

CORPORATE GOVERNANCE

Report

OVERVIEW

This report sets out the Group's governance structure and how it complies with the UK Corporate Governance Code 2016 (the "Code"), published in April 2016 by the Financial Reporting Council, 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 sets out standards of good practice in relation to Board leadership and effectiveness, accountability, remuneration and relations with shareholders.

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.

The Directors consider that the Group has complied with those provisions of the Code applicable to a company of its size.

COMPLIANCE WITH THE CODE: BOARD COMPOSITION

Michael Shallow served as "Senior" Independent Director until 26 November 2018 when he stepped down from the Board; Jemima Bird became "Senior" Independent Director from the same date to lead meetings of Non-Executive Directors, to appraise the Chairman's performance and to provide a sounding board for the Chairman and to serve as an intermediary to the other Directors when necessary.

Jemima Bird has also been and is available to shareholders if they have concerns with contact through the normal channels of Chairman, Chief Executive Officer or other Executive Directors where their issues have failed to be resolved or for which such contact is inappropriate.

COMPLIANCE WITH THE CODE: PERFORMANCE EVALUATION

During the reporting period, the Board did not undertake a formal evaluation of its own performance but subsequently has commenced a process that will have completed by the time of the Company's Annual General Meeting. This review covers the Board as a whole and its Committees as well as those Directors currently in office, including the Chairman. The process

includes a questionnaire covering all aspects of the way in which the Board operates and the contribution of each member of the Board, the results of which will be independently reviewed, reported back, and where appropriate, acted upon. The Chairman has confirmed to shareholders in the Notice of the Annual General Meeting 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 shareholders as a whole, 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 strategy, financial policy, maintaining a sound system of internal control, senior appointments and corporate governance. The Board's

BOARD COMPOSITION



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 structure and capital of the Group;
- approving the annual budget;
- approving the Annual Report and Accounts, and interim financial statements;
- approving the Group's dividend policy and declaration of dividends;
- approving the Group's treasury policy;
- reviewing the effectiveness of the Board;
- reviewing the effectiveness of risk identification and management and internal controls;
- approving significant expenditure commitments and material transactions and contracts;
- ensuring a satisfactory dialogue with the Group's shareholders;
- 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;
- reviewing the Group's overall corporate governance arrangements;

- delegating authority to the Chief Executive Officer;
- 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 Chief Executive Officer, the Chief Financial Officer 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 20 and 21.

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. Further changes have been made in senior Finance personnel to strengthen the team with ongoing improvements in financial reporting and forecasting capabilities, which together with a continued focus on training and development of finance staff should ensure the reliability and effectiveness of the Group's financial operations.

The newly formed Risk Committee, which met quarterly, has also played a key role in improving the management of risk across all areas of the business and to hold individuals to account. Whilst a key focus for the Committee was Health and Safety and minimising cash losses, its remit extended to the identification and management of any risk faced or potentially facing the

business. All of the 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 always circulated to 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) 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 Chief Executive Officer. 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 in particular and ensuring constructive relations between Executive and Non-Executive Directors. The Chief Executive Officer 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 Chief Executive Officer, coupled with the schedule of reserved matters, ensures that no individual has unfettered powers of decision making. The Board is committed to the highest standards of corporate governance. The Board comprises a Non-Executive Chairman, two Executive Directors and two other Non-Executive Directors.

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 Keith Edelman, Jemima Bird and William Tuffy were independent at the time of their appointments and continue to be independent for the purposes of the Code.

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. During the 52 weeks to 29 June 2019 the Board met on 11 occasions.

Agendas and papers for each Board meeting are sent out in advance. The papers include business reports and updates from the Chief Executive Officer and the Chief Financial Officer. 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.

CORPORATE GOVERNANCE

Report continued

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. Accordingly, all members of the Board will be offering themselves for election at the Group's Annual General Meeting to be held on Tuesday 26 November 2019. All of the Directors have service agreements or letters of appointment and the details of their terms 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

Evaluations of the performance of the Board, its Committees, individual Directors and the Chairman have taken place during the 52 weeks ended 29 June 2019. The conclusion from these evaluations is that the Board is operating effectively and in the best interests of shareholders.

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, 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 his or her own requirements. Any new Director will also be expected to meet with major shareholders if required. This process operated effectively when Rob Pitcher (Chief Executive Officer) joined the Board a few days before the start of the reporting period and when William Tuffy (Non-Executive Director) joined the Board during the year.

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 pre-authorised 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.

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 Director devotes to the Group and we believe 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

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

	Board	Audit	Remuneration	Nomination
Total number of meetings				
Keith Edelman	11	3	5	1
Rob Pitcher	11	3	4	
Mike Foster	11	3	4	
Michael Shallow*	6	1	2	1
Jemima Bird	11	3	5	1
William Tuffy	5	2	3	

* Michael Shallow resigned from the Board effective 26 November 2018.

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 senior management to keep the Board abreast of major initiatives and significant challenges faced by the business. 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 Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"). They ensure that there is effective communication with shareholders on matters such as governance and strategy, and 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 believes that being transparent in describing how it views the Group's market segment and the prospects for the business is extremely important.

The Board communicates with shareholders in a number of different ways. The full and half-year reporting

is followed by presentations by the CEO and CFO to the relevant market analysts and a series of meetings with institutional shareholders as well as Group meetings with larger private investors. At these times the opportunity is also taken to meet with prospective shareholders to introduce them to the Group. 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 undertaken by the CEO and the CFO, although other senior management are 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.

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 plans for future growth.

AUDITOR

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.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Group will take place on 26 November 2019. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. The Notice of AGM can be found in the circular that will be posted to shareholders at the same time as this Annual Report and Accounts. The Notice of 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 AGM and will be available to answer shareholders' questions.

REMUNERATION COMMITTEE REPORT

This report is set out on pages 44 to 57. The report provides details of the remuneration policy for the Company's Directors, describes how the remuneration policy is implemented and discloses the amounts paid to Directors during the 52 weeks ended 29 June 2019.

Mike Foster
Chief Financial Officer and
Company Secretary

1 October 2019