how we considered the recoverability of receivables; and iii) Refer to the first key audit matter above for details of how we considered the impact of COVID-19 in our impairment procedures. We assessed whether the nature and extent of the disclosure made by management was sufficiently complete to articulate the impact of the pandemic on the business and its sector, supported by the information available to date.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group includes six statutory entities, four of which are included within scope to support the Group and Company audit opinion. All components are managed by the same finance team and operate entirely within the UK. Full scope audits were performed on four trading entities within the Group, which together comprise 100 per cent of revenue and adjusted EBITDA. The remaining entities were not included within Group scope, however statutory audits of these entities are performed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVOLUTION BARS GROUP PLC

CONTINUED

OUR AUDIT APPROACH CONTINUED

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - Group	Financial statements - Company
Overall materiality	£253,000 (2020: £258,000).	£180,000 (2020: £155,000).
How we determined it	2.5% of 4-year average Adjusted EBITDA, on an IFRS 16 basis less lease payments	1% of total assets, capped at approximately 70% of the overall materiality for the Group.
Rationale for benchmark applied	Adjusted EBITDA is the key measure used both internally by the Board and, we believe, through reading Directors' presentations to analysts, externally by shareholders in evaluating the performance of the Group. This measure excludes finance expense, tax, depreciation, exceptional items, (credits)/ charges from long term incentive plans and bar opening costs.	Total assets is considered to be appropriate as it is not a profit oriented Company. The Company holds investments in subsidiaries and therefore total assets is deemed a generally accepted auditing benchmark. This has been capped at approximately 70% of overall materiality for the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £167,000 - £180,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £189,750 for the Group financial statements and £134,000 for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £11,000 (Group audit) (2020: £13,000) and £9,000 (Company audit) (2020: £7,750) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 3 July 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

CORPORATE GOVERNANCE STATEMENT

ISAs (UK) require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Governance Section is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the audit committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual Report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVOLUTION BARS GROUP PLC

CONTINUED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, employment legislation and health and safety laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to recoverability of property, plant and equipment and right-of-use asset (see related key audit matter); and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

USE OF THIS REPORT

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Randal Casson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

15 November 2021

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	2	39,417	110,074
Cost of sales		(11,352)	(26,571)
Gross profit		28,065	83,503
Operating expenses:			
– operating expenses, excluding exceptional items	2	(47,217)	(88,388)
– exceptional items	3	(5,361)	(27,770)
– grant income	4	3,357	–
Total operating expenses		(49,221)	(116,158)
Operating loss	5	(21,156)	(32,655)
Finance expense	8	(5,140)	(4,934)
Exceptional finance income	8	–	5,869
Loss before taxation		(26,296)	(31,720)
Income tax	9	–	(3,461)
Loss and total comprehensive expense for the period		(26,296)	(35,181)
Loss per share:			
– basic and diluted (pence)	10	(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	11	33,945	41,222
Right-of-use assets	11	64,044	70,689
Intangible assets	12	24	20
		98,013	111,931
Current assets			
Inventories	13	2,956	3,593
Trade and other receivables	14	5,218	3,429
Tax receivable		–	50
Cash and cash equivalents	15	12,118	2,502
		20,292	9,574
Total assets		118,305	121,505
Liabilities			
Current liabilities			
Trade and other payables	16	(20,361)	(15,795)
Provisions	19	(842)	–
Lease liabilities	17	(5,143)	(10,203)
		(26,346)	(25,998)
Net current liabilities		(6,054)	(16,424)
Non-current liabilities			
Lease liabilities	17	(100,034)	(102,960)
Interest-bearing loans and borrowings	18	(15,751)	(24,500)
Provisions	19	(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	21	230	50
Share premium		33,794	–
Merger reserve		11,645	11,645
Accumulated losses		(70,899)	(44,667)
Total equity		(25,230)	(32,972)

These financial statements were approved by the Board of Directors on 15 November 2021 and signed on its behalf by

Danielle Davies
Director

Registered number: 08838504

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 (note 21)	180	33,794	–	–	33,974
Charge arising from long-term incentive plans (note 22)	–	–	–	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	8	5,140	4,934
Exceptional finance income	8	–	(5,869)
Exceptional gain on disposal	3	(8,388)	–
Depreciation of property, plant and equipment	11	6,045	7,397
Depreciation of right-of-use assets	11	5,770	7,215
Impairment of property, plant and equipment	3	3,273	8,727
Impairment of right-of-use assets	3	8,315	19,566
Lease modification	3	(28)	(897)
Working Capital and Other movements	25	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	12	(5)	(12)
Purchase of property, plant and equipment	11	(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	21	33,974	–
Interest paid	8	(1,133)	(599)
Lease surrender premiums paid		(1,700)	(1,369)
Principal element of lease payments	17	(4,438)	(3,067)
Interest element of lease payments	17	(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	15	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

CORPORATE INFORMATION

The consolidated financial statements of Revolution Bars Group plc for the 53 weeks ended 3 July 2021 were authorised for issue by the Board of Directors on 15 November 2021. Revolution Bars Group plc is a public limited company incorporated and domiciled in the UK under the Companies Act 2006 and is registered in England and Wales. The Company is limited by shares on the London Stock Exchange. In the reporting period and effective from 27 July 2020, the Company delisted from the premium segment of the Main Market and its shares were admitted to the AIM sub-market.

The registered number of the Group is 08838504 and its registered office is 21 Old Street, Ashton-under-Lyne, Tameside, England, OL6 6LA.

STATEMENT OF COMPLIANCE

The Group's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS"), and they apply to the financial statements of the Group for the 53 weeks ended 3 July 2021 (prior period 52 weeks ended 27 June 2020).

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.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Revolution Bars Group plc and its subsidiaries. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company with adjustments made to their financial statements to bring their accounting policies in line with those used by the Group.

The financial results of subsidiaries are included in the consolidated financial information from the date that control commences until the date that control ceases. The consolidated financial information presents the results of the companies within the same group. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial information. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed below.

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.

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 £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 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE 53 WEEKS ENDED 3 JULY 2021

1. GENERAL INFORMATION CONTINUED

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.

(A) ACCOUNTING POLICIES

Revenue recognition

Revenue is the fair value of goods and services sold to third parties as part of the Group's trading activities, net of discounts. Revenue primarily arises from the sale of food and beverage in the Group's trading outlet and is recognised at the point of delivery to the customer.

Revenue from the sale of discount cards is recognised consistent with customers' usage of the cards. Party deposits are held as deferred revenue until the date of event, at what point it is recognised as revenue.

Expenses

Cost of sales
Cost of sales principally comprises the purchase cost of drinks and food sold.

Supplier rebates
Supplier rebates are recognised as a deduction from cost of sales on an accruals basis using the contractual terms and volumes supplied up to the statement of financial position date for each relevant supplier contract. Where rebates are conditional on long-term minimum volumes, management judgement is applied as to the achievement of those volumes. Accrued rebates receivable as at the date of the statement of financial position are included within trade and other receivables. Where listing fees received are conditional on a contractual term, the amounts are recognised over that term.

Financing income and expenses

- Financing expenses comprise interest payable on borrowings and other finance charges.
- Interest income and interest payable are recognised in the consolidated statement of profit or loss and other comprehensive income on an accruals basis, using the effective interest method.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case the tax is also recognised directly in equity.

Current tax is the expected tax payable or credit receivable on the taxable income or loss for the period using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Segment information is based on internal reports regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") in order to assess each segment's performance and to allocate resources to them. The CODM is the Board (see note 2).

Share-based payments

The Group issues equity-settled share-based payments and restricted share awards to certain employees. Equity-settled share-based payments are revalued at each reporting period. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimated number of shares that will vest. This is recognised as an employee expense or credit with a corresponding increase or decrease in equity. Fair value is evaluated using the Monte Carlo model for options subject to market-based performance conditions and by using the Black-Scholes model for options subject to any other performance condition.

Exceptional items

Items that are unusual or infrequent in nature and material in size are disclosed separately in the consolidated statement of profit or loss and other comprehensive income. The separate reporting of these items helps, in the opinion of the Directors, to provide a more accurate indication of the Group's underlying business performance. 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. Charges related to share-based payment arrangements are not treated as exceptional but are excluded from the calculation of adjusted EBITDA due to significant variations in the annual charges/credits historically arising from senior employees with significant options leaving the business and changes to the probability of share options vesting.

Bar opening costs

Bar opening costs refer to revenue costs incurred in preparing a new bar for opening and include all costs incurred before opening and preparing for launch, even if the bar does not open in the reporting period. These costs are excluded from the calculation of adjusted EBITDA. 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 due to the irregular timing of the opening of new bars.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Receivables also include credit and debit card sales which have not reached the bank at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances at bank or held in the business and on-call deposits. Bank overdrafts repayable on demand and forming an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow only.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary Shares are recognised as a deduction from equity net of any related tax.

Share premium

Share premium is the amount subscribed for share capital in excess of nominal value.

Merger reserve

The merger reserve arose due to the return of share capital related to the sale of a subsidiary business on 22 February 2014.

Property, plant and equipment

Property, plant and equipment are stated at historical purchase cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged to write-off the cost of assets over their estimated useful lives on the following bases:

Short leasehold premises and improvements	– Lower of 25 years or the unexpired term of the leasehold agreement on a straight-line basis for new bars, and the lower of 10 years or the unexpired term of the leasehold agreement on a straight-line basis for refurbishments at existing bars
IT equipment and office furniture	– 3 to 4 years on a straight-line basis
Fixtures and fittings in licensed premises	– 5 to 10 years on a straight-line basis

Freehold land is not depreciated.

Depreciation policies and useful economic lives are reviewed at each statement of financial position date.

Short leasehold costs include directly attributable employment costs and related personal expenses of individuals employed to manage or implement the Company's capital development programme.

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.

Impairment of tangible fixed assets and right-of-use assets

At each statement of financial position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication of an impairment loss. The carrying amount of assets that do not directly generate cash flows are allocated to other cash generating units ("CGUs") to which it is related as part of the impairment testing of those CGUs.

Impairment testing is performed by reference to establishing the recoverable amount of an asset. The recoverable amount is the higher of fair value less costs to sell, and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted. If the recoverable amount of an asset (or CGU) is estimated to be less than the asset's carrying amount, the carrying amount is reduced to the recoverable amount. An impairment loss is recognised as an expense immediately.

Intangible assets

Intangible assets comprise capitalised trademark licences and are recognised at cost. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated on a straight-line basis to allocate the cost of intangible assets over their estimated useful life of ten years.

Inventories

Inventories are stated at the lower of cost and net realisable value, with due allowance being made for obsolete or slow-moving items. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and other costs in bringing them to their existing location and condition. Cost is stated net of supplier volume rebates. Inventories include a value for small value sundry consumable items associated with delivering product to customers. The most significant of these consumables are glassware, cutlery and crockery, sundry bar equipment and product garnishes. The initial cost of these items on opening a new bar is attributed to inventory but any ongoing expenditure to replace or replenish such items is expensed.

Net realisable value is the estimated selling price less further costs expected to be incurred prior to sale or disposal.

Employee benefits

Defined contribution pension plans

A defined contribution pension plan is a post-employment benefit plan towards which the Group pays fixed contributions to a separate entity as part of an employee's contractual arrangement whilst they remain in the Group's employment. The Group has no legal or constructive obligation to pay further amounts to such pension plans. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for amounts expected to be paid under short-term cash bonus and profit-sharing plans if the Group has a present legal or constructive obligation to pay such amounts as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event which can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The Group provides for those costs that are considered to be unavoidable prior to lease termination; dilapidation costs are provided for against all leasehold properties across the entire estate.

COVID-19 accounting policies

As has been the case for all hospitality businesses during the COVID-19 pandemic, the Group's trading venues were subject to various UK Government enforced lockdowns since 20 March 2020, finally allowing outdoor trading to restart from 12 April 2021, indoor trading from 17 May 2021, and the relief of further restrictions from 19 July 2021. During the financial year, the Group has been unable to trade for periods of time, and been imposed under significant restrictions under others. Therefore, the Group has had the ability to generate varying levels of income. Recognising this, the UK Government has made available certain reliefs and support schemes from which the Company has been able to benefit. Given the temporary nature of these reliefs and their material impact on the reported performance of the Company, relevant accounting policies are set out below.

The Directors have considered whether the collective benefit of Government support to counter the impact of 'COVID-19' should be reported as an exceptional credit but given the severe impact of the pandemic on the underlying trading numbers and that the reliefs were introduced by Government to mitigate the trading impact, the Directors do not believe that to do so would be meaningful. Support during the COVID lockdown has come in many different forms and from a number of stakeholders, including suppliers and landlords, not just Government, and therefore, given that all of that support is inextricably linked to the prevailing imposed lockdown and operating restrictions the Directors are of the opinion that to identify all forms of support is impractical and not meaningful. However, where notes to the financial statements lend themselves to cross-referencing and quantifying external support such as the disclosures of payroll and rent information, additional information has been given.

Furlough and the Coronavirus Job Retention Scheme (CJRS)

The Company has utilised the CJRS extensively throughout the period of lockdown. The scheme has allowed a maximum of 80% of the normal earnings of individuals who have been furloughed up to a maximum cap of £2,500 per month per employee, with periods of reduction until it is phased out. The Company pays the furlough wages and then lodges a claim to Government for reimbursement. The claims are made in line with changing Government guidance. The Government claim is accounted for on an accruals basis and, therefore in the consolidated statement of profit or loss, matches the furlough wages. Unpaid claims to Government are included in Trade and other receivables in the consolidated statement of financial position. The claim is netted against the corresponding payroll expense included in operating costs.

Rates holiday

The Government has provided relief for general rates by way of a rates holiday for hospitality businesses for the 2020/21 fiscal year; accordingly, no rates charges have been recorded for FY21 and charges will not resume until the second quarter of FY22 where rates will be discounted at 66% for the remainder of 2021/22 to a cap of £2.0 million for the Group.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Government grants

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 Grant Income within operating profit on a cash basis as it relates to the period that it is received.

Rent concessions

Given the level of uncertainty around trading and financing arrangements, the Group invested significant time agreeing rental concessions and re-gears that would allow both the Group and landlord to proceed through the tougher trading conditions.

Only those rental concessions agreed with landlords prior to the end of the FY21 reporting period and relating to FY21, or FY20 where they were not agreed before the end of FY20, have been accounted for within the reporting period. Rent-free periods or reduced rental periods that are in effect a gift from the landlord with nothing given in exchange are treated as an immediate relief of rent under IFRS 16 and taken as a credit to the income statement. However, where the rental concession is in exchange for an extension to the term of a lease or for some other structural change to the terms of the lease, it is treated as a lease modification and the right-of-use asset and lease liability are modified for the new terms.

(B) CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of consolidated financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results in due course may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the revision takes place and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the date of the statement of financial position that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial period are set out below.

The Directors consider the principal judgements made in the Financial Statements to be:

Judgements made in assessing the impact of COVID-19 on the financial statements

We have exercised judgement in evaluating the impact of COVID-19 on the financial statements. The areas identified are as follows:

- Going concern, where assumptions have been made as to the likelihood of further spikes in COVID-19 and the ongoing operating restrictions impacting all hospitality businesses;
- Impact on future cash flows included within the value in use calculations used in impairment assessments;
- IFRS 9, the increased Expected Credit Loss rate of 2% remains to reflect the enhanced risk of supplier failure (collecting rebates).

Exceptional items, bar opening costs and share-based payments: adjusted profitability measures

Management uses a range of measures to monitor and assess the Group's financial performance. These measures include a combination of statutory measures calculated in accordance with IFRS and alternative performance measures ("APMs"). These APMs include the following adjusted measures of profitability:

- adjusted operating profit before exceptional items, bar opening costs and share-based payments;
- adjusted profit before tax before exceptional items, bar opening costs and share-based payments;
- adjusted earnings before interest, tax, depreciation and amortisation before exceptional items, bar opening costs and share-based payments ("adjusted EBITDA");
- converting profit measures back to IAS 17 from IFRS 16 through the inclusion of rental expense and other relevant adjustments; and
- adjusted basic earnings per share before exceptional items, bar opening costs and share-based payments.

The Directors believe that these measures provide management and investors with useful additional information on the Group's performance. The above measures represent the equivalent IFRS measures but are adjusted to exclude items that the Directors consider may prevent a relevant comparison of the Group's performance both from one reporting period to another and with other similar businesses.

These items are not defined under IFRS and as such there is judgement applied in the classification of items as exceptional. Exceptional items are classified as those which are separately identifiable by virtue of their size, nature or expected frequency and therefore warrant separate presentation. Bar opening costs are another item that the Directors consider should be presented separately to allow a better understanding of the underlying performance of the business. Presentation of these measures is not intended to be a substitute for or to promote them above statutory measures.

The Group's consolidated statement of profit or loss and other comprehensive income provides a reconciliation of the adjusted profitability measures, excluding exceptional and other non-underlying items to the equivalent unadjusted IFRS measures.

Bar opening costs comprise non-recurring bar opening costs, which are costs incurred between a bar being acquired and commencement of trading. It predominantly includes property overheads and staff recruitment, payroll and training costs.

Exceptional items and bar opening costs are further detailed in note 3 to the financial statements.

Items considered to be exceptional or bar opening costs that are separately identified in order to aid comparability may include the following:

- costs incurred in association with business combinations and other transactions, such as legal and professional fees and stamp duty;
- costs incurred in respect of termination of Director's contracts; and
- impairment charges in respect of tangible assets as a result of bar underperformances.

Charges/credits relating to share-based payments arising from the Group's long-term incentive schemes are not considered to be exceptional but are separately identified due to the scope for significant variation in charges/credits due to changes in senior management and the probability of share options vesting amongst other factors.

Capitalisation of employment costs

The Company capitalises employment costs and related personal expenses of individuals whose job roles are fundamentally associated with managing or implementing the Company's capital development programme. Judgement is therefore applied in determining the element of internal employment costs which are directly attributable to capital projects. Where such an individual undertakes non-capital expenditure related activities as part of their job role then that proportion of their cost is not capitalised unless the non-capital expenditure related activities are incidental to their role.

The Directors consider the principal estimates made in the Financial Statements to be:

Recoverable amount of property, plant and equipment and right-of-use assets (note 11)

Assets that are subject to depreciation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an investment of equivalent risk. For an asset that does not generate an independent income stream, the recoverable amount is determined in conjunction with the cash generating units ("CGU") to which the asset relates.

Determining value in use requires a series of estimates to be made including an appropriate discount rate to calculate the present value, an estimate of the cash flows expected to arise from the CGU (including an assessment of revenue and cost base growth) and a long-term growth rate. For further details of the sensitivity of the calculation of impairment provisions to these key assumptions, see note 11.

The key assumptions in the value in use calculation are the applicable discount rate of 9.0 per cent (2020: 8.2 per cent) and long-term revenue and cost base growth rates of 1 per cent (2020: 1 per cent).

(C) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has not applied any new or amended standards in the annual reporting period commencing 28 June 2020.

(D) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period ended 3 July 2021 and have not been early adopted by the Group.

- Amendments to IAS 1 Presentation of financial statements, and IAS 8 Accounting policies, changes in accounting estimates and errors' definition of material.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

2. 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)

Depreciation is disclosed in note 5.

3. 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 4 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)	–

4. 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.

5. 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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

6. STAFF NUMBERS AND COSTS

The average monthly number of employees during each period, analysed by category, was as follows:

	53 weeks ended 3 July 2021	52 weeks ended 27 June 2020
Administrative	92	98
Operational	2,403	2,870
	2,495	2,968

The aggregate payroll costs were as follows:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Wages and salaries	19,401	32,821
Social security costs	2,068	2,339
Other pension costs	527	597
Share-based payment charge (note 22)	64	42
	22,060	35,799

Aggregate payroll costs include £0.1 million (2020: £0.3 million) capitalised as property, plant and equipment, and are net of £14.5 million (2020: £7.6 million) of Coronavirus Job Retention Scheme grants received.

7. DIRECTORS' REMUNERATION

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Aggregate emoluments	766	668
Pension contributions to money purchase schemes[1]	48	42
	814	710
Emoluments in respect of the highest paid Director		
Aggregate emoluments	397	327
Pension contributions to money purchase schemes[1]	45	42
	442	369

1 Includes salary enhancements made in lieu of pension contributions due to pension caps.

Two Directors (2020: one) were enrolled in a defined contribution pension scheme in the period. In addition to the above, £107k (2020: £353k) of long-term incentive share options were awarded to the highest paid Director in the period.

The Directors agreed varying reductions in salary throughout the majority of FY21, at a maximum reduction of 50%, to mitigate the impact of COVID-19; please see the Directors' Remuneration Report for further information.

8. 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.

9. 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	–	–
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%.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

10. 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.

11. 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

11. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS CONTINUED

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.

12. INTANGIBLE ASSETS

	Total £'000
Cost	
At 27 June 2020	21
Additions	5
At 3 July 2021	26
Accumulated amortisation	
At 27 June 2020	(1)
Provided in the period	(1)
At 3 July 2021	(2)
Net book value	
At 3 July 2021	24
At 27 June 2020	20

Trademarks are amortised over their estimated useful lives, which is 10 years. Amortisation is charged within operating expenses in the statement of profit or loss and other comprehensive income.

13. 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

14. 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.

The ageing of trade receivables at the balance sheet date was:

	3 July 2021 £'000	27 June 2020 £'000
Not past due	1,816	184
Past due 0-30 days	17	6
Past due 31-60 days	10	4
More than 60 days	53	467
	1,896	661

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 3 July 2021.

All receivables are GBP denominated. The Group trade and other receivables is net of a specific provision for bad and doubtful debts of £29k (2020: £nil) and a provision for bad and doubtful debts of £114k (2020: £nil), and an IFRS 9 expected credit loss provision of £23k (2020: £16k).

Prepayments and accrued rebate income do not contain impaired assets. There is no difference between the carrying value and fair value of all trade and other receivables. £0.8 million of prepayments relates to property rent and rates (2020: £0.4 million).

£1.5 million of Trade and other Receivables relates to uncleared credit and debit card takings (2020: £nil due to the UK Government's enforced closure of bars from 20 March 2020).

15. 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.

16. 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

17. 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 3)	(28)	–	(28)
Surrender of leases (note 3)	(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

Lease liabilities are as follows:

	3 July 2021 £'000	27 June 2020 £'000
Not more than one year		
Minimum lease payments	9,245	14,826
Interest element	(4,102)	(4,623)
Present value of minimum lease payments	5,143	10,203
Between one and five years		
Minimum lease payments	46,362	42,210
Interest element	(16,841)	(14,165)
Present value of minimum lease payments	29,521	28,045
More than five years		
Minimum lease payments	91,588	98,752
Interest element	(21,075)	(23,837)
Present value of minimum lease payments	70,513	74,915

18. 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, which has been extended in November 2021 till June 2023.

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.

All borrowings are held in Sterling. There is no material difference between the fair value and book value of the Group interest-bearing borrowings. For more information on the Group's exposure to interest rate risk, see note 23.

19. 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 provision £'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.

20. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting periods:

	Share-based payments £'000	Disclaimed or not used Capital Allowances £'000	Brought-forward losses £'000	Total £'000
At 29 June 2019	19	(916)	484	(413)
(Charge)/credit to income	(19)	916	(484)	413
At 27 June 2020	–	–	–	–
Charge to income	–	–	–	–
At 3 July 2021	–	–	–	–

	3 July 2021 £'000	27 June 2020 £'000
Deferred tax assets	–	–
Deferred tax liabilities	–	–
Total	–	–

As at the reporting date, the Group had unused tax losses of £23.6 million (2020: £13.9 million) available for offset against future taxable profits, but has not recognised a deferred tax asset in relation to these (or any other credits, including for Capital Allowances) due to uncertain trading conditions.

21. SHARE CAPITAL

	3 July 2021 £'000	27 June 2020 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2020: 50,029,159 £0.001 Ordinary Shares)	230	50
	230	50

	3 July 2021 £'000	27 June 2020 £'000
Share capital at the start of the period	50	50
Share capital issued during the period	180	–
Share capital at the end of the period	230	50

On 27 July 2020 the Company issued 75,017,495 ordinary 0.1p shares at a price of 20p each, and on 15 June 2021 the Company issued a further 105,001,866 ordinary 0.1p shares at a price of 20p each. The 19.9p premium per share less the costs was credited to the share premium account to a total of £33.8 million.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

22. SHARE-BASED PAYMENTS (EQUITY SETTLED)

The Group currently operates two share award plans, all of which are equity settled schemes.

1. THE RESTRICTED SHARE AWARD SCHEME ("RSA)

On 24 December 2020 the Company adopted the RSA scheme. Awards under the RSA were made on 24 December 2020 to Executive Directors and other Senior Management. These awards vest over a period of the later of the preliminary announcement of results for the year ended 1 July 2023 and 24 December 2023 (being three years from the Date of Grant). These shares were awarded at £0.001 cost. The total charge for FY21 for this scheme was £0.05 million.

The fair value of the scheme is calculated at the reporting date taking the closing share price and revaluing at each reporting date across the vesting period.

2. "THE REVOLUTION BARS GROUP SHARE PLAN"

Awards under the scheme have typically comprised:

- A Nominal Cost Option ('NCO') granted to acquire ordinary shares in the Company at an option price of 0.1 pence per share; and
- A linked, tax-favoured Company Share Option ('CSOP') granted under Part II of The Revolution Bars Group Share Plan to acquire a number of ordinary shares in the Company. The option price is set at the market value at the time of the award. The Remuneration Committee determined in 2019 that it did not intend to issue any further options under the CSOP as it does not consider that the potential tax benefits justify the additional administration. Accordingly, the tables in this note do not include reference to the NCO scheme unless explicitly stated.

Where the NCO and CSOP options are linked, the nominal cost option can only be exercised if the related approved option is exercised (or waived). When an award is exercised, the related CSOP options must be exercised first and the number of shares received by an employee through the exercise of the nominal cost options is reduced by such number of shares as have a value equal to the gain realised on the exercise of the CSOP shares.

The Group's PSP and CSOP plans are equity-settled share option schemes approved by HMRC. They were established in 2015. Awards are subject to performance conditions and require holders to remain employed throughout the vesting period.

The newly created Restricted Share Award scheme was established in 2020 as a form of Management incentive; there are no specific performance conditions required other than satisfactory personal and company performance, and continued employment over the three-year vesting period.

Total share-based payment plans

The total charge for the period relating to employee share-based payment plans was £0.07 million (FY20: £0.04 million), all of which related to equity-settled share-based payment transactions. A charge of £0.04 million was accrued in FY21 being the associated National Insurance ("NI") at 13.8% on the new RSA scheme. In September 2021 the Government announced an increase in NI rate of 1.25% to begin from April 2022, and thus the calculations will accordingly be updated at the next balance sheet date to reflect this increase as the new expected prevailing rate when the awards are exercised.

The table below summarises the amounts recognised in the consolidated statement of profit and loss and other comprehensive income during the period for all schemes:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
IPO LTIP AWARD		
– Tranche 2	–	(32)
– Tranche 3	(10)	1
	(10)	(31)
2016 LTIP AWARD		
– Tranche 2	–	(26)
– Tranche 3	(15)	–
	(15)	(26)
2017 LTIP Award	20	(8)
2018 LTIP Award	(37)	32
2019 LTIP Award	33	49
2020 LTIP Award	22	26
2021 RSA Award	51	–
	64	42

In the 53 weeks ended 3 July 2021, conditional awards of ordinary shares were granted as follows:

	Restricted Share Award scheme ("RSA")	Nominal cost option ("NCO")	Company share option plan ("CSOP")
24 December 2020	1,311,528	–	–
Total	1,311,528	–	–

The vesting of each NCO award is subject to the attainment of performance conditions; 70 per cent is based on an adjusted earnings per share ("EPS") target (Part A) and 30 per cent on a TSR target (Part B). The adjusted EPS is based upon the non-GAAP measure as discussed in note 10. The RSA is dependent upon satisfactory personal and company performance, and continued employment over the three-year vesting period; the shares can be vested on the later of the relevant preliminary announcement or three years from initial grant.

Under the NCO and RSA schemes, the number of shares and movements in options, as well as the performance conditions are detailed below:

		Performance period		Movement in period				
Award	**Grant Date**	**Start**	**End**	**At start**	**Granted**	**Lapsed**	**Forfeited**	**At end**
IPO LTIP – Tranche 3	19-Mar-15	Jun-17	Jun-20	20,000	–	(20,000)	–	–
2016 LTIP – Tranche 3	09-Nov-15	Jun-17	Jun-20	3,222	–	(3,222)	–	–
2018 LTIP	14-Nov-17 and 12-Apr-18	Jun-17	Jun-20	522,392	–	(282,392)	(240,000)	–
2019 LTIP	18-Oct-18 and 01-Apr-19	Jun-18	Jun-21	971,080	–	–	(185,926)	785,154
2020 LTIP	23-Oct-19	Jun-19	Jun-22	816,269	–	–	(65,000)	751,269
2021 RSA	24-Dec-20	n/a	n/a	–	1,311,528	–	–	1,311,528
				2,332,963	1,311,528	(305,614)	(490,926)	2,847,951

PSP & CSOP Part A – EPS targets

Part A vesting is dependent on the Company's EPS compound growth rate over the relevant performance period as follows:

Awards prior to 2019	Awards in 2019	Portion of Part A award vesting
At least 7% per annum "Threshold"	At least 27% per annum "Threshold"	25%
Between 7% per annum and 13% per annum	Between 27% per annum and 50% per annum	Pro rata between 25% and 100%
At least 13% per annum "Target"	At least 50% per annum "Target"	100%

The EPS calculation is based on Adjusted EPS. The EPS actuals, thresholds and targets for the various performance periods are as follows.

		Performance period		Adjusted EPS		
Scheme	**Grant date**	**Start**	**End**	**Start**	**Threshold**	**Target**
2019 LTIP	18-Oct-18	Jun-18	Jun-21	13.0p	15.9p	23.0p
2019 LTIP	01-Apr-19	Jun-19	Jun-22	3.4p	7.0p	11.5p
2020 LTIP	23-Oct-19	Jun-19	Jun-22	3.4p	7.0p	11.5p

PSP & CSOP Part B – TSR targets

Part B vesting is dependent on the Company's TSR over the relevant performance periods listed above relative to the TSR of the peer group of other UK-listed restaurant and bar sector companies over the same period.

No portion vests unless the Group's TSR performance at least matches the median of the TSR performance within the comparator Group; thereafter the following vesting calculations apply:

The Company's TSR performance against the TSR of the comparator companies	Extent of vesting of Part B
Median	25%
Between median and upper quartile	Pro-rata between 25% and 100%
Upper quartile	100%

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

22. SHARE-BASED PAYMENTS (EQUITY SETTLED) CONTINUED

2. "THE REVOLUTION BARS GROUP SHARE PLAN" CONTINUED

Information used in calculating the cost of granting each option

For the IPO LTIP Award, the offer price (200 pence) has been used as the base point from which TSR is measured for the Company. For subsequent awards, the offer price is based on a three-month average prior to the start of the performance period. For all awards, the end point offer price is based on the average for the last three months of the respective performance period.

Expected volatility has been estimated by considering historical average share price volatility for the Company and similar companies. Staff attrition has been assessed based on historical retention rates.

The fair value of share options granted under the scheme dependent on TSR performance is estimated at the date of grant using a Stochastic model. The fair value of share options granted under the scheme dependent on EPS performance is estimated at the date of grant using the Black-Scholes model. The following table gives the assumptions relevant to options for which charges were made for the 52 weeks' periods ended 27 June 2020 and 29 June 2019:

	2020[3] award	2019[2] award	2018[1] award
NCO: fair value at grant date – EPS (pence)	67	116	139
CSOP: fair value at grant date – EPS (pence)	–	40	48
NCO: fair value at grant date – TSR (pence)	34	62	86
CSOP: fair value at grant date – TSR (pence)	–	35	42
NCO: exercise price (pence)	0.1	0.1	0.1
CSOP: exercise price (pence)	–	115	162
Share price (pence)*	57.4	115	153
Expected volatility	45.0%	44.6%	57.7%
Expected life of options (years)	3.0	3.0	3.0
Weighted average remaining life (years)	1.2	0.2	–
Expected dividend yield	0.0%	0.0%	3.2%
Risk-free rate	0.5%	0.8%	1.0%

1 Granted on 14 November 2017 and 12 April 2018.
2 Granted on 18 October 2018 and 1 April 2019.
3 Granted on 23 October 2019.
* The share price is stuck at the average closing mid-market price of the ordinary shares in the 3 days preceding the issue of options.

23. FINANCIAL INSTRUMENTS

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group is exposed to the following financial risks:

- credit risk;
- liquidity risk;
- market risk; and
- capital risk.

Cash and cash equivalents are held in Pounds Sterling. Trade and other payables are measured at amortised cost.

CREDIT RISK

Credit risk arises from the Group's cash balances held with counterparties and trade and other receivables. Credit risk is the risk of financial loss to the Group if a third-party owing monies to the Group fails to meet its contractual obligations. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for corporate customers.

Trade and other receivables are measured at amortised cost. Book values and expected cash flow are reviewed by the Board and any impairment is charged to the consolidated statement of comprehensive income in the relevant period. Trade and other receivables do not contain any impaired assets.

All cash balances are held with reputable banks and the Board monitors its exposure to counterparty risk on an ongoing basis. The Group attempts to mitigate credit risk by assessing financial counterparties.

Given the nature of the Group's operations, the Directors do not consider the Group's credit risk, which arises mainly from cash held with mainstream UK banks, to be significant.

The Group's financial assets, which are exposed to credit risk, are as follows:

	3 July 2021 £'000	27 June 2020 £'000
Trade receivables	1,896	661
Cash and cash equivalents	12,118	2,502
	14,014	3,163

The ageing of trade receivables at the balance sheet date was:

	3 July 2021 £'000	27 June 2020 £'000
Not past due	1,816	184
Past due 0-30 days	17	6
Past due 31-60 days	10	4
More than 60 days	53	467
	1,896	661

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 3 July 2021.

In accordance with IFRS 9, the group has two types of financial assets that are subject to the expected credit loss model:

- Trade and other receivables
- Accrued rebate income

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and accrued rebate income.

To measure the expected credit losses, trade receivables and accrued rebate income have been grouped based on similar credit risk characteristics. Both primarily relate to outstanding amounts due from suppliers in relation to agreed rebates and thus have substantially the same risk characteristics. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued rebate income. This has increased to a rate of 2% in the prior and current period following the increased risk of trading following Covid-19.

The expected loss rates are based on the risk profiles of the suppliers with whom the balances are held as well as the related historical results of recoverability. On that basis, the loss allowance as at 3 July 2021 and as at 27 June 2020 was determined as follows for both trade receivables and accrued rebate income:

	3 July 2021 £'000	27 June 2020 £'000
Expected loss rate	2%	2%
Trade and other receivables	433	661
Accrued rebate income	720	114
	23	16

The difference between trade receivables in 2021, as shown immediately above at £0.4 million, and the £1.9 million balance earlier in this note relates to uncleared credit and debit card takings, which have been determined as having no expected credit card loss due to their very short clearance period (two to three days at the balance sheet date), as well as the balance being not of the expected credit loss provision. There was no difference in 2020 due to the Group's bars being closed in the latter part of the reporting period due to the UK Government's enforced closure of restaurants, pubs and bars.

LIQUIDITY RISK

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will not be able to meet its future obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its financial liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain a level of cash and cash equivalents in excess of expected cash outflows on financial liabilities over the next 90 days. The Group also closely monitors the level of expected cash inflows on trade and other trade receivables.

The Group maintains forward cash flow projections, updated daily, to ensure that it always has sufficient cash on hand to meet expected operational expenses. The Group has committed lines of credit through an undrawn revolving credit facility due to expire in June 2022 and Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans provided by Natwest, of which £15.8 million was drawn at 3 July 2021. See Note 1 under sub-heading Going concern for further details of the Group's funding arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

23. FINANCIAL INSTRUMENTS CONTINUED

LIQUIDITY RISK CONTINUED

The Group's financial liabilities are as follows:

	3 July 2021 £'000	27 June 2020 £'000
Trade payables	7,526	5,587
Other payables	122	24
Revolving credit facility	–	24,500
CLBILS loans	15,751	–
	23,399	30,111

The maturity analysis of the financial liabilities is as follows:

As at 3 July 2021	< 1 year £'000	1–5 years £'000	> 5 years £'000	Total £'000
Trade and other payables	7,648	–	–	7,648
Revolving credit facility	–	–	–	–
CLBILS loans	–	15,751	–	15,751

As at 27 June 2020	< 1 year £'000	1–5 years £'000	> 5 years £'000	Total £'000
Trade and other payables	5,611	–	–	5,611
Revolving credit facility	–	24,500	–	24,500
CLBILS loans	–	–	–	–

These liabilities are short term in nature and are stated on an undiscounted basis.

MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates, will affect the Group's costs. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. Market interest rate risk arises from the Group's holding of interest-bearing financial assets and liabilities.

At 3 July 2021, the Group's interest-bearing financial assets consisted solely of cash and cash equivalents (see note 15). The Group has interest-bearing financial liabilities as at 3 July 2021, comprising a CLBILS term loan of £15.8 million (2020: nil).

The Group does not enter into derivatives or hedging transactions.

The main risk arising from the Group's financial instruments are interest rate risk. The Group does not have any exposure to foreign currency risk as all of the Group's revenue and costs are in GBP.

The Board makes ad hoc decisions at its regular meetings as to whether to hold funds in instant access accounts or longer-term deposits. All accounts are held with reputable UK banks. These policies, which the Directors consider to be appropriate for the current stage of development of the Group's business, will be kept under review by the Board in future years. If interest rates at each period-end reporting date had moved by 5 per cent, the impact on results would not have been significant.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of each category of financial instruments is the same as their carrying value in the Group statement of financial position.

CAPITAL RISK

The Group's capital is made up of share capital and retained earnings.

The objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group ensures that it has sufficient cash on demand to meet its expected operational expenses, including the servicing of any financial obligations. This excludes the potential impact of extreme circumstances which cannot be reasonably predicted.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and a revolving credit facility. There are no externally imposed capital requirements. Financing decisions are made by the Board based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans. When monitoring capital risk, the Group considers its gearing ratio.

24. 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)	–	–
	–	–

25. NOTE TO ACCOMPANY THE CONSOLIDATED STATEMENT OF CASH FLOW

	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		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	22	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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 53 WEEKS ENDED 3 JULY 2021

26. RELATED PARTY TRANSACTIONS

(A) SUBSIDIARIES

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

(B) KEY MANAGEMENT PERSONNEL

The compensation of key management personnel (including the Directors) is as follows:

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Key management emoluments including social security costs	1,357	1,276
Awards granted under long-term incentive plans	233	503
Pension contributions to money purchase schemes[1]	45	51
	1,635	1,830

1 Includes salary enhancements made in lieu of pension contributions due to pension caps.

The Group's key management are the Directors of the Company and Senior Management as detailed on pages 32 to 34. Details of the Directors' remuneration is provided in the Board Report on Remuneration. The Group did not enter into any form of loan arrangement with any Director during any of the reporting periods presented.

At the Board meeting of 15 February 2021, William Tuffy advised the Board that he would be taking up a directorship at Structadene Limited, a private, unquoted company, with effect from 1 March 2021. Hatton Garden Properties Limited, who are landlord of the Swansea bar which belongs to Revolution Bars Limited, are a 100% wholly owned subsidiary of Structadene Limited.

27. 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.

28. 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.

	Note	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Non-GAAP measures			
Revenue	2	39,417	110,074
Operating loss	5	(21,156)	(32,655)
Exceptional items	3	5,361	27,770
Charge arising from long-term incentive plans	2	64	42
Adjusted operating loss		(15,731)	(4,843)
Finance expense	8	(5,140)	(4,934)
Adjusted loss before tax		(20,871)	(9,777)
Depreciation	5	11,815	14,612
Amortisation		1	1
Finance expense	8	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 IFRS 16 £'000	Reduction in depreciation £'000	Reduction in interest £'000	Onerous lease provision interest £'000	Rent charge £'000	53 weeks ended 3 July 2021 IAS 17 £'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 IFRS 16 £'000	Reduction in depreciation £'000	Reduction in interest £'000	Onerous lease provision interest £'000	Rent charge £'000	52 weeks ended 27 June 2020 IAS 17 £'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.

COMPANY STATEMENT OF FINANCIAL POSITION

AT 3 JULY 2021

	Note	3 July 2021 £'000	27 June 2020 £'000
Assets			
Non-current assets			
Investments	5	29,650	29,650
Current assets			
Trade and other receivables	6	33,513	826
Total assets		63,163	30,476
Liabilities			
Current Liabilities			
Trade and other payables	7	–	(667)
Total Liabilities		–	(667)
Net assets		63,163	29,809
Equity attributable to equity holders of the Parent			
Share capital	8	230	50
Share premium		33,974	–
Merger reserve		11,645	11,645
Retained earnings		17,494	18,114
Total equity		63,163	29,809

The Company made a £0.7m loss after tax in the 53 weeks ended 3 July 2021 (2020: £nil).

Signed on behalf of the Board on 15 November 2021

Danielle Davies
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 53 WEEKS ENDED 3 JULY 2021

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 29 June 2019	50	–	11,645	18,072	29,767
Result and total comprehensive income for the period	–	–	–	–	–
Charge arising from long-term share-based payments	–	–	–	42	42
At 27 June 2020	50	–	11,645	18,114	29,809
Result and total comprehensive income for the period	–	–	–	(684)	(684)
Fundraising	180	33,794	–	–	33,974
Charges arising from long-term incentive plans	–	–	–	64	64
At 3 July 2021	230	33,794	11,645	17,494	63,163

COMPANY STATEMENT OF CASH FLOW

FOR THE 53 WEEKS ENDED 3 JULY 2021

	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
Cash flow from operating activities		
Result before tax	(684)	–
Adjustments for:		
Dividends received	–	–
Increase in trade and other receivables	(32,687)	(709)
(Decrease)/increase in trade and other payables	(667)	667
Charge arising from share-based payments	64	42
Net cash flow used in operating activities	(33,974)	–
Cash flow from investing activities		
Dividends received from subsidiary company	–	–
Net cash flow generated from investing activities	–	–
Cash flow from financing activities		
Equity dividends paid	–	–
Fundraising	33,974	–
Net cash flow generated from financing activities	33,974	–
Net increase in cash and cash equivalents	–	–
Opening cash and cash equivalents	–	–
Closing cash and cash equivalents	–	–

NOTES TO THE COMPANY FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The Company's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, and they apply to the financial statements of the Group, for the 53 weeks ended 3 July 2021 (prior period 52 weeks ended 27 June 2020).

BASIS OF PREPARATION

The Company financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS"). They are presented in Pounds Sterling, with values rounded to the nearest hundred thousand, except where otherwise indicated. The financial statements have also been prepared under the historical cost convention, on a going concern basis. These policies have been applied consistently, other than where new policies have been adopted.

GOING CONCERN

The Company going concern is reliant on Group performance; the Directors have reviewed the Company's trading forecasts for the next 12 months and formed a judgement at the time of approving the financial information that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial information. Please refer to the Group going concern disclosure, which references a material uncertainty, for further information. This material uncertainty relates to both the Group and Company.

(a) Accounting policies

Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and cash held at bank. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Share-based payments
The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. This is recognised as an employee expense with a corresponding increase in equity. Fair value is measured by the Monte Carlo model for options subject to a market-based performance condition and by use of a Black-Scholes model for all others. Cost is recharged to subsidiary entities.

Investments in subsidiary undertakings
A subsidiary is an entity controlled, either directly or indirectly, by the Company, where control is the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities. Investments in subsidiaries represent interests in subsidiaries that are directly owned by the Company and are stated at cost less any provision for permanent diminution in value.

Share capital
Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of Ordinary Shares are recognised as a deduction from equity, net of any tax effects.

Dividends
Dividends receivable from the Company's subsidiaries and joint venture investments are recognised only when they are approved or paid by shareholders.

Dividend distributions to the company's shareholders are recognised in the period in which the dividends are paid, and, for the final dividend, when approved by the company's shareholders at the AGM.

Taxation
Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(b) Critical judgements and key sources of estimation and uncertainty

The preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results in due course may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation and uncertainty at the date of the statement of financial position that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial period are set out below.

The Directors consider the principal estimates made in the Financial Statements to be:
Recoverable amount of investments (note 5)
In view of the current trading conditions an impairment review of the carrying value of the Investment in subsidiaries was carried out, using a value in use ('VIU') with free cash flows starting in FY22 (based on the board approved budget), a pre-tax discount rate of 9.0% and a long term growth rate of 2%. If the WACC rate was changed by 1% this would change the VIU by £3.9 million. If the long-term discount rate was changed by 1% this would change the VIU by £2.6 million. If both were changed by 1% this would change the VIU by £6.4 million, and as a downside test of the impairment review this combined sensitivity would not result in an impairment of the carrying value of the subsidiaries.

The Directors do not consider there to be any principal judgements.

(c) New and amended standards adopted by the Group

There are no relevant new standards and interpretations adopted or not yet adopted.

2. RESULT FOR THE PERIOD

No profit or loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The loss after tax for the period was £0.7 million (2020: £nil), arising solely from the expected credit loss.

3. AUDITORS' REMUNERATION

Auditors' remuneration in respect of the Company audit was £1,500 (2020: £1,000).

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

Details of Directors remuneration in respect of services delivered to the Group are contained in the Directors' Remuneration Report on pages 48 to 53. The remuneration received by the Directors in respect of directly attributable services to this company is inconsequential in the context of the remuneration figure. The Company has no employees other than the Directors and the Directors are not remunerated through this Company other than by issues of share-based payments as described in Note 1 to the Company financial statements. The Directors are considered to be the Key Management Personnel of the Company.

5. INVESTMENTS

Investments in the Company's statement of financial position consist of investments in subsidiary undertakings as follows:

At cost and net book value:	53 weeks ended 3 July 2021 £'000	52 weeks ended 27 June 2020 £'000
At the beginning of the period	29,650	29,650
Investment in subsidiary	–	–
At the end of the period	29,650	29,650

NOTES TO THE COMPANY FINANCIAL INFORMATION CONTINUED

5. INVESTMENTS CONTINUED

As at 3 July 2021 and at 27 June 2020, the Company owned 100 per cent of the Ordinary Share capital of the following UK companies:

Company name	Country of incorporation	Class of shares	Holding	Status
Inventive Guarantee Co Limited[1]	United Kingdom	Ordinary	100%	Holding company[+]
Revolution Bars (Number Two) Limited[1]	United Kingdom	Ordinary	100%	Trading[++]
Revolution Bars Limited[1]	United Kingdom	Ordinary	100%	Trading[++]
Revolución de Cuba Limited[1]	United Kingdom	Ordinary	100%	Trading[++]
Inventive Service Company Limited[1]	United Kingdom	Ordinary	100%	Trading[++]
Inventive Leisure Limited[1]	United Kingdom	Ordinary	100%	Dormant[++]
Rev Bars Limited[1]	United Kingdom	Ordinary	100%	Dormant[++]
Inventive Leisure (Services) Limited[1]	United Kingdom	Ordinary	100%	Dormant[++]
New Inventive Bar Company Limited[1]	United Kingdom	Ordinary	100%	Dormant[++]

1 The registered address of each company is 21 Old Street, Ashton-under-Lyne, Tameside OL6 6LA.
+ Direct holding
++ Indirect holding

6. TRADE AND OTHER RECEIVABLES

	3 July 2021 £'000	27 June 2020 £'000
Prepayments	–	826
Amounts owed from subsidiary undertakings	33,514	–
	33,514	826

Amounts owed from subsidiary undertakings are unsecured, interest free and repayable on demand. The amounts owed from subsidiary undertakings is net of an expected credit loss provision from IFRS 9 of £683,952 (2020: nil).

7. TRADE AND OTHER PAYABLES

	3 July 2021 £'000	27 June 2020 £'000
Trade payables	–	56
Amounts due to group undertakings	–	611
	–	667

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

8. SHARE CAPITAL

	3 July 2021 £'000	27 June 2020 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2020: 50,029,159 £0.001 Ordinary Shares)	230	50
	230	50

	3 July 2021 £'000	27 June 2020 £'000
Share capital at the start of the period	50	50
Share capital issued during the period	180	–
Share capital at the end of the period	230	50

On 27 July 2020 the Company issued 75,017,495 ordinary 0.1p shares at a price of 20p each, and on 15 June 2021 the Company issued a further 105,001,866 ordinary 0.1p shares at a price of 20p each. The 19.9p premium per share less the costs was credited to the share premium account to a total of £33.8 million.

GLOSSARY

Adjusted	'Adjusted' before any performance measure denotes that it excludes exceptional items, share-based payment (credit)/charges and bar opening costs
Alternative Performance Measure ("APM")	Key performance measure reported on an IAS 17 basis
AGM	Annual General Meeting
CVA	Company Voluntary Arrangement
COVID	The COVID-19 pandemic
Earnings per share	Profit after tax of the business divided by the weighted average number of shares in issue during the period
EBITDA	Earning before interest, tax, depreciation, and amortisation. Please refer to note 28 for an understanding of how this metric has been affected by the implementation of IFRS 16
EPS	Earnings per share
Exceptional items	Items that by virtue of their unusual nature or size warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Group
FY20	The financial reporting period ended 27 June 2020
FY21	The financial reporting period ended 3 July 2021
IAS 17	Where measures are described as being prepared on an 'IAS 17' basis, this means that they reflect the framework of accounting that applied in FY19 prior to the transition to IFRS 16 in FY20
Like-for-like sales	This measure provides an indicator of the underlying performance of our bars. There is no accounting standard or consistent definition of 'like-for-like sales' across the industry. Group like-for-like sales are defined as sales at only those venues that traded in both the current year and comparative reporting periods
Net bank debt	Net bank debt is calculated as bank borrowings less cash at bank and other cash and cash equivalents
Operating profit	Earnings before interest and tax
Profit before tax	Profit after taking account of all income and costs including interest but before tax

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