17 December 2020

Revolution Bars Group plc (LSE: RBG)
Preliminary results for the 52 weeks ended 27 June 2020

Further liquidity secured; well positioned to emerge stronger

Revolution Bars Group plc ('the Group'), a leading UK operator of 74* premium bars, trading under the Revolution and Revolución de Cuba brands, today announces its preliminary results for the 52 weeks ended 27 June 2020 ('FY20'). The Group's bars were closed throughout the last 14 weeks of the trading period.

*Bars as at 27 June 2020. The Group currently operates 67 bars.

Results to 27 June 2020

Key Messages

- FY20 numbers presented under IFRS 16 whereas FY19 comparative remains under IAS 17
- Improved performance in the first half was followed by strong trading over the first 10 weeks of the second half of FY20 with like-for-like[1] sales up 1.6% with growth in both brands
- Pre COVID-19 impact, refurbished sites continued to perform well and on track to deliver rapid paybacks and strong returns
- Swift action taken by the Board to significantly improve the financial liquidity available to the business and to minimise the cash burn rate in response to COVID-19 pandemic
- Six loss-making bars exited through lease surrenders during FY20

Financial Highlights

- Total revenue of £110.1 million down from £151.4 million in FY19
- Adjusted[2] EBITDA of £9.8 million (APM[3]: £0.1 million) down from £11.1 million in FY19
- Adjusted[2] Loss Before Tax of £3.9 million (APM[3]: loss £8.0 million) compared to a profit of £3.0 million in FY19
- Statutory Loss Before Tax of £31.7 million (APM[3]: Loss £28.1 million) (FY19: Loss £5.6 million) after £21.9 million of exceptional items (FY19: £7.1 million) including £27.4 million of non-cash asset impairments (FY19: £5.2 million)
- Statutory Loss Per Share 70.3 pence (APM[3]: 56.2 pence) compared to a statutory loss per share of 10.4 pence in FY19

[1] *Like-for-like (LFL) sales are defined as total retail sales from bars that have traded throughout both the current and prior reporting periods*
[2] *Adjusted performance measures exclude exceptional items, share based payment charges/(credits) and bar opening costs (see reconciliation table in the Financial Review)*
[3] *Alternative performance Measure ("APM") restates FY20 on an IAS 17 basis (from an IFRS 16 basis) to give comparability to FY19*

COVID-19

- Management team have shown exceptional leadership in very challenging times, and our teams have remained committed and resilient throughout the lockdown period, and shown courage in returning to work under extremely difficult operating conditions

- Liquidity secured through an increase in committed debt facilities from £21 million to £37.5 million, including a CLBILS term loan of £16.5 million, and an equity fundraising of £15 million at the end of July 2020
- On 16 December 2020, the Group's bank, NatWest has provided further support by postponing loan facility amortisation payments of £8.5 million that were originally scheduled by the end of June 2021. Profile of committed facilities over the next 12 months now as follows:

March 2021	£36.8million
June 2021	£36.6million
September 2021	£34.3million
December 2021	£34.1million

- When free to trade without Government restrictions, the Group is highly cash generative. Pre COVID-19 in H1, net bank debt reduced by £6.5 million, but COVID-19 has inevitably caused net bank debt to rise in H2. Net bank debt as of 16 December 2020 was £19.5 million and the Group currently has available liquidity of £17.6 million
- Government assistance welcomed, but totally inadequate for a predominately wet-led and late-night business. Government strategy illogical, misguided and disproportionate. Latest grants offered to compensate for loss of critical Christmas trading period demonstrate total misunderstanding of business models and costs

Well positioned to emerge strongly

- In Q3 FY20 pre-COVID, business had achieved LFL[1] sales growth in both brands for the first quarter since Q2 FY18
- Continued investment in the Revolution proposition, particularly in digital capabilities, including further development of the Revolution App to include order and pay at table, and our on-line party booking system
- Strong results seen from refurbishment programme with an ROI of 58% on refurbishments carried out in FY20, an increase from the 45% ROI achieved on sites refurbished in FY19
- Streamlined estate to ensure the group is ready to bounce back once restrictions ease through lease surrenders since period end of two further loss-making bars and five sites exited through Revolution Bars Limited's Company Voluntary Arrangement ("CVA"). CVA also delivered rent savings at a further eight bars
- The Group's strategic initiatives remain unchanged: to build guest loyalty; drive sustained profit improvement; and develop the estate
- Short term performance remains uncertain and dependent on the UK Government's operating regulations, but the vaccine is expected to provide a path towards a gradual recovery towards historical performance levels from Easter 2021
- Dynamic and motivated team ready to take advantage of good value expansion opportunities as improved trading conditions take hold

Rob Pitcher, Chief Executive Officer, said:

"2020 has been an immensely challenging year but I am incredibly proud of the dedication shown by our team to steer us through this period.

Prior to the onset of the pandemic we were reaping the rewards of the workstreams we introduced last year to improve performance with both brands in like-for-like sales growth, out-performing our High Street Bars peer group. We also continued to see strong results from our refurbishment programme. This work, combined with our focus on the customer experience through the development of our App, order and pay at table, and our on-line booking systems, and the additional

financial strength and flexibility we have secured through the actions taken since the COVID pandemic hit the UK gives me great confidence that we are well placed to recover and return to growth once trading restrictions are removed.

The UK Government's actions towards wet-led bars and late-night hospitality are nothing short of scandalous. It has little evidence to justify the severe restrictions that have been imposed and it is deliberately sacrificing businesses and people's livelihoods. The recent grants of £1,000 per pub as compensation for being deprived of our most important trading period is derisory and insulting, and underlines a complete lack of understanding of the costs associated with businesses of this nature (even when they are shut) or any sympathy for the consequences of their inept decisions.

The next few months will continue to be challenging and entirely dependent on imposed operating restrictions. Further meaningful government support will be required to help safeguard the industry and avoid further job losses, particularly for young people. However, given the actions we have taken to secure the future of the business, I am confident that Revolution will emerge from this crisis as a more focused business, and in a strong position relative to our competition, ready to seize any opportunities that arise.''

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

The person responsible for arranging release of this announcement on behalf of Revolution Bars Group plc is Mike Foster, Chief Financial Officer.

Chairman’s Statement

I am pleased to report that prior to the COVID driven enforced closure of our estate, our business continued to make good progress, achieving improved performance in the first half of the financial period and into the early weeks of 2020. The business benefitted from our strategic priorities of investing in our existing space to improve our underlying like-for-like* sales performance, redefining and rejuvenating the Revolution brand, and reducing bank debt. However, the COVID-19 pandemic (‘COVID’) severely impacted our reported performance for the full FY20 period following the UK Government’s enforced closure of all UK pubs, bars and restaurants from 20 March 2020 which meant we were unable to trade for the final 14 weeks.

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 74 premium bars with a strong presence throughout the UK for its two high-quality retail brands: Revolution, focused on young adults; and Revolución de Cuba, 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.

Our strategy to focus both management resource and investment capital on the existing estate to improve the underlying performance of the business and to use surplus cash to reduce debt continued to gain momentum pre-COVID, following on from the improving trends seen through the last few months of FY19.

Consistent with our strategy, no new bars were opened in the period and 11 bars were refurbished at cost of £2.4 million. Our refurbishment programme was cut short by COVID so we were unable to cover one fifth of the estate consistent with our stated aim of a five-year cycle. However, we were pleased with the results of the programme, which delivered an overall sales uplift pre-COVID consistent with the first wave of eight refurbishments undertaken in FY19. Good progress was also made with exiting underperforming bars with six leases surrendered including two bars that had not traded since 2015. Since the end of the reporting period, two more loss-making leases have been surrendered and a further five sites returned to their landlords through a Company Voluntary Arrangement (‘CVA’) undertaken by the Group’s wholly owned subsidiary entity, Revolution Bars Limited, resulting in an estate of 67 premium bars as at 16 December 2020. The CVA also delivered rent savings at a further eight bars. With a streamlining of our Support Centre resource undertaken post period end and our estate unburdened by a number of underperforming bars, the Board believes, subject to a return to normal trading conditions, the Group is well positioned to operate more efficiently and, longer term, achieve a higher net margin.

Our results

Sales of £110.1 million (2019: £151.4 million) were 27.3% lower than the previous period as result of the COVID lockdown eliminating all trading for the last 14 weeks of the period. Like-for-like** sales in the first half were up 1.2% and for the 36 weeks to the end of February 2020, before COVID started to impact sales performance, were up 1.3%. Adjusted EBITDA*, our preferred KPI is significantly impacted by the change in reporting resulting from the implementation of IFRS 16. From next year, when there will be consistency of reporting, our preferred KPI will become adjusted EBITDA including rent charges, but for this year the directors believe that business progress is best measured by the directly comparable IAS 17 Alternative Performance Measures (‘APM’)*** measure of adjusted EBITDA* which was £0.1 million (FY19: £11.1 million). Due to the operational leverage in the business, the full year adjusted EBITDA* performance was severely impacted by the closure of sites during the COVID lockdown.

After APM*** exceptional items of £20.1 million (2019: £7.1 million), bar opening costs of £nil (2019: £1.5 million) and a charge from long term incentive plans of £0.04 million (2018: credit £0.1 million), the APM*** operating loss was £27.5 million (2019: loss £4.7 million).

Statutory exceptional items of £21.9 million include non-cash charges of £21.5 million for asset impairments, including in the current period right-of-use assets, and are net of exceptional gain on disposal of leases included in exceptional finance income (2019: £7.1 million for asset impairments and onerous lease provisions). Cash exceptional items in the period were £0.4 million comprising expenditure incurred in the admission to AIM (2019: £nil). This gives rise to a statutory operating loss of £32.7 million under IFRS 16.

When free to trade without the imposed COVID restrictions, we are a highly cash generative business and excellent progress was made on reducing gross bank debt to £11.5 million as at the end of the first-half of FY20, down £6.0 million in six months from the end of FY19. However, by the end of FY20, due to COVID, gross bank debt had risen back to £24.5 million (FY19: £17.5 million).

Our Board

Our Board has remained unchanged throughout the period. The Board demonstrated significant commitment to the business over the final four months of the period to deal 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 a 50% reduction in Board salaries with effect from 1 April 2020 (see Report of the Remuneration Committee for more details).

At our AGM on 22 December 2020, Mike Foster, our Chief Financial Officer will retire from the Board. Danielle Davies will be appointed to the Board in his place. We have known for a while that Mike was likely to retire at some point and so we started succession planning well over a year ago. Danielle has been working with Mike for almost six months during which time she has provided support and eased the extensive burden of additional work caused by COVID and considered necessary to safeguard the business. Therefore, I am very confident that the transition between Mike and Danielle will be straightforward.

Our team members

At the end of the reporting period, the Group employed over 2,900 people, all of whom strive to provide the outstanding customer experience that is at the heart of our strategy. 2020 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 bravery on 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 a year ago.

COVID-19

We cannot avoid the fact that the trading backdrop for at least the next few months remains very uncertain. Whilst acknowledging that management of the pandemic and balancing the health and economic consequences is far from easy, the way in which the hospitality sector appears to have been sacrificed in order to curb the spread of the virus when all the evidence suggests that the way in which pubs, bars and restaurants have adapted their operations has been very effective, seems very disproportionate and completely misguided. As a wet-led business with a significant element of trade being late-night and entertainment-led, our business has suffered disproportionately from the many operating restrictions imposed on it. Whilst furlough support and relief from business rates has been necessary and helpful, Eat Out To Help Out and the VAT reduction were of some limited value to a wet-led predominantly late-night business, and the grants now being made available to cover some of the other overheads are woefully short of the levels necessary to compensate for being sacrificed by the UK Government in this way. The UK Government has shown a completely inadequate grasp of our situation and, to date, an obdurate unwillingness to do anything about it.

The UK Government should recognise that in 2019, the Group contributed £48.4 million to HMG Treasury, equivalent to 44.0% of its total revenue. Any government support provided to our business now is protecting a reliable and much larger level of tax revenue flowing back to HM Treasury as soon as the pandemic is defeated.

I must also thank our suppliers who have been extremely supportive by suspending contracts or agreeing deferred payments, our staff for their salary sacrifices, many landlords who have part-waived rent, NatWest who has been very supportive and increasing our committed debt facilities, and our shareholders for supporting our successful equity fundraising.

I would also like to acknowledge the outstanding efforts of Kate Nicholls, who has represented the hospitality sector with unwavering vigour, dedication and determination throughout this challenging period.

Our dividend

The Group suspended dividend payments in March 2019 in order to prioritise the reduction in bank debt. Given the material uncertainties caused by COVID, this situation continues to prevail.

Our Future

Overall revenue generated in the first 24 weeks of FY21 is £20.6 million, down significantly on the same weeks in FY20 (£72.1 million) due to the cautious and phased reopening of our bars from 6 July 2020 and as a result of the severe and constantly evolving operating restrictions including further national and local lockdowns, table service only and the 10pm curfew. However, the Board is encouraged by the recent announcements of the COVID vaccine and currently expects that the business will gradually recover to its previous performance levels over the course of the six months from April 2021, being the date the UK Government expect restrictions to materially ease.

Since the end of FY20, the business has taken steps to substantially increase its liquidity including increasing its committed bank facilities, completing a £15.0 million equity fundraising, which was used to pay down debt, negotiating further rental support from landlords and undertaking a CVA in Revolution Bars Limited (as referred to

above under ‘Our business’). The Financial Review on page 13 provides information on liquidity and going concern and also the full going concern disclosures, which include references to material uncertainty, in note 1.

The business achieved a much-improved performance in the first half year and remained on a good track until COVID struck in March since when it has dominated our agenda. However, the management team have taken all necessary actions available so that the business is able to recover quickly once normalized trading conditions return.

Keith Edelman
Non-Executive Chairman

16 December 2020

**Adjusted performance measures exclude exceptional items, share-based payment (credits)/charges and bar opening costs (see reconciliation table on page 13 of the Financial Review)*
***Like-for-like (LFL) sales are defined as total retail sales from bars that have traded throughout both the current and prior reporting periods*
**** APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis that are directly comparable to FY19 reported measures*

COVID-19 – Our Response

All our bars were closed by order of the UK Government as part of the measures to stem the spread of COVID on 20 March 2020 and trading was not permitted until after the end of FY20 on 4 July 2020. The Group adopted a cautious approach to reopening to ensure that it could operate safely and viably and chose not to reopen on Saturday 4 July 2020 as the Board considered that a potentially very busy Saturday was not a sensible way of testing many of our new systems for delivering a safe environment for our staff and customers. Initially, we opened six bars for two weeks and then opened our bars in further tranches until 65 of our bars were trading by 21 September 2020. There have been a number of challenges during this period, with numerous changes to the operating rules and restrictions imposed by the various governing authorities, and our revenue has been subject to large fluctuations with weekly sales varying between £nil, -100% on last year, to 90% of last year. The occurrence of Board and senior management meetings have increased to ensure the Group could adapt quickly to the frequent changes in the industry. Our priority throughout both the closure period and since reopening has been the safety of our guests and teams and safeguarding the future of the business and our response is summarised as follows:

Health and safety – preparation of our bars for reopening by

- installing separation screens and other protective measures such as table spacing and signage in order to ensure social distancing protocols were followed, sanitiser stations in key areas of our bars;
- health screening of our teams and developing new training programmes to deal with all aspects of operating safely and keeping each other safe;
- implementing digital daily and weekly management checks along with monthly senior management audits to ensure compliance with COVID secure measures;
- removal of cash payments from the business to further reduce the possibility of infection.

Safeguarding the future – we recognised at an early stage that our business model being wet-led and with a late-night focus was going to be severely impacted by COVID and the imposed restrictions. Therefore, a number of steps were taken to both improve the liquidity available to the business and to minimise the cash burn rate as follows:

- support from the Group's bank, NatWest, to increase available debt facilities from £21.0 million (in March 2020 and due to decrease to £18.0 million in June 2020), to £37.5 million effective 6 July 2020 (including a Coronavirus Large Business Interruption Scheme ('CLBILS') term loan of £16.5 million);
- an equity fundraising of £15.0 million by way of a Firm Placing and a Placing and Open Offer that completed shortly after the end of FY20 on 27 July 2020;
- transferring the Company's stock market listing from the Main Market to AIM so that the Company was better placed to raise further funds quickly and more cheaply should that become necessary;
- securing agreement with our key suppliers to extend credit, in some cases until trading recommenced, and to suspend contracts whilst we were unable to trade;
- putting 98.5% of our staff on furlough during the enforced closure period and, whilst we topped-up pay to 80% of salary for those above the furlough threshold, the salaries of the senior team who remained in work were reduced to 80% and Board salaries were reduced to 50%;
- taking advantage of other support measures from the UK Government such as 100% relief for business rates and deferring £2.1 million of VAT until March 2022 and £1.6 million of PAYE under Time to Pay being repaid in instalments to March 2021;
- reorganisation of the central support team in line with future business needs, reducing the headcount by 12%;
- securing agreements with landlords to share the pain of enforced closure. Initially, progress was slow in this area but accelerated as the moratorium period against forfeiture was extended through FY21 and an increasing number of consensual deals were completed. Overall savings in rent payments from the March 2020 rent quarter day to the end of FY21 are £4.1 million – see note 1 to the financial statements for more detail; and
- undertaking a Company Voluntary Arrangement (CVA) in November 2020 in respect of the Group's wholly owned subsidiary entity Revolution Bars Limited that resulted in exiting five loss-making leases and reduced rental terms on eight others for the duration of the two-year CVA period.

Team member engagement – we recognised that with so many of our 2,900 team members on furlough there would be challenges keeping team members engaged with the business and the rest of the Revolution family and sustaining their physical and mental well-being. To that end we:

- provided weekly briefings for all team members via a mixture of newsletters, emails and Microsoft Teams calls and encouraged feedback, questions and interaction;
- held several virtual events to keep our team members interested in the business;
- developed a monthly digitally interactive company newsletter;
- delivered refresher training to all our team members at regular intervals during lockdown;
- were delighted when many of them came together to organise the Revs runners relay from Inverness to Plymouth to London to raise funds for Shelter and the NHS.

Brand innovation / customer engagement – in order to keep our brands front of our customers' minds during the lockdown, we:

- broadcast on-line Revolution DJ sets;
- partnered with Pernod Ricard, Bacardi and Diageo to host rum tasting masterclasses live on Instagram;
- developed our online gifting platform/shop to include branded cocktail making kits and ready to drink cocktails for home delivery;
- used our IT resource during lockdown to expand the functionality of our booking system to make it fully automated so that customers can fulfil all their booking needs on-line without talking to a member of our sales team or venue staff;
- developed order and pay at table for the Revolution App and entered into a partnership with Omnifi to create order and pay at table for Revolución de Cuba facilitating a safer operation on reopening; and
- created on-line cocktail masterclasses for COVID secure group bookings.

Chief Executive Officer's statement

Business review

Our business has made good steps forward this year despite the massive disruption caused by COVID in the second half of the year.

Our first half financial performance was very encouraging with like-for-like** sales growth at 1.2% and APM*** adjusted EBITDA* 10.6% higher than FY19. Our like-for-like** sales performance tracked ahead of the Bars sector, as measured by the CGA Peach tracker, driven by an outstanding performance in Revolución de Cuba at +5.0%. Revolution at -0.4% was much improved on FY19: -4.6%, as the multiple workstreams we had initiated during the prior year to rejuvenate the brand started to gain customer appeal.

The good start to FY20 continued into the first 10 weeks of the second half with like-for-like** sales up 1.6% with Revolution in growth at +0.5% and Revolución de Cuba strengthening further to +3.9%. However, from the second week of March 2020, COVID started to adversely affect sales and ultimately the UK Government ordered all pubs, bars and restaurants to cease trading with effect from 20 March 2020. We were unable to trade for the remainder of FY20, a period of just over 14 weeks although our sales had been adversely impacted for at least two weeks longer.

The ***strategic priorities*** we set for FY20 were delivered despite the distraction of COVID with some of the highlights set out below:

Investing on our team:

- started with creating new Purpose, Vision and Values statements for the business at our annual conference in early August, which we then used as a central part of our team training throughout the year to ensure everyone was aligned with our business goals and their role in achieving them;
- we launched a new benefits programme 'Revs with benefits' in February for all of our team members to support their financial, physical and mental well-being;
- an apprenticeship scheme was launched for our kitchen teams in February;
- early in 2020, and in response to feedback from hourly paid team members, we offered the option of minimum hour contracts (effective from April) in place of zero-hour contracts and these were taken up by 48% of those team members.

Investing in our brands and guest experience:

- further customer research was commissioned into the Revolution brand proposition as part of our work to reimagine Revolution for the next generation and to maintain the momentum of the brand development;
- an acceleration of our digital capabilities, the urgency for which became much greater in order to operate effectively under the imposed COVID restrictions. This included enhancing our internally developed booking system to become fully automated and accessible by customers on-line so that they are now able to fulfil all their basic booking needs at any of our bars without talking to a member of the sales team, a significant and necessary enhancement in the new COVID-19 ('COVID') environment. There has also been further development of the Revolution App to include order and pay, with the benefit of significantly increasing users of the App to 545,000 registered users, up from 230,000 in February 2020. At the same time we partnered with Omnifi to deliver order and pay at table across our Revolución de Cuba bars; and
- the guest experience metrics in both brands moved forward (as measured by Reputation.com); Revolution from 4.3 stars at June 2019 to 4.5 stars at February 2020, the last time it was possible to accurately measure feedback, and Revolución de Cuba from 4.3 stars to 4.4 stars over the same time period.

Investing in our estate:

- in the 36 weeks of FY20, when it was possible to operate without restrictions, we refurbished 11 bars at a cost of £2.4 million. Based on their trading in the weeks following refurbishment, these bars were collectively delivering sales growth 7.1% higher than the remainder of the non-refurbished estate and is an improvement on the first wave of 8 bars refurbished in FY19. This represents a return on capital of 58%;
- focusing management attention on our existing estate has also enabled us to address some of our legacy and under-performing sites and during the year we surrendered six leases including two that had not traded since FY15. Five of these leases were with one landlord as a result of a sale and leaseback financing transaction in 2007, which over time had seen the leases become unviable. The exit cost for all six leases was initially agreed at £3.9 million but was subsequently reduced to £2.6 million to facilitate the completion payments after COVID restricted the Group's cash flows. The lease surrenders save annual losses of £1.3 million so represented a good use of capital; and

- two further lease surrenders of underperforming bars have been completed subsequent to the end of FY20 (see current trading and liquidity).

Our Team

The last four months of FY20 and subsequent 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 team members. 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 family together and their generosity of spirit in dealing with those very difficult decisions and the circumstances generally. I feel very proud and very humble to lead such a great team and I know that when our business is free to trade once more unshackled by the pandemic and the burden of related operating restrictions imposed upon us, the character and togetherness of our team will be even stronger.

Group strategic objectives

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

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

These three pillars continue to be our guiding principles and drive our long-term decision-making. Our three-year plan, mapped out well over 18 months 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 may be good opportunities for both our brands to expand their estates at a much lower level of investment.

Strategic priorities for FY21

Due to the later publication of this Annual Report, we are already almost half-way through the FY21 reporting period with the first half of that period also totally dominated by COVID; 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, and our priorities remain the health and safety of all our staff and customers, ensuring that we can trade viably and doing everything possible to safeguard the future of the business. Against that backdrop and mindful that COVID will continue to dominate our day to day actions for several more months, we remain committed to the following strategic priorities in FY21:

Investing in our team:

- developing and rolling out a new immersive induction progamme for new recruits to both brands as our business builds back up;
- establishing Diversity and Inclusion champions across the business; and
- remapping and reinvigorating the career paths for both front of house and back of house team members.

Investing in our brands and guest experience:

- refining the customer service journey through further development of order and pay at table to relieve the issues of queuing at bar;
- rolling out our new brand proposition for Revolution focusing on bringing people back together in real life in a place for high quality interactions but allowing for conscious escapism in an ethical and sustainable way;
- taking Revolución de Cuba into people's homes with the development of our on-line product offering and to outside events and private functions with our Cuban party van;
- creating many new reasons to visit our bars through the evolution of our 'event space' customer offering;
- further development of our bookings platform and our order and pay at table technology.

Investing in our estate:

- restarting our refurbishment programme in the last quarter (three bars targeted); and
- accelerating our sustainability agenda and completing our planning to announce in the next 12 months our specific goals to become carbon neutral.

Debt reduction:

- closely managing debt mindful of our long-term target that net bank debt should be no more than one times adjusted EBITDA* (IAS 17).

Relaunch our business:

- using our workstream methodology, requiring workgroups from a mixture of relevant disciplines across our business led by one or more members of the senior executive team to relaunch all elements of our business.

Market outlook
The outlook for our business in recent weeks has been brightened significantly by the news of successful vaccine trials; that the UK Government has secured significant stocks of vaccine and that a vaccination programme to deal with this terrible disease is now underway. As COVID disproportionately threatens those in our population who are older and the medically vulnerable, and given that the vaccination programme will rightly prioritise those groups, we believe it should be possible for operating restrictions to be lifted once that part of the vaccination roll-out has been completed. Notwithstanding, it is apparent from the UK Government announcements during late November that there is unlikely to be a significant loosening of operating restrictions until Easter 2021 and, therefore, the levels at which we may be able to trade until then are uncertain. It is reasonable to assume our business may be able to trade in a more normal manner from April 2021, subject only to consumer confidence. There is both an economic risk, given the fall-out from COVID with soaring unemployment, lower earnings and, longer term, potentially higher taxes to start repaying the government borrowing caused by COVID, and a health and safety confidence risk given that the UK authorities scapegoating of hospitality may have undermined customer confidence. There are, however, several reasons for us to remain positive about the future, including:

- our target customers, due to our focus on young adult age groups, are at lower risk from COVID health issues;
- there is likely to be huge pent up demand given that normal operations will have been suspended for over twelve months; and
- our marketplace may be less competitive as some operators may not survive this period.

Longer term, the UK Government must recognise that it needs to provide continuing support to enable hospitality companies to be able to repay the debt funding built up as a result of the operating restrictions imposed upon them during the pandemic. The best way of achieving this would be to extend the reduced VAT rate of 5% to all sales of food and drink until at least the end of 2021 and to extend the relief for business rates into the 2021/22 fiscal year. Now that there appears to be a clear path back to ‘normal’ trading conditions, the UK Government should lay out its package of longer term support to aid recovery so that hospitality businesses and their funding partners can start planning their route back to full recovery.

Also, longer term, we believe that there may be good property opportunities, both in terms of availability and lower investment cost, as a result of business failures and, connected to this, a decrease in rental levels.

Current Trading and liquidity
We commenced a cautious reopening of our bars from 6 July 2020 with an initial tranche of six bars and by 21 September we were trading 65 bars. As expected, sales were well below normal levels given the operating restrictions around the maximum sizes of customer groups, table service only severely reducing our operating capacity and the ban on live entertainment and dancing. Nevertheless, our customers enthusiastically returned to our bars and sales rose steadily on a weekly basis with some additional help from Eat Out To Help Out during August giving us momentum into September. In the four weeks between 1 August and 31 August, comparable venue sales were 82.2% of last year, which in the circumstances was very encouraging. However, the imposition of the 10pm curfew on 24 September resulted in an immediate downturn in sales trend by approximately 19.3%, and the introduction of regional lock-downs and further operating restrictions under the tier systems further reduced sales before the latest four week national lockdown took effect on 5 November. Overall, sales in our ongoing estate for the first 24 weeks of the new financial period were 41.4% of last year.

During this period, we surrendered leases on loss-making bars at Cavern Quarter - Liverpool (Revolution) and Huddersfield (Revolución de Cuba) eliminating annual EBITDA losses of £0.3 million at a cost of £0.5 million. As a result of the CVA undertaken by Revolution Bars Limited (see Chairman’s statement on page 4 and section on our COVID response on page 7 for further details), the Group exited a further five sites and therefore at the date of this report the Group now trades from 67 bars.

Christmas trading has traditionally been a key trading period for the business and responsible for a significant proportion of the Group’s annual profit, but this year Christmas trading has been effectively wiped out by the imposed operating restrictions. From 4 December 2020, when the four-week lockdown period had ended in England, new restrictions were implemented in Wales and different versions of the tier system were active across the UK, the Group effectively had one bar in tier 1, 32 bars in tier 2 and 34 bars in tier 3. Tier 3 bars are unable to trade and as tier 2 bars are only allowed to serve alcohol with a substantial meal their viability is at best marginal. It is now clear that trading in the first quarter of 2021 (the Group’s third quarter), is also likely to be severely compromised and therefore the FY21 financial period will incur a substantial loss.

At 16 December 2020, the Group had net bank debt of £19.5 million compared with total committed bank facilities of £37.1 million. As a result of the Group’s banker, NatWest, agreeing to defer both a £7.5 million reduction in debt facilities at the end of March 2021 and £1.0 million reduction at the end of June 2021 (more detail on page 13 of

the Financial Review), committed bank facilities will now reduce to £36.6 million at the end of June 2021 to £34.1 million at the end of December 2021 and to £32.6 million at June 2022. The Group estimates that if it is unable to trade then under the current arrangements for the Coronavirus Job Retention Scheme, minimal benefits from government grants, and current agreements with landlords, its cash burn rate is just over £0.4 million per week. Please see the going concern disclosures, which include references to material uncertainty, in note 1.

Rob Pitcher
Chief Executive Officer
16 December 2020

**Adjusted performance measures exclude exceptional items, share-based payment (credits)/charges and bar opening costs (see reconciliation table on page 13 of the Financial Review)*
***Like-for-like (LFL) sales are defined as total retail sales from bars that have traded throughout both the current and prior reporting periods*
**** APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis that are directly comparable to FY19 reported measures*

Financial Review

Financial Review

Summary

- The headline numbers are difficult to interpret because, as permitted, current year numbers are presented under IFRS 16 whilst the comparative period is presented under IAS 17. Alternative Performance Measures (“APM”) for the current period under IAS 17 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 relative to the prior period.
- When considering the results for the period, it should also be noted that due to a government enforced closure of pubs, bars and restaurants on 20 March 2020, the business was unable to trade in the last 14 weeks of the period.
- Revenue in the period was £110.1 million (2019: £151.4 million), a 27.3% decrease. Prior to the enforced closure of the estate, revenue was 1.3% like-for-like (‘LFL’) ahead of the comparable prior period.
- The underlying result, as measured by adjusted EBITDA*, was £1.3 million lower at £9.8 million (APM: £0.1 million) (2019: £11.1 million).
- The Group incurred an operating loss of £32.7 million (APM: £27.5 million) (2019: loss £4.7 million) after charging non-cash exceptional items of £27.4 million (APM: £19.7 million) (2019: £7.1 million) and cash exceptionals of £0.4 million (APM: £0.4 million) (2019: £nil).
- The Group generated net cash flow from operating activities in the period of £6.5 million, £4.1 million less than in the prior period (2019: £10.6 million).
- Net bank debt at period end was £22.0 million (2019: £14.9 million).

IFRS 16

The Group adopted IFRS 16 with effect from 30 June 2019. The Group applied the standard using the modified retrospective approach and thus comparative information has not been restated and is presented, as previously reported, under IAS 17.

The impact of IFRS 16 is twofold:

- to create a lease liability in the balance sheet measured at the present value of remaining lease payments discounted appropriately, and a corresponding right-of-use asset, adjusted for prepaid and accrued lease payments; and
- to remove the rental charge from the income statement and replace it with a depreciation charge in respect of the right-of-use asset and a finance charge in respect of the unwinding of the lease liability.

Further details on implementation of this standard, and a reconciliation of profit under the previous lease accounting standard, IAS 17, to the statutory figures are included in note 1 to the financial statements.

Presentation of results

As noted above, IFRS 16 became effective in the current reporting period and comparative disclosures have not been restated and continue to be shown on an IAS 17 basis. Given that IFRS 16 materially impacts the presentation of several of the Group’s KPIs, a pro forma income statement and supporting notes are presented in note 21 as APM to show how the results would have been presented under IAS 17. The Board considers that this is necessary for the FY20 reporting period only in order to show true comparability against the prior year. Note 1 to the financial statements provides a reconciliation of the two measures. There have been no other changes to accounting policies in the period under review.

The Directors have, for many years, relied upon the performance measures, adjusted EBITDA*, adjusted operating profit* and adjusted pre-tax profit*, to give a clearer indication of the underlying performance of the business as these measures exclude exceptional items, one-off bar opening costs that are a function of the timing of the new bar development programme rather than the underlying trade, and non-cash charges relating to long-term incentive schemes that tend to reflect changes in the management team rather than the underlying business performance. However, it should be noted that adjusted EBITDA* is also significantly impacted by IFRS 16 and, therefore, from next year, when both periods reported will be reported on an IFRS 16 basis, the preferred alternative performance measure will become adjusted EBITDA* including rent charges. In the current reporting period, because of changes to the basis of the rent charge, it is not appropriate to simply deduct rent from adjusted EBITDA* to derive an accurate figure comparable with last year’s IAS 17 reported number due to different accounting treatments for rent-free periods and onerous lease provisions. Accordingly, the Directors continue to rely (for the FY20 reporting period only) on the APM adjusted EBITDA* as being their preferred measure of underlying business performance.

Results
Owing to the COVID-19 pandemic ('COVID'), FY20 comprised two very contrasting halves. The first half saw improvements on the previous year, with like-for-like** sales improving by 1.2% and APM adjusted EBITDA* stepping forward by £0.7 million to £7.6 million (2019: £6.9 million). This was a direct result of the turnaround plan launched a year earlier gaining momentum and included the benefit of a successful Christmas period, bar refurbishments, improved late-night entertainment experiences and other promotional activity. However, the second half was severely impacted by the enforced closure of all our bars from 20 March 2020 and all income was foregone for just over the last 14 weeks of the period. Accordingly, management efforts focused on cost reduction, cash liquidity and stakeholder communication. APM adjusted EBITDA* in the second half was a loss of £7.5 million (FY19: profit £4.3 million).

Revenue for the full period was £110.1 million (2019: £151.4 million), down 27.3% compared with the prior period. The underlying result, as measured by APM adjusted EBITDA* (see note 21), was £11.0 million lower at £0.1 million (2019: £11.1 million). Statutory adjusted EBITDA* was £9.8 million (2019: £11.1 million).

During the enforced closure, the Group took advantage of all applicable Government support. The Group utilised HMRC's Time to Pay and tax deferral schemes in respect of PAYE and VAT liabilities amounting to £3.1 million of liabilities that were due for payment being deferred until after the end of the period. All bar teams and a majority of our support centre staff were placed on furlough under the rules of Coronavirus Job Retention Scheme (CJRS). A small number of general managers and most area managers were retained to visit sites and stay in contact with staff. Board directors and other members of the senior management team agreed to take voluntary pay cuts of up to 50% for the Board and 20% for other managers. Many suppliers agreed to extended payment terms and/or to suspend contracts, and before the period end a small number of landlords agreed to waive some or all rent during part or all of the closure periods. Agreements with landlords predominantly waived or reduced rent with very little rent deferred. Subsequent to the year end, further rent waivers and lease regears have been completed that related to the FY20 period as did the Company Voluntary Arrangement (CVA) undertaken by the Group's wholly owned subsidiary entity Revolution Bars Limited, which was approved by creditors on 13 November 2020. Any element of the earnings benefit of these deals relating to FY20 is to be recorded in FY21 when the agreements were executed.

COVID has impacted the Group's results extensively and consideration was given to separately reporting within the accounts all associated costs and any related grant support and other reliefs. To do so would have been a massive exercise but the Board adjudged it would be very difficult to ensure that such disclosures were complete and accurate and ultimately it was somewhat meaningless given the ongoing nature of the disruption and therefore all such items have been treated as part of normal income and expenditure.

In the accounting period and prior to the period of enforced closure, lease surrenders were negotiated on six underperforming sites, three of which were already closed, and a further site was closed for sub-let. These difficult decisions were taken to safeguard the rest of the business for the longer term.

Central costs of £8.6 million (2019: £8.8 million) represent 7.8% of revenue compared to 5.1% in the prior period and equates to £109,000 per bar (2019: £97,000).

The Group incurred an APM operating loss of £27.5 million (2019: loss of £4.7 million) after charging non-cash exceptional items of £19.7 million (2019: £7.1 million) and cash exceptionals of £0.4 million (2019: £nil). The Group reported an APM pre-tax loss for the period of £28.1 million (2019: loss £5.6 million) impacted by the exceptional costs detailed above.

Underlying profitability
The Board's preferred profit measures are APM adjusted EBITDA* and APM adjusted* pre-tax (loss)/profit 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.

	Number of bars	2020 £m	2019 £m
APM adjusted EBITDA*			
Like-for-like** estate EBITDA	69	**9.2**	19.9
Bars opened in prior period (FY19)	5	**0.2**	0.5
Trading venue EBITDA	74	**9.4**	20.4
Bars closed in current period (FY20)	5	**(0.7)**	(0.5)
APM adjusted EBITDA from bars	79	**8.7**	19.9
Central support costs		**(8.6)**	(8.8)
APM adjusted EBITDA		**0.1**	11.1

	2020 £m	2019 £m
APM reported pre-tax loss	**(28.1)**	**(5.6)**
Add back Exceptional items	20.1	7.1
Add back Bar opening costs	-	1.5
Add back Charge/(Credit) arising from long-term incentive plans	0.0	(0.1)
APM adjusted pre-tax (loss)/profit	**(8.0)**	**3.0**
Add back Finance costs	0.6	0.9
Add back Depreciation	7.5	7.2
APM adjusted EBITDA	**0.1**	**11.1**

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 £21.9 million, is £1.8 million higher than the APM exceptionals £20.1 million due to additional impairment on right-of-use assets, methodology changes to fixed asset impairments, and accounting treatment changes on the surrender of leases and onerous lease provisions, all as a result of the implementation of IFRS 16.

The charge of £21.9 million comprises £27.4 million (FY19: £7.1 million) of non-cash exceptionals relating to fixed asset and right-of-use impairment charges offset by a gain on disposal recognised under IFRS 16 upon surrender of leases of £5.9 million, included as exceptional finance income. It also includes cash exceptionals of £0.4 million (FY19: £nil) relating to moving the listing of the Company's shares from the London Stock Exchange premium segment to AIM. In the prior reporting period, non-cash exceptionals related to the impairment of fixed assets and an increase in the onerous lease provision. A full analysis of exceptional items is given in note 3 to the financial statements.

Bar opening costs refer to one-off costs incurred in getting new bars fully operational and primarily include costs incurred before opening and in preparing for launch. The most significant element of these costs relates to property overheads incurred between signing the lease and opening for trading. There were no openings in the current period and five in the prior period.

Charge relating to long-term incentive schemes resulted from equity-settled share-based payment transactions. No awards vested in either the current period or prior period.

Finance costs
The significant increase in finance costs to £4.9 million (2019: £0.9 million) related to IFRS 16 interest charges (£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 lower than the prior period due primarily to lower average bank debt levels during the year as a result of reduced borrowings until the very end of the year when all trade over the last 14 weeks was foregone.

Liquidity
As at the date of the consolidated financial position, the Facility provided £30.0 million committed funding to December 2021 of which £24.5 million (2019: £17.5 million) was utilised. Shortly after the end of the reporting period, the Company received from NatWest a £16.5 million Coronavirus Large Business Interruption Loan (CLBIL) in the form of a three-year term loan which was used to pay down the Facility and the Facility commitment was reduced to £21.0 million and its term extended to June 2022. This provided the Company 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 Facility reducing by a further £1.0 million at the end of June each year. The CLBIL 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, 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 and accordingly the Company now has committed Facilities as follows:

	RCF - "The Facility"	CLBILS	Total
	£m	£m	£m
31 December 2020	21.0	16.1	37.1
30 June 2021	21.0	15.6	36.6
31 December 2021	19.6	14.5	34.1
30 June 2022	18.6	14.0	32.6

The Facility is repayable in full at 30 June 2022. CLBILS is a three-year term loan expiring 6 July 2023,

Taxation
There is no tax payable in respect of the current period. The charge of £3.5 million (2019: credit £0.4 million) 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 70.3 pence (2019: loss 10.4 pence). Adjusting for exceptional items, non-recurring opening costs and credits arising from long-term incentive plans resulted in an adjusted loss per share for the period of 37.3 pence (2019: earnings of 3.4 pence).

Operating cash flow and net bank debt
The Group generated net cash flow from operating activities in the period of £6.5 million (2019: £10.6 million), but after deducting both the principal and finance elements of lease payments this reduces to a net cash out-flow of £0.9 million. The Group focused on minimising its cash outflow and liquidity in the last quarter of the year under the lockdown conditions to ensure that the business would be in a strong position to resume trading when conditions permitted. The cessation of trading from 20 March 2020 presented a risk of a significant negative working capital unwind. However, this was mitigated through payment deferral arrangements with the Group's largest suppliers, rent waivers agreed with a limited number of landlords, utilisation of the Coronavirus Job Retention Scheme and HMRC Time to Pay schemes, reduction of capital expenditure and reduction of costs wherever possible.

Capital expenditure payments of £4.2 million (2019: £11.6 million), lease surrender payments of £1.4 million (2019: £nil), bank loan interest £0.6 million (2019 £0.8 million) and dividends of £nil (2019: £1.7 million) all contributed to a net cash outflow in the period of £0.1 million (2019: £1.4 million) increasing net bank debt from £14.9 million (2019: £11.5 million) to a closing position of £22.0 million (2019: £14.9 million).

Capital expenditure
The Group made capital investments of £4.2 million (2019: £11.6 million) during the period; this was incurred entirely on the existing bars, comprising bar refurbishments, building renovation works, equipment replacement and IT investment. Of the £11.6 million in the prior period, £6.6 million related to new openings and £5.0 million related to the existing estate.

Post balance sheet event
On 13 November 2020, the Group announced the completion of a Company Voluntary Arrangement ('CVA') of its largest trading subsidiary entity, Revolution Bars Limited. This entity holds all but four of the Revolution branded bars; the CVA resulted in the Group permanently exiting five underperforming bars and benefitting from the waiver of rent arrears and the imposition of turnover rents for the next two years at several other bars.

Dividend
As notified previously, the Board had suspended payments of dividends. Furthermore, (a) a condition of taking on the CLBIL facility is that the Company is unable to pay a dividend whilst the CLBIL remains outstanding and (b) as a result of the CVA referred to above under post balance sheet event, 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 the prior period in relation to FY19.

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 scenario. 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 £1.2 million at the end of March 2021.

The low level of liquidity headroom under the severe but plausible downside forecast scenario relative to the minimum liquidity covenant 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 Company 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 £24.5 million non-current borrowings to current borrowings as at the date of consolidated 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 a recent equity fundraising, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be successful.

The severe disruption to the Group's trade during the last nine months 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, the vaccination programme, and the imposed operating restrictions in the calendar year 2021 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 Company and the Group 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 trading conditions 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 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 on pages 22 to 24.

Mike Foster
Chief Financial Officer
16 December 2020

**Adjusted performance measures exclude exceptional items, share-based payment (credits)/charges and bar opening costs (see reconciliation table on page 13 of the Financial Review)*
***Like-for-like (LFL) sales are defined as total retail sales from bars that have traded throughout both the current and prior reporting periods*
**** APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis that are directly comparable to FY19 reported measures*

Consolidated statement of profit or loss and other comprehensive income

for the 52 weeks ended 27 June 2020

	Note	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Revenue	2	**110,074**	151,404
Cost of sales		**(26,571)**	(36,643)
Gross profit		**83,503**	114,761
Operating expenses:			
– operating expenses, excluding exceptional items	2	**(88,388)**	(112,350)
– exceptional items	3	**(27,770)**	(7,127)
Total operating expenses	2	**(116,158)**	(119,477)
Operating loss	4	**(32,655)**	(4,716)
Finance expense	5	**(4,934)**	(858)
Exceptional finance income	5	**5,869**	-
Loss before taxation		**(31,720)**	(5,574)
Income tax	6	**(3,461)**	352
Loss and total comprehensive expense for the period		**(35,181)**	(5,222)
Loss per share:			
– basic and diluted (pence)	7	**(70.3)**	(10.4)
Dividend declared per share (pence)		**-**	-

Non-GAAP measures			
Revenue		**110,074**	151,404
Operating loss		**(32,655)**	(4,716)
Exceptional items		**27,770**	7,127
Charge/(credit) arising from long-term incentive plans		**42**	(64)
Bar opening costs	3	**-**	1,484
Adjusted operating (loss)/profit		**(4,843)**	3,831
Finance expense		**(4,934)**	(858)
Adjusted (loss)/profit before tax		**(9,777)**	2,973
Depreciation		**14,612**	7,230
Amortisation		**1**	-
Finance expense		**4,934**	858
Adjusted EBITDA		**9,770**	11,061

Consolidated statement of financial position

at 27 June 2020

	Note	27 June 2020 *IFRS 16* £'000	29 June 2019 *IAS 17* £'000
Assets			
Non-current assets			
Right-of-use assets	8	**70,689**	-
Property, plant and equipment	8	**41,222**	59,325
Intangible assets		**20**	9
		111,931	59,334
Current assets			
Inventories	9	**3,593**	4,086
Trade and other receivables	10	**3,429**	12,276
Tax receivable		**50**	51
Cash and cash equivalents	11	**2,502**	2,627
		9,574	19,040
Total assets		**121,505**	78,374
Liabilities			
Current liabilities			
Trade and other payables	12	**(15,795)**	(24,901)
Lease liabilities	13	**(10,203)**	-
Provisions	14	**-**	(1,269)
		(25,998)	(26,170)
Net current liabilities		**(16,424)**	(7,130)
Non-current liabilities			
Lease liabilities	13	**(102,960)**	-
Interest-bearing loans and borrowings	15	**(24,500)**	(17,500)
Deferred tax liability	16	**-**	(413)
Provisions	14	**(1,019)**	(9,687)
Rent-free creditor		**-**	(3,184)
		(128,479)	(30,784)
Total liabilities		**(154,477)**	(56,954)
Net (liabilities)/assets		**(32,972)**	21,420
Equity attributable to equity holders of the parent			
Share capital		**50**	50
Merger reserve		**11,645**	11,645
(Accumulated losses)/Retained earnings		**(44,667)**	9,725
Total equity		**(32,972)**	21,420

Consolidated statement of changes in equity

for the 52 weeks ended 27 June 2020

		Reserves		
	Share capital £'000	Merger reserve £'000	Retained earnings / (Accumulated losses) £'000	Total equity £'000
At 1 July 2018	**50**	**11,645**	**16,665**	**28,360**
Loss and total comprehensive expense for the period	-	-	(5,222)	(5,222)
Credit arising from long-term incentive plans	-	-	(68)	(68)
Dividends paid	-	-	(1,650)	(1,650)
At 29 June 2019 as originally presented	50	**11,645**	**9,725**	**21,420**
Impact of change in accounting policy (note 21)	-	-	(23,127)	(23,127)
Tax impact of change in accounting policy	-	-	3,874	3,874
At 29 June 2019 after adjustment	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)**

Consolidated statement of cash flow

for the 52 weeks ended 27 June 2020

	Note	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Cash flow from operating activities			
Loss before tax from operations		**(31,720)**	(5,574)
Adjustments for:			
Net finance expense	5	4,934	858
Exceptional finance income	5	(5,869)	-
Depreciation of property, plant and equipment	8	7,397	7,230
Depreciation of right-of-use assets	8	7,215	-
Impairment of property, plant and equipment	3	8,727	5,215
Impairment of right-of-use assets	3	19,566	-
Lease modification	3	(897)	-
Working Capital and Other movements	18	(2,883)	2,857
Net cash flow generated from operating activities		**6,470**	10,586
Cash flow from investing activities			
Purchase of intangible assets		**(12)**	(9)
Purchase of property, plant and equipment	8	**(4,213)**	(11,575)
Net cash flow used in investing activities		**(4,225)**	(11,584)
Cash flow from financing activities			
Equity dividends paid	17	**-**	(1,650)
Interest paid	5	**(599)**	(750)
Lease surrender premiums paid	5	**(1,369)**	-
Principal element of lease payments	13	**(3,067)**	-
Interest element of lease payments	13	**(4,335)**	-
Repayment of borrowings		**(12,000)**	(12,000)
Drawdown of borrowings		**19,000**	14,000
Net cash outflow generated from financing activities		**(2,370)**	(400)
Net decrease in cash and cash equivalents		**(125)**	(1,398)
Opening cash and cash equivalents		2,627	4,025
Closing cash and cash equivalents	11	**2,502**	2,627

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. General information

(a) Basis of preparation

The accounting period runs to the Saturday falling nearest to 30 June each year and therefore normally comprises a 52-week period but with a 53-week period arising approximately at five-year intervals. The period ended 27 June 2020 was a 52-week period; the period ended 29 June 2019 was also a 52-week period. The period end 3 July 2021 will be a 53-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 IFRS. References to 2020 or FY20 relate to the 52-week period ended 27 June 2020 and references to 2019 or FY19 relate to the 52-week period ended 29 June 2019 unless otherwise stated. The consolidated financial statements are presented in Pounds Sterling with values rounded to the nearest thousand, except where otherwise indicated. These policies have been applied consistently unless otherwise stated.

(b) Going concern

Going concern

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 of restrictions imposed by the UK Government and the devolved authorities in response to COVID. The going concern status of the Company is intrinsically linked to that of the Group.

Liquidity

At the end of the reporting period, the Group had net bank debt of £22.0 million relative to a £30.0 million Revolving Credit Facility ('RCF') although terms were agreed with the Group's lending bank, NatWest, to increase the total debt facilities to £37.5 million by utilising the Coronavirus Large Business Interruption Loan Scheme ('CLBILS') loan of £16.5 million and using the proceeds of this loan to partially pay down the RCF and to reduce the RCF commitment to £21.0 million. The CLBILS loan, which is a three-year term loan amortising at £1.0 million per annum in equal monthly repayments, was drawn down shortly after the period end on 6 July 2020.

On 27 July 2020, the Company completed an equity fundraising of £15.0 million, the net proceeds of which were fully received by 3 August 2020 and used to repay the remaining outstanding balance of the RCF. At that date of repayment, the Group had CLBILS of £16.5m but £26.1 million of liquidity by way of cash at bank of £5.1 million and an undrawn committed RCF of £21.0 million. When the total debt facilities were increased to £37.5 million, it was agreed that, contingent on a successful equity fundraising, the debt facilities would be reduced by £7.5 million on 31 March 2021, this amount to be applied pro rata to the RCF and CLBILS. However, this reduction in facilities together with a previously agreed £1.0m reduction in the RCF at the end of June 2020 were amended by NatWest on 16 December 2020 in favour of an alternative amortisation profile of the facilities as follows:

Facility	*Commitment*	*Expiry*	*Amortisation*
RCF	£21.0m	30 June 2022	£1.6 million on 30 September 2021 and £1.0 million on 30 June 2022
CLBILS	£16.1m	5 July 2023	£0.4 million on 30 September 2021 and £1.0 million per annum in equal monthly instalments

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:

December 2020	£37.1 million
March 2021	£36.8 million
June 2021	£36.6 million
September 2021	£34.3 million
December 2021	£34.1 million
March 2022	£33.8 million

Current Net bank debt and available liquidity

At the date of these financial statements the Group's net bank debt was approximately £19.5 million, and therefore the Group has available liquidity of £17.6 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, as it is set in conjunction with the modelling of a severe but plausible downside scenario (see below for further details), between £10.0 million at its highest at the end of December 2020 and £1.3 million at its lowest at the end of March 2021. The effect of the covenant is that the base case is within the covenant requirement, whereas the severe but plausible downside case is only slightly above the covenant level (i.e. has only very limited headroom over the covenant level) over the 2021 calendar

period. Cash flow forecasts are updated daily and submitted to NatWest weekly and should two successive weekly forecasts show a breach of the minimum liquidity headroom, then the Group would need to consult with NatWest. If a solution to the breach cannot be agreed, for example by the granting of a waiver, or an amendment to the facilities then the bank could require the Group to take various actions that may determine the Group's future.

The Group has remained in close contact with NatWest since it became clear in late February that the COVID-19 pandemic ('COVID') could potentially have a significantly adverse effect on the Group's trading performance and cash generation. NatWest have been very supportive of the Group throughout this period providing support by amending debt facilities as required in April 2020 and in May 2020 and most recently for this going concern assessment period. NatWest also consented to the necessary facility waivers and adjustments to the covenant to allow the Company Voluntary Arrangement ('CVA') undertaken by the Group's wholly owned subsidiary entity, Revolution Bars Limited, in November 2020 to proceed.

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 COVID immunisation programme is rolled out and the UK economy recovers from the devastation caused by COVID. During the last nine months, the Group's sales have been severely impacted by the operating restrictions imposed by the UK Government and the devolved authorities; half of that period being subject to a forced closure of all bars, and significant operating restrictions operating for the other half, including 10pm curfews (latterly moved to 11pm), reduced capacities, limited party sizes, table service only, and a banning of alcohol sales other than with a substantial meal. It is not clear what level of trade may be possible in the coming months although the UK Government has stated its intention to complete the COVID vaccination programme by Easter 2021, by which time it would seem reasonable to expect that all restrictions imposed since March 2020 will be significantly reduced. If that is indeed the case, then sales from April 2021 are likely to be influenced by the level of pent up demand and consumer confidence surrounding both the economy and health and safety. The directors believe that based on the Group's sales levels being better than anticipated following the reopening of venues in July 2020 and through to the end of September 2020 before the 10pm curfew was introduced, and the Group's target young adult customer groups being least affected by COVID, that consumer confidence and demand for the Group's product should not be a significant issue and it is reasonable to expect a return to historic trading levels once the COVID vaccination programme has been successfully delivered. However, the directors also acknowledge that the Group's sales remain vulnerable to factors that are entirely beyond its control, such as: (i) the degree of operating restrictions that remain in force when the current arrangements are reviewed and whilst the vaccination programme is being rolled-out and how quickly such restrictions may be lifted once that roll-out has been completed; (ii) a reliable supply of the vaccine; (iii) the take up of the vaccination programme; and (iv) that the vaccine works as expected.

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 that the operational arrangements currently in force from 2 December remain in force until the end of March 2021 (Easter). Currently, the Group is trading only 33 of its bars: 1 in tier 1 and 32 in tier 2 locations, and therefore forecasts sales in the January 2021 to March 2021 quarter are expected to be at 16% of their historical pre-COVID levels. From April 2021 to June 2021, all 67 of the Group's bars are expected to be trading but with some operating restrictions still in force with sales forecast at an average 75% of their historical level before improving to 90% in July 2021 and August 2021 as all remaining restrictions are expected to be lifted with consumer confidence expected to increasingly return, with sales returning to normal historical levels for the remainder of 2021. Hence the Group's base case forecast scenario is for sales in calendar year 2021 to be at 73% of the levels achieved in the last 12 months pre-COVID. Operating margins in the early months of 2021 are forecast to be consistent with those achieved during the period of trading under severe operating restrictions in recent months but then slowly improving to pre-COVID levels over the remainder of 2021. The Group expects to continue to qualify for support from the UK Government through relief from business rates, a reduction in VAT from non-alcohol sales, and access to flexible furlough under the Coronavirus Job Retention Scheme through to the end of March 2021. £1.75 million of capital expenditure has been forecast for the 12 months to June 2021 including £0.5m to undertake three bar refurbishments between April 2021 and June 2021.

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 2020 and December 2022 is £4.5 million with the lowest point of £2.5 million in March 2021.

Severe but plausible downside scenario

The directors have also reviewed a severe but plausible downside scenario which assumes that the business is subject to an enforced lockdown (zero sales) until the end of March 2021 (Easter) with sales return at 60% of the normal historical pre-COVID levels between April 2021 and June 2021, after which trading is similar to the base case forecast for the remainder of 2021, as detailed above. Other assumptions regarding operating margins and support from the UK Government are also similar to the base case forecast scenario but the capital expenditure forecast for the 12 months to June 2021 is £0.5 million lower.

Under the severe but plausible downside scenario, net bank debt is approximately £2.5 million greater than under the base case forecast scenario. This adverse movement is relatively small because there is marginal EBITDA benefit in the base case from trading only one bar under tier 1 and 32 bars under tier 2 of the UK Government operating restrictions where alcohol sales are only permitted with a substantial meal. The severe but plausible downside scenario 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 2020 and December 2021 is lower at £1.8 million with the lowest point of £1.2 million in March 2021.

The directors believe that there should be no further downside to the severe but plausible downside scenario for the period to the end of March 2021 given that no trade is forecast for this period, and that a sales forecast at 60% of historical pre-COVID levels for April 2021 to June 2021 is prudent relative to the same bars year-on-year sales performances achieved when bars were reopened between July 2020 and September 2020 prior to the introduction of the 10pm curfew and tier restrictions. If there is any residual risk not accounted for in the severe but plausible downside scenario, it is that if there is a significant problem with the vaccine efficacy or roll-out, that results in a delay to the reopening of bars in March 2021 or that severe ongoing restrictions continue whilst such a problem is resolved. Whilst there are currently no indications that this may be the case, the directors note the unprecedented scale and challenge of the vaccination roll-out is such that there can be no certainty that it will run completely to plan. However, the directors also believe that if severe operating restrictions remain in place after March 2021 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 scenario, but which are not all wholly within the control of the directors, including some trading pre March 2021, a further extension of the Coronavirus Job Retention Scheme beyond March 2021 may be made, further rent mitigation if discussions with a number of landlords conclude favourably, 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 beyond April 2021.

The low level of liquidity headroom relative to the minimum liquidity covenant 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 Company 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 £24.5 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 a recent equity fundraising, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be successful.

Going concern statement

The severe disruption to the Group's trade during the last nine months caused by COVID and the resultant and frequently changing operating restrictions imposed by the UK Government and the devolved authorities 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. This uncertainty exists because of the unpredictability of the nature, extent and duration of COVID, the vaccination programme, and the imposed operating restrictions in the calendar year 2021 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 Company and the Group 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. 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.

(c) New and amended standards adopted by the Group

IFRS 16 Leases

The Group adopted IFRS 16 with effect from 30 June 2019. The Group applied the standard using the modified retrospective approach and thus comparative information has not been restated and is presented as previously reported under IAS 17.

The new standard results in all property and vehicle leases being recognised on the Statement of Financial Position as, from a lessee perspective, there is no longer any distinction between operating and finance leases. Under IFRS 16, an asset, based on the right to use a leased item over a long-term period, and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

As at 30 June 2019, the Group sub-let three properties, being partial elements of properties. Under IFRS 16, lessor accounting remains largely unchanged, with lessors continuing to account for leases as either operating or finance leases, depending on whether the lease transfers substantially all the risk and rewards incidental to ownership of the underlying asset, and whether the present value of the sublease payments amount to at least substantially all of the fair value of the underlying asset, which in this case is the head-leases.

The Group leases both properties and vehicles, which under IAS 17 were classified as a series of operating lease contracts with payments made (net of any incentives received from the lessor) charged to profit or loss as arising over the period of the lease. From 30 June 2019, under IFRS 16, leases are recognised as a right-of-use asset with a corresponding lease liability from the date at which the leased asset becomes available for use by the Group. Each lease payment is allocated between the liability and a finance cost. The finance cost is charged to profit or loss over the lease period using the effective interest method. The right-of-use asset is depreciated over the shorter of the asset's useful life and the determined lease term, which is the shorter of the remaining lease term and first opportunity to break the lease, on a straight-line basis.

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- In determining whether existing contracts meet the definition of a lease, the Group has not reassessed those contracts previously identified as leases and has not applied the standard to those contracts not previously identified as leases;
- Short-term leases (leases of less than 12 months) and leases with less than 12 months remaining as at the date of adoption of the new standard are not within the scope of IFRS 16;
- Leases for which the asset is of low value (IT equipment and small items of office equipment) are not within the scope of IFRS 16;
- The use of a single discount rate to its portfolio of leases with reasonably similar characteristics.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases previously classified as 'operating leases' under the principles of IAS 17 Leases. For all leases, these liabilities were measured at the present value of the remaining lease payments, discounted using the Group's weighted average incremental borrowing rate as of 30 June 2019, which was 3.91%. This was deemed appropriate given that the Group's leases have reasonably similar characteristics. The rate was determined as the borrowing rate under the Revolving Credit Facility, as then existed, with appropriate adjustments made to reflect the increased term and amount of borrowing required for a similar lease portfolio, as well as changes to risk rating.

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease if the lessee is reasonably certain to exercise that option. Where a lease includes the option for the Group to terminate a lease term early, the Group makes a judgement as to whether it is reasonably certain that the lease termination option will be taken.

This predominantly takes into the account the length of time remaining before the option is exercisable, current trading performance, future trading forecasts, and the level and type of future capital investment. The current average remaining lease length of the Group's leases, as at the date of adoption of IFRS 16, was 14 years as profiled below:

Remaining lease length	**Proportion**
< 5 years	13%
5 – 10 years	17%
10 – 15 years	27%
> 15 years	43%

The associated right-of-use assets were measured using the approach set out in IFRS 16.C8(b)(ii), whereby right-of-use assets are equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments, including unamortised lease incentives such as rent free periods, onerous lease provisions, and an estimate of the dismantling, removal and restoration costs required under the terms of the lease. Under IFRS 16, the right-of-use assets are tested for impairment in accordance with IAS 36 'Impairment of Assets'. This replaces the previous requirement to recognise a provision for onerous leases. An impairment assessment of the cash generating unit ("CGU") assets was performed on transition at 30 June 2019 with an initial impairment charged through opening reserves.

In the consolidated cash flow statement, depreciation of the right-of-use-asset is included in operating activities and the repayment of lease liabilities is included in financing activities whereas under IAS 17 operating lease rental payments were included in operating activities. The impact on the consolidated cash flow statement is an increase in cash inflow from operations of £7.4 million and a decrease in the cash outflow from financing activities of £7.4 million.

The effect of the accounting policy change on the consolidated statement of financial position at implementation on 30 June 2019 was:

	As at 29 June 2019 £'000	IFRS 16 adjustments £'000	**As at 30 June 2019 £'000**
Assets			
Property, plant and equipment	59,325	(6,193)	**53,132**
Right-of-use assets	-	94,666	**94,666**
Prepayments	8,412	(2,403)	**6,009**
Deferred tax asset	-	3,874	**3,874**
Change in total assets		89,944	
Liabilities			
Lease liabilities - Current	-	7,113	**7,113**
Lease liabilities - Non-current	-	116,498	**116,498**
Onerous lease provision	10,556	(10,556)	**-**
Accruals	6,796	(445)	**6,351**
Rent-free creditor – Current (within accruals)	229	(229)	**-**
Rent-free creditor – Non-current	3,184	(3,184)	**-**
Change in total liabilities		109,197	
Retained earnings	9,725	(23,127)	**(13,402)**
Retained earnings – deferred tax	-	3,874	**3,874**
Change in equity		(19,253)	

The adoption of IFRS 16 reduced opening retained earnings as at 30 June 2019 by £19.3 million. This represents the initial impairment review upon adoption less the deferred tax thereon. As part of this impairment testing, the net book value of property, plant and equipment at ten of the Group's bars was written down on implementation, and 28 of the right-of-use assets were also written down.

The table below presents a reconciliation from operating lease commitments disclosed at 29 June 2019 to lease liabilities recognised at 30 June 2019.

	£'000
Operating lease commitments disclosed at 29 June 2019	182,123
Break-clause dates[1]	(3,572)
Increased rent-reviews[2]	1,090
Exclusion of service charges[3]	(10,293)
Effect of discounting[4]	(45,737)
Lease liabilities recognised as at 30 June 2019	**123,611**
Of which are:	
Current lease liabilities	7,113
Non-current lease liabilities	116,498
Lease liabilities recognised as at 30 June 2019	**123,611**

[1] The operating lease commitments were calculated using the lease-end termination date, whereas the IFRS 16 calculations include judgements where an earlier lease break date has been used;
[2] A number of outstanding rent-reviews have been finalised since the end of FY19; these were not included in the operating lease commitments disclosed at 29 June 2019;
[3] The Group policy was previously to include contractual service charges in the operating lease commitments figure; these are excluded from IFRS 16;
[4] Previously, disclosures of lease commitments were undiscounted whilst under IFRS 16 lease commitments are discounted based on the Group's incremental borrowing rate.

The split of right-of-use assets and lease liabilities following the adoption of IFRS 16, as well as the movement of each over the period, can be found in notes 8 and 13 respectively.

During the 52 weeks ended 27 June 2020, the application of IFRS 16 resulted in increased adjusted EBITDA, as reported in the Consolidated Statement of Comprehensive Income, of £9.7 million in comparison to treatment under IAS 17. There was a decrease to operating profit of £6.1 million. The differences have arisen as operating lease payments under IAS 17 were replaced by a depreciation charge on right-of-use assets, and adjustments to impairment, onerous lease provisions, rent free periods and dilapidation provisions. Profit before taxation decreased by a total of £4.5 million with the inclusion of £4.3 million of finance costs under the new standard.

The table below reconciles operating profit between IAS 17 and the new standard, IFRS 16.

	£'000
Add: Operating lease costs under IAS 17	8,164
Add: Adjustment to onerous lease provision	1,521
Impact on adjusted EBITDA for the 52 weeks ended 27 June 2020	**9,685**
Less: Depreciation of right-of-use assets for leases previously recognised as operating leases under IAS 17	(7,215)
Add: Impact on fixed asset depreciation	54
Less: Impact on impairment reviews	(9,217)
Less: Onerous lease provision reversal	(2,405)
Add: Cash exceptionals included in exceptional finance income	3,024
Add: modification of lease under IFRS 16	897
Impact on operating loss for the 52 weeks ended 27 June 2020	**(5,177)**
Less: Finance costs associated with lease liabilities for leases previously recognised as operating leases under IAS 17	(4,335)
Add: Onerous lease interest not incurred	48
Add: Exceptional gain on disposal	5,869
Impact on loss before taxation for the 52 weeks ended 27 June 2020	**(3,595)**

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 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.

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Revenue	**110,074**	151,404
Cost of sales	**(26,571)**	(36,643)
Gross profit	**83,503**	114,761
Operating expenses:		
– operating expenses excluding exceptional items	**(88,388)**	(112,350)
– exceptional items	**(27,770)**	(7,127)
Total operating expenses	**(116,158)**	(119,477)
Operating loss	**(32,655)**	(4,716)

3. Operating expenses

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Sales and distribution	**101,161**	106,503
Administrative expenses	**14,997**	12,974
Total operating expenses	**116,158**	119,477

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 (credits)/charges comprised the following:

	Note	**52 weeks ended 27 June 2020 *IFRS 16* £'000**	52 weeks ended 29 June 2019 *IAS 17* £'000
Administrative expenses:			
– impairment of right-of-use assets		**19,566**	-
– impairment of property, plant and equipment		**8,727**	5,215
– lease modification		**(897)**	-
– delist from Main market and admission to AIM	19	**371**	-
– movement on onerous lease provisions		**-**	1,912
– other		**3**	-
Total exceptional items		**27,770**	7,127

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 37 of the Group's bars (2019: 26) was written down, including right-of-use asset write-downs at 37 bars. Eight of these bars had not been subject to impairment charges previously. The impairment charge is attributable to the combined effect of the creation of the right-of-use asset 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 gain on modification of leases 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.

Following adoption of IFRS 16, which requires the carrying value of the right-of-use asset to be assessed at each balance sheet date, onerous lease provisions are no longer relevant and accordingly all existing provisions have been incorporated as part of the opening adjustments on implementation of IFRS 16.

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Bar opening costs	**-**	1,484

Bar opening costs relate to costs incurred in getting new bars fully operational and primarily include costs incurred before the opening and preparing for launch, even if the bars do not open in the period. The most substantial parts of the cost are for rent and rates incurred between the start of the lease and opening. In the 52 weeks ended 27 June 2020, no new bars were opened (2019: five) following a period of consolidation.

4. Group operating loss

Group operating loss is stated after charging:

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Depreciation of property, plant and equipment	**7,397**	7,230
Depreciation of right-of-use assets	**7,215**	-
Impairment of property, plant and equipment	**8,727**	5,215
Impairment of right-of-use assets	**19,566**	-
Amortisation of intangibles	**1**	-
Auditors' remuneration:		
– audit fees payable to the Company's auditors for the audit of these financial statements	**151**	149
Fees payable to the Company's auditors for:		
– audit of financial statements of subsidiary companies	**76**	35
– interim review	**21**	21

5. Finance expense and income

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Interest payable on bank loans and overdrafts	**599**	750
Interest on lease liabilities	**4,335**	-
Interest on onerous lease provisions	**-**	108
Interest payable	**4,934**	**858**

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Gross gain on disposal	**(8,893)**	-
Surrender premiums paid in year	**1,369**	-
Related surrender costs paid in year	**405**	-
Surrender premiums to be paid	**1,250**	-
Total exceptional finance income	**(5,869)**	**-**

During the period, the Group closed five bars (Liverpool Wood Street, Swansea, Macclesfield, Lincoln, and Fallowfield). The leases for each of these sites other than Swansea, together with the Group's two other non-trading properties (Lancaster and Wolverhampton that closed in 2014) were surrendered.

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; this net position is classified as exceptional finance income.

6. Income tax

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

	52 weeks ended 27 June 2020 *IFRS 16* £'000	52 weeks ended 29 June 2019 *IAS 17* £'000
Analysis of credit in the period		
Current tax		
UK corporation tax on the loss for the period	**-**	-
Adjustment in respect of prior periods	**-**	(74)
	-	(74)
Deferred tax – Profit and loss account		
Origination and reversal of timing differences	**(413)**	(278)
IFRS 16 deferred tax unwinding	**310**	-
Write-off of IFRS 16 deferred tax asset	**3,564**	-
	3,461	(278)
Deferred tax - Reserves		
Tax impact of change in accounting policy	**(3,874)**	-
Total deferred tax	**(413)**	(278)
Total tax credit	**(413)**	(352)
Factors affecting current tax credit for the period		
Loss before taxation	**(31,720)**	(5,574)
Loss at standard rate of UK corporation tax (2020: 19.0%; 2019: 19.0%)	**(6,027)**	(1,059)
Effects of:		
– expenses not deductible for tax and other permanent differences	**1,463**	706
– adjustment in respect of prior periods	**(111)**	(32)
– changes in expected tax rates on deferred tax balances	**3**	33
– deferred tax not recognised	**8,133**	-
Total tax charge/(credit) for the period	**3,461**	(352)

At 27 June 2020, the Group has carried forward tax losses of £13.8 million (2019: £2.8 million) available to offset against future losses for which no deferred tax asset has been recognised (2019: £484k recognised), and has also not recognised a deferred tax asset in relation to disclaimed capital allowances of £0.7 million (2019: £0.9 million 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%. The Group has recognised deferred tax in relation to UK companies at 19% accordingly.

7. Loss per share

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

	52 weeks ended 27 June 2020 ***IFRS 16***	52 weeks ended 29 June 2019 *IAS 17*
Loss for the period (£'000)	**(35,181)**	(5,222)
Weighted average number of shares – basic and diluted ('000)	**50,029**	50,029
Basic loss per Ordinary Share (pence)	**(70.3)**	(10.4)

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	**52 weeks ended 27 June 2020** ***IFRS 16*** **£'000**	52 weeks ended 29 June 2019 *IAS 17* £'000
Loss on ordinary activities before taxation	**(31,720)**	(5,574)
Exceptional items, share-based payments and bar opening costs	**27,812**	8,547
Exceptional finance income	**(5,869)**	-
Adjusted (loss)/profit on ordinary activities before taxation	**(9,777)**	2,973
Taxation (charge)/credit on ordinary activities	**(3,461)**	352
Taxation on exceptional items and bar opening costs	**(5,447)**	**(1,636)**
Adjusted (loss)/profit on ordinary activities after taxation	**(18,685)**	1,689
Basic and diluted number of shares ('000)	**50,029**	50,029
Adjusted basic and diluted (loss)/earnings per share (pence)	**(37.3)**	3.4

On the 27th July 2020 an additional 75,017,495 of shares were issued as part of the Group's admission to AIM and Fundraising, taking the total issued share capital to 125,046,654. If the share Fundraising had occurred before period end this would have changed the number of ordinary shares significantly.

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

Property, plant and equipment - Group	Freehold land and buildings £'000	Short leasehold premises £'000	Fixtures and fittings £'000	IT equipment and office furniture £'000	Total £'000
Cost					
At 1 July 2018	**1,426**	74,719	49,762	7,608	133,515
Additions	-	6,149	4,817	609	11,575
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**
Accumulated depreciation and impairment					
At 1 July 2018	(1,216)	**(27,458)**	(38,479)	(6,167)	(73,320)
Provided in the period	-	(3,977)	(2,491)	(762)	(7,230)
Impairment charges	-	(3,755)	(1,433)	(27)	(5,215)
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)**
Net book value					
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
At 30 June 2018	210	47,261	11,283	1,441	60,195

Right-of-use assets - Group	Short leasehold premises £'000	Vehicles £'000	Total £'000
Cost			
At 29 June 2019	-	-	-
Recognition of right-of-use assets	94,268	398	94,666
Right-of-use assets recognised at 30 June 2019	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**
Accumulated depreciation and impairment			
At 30 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)**
Net book value			
At 27 June 2020	**70,434**	**255**	**70,689**
At 30 June 2019	94,268	398	94,666

The reassessment/modification of leases relates to changes in rent and extensions to lease terms agreed during the reporting period to 27 June 2020 for leases that were in place on 30 June 2019 following the adoption of IFRS 16. 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, aside from £6.2 million of property, plant and equipment impairment that was incurred as part of IFRS 16 implementation and was charged to opening reserves.

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.

In the 52 weeks ended 27 June 2020, the Group impaired the property, plant and equipment of 37 CGUs (2019: 26 CGUs) and the right-of-use assets of 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 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:

- Trading performance across all venues in FY21 will be adversely impacted by the ongoing operating restrictions imposed to mitigate the health risks of COVID. At the balance sheet date and in the period immediately following during which these financial statements were prepared it was extremely difficult to forecast reliably on an individual venue basis given many unknown factors including precise reopening dates for each venue, the government's timetable for lifting operating restrictions, and indeed what turns the pandemic and all the associated factors such as government response and vaccines, would take. The Group modelled a number of scenarios at a macro level that were used extensively as part of the admission to AIM and equity fundraise process in June/July 2020 and this included a 'base case' that assumed all venues reopening in August 2020 and trading at 55% of last year levels slowly rising by 5%

of last year during September 2020 and October 2020 before jumping more significantly to 85% in November 2020 and 90% in December 2020 and not getting to 100% of historical trading revenues until June 2021. The most fundamental factor in the leap in performance between October 2020 and November 2020 was an assumed lifting of government imposed operating restrictions that would enable the Group's late-night business to operate freely. As well as a 'Base case' model, a 'Reasonable worst-case' model was also used, which assumed the Group's venues would be unable to reopen until November 2020 but that this would be without the imposition of operating restrictions; hence November was modelled at 75% of last year sales and December at 80% with a gradual increase during the first six months of calendar year 2021 to also reach 100% of historical numbers by June 2021. The difference between the two models in terms of FY21 EBITDA amounted to c£2m; this number was not as significant as may have been expected because many venues do not generate EBITDA operating at c60% of last year's sales levels (assumed average for August to October in the Base case) and therefore makes little difference to individual venue impairment calculations.

Management continue to believe that the Base case used for the admission to AIM and equity fundraise process in June/July 2020, and which was the subject of a working capital report by an independent reporting accountant, provided the most appropriate basis at the year-end for considering whether the assets were impaired at the balance sheet date and, therefore, has adopted these assumptions in all of the detailed value in use reviews.

Clearly, much has happened since the balance sheet date including better than the assumed trading performance at venues reopened between July and September but weaker trading than expected following the imposition of the 10 pm curfew from the end of September and subsequently the introduction of various tier systems and further periods of complete lockdown. There have been significant variations in trading across this period and there remains significant uncertainty as to the trading potential of the next few months. One feature that the base case did not have was another full lockdown and the impact of this is assessed under the sensitivity analysis section of this note. We estimate that a typical equivalent month used for sensitivity purposes results in approximately £11.2 million of sales and £0.4 million of adjusted EBITDA. The absence of such a month's operations in our impairment forecast would likely amount to circa £1.4 million of additional impairment.

- The long-term growth rate has been applied from July 2021 at 1.0 per cent (2019: 2.0 per cent).
- Pre-tax discount rate: 8.2 per cent (2019: 11.7 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 £2.7 million. A 0.1 per cent decrease in the long-term growth rate would result in additional impairments of £1.1 million. As referred to above, a November lockdown period, removing all sales during that period would result in an increase in the impairment charge of circa £1.4 million.

9. Inventories

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Goods held for resale	**2,525**	2,337
Sundry stocks	**1,068**	1,749
	3,593	4,086

Sundry stocks include items such as glasses, packaging, uniform and drinks decorations.

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

	52 weeks ended **27 June 2020** ***IFRS 16*** **£'000**	52 weeks ended 29 June 2019 *IAS 17* £'000
Cost of inventories	**26,571**	36,643

An inventory provision of £810,000 was recognised within cost of sales in respect of Covid-19 related obsolete inventory.

10. Trade and other receivables

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Amounts falling due within one year		
Trade and other receivables	**661**	3,151
Accrued rebate income	**114**	713
Prepayments	**2,054**	8,412
Other debtors	**600**	-
	3,429	12,276

The above Other Debtors relates to a furlough claim for £762k made on 18 July 2020 for the period 21 June 2020 - 30 June 2020. £600k of this relates to FY20 and is therefore recognised as a debtor.

In total, amounts of £7.6m have been claimed relating to FY20, of which £7.0 million was received pre year-end. A further £6.0 million has been claimed as at the date of this report relating to FY21.

11. Cash and cash equivalents

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Cash and cash equivalents	**2,502**	2,627

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

12. Trade and other payables

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Trade payables	**5,587**	14,438
Other payables	**24**	26
Accruals and deferred income	**7,364**	6,796
Other taxes and social security costs	**2,820**	3,641
	15,795	24,901

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 lower at 27 June 2020 as a result of the business not trading in the last 14 weeks of the period, as well as the implementation of IFRS 16 removing rental payables.

13. Lease liabilities

Group	Short leasehold properties £'000	Vehicles £'000	Total £'000
At 29 June 2019	-	-	-
Recognition of lease liability under IFRS 16	123,213	398	123,611
Opening lease liabilities recognised at 30 June 2019	**123,213**	**398**	**123,611**
Reassessment/modification of liabilities previously recognised	2,767	10	2,777
Modifications taken as a credit to administrative expenses (note 3)	(897)	-	(897)
Additions	-	27	27
Surrender of leases (note 5)	(8,893)	-	(8,893)
Lease liability payments	(7,608)	(189)	(7,797)
Finance costs	4,321	14	4,335
At 27 June 2020	**112,903**	**260**	**113,163**

The reassessment/modification of leases relates to changes in rent and extensions to lease terms agreed during the reporting period for leases that were in place on 30 June 2019 following the adoption of IFRS 16.

The Lease liability payments amount in the table above includes £395k of concessions waived by landlords. Cash payments in the year comprise interest of £4.3 million and principal of £3.1 million.

Lease liabilities are comprised of the following balance sheet amounts:

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Amounts due within one year	10,203	-
Amounts due after more than one year	102,960	-
	113,163	**-**

14. Provisions

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Onerous lease provision	**-**	10,556
Dilapidations provision	**1,019**	400
	1,019	10,956
Current	**-**	1,269
Non-current	**1,019**	9,687
	1,019	10,956

	Onerous lease provision £'000	**Dilapidations provision £'000**	**Total £'000**
At 30 June 2019	10,556	400	10,956
Movement on provision	(10,556)	619	(9,937)
At 27 June 2020	**-**	**1,019**	**1,019**

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.

Following the adoption of IFRS 16, which requires the carrying value of the right-of-use asset to be assessed at each balance sheet date, it is no longer necessary to hold onerous lease provisions and accordingly all existing provisions have been incorporated as part of the opening adjustments to accommodate IFRS 16 implementation. Thereafter, any onerous lease obligations are recognised as impairments of the relevant CGU assets.

15. Interest-bearing loans and borrowings

	27 June 2020 ***IFRS 16*** **£'000**	29 June 2019 *IAS 17* £'000
Revolving credit facility	24,500	17,500

As at the date of the consolidated financial position, the Group had a revolving credit facility (the "Facility") of £30.0 million expiring in December 2021. Shortly after the end of the reporting period, the Facility was reduced to £21.0 million and the Group received a £16.5m Coronavirus Large Business Interruption Loan (CLBIL). The CLBIL is a three-year term loan, the proceeds of which were used to pay down the Facility. See note 1 under sub-heading Going concern for further details of the Facility and the CLBIL. The Facility and the CLBIL 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 22 of the full financial statements.

16. 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 1 July 2018	19	(709)	-	(690)
(Charge)/credit to income	-	(207)	484	277
At 29 June 2019	**19**	**(916)**	**484**	**(413)**
Credit/(charge) to income	(19)	916	(484)	413
At 27 June 2020	**-**	**-**	**-**	**-**

	27 June 2020 **£'000**	29 June 2019 £'000
Deferred tax assets	-	503
Deferred tax liabilities	-	(916)
Total	-	(413)

Upon implementation of IFRS 16, a deferred tax asset of £3.9 million was recognised predominantly relating to impairment. Furthermore, as at the reporting date, the Group had unused tax losses of £13.9 million (2019: £2.8 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. The IFRS 16 deferred tax asset was written off for the same reason.

17. Dividends

The Directors are not recommending a final dividend in respect of the 52 weeks ended 27 June 2020. There was no interim dividend during the period, and thus the total dividend for the 52 weeks ended 27 June 2020 is nil pence per share (2019: nil pence per share).

18. Note to accompany the consolidated statement of cash flow

	Note	**52 weeks ended 27 June 2020** ***IFRS 16*** **£'000**	52 weeks ended 29 June 2019 Restated* *IAS 17* £'000
Cash flow from operating activities			
Loss before tax from operations		**(31,720)**	(5,574)
Adjustments for:			
Net finance expense		4,934	858
Exceptional finance income		(5,869)	-
Depreciation of property, plant and equipment		7,397	7,230
Depreciation of right-of-use assets		7,215	-
Impairment of property, plant and equipment		8,727	5,215
Impairment of right-of-use assets		19,566	-
Lease modification		(897)	-
Working Capital and Other movements (further analysed below)		(2,883)	2,857

Amortisation of intangibles	1	-
Charge/(Credit) arising from long-term incentive plans	42	(68)
Operating cash flows before movement in working capital	**9,396**	7,661
Decrease/(Increase) in inventories	**493**	(193)
Decrease/(Increase) in trade and other receivables	**6,444**	(802)
(Decrease)/Increase in trade and other payables	**(10,483)**	2,649
(Decrease)/Increase in provisions	**619**	979
	6,469	10,294
Tax refunded	**1**	292

Net cash flow generated from operating activities	**6,470**	10,586

Within the Working Capital and Other movements analysis, the prior year comparatives have been corrected to remove an incorrect Tax (Credit)/Charge line of £352k, increasing trade and other payables by £274k, and increasing tax refunded by £78k. There was no impact on the net cash flow generated from operating activities or on the net decrease in cash and cash equivalents for the period to 29 June 2019.

19. 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 £30.0 million expiring in December 2021.Shortly after the end of the reporting period effective 6 July 2020, the Group's total committed borrowing facilities ("Facilities") were increased to £37.5 million through the receipt of a £16.5m Coronavirus Large Business Interruption Loan (CLBIL) and reduction in the RCF to £21.0 million. The term of the RCF was also extended to June 2022. On 16 December 2020, the amortisation profile of the Facilities was changed to postpone reductions due to take place in March 2021 and June 2021. 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.

Delist to AIM and fundraising

On 5 June 2020, the Group announced its intention to raise gross proceeds of up to £15.0 million by way of a Firm Placing and a Placing and Open Offer at 20 pence per New Ordinary Share, as well as to delist from the Main Market and admit to trading on AIM. The admission to AIM was completed on 27 July 2020 together with the Fundraising of gross proceeds of £15.0 million and net proceeds of £14.1 million and from that date the total number of Ordinary Shares with voting rights in the Company was 125,046,654.

Company Voluntary Arrangement ('CVA')

On 13 November 2020, Revolution Bars Limited which is an indirect wholly owned subsidiary entity of Revolution Bars Group plc, completed a Company Voluntary Arrangement (CVA) proposed on 27 October 2020. This entity comprises the majority of the Group's Revolution branded bars. As part of the CVA, rent arrears to the value of £1.0 million on 13 bars were waived and are not payable. This credit will be shown in the FY21 financial statements

as the liability was released after the period end. Additionally, the lease liabilities on five of these bars were compromised for the remainder of the lease term and seven bars were moved to a turnover based rent for a period of two years.

UK Government COVID-19 announcements
On 31 October 2020, the UK Government announced a second national lockdown effective in England from 5 November 2020 to 2 December 2020 resulting in the mandatory closure of all the Group's bars in England for that period. Following the national lockdown, the UK Government announced revised tier structure operating restrictions that resulted in 35 of the Group's bars remaining closed and all but one of the remaining bars operating under tier 2 severely suppressing income generation. The impact of these measures was included in the going concern assessment as detailed in note 1 to these financial statements. However, the impairment review of property, plant and equipment and right-of-use assets were performed using less onerous trading conditions as were forecast at the balance sheet date. As such, those forecasts did not include the impact of a second national lockdown or the punitive tier restrictions but rather assumed a continuing recovery in trading performance towards the end of calendar year 2020. The estimated impact of this on impairment is considered using sensitivity analysis in note 8.

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

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

The Group's operating environment is severely impacted by COVID-19, significantly restricting the its ability to trade at normal levels due to social distancing measures and periods of enforced closure and reduced opening hours. There is a risk of further ongoing extensive local or national lockdowns until the vaccination programme is successfully completed.

The Group's Board notes the extreme uncertainty surrounding Brexit and in particular the short term disruption that a "no deal" Brexit would bring, the implications of which cannot be planned or fully covered because there are many unknowns and factors beyond the Group's ability to control them. The Group's supplies of food and drink are sourced through wholesalers who have provided assurances that they have taken all reasonable steps to safeguard supplies. However, Brexit may have short-term impacts on consumer prosperity and disposable income, which may adversely affect demand for the Group's services.

The financial information set out in the preliminary statement of annual results has been extracted from the Group's financial statements which have been approved by a resolution of the Board and agreed with the Company's auditor.

21. Alternative Performance Measures - Consolidated Statement of Comprehensive Income – Non-IFRS 16 Basis

The re-presented Statement of Comprehensive Income set out below does not form part of the condensed consolidated financial statements for the 52 weeks to 27 June 2020. It is included to provide an understanding of the underlying performance for the 52 weeks to 27 June 2020, given that IFRS 16 Leases has been adopted for the current period without restatement of the comparative period. The re-presented statement consists of:

- The reported Statement of Comprehensive Income for the current period;
- A pro forma Statement of Comprehensive Income for the current period assuming IFRS 16 had not been adopted.

The pro forma Statement of Comprehensive Income for the current period is an estimation of the results for the period when applying the previous accounting standard for leases, IAS 17 Leases and the resulting impact on onerous lease provisions and impairment of assets.

	52 weeks ended 27 June 2020 ***IFRS 16 Reported*** **£'000**	**Impact of IFRS 16 £'000**	52 weeks ended 27 June 2020 *IAS 17 Pro forma* £'000
Revenue	**110,074**	-	110,074
Cost of sales	**(26,571)**	-	(26,571)
Gross profit	**83,503**	-	83,503
Operating expenses			
- operating expenses, excluding exceptional items	**(88,388)**	(2,524)	(90,912)
- exceptional items	**(27,770)**	7,701	(20,069)
Total operating expenses	**(116,158)**	5,177	(110,981)
Operating loss	**(32,655)**	5,177	(27,478)
Finance expense	**(4,934)**	4,287	(647)
Exceptional finance income	**5,869**	(5,869)	-
Loss before taxation	**(31,720)**	3,595	(28,125)
Tax	**(3,461)**	2	(3,459)
Loss and total comprehensive income for the period	**(35,181)**	3,597	(31,584)
(Loss) per share			
Basic and diluted (pence)	**(70.3p)**		(56.2p)
Adjusted basic and diluted (pence)	**(37.3p)**		(19.8p)

Non-GAAP alternative performance measure			
Operating loss	**(32,655)**	5,177	(27,478)
Exceptional items	**27,770**	(7,701)	20,069
Credit arising from long-term incentive plans	**42**	-	42
Bar opening costs	**-**	-	-
Adjusted operating loss	**(4,843)**	(2,524)	(7,367)
Finance expense	**(4,934)**	4,287	(647)
Adjusted loss before tax	**(9,777)**	1,763	(8,014)
Depreciation	**14,612**	(7,161)	7,451
Amortisation	**1**	-	1
Finance expense	**4,934**	(4,287)	647
Adjusted EBITDA	**9,770**	(9,685)	85

The pro forma Statement of Comprehensive Income has been prepared using the reported results for the current period and replacing the accounting entries related to IFRS 16 Leases, on adoption and during the period, 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 pro forma Statement of Comprehensive Income for the current period has been prepared by adjusting the reported Statement of Comprehensive Income for the current period to:

- Increase of £2.5 million in operating expenditure

	Impact of IFRS 16 £'000
Rental expenditure incurred	(8,166)
Net utilisation of onerous lease movement	(1,520)
IFRS 16 depreciation reversal	14,612
IAS 17 depreciation incurred	(7,450)
Total increase in operating expenses	(2,524)

- Decrease of £7.7 million in exceptional items

	Impact of IFRS 16 £'000
IFRS 16 impairment reversal	28,293
IAS 17 Cash exceptionals	(3,024)
IAS 17 impairment incurred	(19,076)
IFRS 16 lease modification reversal	(897)
Net onerous lease movement	2,405
Total Decrease in exceptional items	7,701

- Reduction of £4.3 million in finance expense

	Impact of IFRS 16 £'000
IFRS 16 finance cost reversal	4,335
Onerous lease interest incurred	(48)
Total decrease in finance expense	4,287

An exceptional finance income of £5.9 million is also recognised under IFRS 16 relating to the net gain on disposal of leases.

Exceptional items are comprised of:

	52 weeks ended 27 June 2020 ***IFRS 16*** **£'000**	52 weeks ended 27 June 2020 *IAS 17* £'000
Administrative expenses:		
– impairment of right-of-use assets	**19,566**	-
– impairment of property, plant and equipment	**8,727**	19,076
– lease modification	**(897)**	-
– delist from Main market and admission to AIM	**371**	371
– surrender premiums and bar closure costs	**-**	3,024
– movement on onerous lease provisions	**-**	(2,405)
– other	**3**	3
Total exceptional items	**27,770**	20,069

The financial information set out above does not constitute the company's statutory accounts for the 52-week periods ended 27 June 2020 or 29 June 2019. Statutory accounts for the 52 weeks ended 29 June 2019 have been delivered to the Registrar of Companies, and those for 2020 will be delivered following their approval at a General Meeting of the Company expected to be held on 15 February 2021. The auditor reported on those consolidated accounts; their report was (i) unqualified, (ii) included a material uncertainty relating to going concern, and (iii) did not contain a statement under section s.498 (2) or (3) of the Companies Act 2006.