13 April 2021

Revolution Bars Group plc (LSE: RBG)
Unaudited Interim results for the 26 weeks ended 26 December 2020

Effective response to lockdown; well positioned to emerge stronger

Revolution Bars Group plc ("the Group"), a leading UK operator of 66* premium bars, trading under the Revolution and Revolución de Cuba brands, today announces its unaudited interim results for the 26 weeks ended 26 December 2020.

*67 Bars as at 26 December 2020.

Introduction

The period on which these results report includes long periods where the Group's ability to trade was severely impacted by restrictions imposed by the Government due to COVID-19. Following stable yet challenging trading conditions during last summer, increasing levels of restriction impacted the Group's trading especially through the last quarter of the calendar year and particularly November and December. The business has been unable to trade for all of 2021.

Revolution Bars Group is excited and ready to bounce back, beginning by trading from 20 bars from 12 April 2021 and the remainder from 17 May 2021. We have taken advantage of the reduced trade periods to fine tune our brands and strengthen the engagement of our teams. We are ready to take advantage of the reduced competition and bring to life our freshly developed new concepts to the market. Our young guest base is keen to start living again, and we cannot wait to welcome back our guests and teams to create the fun and memorable experience that they know and love us for.

Results to 26 December 2020

	H1 FY21 ***(IFRS 16)***	**H1 FY20** ***(IFRS 16)***	**H1 FY21** ***(IAS17)***	**H1 FY20** ***(IAS17)***
Total Sales	£21.6 million	£81.2 million	£21.6 million	£81.2 million
Adjusted[2] EBITDA	£(1.2) million	£12.8 million	£(5.8) million	£7.6 million
Adjusted[2] (Loss)/Profit Before Tax	£(11.5) million	£2.9 million	£(9.5) million	£3.5 million
Adjusted[2] (Loss)/earnings Per Share	(12.0) pence	4.4 pence	(8.5) pence	4.5 pence
Statutory Loss Before Tax	£(17.7) million	£(1.6) million	£(14.7) million	£(3.9) million
Statutory Loss Per Share	(15.7) pence	(2.9) pence	(13.0) pence	(7.9) pence

Key points

Excellent performance pre-COVID

- Both brands were in like-for-like[1] ("LFL") growth, proving ongoing relevance of our brands;
- 1.2% Group LFL[1] growth in FY20 H1, continuing into 1.6% LFL[1] growth in the first 10 weeks of FY20 H2 before COVID; and
- When free to trade without Government restrictions, the Group is highly cash generative. Pre COVID-19 in FY20 H1, net bank debt reduced by £6.5 million to £8.4 million.

Effective response to lockdown - securing liquidity position

- In July 2020, liquidity was secured through an increase in committed debt facilities from £21.0 million to £37.5 million including a Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan of £16.5 million and a net equity fundraising of £14.1 million;
- On 16 December 2020 the Group's bank, NatWest, postponed loan facility amortisation payments of £7.5 million originally scheduled for the end of March 2021, and £1.0 million originally scheduled for the end of June 2021;

- Most recently, in April 2021, NatWest agreed to waive £2.0 million of amortisation scheduled for September 2021 and approved a further £3.5 million CLBILS, taking total available facilities to £40.3 million; and
- The above provides sufficient liquidity to trade through the Government roadmap including downside scenarios.

Doing the right thing for all stakeholders

- Increased focus on our wellbeing agenda, collaborating to provide education, events, training and activities on all aspects of mental, physical and financial health; and
- Management team, whilst remaining on reduced salaries, have shown exceptional leadership in very challenging times, and our teams have remained committed and resilient throughout the lockdown periods, and shown courage in returning to work under extremely difficult operating conditions.

Customer demand remains strong

- Government roadmap welcomed; the Group is planning for outdoor trading from 12 April 2021 from 20 bars, indoor trading from 17 May 2021 from all sites in England, and unrestricted trading from 21 June 2021;
- Tickets for summer events selling out in as quick as nine minutes of release, with long waiting lists for some events;
- Destination cities such as Liverpool, Brighton and Newcastle-upon-Tyne, are fully booked throughout July 2021 for Cocktail Masterclasses; and
- 11,969 guests booked with us in the first week we reopened the booking system for 17 May 2021 onwards.

Well positioned to capitalise on transformed marketplace

- The Group's strategic initiatives remain unchanged and very relevant: to build guest loyalty, drive sustained profit improvement, and develop the estate;
- Total cash rental savings agreed across the estate since the start of COVID-19 of £5.7 million;
- Company Voluntary Arrangement ("CVA") for Revolution Bars Limited in FY21 H1 resulted in exit of five loss-making sites, with a further site exited via the CVA in the second half of FY21;
- Our target customers, due to our focus on young adult age groups, are at lower risk from COVID health issues, and the vaccine roll-out success is giving real confidence in the Government's roadmap achievability;
- Our marketplace is likely to be less competitive as some capacity has come out of the market;
- Dynamic and motivated team ready to take advantage of good value expansion opportunities as improved trading conditions take hold and funding allows;
- Two new concepts developed ready for trial once trading conditions allows; and
- The Board believes, subject to a return to normal trading conditions, that the Group is well positioned to operate more efficiently and, longer term, achieve a higher net margin.

[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 FY21 on an IAS 17 basis (from an IFRS 16 basis)*

Rob Pitcher, Chief Executive Officer, said:

"Prior to the pandemic the business was outperforming our peer group. This year has provided us with the opportunity to advance the business across multiple areas which will allow us to maximise our future performance and capitalise on growth opportunities as we move towards more normalised conditions.

With the vaccination programme running ahead of the government's expectation and all the COVID-19 related health data exceeding even the most optimistic of forecasts, I look forward to all restrictions on personal freedoms falling away on the 21st of June and urge the Prime Minister to follow the data, not *dates, and bring our 'national day of freedom' forward in line with the vastly better outcomes that have been achieved.*

We are excited and ready to bounce back and as we move on from the pandemic, I look forward to our brilliant teams being able to create amazing memories for our guests as we open our bars and all come back together to celebrate life and each other.''

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

Chairman's Statement

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

At the end of the reporting period only nine of our bars were permitted to trade under the Government's COVID-19 ("COVID") tier restrictions; all bars were subsequently closed under Government instruction on 30 December 2020. Following the Prime Minister's roadmap on 22 February 2021, management focused their attention on the reopening of the estate. The Group traded from 20 bars with external spaces from 12 April 2021 and anticipates opening the remaining English bars for indoor hospitality on 17 May 2021. The Group hopes for the relaxation of all legal limits on social contact on 21 June 2021 to allow a positive trading environment in which the Group can operate under normal conditions. Management hope to reopen Welsh and Scottish bars for outside trading by the end of April 2021 and welcome further news from Northern Ireland to begin planning for reopening.

Our strategy remains unchanged - 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. The Group aims to come out of COVID ready to further this strategy in line with the improving trends seen in the first half of FY20 and the first 10 weeks of FY20 H2, and to take advantage, where possible, of good value and exciting expansion opportunities.

Following the Company Voluntary Arrangement ("CVA") of Revolution Bars Limited announced in the Annual Report and Accounts 2020, five sites were initially exited in the interim period under the CVA and a further site was exited in February 2021. These were in addition to the surrender of two loss-making sites. Post the balance sheet date, the Group has also secured a further three rental concessions and entered into three re-gears which has resulted in additional rental savings of £370k, bringing total cash rental savings agreed across the estate since the start of COVID to £5.7 million. Following the streamlining of our Support Centre resource and unburdening of our estate of underperforming bars, the Board believes, subject to a return to normal trading conditions, that the Group is well positioned to operate more efficiently and, longer term, achieve a higher net margin.

Our results
Sales for the 26-week period of £21.6 million (FY20: £81.2 million) were 73.4% lower than the corresponding period in the prior year. This was a result of the COVID lockdowns, particularly for four weeks in November 2020, enforced curfews, the introduction of tier systems resulting in effective forced closures, a requirement for substantial meals to accompany alcoholic drinks, and ongoing social distancing restrictions.

Like-for-like[1] sales were -44.9%, with the Group unable to trade for 55% of FY21 H1, versus an increase of +1.2% in the corresponding period last year before COVID started to impact sales performance, demonstrating the business was in a real position of growth prior to the pandemic. During the reporting period, we were continuously subject to Government COVID restrictions on our ability to trade, and for the 55-week period since COVID began until the end of Lockdown 3 on 12 April 2021, we have been unable to trade for 66% of the time.

Adjusted[2] EBITDA, our preferred KPI, is significantly impacted by IFRS 16. Statutory adjusted[2] EBITDA was £(1.2) million for the 26-week period, versus £12.8 million for the equivalent prior period. The Alternative Performance Measure[3] ("APM") adjusted[2] EBITDA comparatively was £(5.8) million for the current period (FY20: £7.6 million); the difference between statutory and APM[3] is predominantly as a result of increased depreciation and impairment charges under IFRS 16, as well as rental costs no longer being included in the Income Statement. Both are severely impacted by the closure of sites and imposed restrictions during COVID.

When free to trade without the imposed COVID restrictions, we are a highly cash generative business and excellent progress was made on reducing net bank debt to £8.4 million as at the end of the first-half of FY20, down £6.5 million in six months from the end of FY19. By the end of FY20, due to COVID, net bank debt had risen to £22.0 million, and as at the half-year of FY21 was £21.0 million. Upon reopening, the Group will be focused on debt reduction. As at 13 April 2021 net bank debt was £30.8 million, and total agreed facilities were £40.3 million.

Current trading

The Group estate remained closed until 12 April 2021 when outdoor hospitality in England could restart, and the Group traded from 20 bars, with the remainder having little or no outside space. Management continue to monitor guidance from the devolved Governments and plan to reopen in line with guidance issued. Management were pleased with the response to the announcement of the roadmap, resulting in 11,969 guests booking in with us in the first week following the roadmap announcement.

People

Danielle Davies was appointed to the Board on 22 December 2020 as Chief Financial Officer, taking over from Mike Foster who retired from the Board on the same day. I would like to take this opportunity to thank Mike for his service and support to myself and the rest of the Board over the past four years.

The Group is led by a strong and experienced executive management team with proven credentials in the industry, as well as a skilled workforce all of whom strive to provide the outstanding customer experience that is at the heart of our strategy. 2021 has continued with both the same and new challenges as those seen in 2020, and I would like to recognise the continued resilience, commitment and substantial effort shown by our colleagues as we have transitioned between normal trade, heavily restricted, varying tiers and enforced closures. 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.

We are hopeful of the roadmap out of lockdown, encouraged by the vaccine rollout success, and look forward to welcoming back both our teams and guests alike.

Keith Edelman
Non-Executive Chairman

13 April 2021

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Chief Executive Officer’s statement

Business review
Our business has traded well when allowed to open during the 26-weeks ended 26 December 2020. For the 55-week period since COVID-19 (“COVID”) lockdowns began on 20 March 2020, to the reopening of outdoor spaces on 12 April 2021, we have been unable to trade for 66% of the time. We have seen weekly sales hit highs of 90% of the corresponding weeks in the prior year, despite the restrictions under which we were operating, showing a real appetite for the general public to return to our bars. There is, obviously, a clear correlation between our trading performance and the level of restrictions applied by the Government and we welcome the roadmap which shows the vast majority of these restrictions being lifted during May and June 2021.

This time last year, we were excited to talk about a return to like-for-like[1] (“LFL”) sales of +1.2% and profit growth to the 26-weeks ended 28 December 2019, further strengthened by positive LFL[1] sales of +1.6% for the first 10 weeks of H2 FY20. This was until COVID hit, and H2 FY20 and H1 FY21 became dominated by the pandemic; the hugely positive sales momentum soon became a focus on cost reduction and liquidity safety for the Group.

The Group has been through varying abilities to trade; the financial year began relatively positively with the measured reopening of our bars from 6 July 2020 through phases, further enhanced by the Government’s “Eat Out to Help Out” campaign. Despite this, summer trading was severely impacted by COVID restrictions, affecting our ability to operate our bars to normal capacity levels, trade the late hours our guests are used to, and provide customers with the fun experience they know and love us for. After relatively stable, yet challenging, trading conditions in the summer the Group has faced further unprecedented shifting sands of restrictions. Understanding and adapting quickly to the latest Government guidance, and ensuring a high level of safety for our teams and customers, has absorbed the focus of Management during the year.

The Group is reliant on several key trading periods in the year: spring bank holiday trading; the return of University students in September; Christmas parties and festive trade. All of these have been severely affected and, in some cases, completely wiped out. The tier restrictions effectively enforced closure on a huge proportion of our estate over the Christmas trading period, halting our seven-years-in-a-row growth of festive sales. The Government financial support offered in exchange for these closures, whilst very welcome, was completely inadequate for large multi-site, city centre wet-led businesses and well below the level of support experienced in other countries under similar circumstances. City centre late-night hospitality has been disproportionately disadvantaged by Government messaging and restrictions, including the instruction to work from home, curfews and to avoid the use of public transport wherever possible.

A considerable amount of time has been spent ensuring the Group has applied for and utilised all the support offered, but management have met significant challenges in dealing with the near-50 local authorities under which our bars sit. A clear breakdown in communication and support between the Government and these local authorities left to administer the grants has occurred at a time when this financial support is so sorely required for the survival of many hospitality businesses. We would call on the Government to review these processes and address the huge financial gap between the value of the grants offered and the decimation of the city centre hospitality industry’s finances.

Since the announcement of the roadmap, we have been extremely encouraged by the amount of pre-bookings made by our guests, pent up demand within our young customer base, and ability to open as many outdoor spaces as possible. We know our guests cannot wait to join us, and we cannot wait to welcome them and our teams back to deliver fun and memorable experiences.

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

Investing in our team:
- we have advanced our wellbeing agenda ahead of our teams returning from furlough; we appreciate the challenges most will have faced during these times and are keen to provide full support; and

- an increased digital engagement focus; we have utilised software to provide regular online briefings on current affairs of the business, latest updates in the industry, and provide important regular communication to our people. We have also run frequent digital socials and activities to maintain engagement.

Investing in our brands and guest experience:

- a major focus on our digital capabilities, the urgency for which became much greater in order to operate effectively under the imposed COVID restrictions. Building on the success seen in FY20, the Revolution App now has 563,000 registered users, up from 230,000 in February 2020, and we've seen over 70% of all sales made via the App when open;
- an increased focus on our online offering. We've seen approximately 3,000 attendees join our online masterclasses since COVID began, and have developed a range of corporate masterclass options;
- a range of pre-packaged Revolución de Cuba cocktails are now available online so our customers can enjoy our products at home;
- the development of our online marketplace has also seen over 500 bottles of our famous Revolution Flavour delivered to people's homes;
- removal of cash takings in bars to increase the health and safety of staff and guests;
- continued development of our Revolution brand proposition, with a major focus on our sustainability agenda; and
- maximisation of outdoor spaces at our bars to reopen as many sites as possible on 12 April 2021.

Investing in our estate:

- no refurbishments have been delivered in H1, with cash being tightly managed through lockdown periods. Only essential repairs have been undertaken;
- we anticipate restarting our refurbishment programme in FY22; and
- we have been developing two exciting new concepts to thrill our guests and appeal to a wider customer base.

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 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. To date there has continued to be numerous changes, further restrictions, tier systems, differing guidelines in the home nations, enforced curfews and a requirement for substantial meals to accompany alcoholic drinks. In addition, the business has been subject to varying lockdowns commencing again in the autumn, followed by severe restrictions in place from early December and a full lockdown in place again in the New 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.

Further to the processes and controls discussed in the Group's Annual Report and Accounts 2020 regarding COVID-19, we have continued to monitor the situation closely and plan for the ever changing landscape and restrictions. In April 2021, a further £3.5 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan was agreed as well as a waiver of £2.0 million loan amortisation due in September 2021. This is in addition to the £16.5 million CLBILS term loan agreed in July 2020, and deferral of £8.5 million loan amortisation payments announced in December 2020, taking total facilities as at 13 April 2021 to £40.3 million.

We have continued to secure 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. Total cash rental savings agreed across the estate since the start of COVID are £5.7 million, of which £4.4 million has been saved to 26 December 2020.

Aside from mitigating business risk, the Group has also maintained a focus on doing the right thing for all stakeholders, including employees. Management have taken the time during lockdown to further drive our Diversity & Inclusion and mental health programmes, whilst ensuring a safe training environment for all returning to work as well as refresher training to all our team members at regular intervals during lockdown. There are now 26 Mental health first aiders trained throughout the business, and team member recruitment is now a “blind application” process. We have also held many virtual events to keep our team members interested in the business.

Group strategic objectives

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

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

These three pillars continue to be our guiding principles and drive our long-term decision-making. Our three-year plan, mapped out over 24 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 will be good opportunities for both our brands to expand their estates at a much lower level of investment, as funding allows.

Strategic priorities for FY21

COVID has continued to dominate the strategic direction of the Group in FY21; necessarily our day to day actions have focused on adapting our operations in accordance with the constantly changing rules and guidance issued by the various UK statutory authorities, 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 programme for new recruits to both brands as our business builds back up;
- launching our “Set for Success” Management team restructure to ensure we can deliver our strategy effectively;
- establishing Diversity and Inclusion champions across the business, and collaborating with We Are Wiser to deliver transformational change for our people;
- Health & Wellness partnerships established to build on mental health first aid training; and
- remapping and reinvigorating the career paths for both front of house and back of house team members including the development of apprenticeships.

Investing in our brands and guest experience:

- two exciting new concepts developed to take advantage of changing consumer trends. One focused on the established competitive socialising trend, and another based on supporting local entrepreneurs to develop their business;
- refining the customer service journey through further development of Order & 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 online product offering and to outside events and private functions with our Cuban party van; and
- creating many new reasons to visit our bars through the evolution of our ‘event space’ customer offering.

Investing in our estate:

- implementation of the RBG Sustainability Charter, becoming a founding member of the hospitality industry's "Zero Carbon forum";
- Winner of a National Gold Award in the Hospitality sector Green Apple Environment awards for energy saving; and
- the opening of a trial site in H2 FY21 for one of the new concepts with another trial site for the second new concept planned for early FY22.

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 continued news of the successful vaccine rollout and the announcement of the roadmap out of lockdown. To date, over 32.1 million UK adults have been administered their first vaccine; as COVID disproportionately threatens those in our population who are older and the medically vulnerable, and, given that the vaccination programme has rightly prioritised those groups, we believe this success will allow unrestricted trading from 21 June 2021. We recognise the importance of maintaining continued COVID compliance to ensure the safety of our guests and colleagues. There is both an economic risk, given the fall-out from COVID with soaring unemployment, lower earnings and, longer term, higher taxes to start repaying the Government borrowing caused by COVID, and a health and safety confidence risk given that the UK Government's 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 capacity has come out of the market.

Longer term, the UK Government must recognise that it still 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. We were pleased to hear the Chancellor announce an extension of the reduced VAT rate of 5% to the end of September 2021, and then a staged lower rate of 12.5% in place till the end of March 2022, as well as an extension of the 100% business rates holiday to the end of June 2021, with a capped reduction till March 2022. The Group predominantly takes sales from alcoholic beverages, so the VAT cut is marginally helpful, although Revolución de Cuba is better positioned to utilise this assistance with its extensive food offering.

The best way for the Government to deliver further support is through a permanent reduction of hospitality VAT across food, non-alcoholic, and alcoholic beverages to 5%, removing the cap of support available under the business rates reduction to March 2022 and then the permanent replacement of business rates with a more equitable structure for bricks and mortar and online businesses. We do thank the Government for their continued support, and the announcements in the March budget will aid our recovery, but continue to ask for further assistance to bridge the gap caused by the Government's COVID restrictions on hospitality.

With capacity coming out of the market, we believe that there may be good property opportunities, in terms of availability, lower investment cost, and a decrease in rental levels.

Current Trading and liquidity

During the interim period, we surrendered leases on loss-making bars at Liverpool - Cavern Quarter (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, the Group exited a further five sites. One further site has been exited in H2 FY21 under the CVA, and therefore at the date of this report the Group now trades from 66 bars.

As reported in the Group Annual Report and Accounts 2020, the severe disruption to the Group's trade during the last twelve 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 is somewhat reduced following the Prime Minister's roadmap and the Chancellor's Budget announcement but continues to exist until a firm reopening date is delivered. The unpredictability of the nature, extent and duration of COVID, the vaccination programme, and the imposed operating restrictions seen to date means that the uncertainty still exists, 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.

The Group has updated its forecasts to reflect the Government roadmap and the Budget, and relevant announcements from the devolved governments. A "severe but plausible" downside scenario has also been prepared assuming further delay and some restrictions continuing through Winter 2021. In both scenarios, the Group forecasts to remain within its borrowing facilities and be in compliance with its covenant obligations.

At 13 April 2021, the Group had net bank debt of £30.8 million compared with total committed bank facilities of £40.3 million. As a result of the new CLBILS term loan and the loan amortisation rescheduling, committed bank facilities will now reduce to £40.1 million at the end of June 2021 to £39.6 million at the end of December 2021 and to £38.1 million at June 2022 (see "Liquidity" section below for more detail). 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 approximately £0.4 million per week. All possible measures were taken to ensure the financial health of the business during lockdowns, and ensure the Group has the ability to pay debt down quickly when trading without restrictions. Attention is drawn to the going concern disclosures, which include references to material uncertainty, in note 1 to the interim results.

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 was 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 were unable to trade and as tier 2 bars were only allowed to serve alcohol with a substantial meal their viability was at best marginal. The first quarter of 2021 (the Group's third quarter), is severely compromised following the lockdown starting 5 January 2021 due to end for hospitality on 12 April 2021 when outdoor spaces can reopen, and therefore the FY21 financial period will incur a substantial loss. The Group was pleased to recommence trading from 20 bars from the 12 April 2021 for external trading, and is looking forward to reopening the remaining English bars for internal trading with restrictions from 17 May 2021, and home nation bars as soon as allowed, albeit with increased costs of trading in a COVID secure environment. We very much look forward to resuming normal trading with the removal of legal limits on social contact on 21 June 2021.

Revolution Bars Group is excited and ready to bounce back. We have taken advantage of the reduced trade periods to fine tune our brands and strengthen the engagement of our teams. We are ready to take advantage of the reduced competition and bring to life our freshly developed new concepts to the market. Our young guest base is keen to start living again, and we cannot wait to welcome back our guests and teams to create the fun and memorable experience that they know and love us for.

Rob Pitcher
Chief Executive Officer
13 April 2021

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Financial Review

Financial Review

Summary

- The Group continues to offer comparative Alternative Performance Measures[3] ("APM") of the numbers converted to IAS 17, following the implementation of IFRS 16 in FY20. APM[3] for the current period 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;
- The results information therefore gives FY21 H1 IFRS 16, followed by APM[3] of FY21 H1 under IAS 17 and FY20 H1 comparatives under IFRS 16. The FY20 H1 IAS 17 information is included for reference in note 16;
- When considering the results for the period, it should also be noted that trade has been restricted including a four-week government enforced closure of pubs, bars and restaurants in November, and varying rules in the tier system and ongoing social distancing restrictions for the remaining 22 weeks. In the prior half-year to December 2019 there were no such restrictions;

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Adjusted[2] (Loss)/Profit Before Tax	£(11.5) million	£2.9 million	£(9.5) million	£3.5 million
Adjusted[2] (Loss)/earnings Per Share	(12.0) pence	4.4 pence	(8.5) pence	4.5 pence
Statutory Loss Before Tax	£(17.7) million	£(1.6) million	£(14.7) million	£(3.9) million
Statutory Loss Per Share	(15.7) pence	(2.9) pence	(13.0) pence	(7.9) pence
Net Bank Debt	£21.0 million	£8.4 million	£21.0 million	£8.4 million

Basis of preparation

Consistent with previous reporting periods, the Group operates a weekly accounting calendar and as each accounting period refers only to complete accounting weeks, the period under review reflects the results of the 26 weeks to 26 December 2020. There have been no changes to accounting policies following the implementation of IFRS 16 in FY20. The Group continues to offer APM[3] of performance converted to IAS 17, with a full APM[3] Condensed Consolidated Statement of Comprehensive Income included in the notes.

The Directors believe that adjusted[2] EBITDA provides a better representation of underlying performance as it excludes the effect of exceptional items and share-based payment charge/credits (non-cash), none of which directly relate to the underlying performance of the Group.

Trading performance

When considering the trading performance of the Group, it is important to consider the impact COVID-19 ("COVID") has had on the business. For the entirety of the interim period, the Group has faced multiple restrictions on trade including a four-week lockdown period in November, various changing tiers including enforced closures and requirements for social distancing, enhanced health & safety restrictions, substantial meals needing to be purchased alongside alcoholic drinks, curfews and restrictions on household numbers to name but a few.

Revenue for the 26 weeks ended 26 December 2020 decreased by 73.4% to £21.6 million (FY20: £81.2 million). LFL[1] sales over the same period worsened by -44.9% (FY20: +1.2%) which was significantly impacted by the reduction in trade, but also the difficulty in comparison due to the various closures through the tier system.

Adjusted[2] EBITDA decreased by £14.0 million to a loss of £(1.2) million (APM[3]: (£5.8) million loss). Operating loss was £(14.4) million (APM[3]: £(14.2) million), down from an operating profit of £1.0 million in FY20. These are a direct result of reduced sales and continued fixed costs during periods of enforced closure. Management efforts have been focused on cost reduction, cash liquidity and stakeholder communication during these times.

The Group took advantage of all applicable Government support during the interim period. The Group had previously utilised HMRC's Time To Pay scheme and began repaying this debt in the half-year. VAT liabilities of £2.1 million had been deferred from the first lockdown, and the Group has taken advantage of the further deferral under monthly repayments till January 2022. The Group has continued to utilise the Coronavirus Job Retention Scheme ("CJRS") during periods of enforced closure, claiming a total CJRS grant of £18.3 million to date, and the Board and other senior management have continued to take voluntary pay cuts of up to 50% for the Board and 20% for other management. The Board are currently taking a 25% cut in salary. To date, the Group has obtained various Local Authority grants aimed at the Hospitality industry of £2.4 million, of which £0.1 million has been recognised in the period.

The 100% rates holiday was applicable throughout the period and equated to a £3.5 million saving for FY21 H1. This saving will continue at 100% until the end of June 2021 when a 2/3 reduction will be applicable for the Group subject to a £2.0 million cap until April 2022.

Management have continued to negotiate beneficial payment and contract terms with key suppliers and landlords and the Group thanks them for their support. As discussed in the Group Annual Report and Accounts 2020, the Group completed the Company Voluntary Arrangement ("CVA") of Revolution Bars Limited which was approved on 13 November 2020 resulting in the exit of five sites. A further two loss-making sites were also surrendered in the period. Since the balance sheet date, a further site has been exited under the CVA. Total cash rental savings agreed across the estate since the start of COVID are £5.7 million, of which £4.4 million has been saved to 26 December 2020.

Adjusted[2] EBITDA

The Board's preferred profit measures are APM[3] adjusted[2] EBITDA and APM[3] adjusted[2] pre-tax (loss)/profit as shown in the tables below. The APM[3] adjusted[2] measures exclude exceptional items, bar opening costs and charges/credits arising from long term incentive plans.

Reconciliation of Statutory to APM[3] adjusted[2] EBITDA	**(Unaudited) 26 weeks ended 26 December 2020 *IAS 17***	(Unaudited) 26 weeks ended 28 December 2019 *IAS 17*	Audited 52 weeks ended 27 June 2020 *IAS 17*
	£'000	£'000	£'000
Statutory IFRS 16 adjusted[2] EBITDA	**(1,245)**	12,788	9,770
Reduced depreciation	**(3,675)**	(3,597)	(7,161)
(Reduced)/increased exceptional items	**(1,063)**	2,977	(7,701)
Decreased/(increased) operating costs	**171**	(4,519)	5,177
APM[3] IAS 17 adjusted[2] EBITDA	**(5,812)**	7,649	85

	Number of venues	**(Unaudited) 26 weeks ended 26 December 2020 *IAS 17***	(Unaudited) 26 weeks ended 28 December 2019 *IAS 17*	Audited 52 weeks ended 27 June 2020 *IAS 17*
		£'000	£'000	£'000
Like-for-like[1] estate EBITDA	66	**(2,063)**	12,937	10,458
Bars closed in prior period (FY20)	5	**-**	(222)	(794)
Bars closed in current period (FY21 H1)	2	**(97)**	(163)	(216)
CVA bars closed in current period (FY21 H1)	6	**194**	(41)	(731)
APM[3] adjusted[2] EBITDA from venues	79	**(1,966)**	12,511	8,717
Central support costs		**(3,846)**	(4,862)	(8,632)
APM[3] adjusted[2] EBITDA		**(5,812)**	7,649	85

	(Unaudited) 26 weeks ended 26 December 2020 *IAS 17*	(Unaudited) 26 weeks ended 28 December 2019 *IAS 17*	Audited 52 weeks ended 27 June 2020 *IAS 17*
	£'000	£'000	£'000
APM[3] reported pre-tax loss	**(14,656)**	(3,928)	(28,125)
Add back Exceptional items	**5,158**	7,354	20,069
Add back Charge/(Credit) arising from long-term incentive plans	**16**	94	42
APM[3] adjusted[2] pre-tax (loss)/profit	**(9,482)**	3,520	(8,014)
Add back Finance costs	**411**	401	647
Add back Amortisation	**1**	-	1
Add back Depreciation	**3,258**	3,728	7,451
APM[3] adjusted[2] EBITDA	**(5,812)**	7,649	85

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. Cash exceptionals of £2.2 million (APM[3]: £2.4 million) and non-cash exceptionals of £4.0 million (APM[3]: £2.8 million) have been charged in the period and comprised the following:

	Unaudited 26 weeks ended 26 December 2020	Unaudited 26 weeks ended 28 December 2019	Audited 52 weeks ended 27 June 2020
	£'000	£'000	£'000
Administrative expenses:			
– AIM delist	**-**	-	371
– bar closure	**-**	200	-
– impairment of right of use assets	**7,816**	2,997	19,566

– impairment of property, plant and equipment	**2,749**	1,755	8,727
– lease modification	**(17)**	-	(897)
– gain on disposal	**(6,538)**	(575)	-
– property restructure	**2,211**	-	-
– other	**-**	-	3
Total exceptional items	**6,221**	4,377	27,770

Following the implementation of IFRS 16 in the prior year, impairment reviews now include right-of-use assets relating to leases. The net book value of property, plant and equipment at 27 of the Group's bars (FY20-end: 37) was written down by £2.7 million (FY20: £1.8 million), as well as right-of-use assets at 29 bars (FY20-end: 37) by £7.8 million (FY20: 3.0 million). Several leases underwent re-gears in the period leading to extended leases and an increase in the right-of-use assets. Since then, the forecasts have had to be curtailed to reflect the enforced restrictions on trading, with the result of the two being a significant impairment charge.

A gain on disposal of £6.5 million (FY20: £0.6 million) was recognised in respect of surrendered leases in the year as a result of extinguishing the remaining IFRS 16 lease liability and is net of surrender premiums paid and other relevant exceptional closure costs.

During the period, two loss-making sites have been surrendered (Liverpool Cavern Quarter and Huddersfield de Cuba) and a further five sites (America Square, Birmingham, Clapham Junction, Solihull and Sunderland) returned to their landlords through a Company Voluntary Arrangement ('CVA') undertaken by the Group's wholly owned subsidiary, Revolution Bars Limited. The property restructure costs of £2.2 million (FY20: £nil) predominantly comprised the associated CVA professional fees, alongside other legal and professional costs incurred through landlord negotiations and the relevant closure costs of the affected sites.

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.

Liquidity

At the start of the period, the Company received a £16.5 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan from NatWest in the form of a three-year term loan which was used to pay down the Revolving Credit Facility ("RCF") and the RCF commitment was reduced to £21.0 million from £30.0 million and its term extended to June 2022. This provided the 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 RCF reducing by a further £1.0 million at the end of June each year. The CLBILS was due to amortise by £1.0 million per annum.

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

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

Additionally, in April 2021, NatWest agreed to waive £2.0 million of amortisation scheduled for September 2021 and approved a further £3.5 million CLBILS term loan. Accordingly, the Company now has committed facilities as follows:

	RCF - "The Facility"	CLBILS	Total
	£m	£m	£m
30 June 2021	21.0	19.1	40.1
31 December 2021	21.0	18.6	39.6
30 June 2022	20.0	18.1	38.1

The RCF is repayable in full at 30 June 2022. The CLBILS is a three-year term loan expiring 6 July 2023. Current net bank debt at the interim date was £21.0 million.

At the balance sheet date, £9.5 million of the RCF facility was utilised, and £16.1 million of the CLBILS remains outstanding.

Earnings/(loss) per share
Basic loss per share for the period was (15.7) pence (FY20: (2.9) pence). Adjusting for exceptional items, non-recurring opening costs and credits arising from long-term incentive plans resulted in an adjusted[2] loss per share for the period of (12.0) pence (FY20: earnings of 4.4 pence).

Operating cash flow and net bank debt
The Group utilised net cash flow from operating activities in the period of £(5.6) million (FY20: generated £15.5 million), and after deducting both the principal and finance elements of lease payments this increases to a net cash outflow of £(10.5) million. The group generated positive cash inflows from financing activities of £8.7 million (FY20: utilised £12.1 million) predominantly as a result of the net equity fundraising of £14.1 million. The Group focused on minimising its cash outflow and liquidity throughout the period under various lockdown, tiered and restricted conditions to ensure that the business would be in a strong position to resume trading when conditions permitted.

Capital expenditure payments of £1.0 million (FY20: £2.9 million), lease surrender payments of £1.3 million (FY20: £nil), and bank loan interest of £0.4 million (FY20 £0.4 million), offset by the results of a £14.1 million net equity fundraising all contributed to a net cash inflow in the period of £2.1 million (FY20: £0.5 million) decreasing net bank debt from £22.0 million at FY20-end to a closing position of £21.0 million (FY20: £8.4 million) at 26 December 2020.

Dividend
As notified previously, the Board had suspended payments of dividends. Furthermore, as a condition of taking on the CLBILS facility, the Company is unable to pay a dividend whilst the CLBILS remains outstanding. Furthermore, as a result of the CVA 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's ability 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 FY20.

Going concern
As reported in the Group Annual Report and Accounts 2020, the severe disruption to the Group's trade during the last twelve months caused by COVID-19 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 is somewhat reduced following the Prime Minister's roadmap and the Chancellor's Budget announcement but continues to exist until a firm reopening date is committed. The unpredictability of the nature, extent and duration of COVID-19, the vaccination programme, and the imposed operating restrictions seen to date means that the uncertainty still exists. How this will impact the Group's operational performance and in particular the level of sales and EBITDA generated will in turn determine the Group's covenant compliance.

As reported in the Group Annual Report and Accounts 2020 and reflected in these interim financial statements, the Group took various actions to support the liquidity of the Group including: an equity raising of £15.0 million with net proceeds of £14.1 million; securing a £16.5 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan; and securing committed total facilities (including the CLBILS) as at 26 December 2020 of £37.1 million. Additionally, in April 2021, NatWest approved a further £3.5 million CLBILS taking committed total facilities to £40.3 million as at the date of these interim financial statements. As such, as at the date of these interim financial statements the Group's net bank debt was approximately £30.8 million, and therefore the Group has available liquidity of £9.5 million.

The Group have updated the Management Case and "severe but plausible" downside scenarios described in the Group's Annual Report and Accounts 2020 to reflect the roadmap and the Budget, assuming minimal sales for the period 12 April – 17 May 2021 when only outside trade is allowed, and relevant announcements from the devolved governments. The Downside Case has been strained to assume a 10-week delay on the 21 June 2021 release of restrictions, and some level of further restrictions on late-night trade extending through Winter 2021.

In both revised scenarios, the Group forecasts to remain within its borrowing facilities and be in compliance with its covenant obligations, although this would be placed under pressure if trading was worse than the Downside Case. Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these condensed financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the circumstances noted above indicate the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group were unable to continue as a going concern.

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

We confirm that to the best of our knowledge:

- the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and
- the interim management report includes a fair review of the information required by:

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

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

Following the announcement in the Group's 2020 Annual Report and Financial Statements, Mike Foster retired as Chief Financial officer of the Group on 22 December 2020. Danielle Davies was appointed to the Board in his place. A list of current directors is maintained on the Group's website: www.revolutionbarsgroup.com

Danielle Davies
Chief Financial Officer
13 April 2021

[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 FY21 on an IAS 17 basis (from an IFRS 16 basis)*

Revolution Bars Group plc
Condensed Consolidated Statement of Comprehensive Income
for the 26 weeks ended 26 December 2020

	Note	**Unaudited 26 weeks ended 26 December 2020 *IFRS 16* £'000**	Unaudited 26 weeks ended 28 December 2019 *IFRS 16* £'000	Audited 52 weeks ended 27 June 2020 ***IFRS 16*** £'000
Revenue		**21,636**	81,229	110,074
Cost of sales		**(5,772)**	(19,428)	(26,571)
Gross profit		**15,864**	61,801	83,503
Operating expenses:				
– operating expenses, excluding exceptional items		**(24,059)**	(56,432)	(88,388)
– exceptional items	4	**(6,221)**	(4,377)	(27,770)
Total operating expenses		**(30,280)**	(60,809)	(116,158)
Operating (loss)/profit		**(14,416)**	992	(32,655)
Finance expense	5	**(3,292)**	(2,568)	(4,934)
Exceptional finance income	5	**-**	-	5,869
Loss before taxation		**(17,708)**	(1,576)	(31,720)
Income tax	6	**-**	109	(3,461)
Loss and total comprehensive expense for the period		**(17,708)**	(1,467)	(35,181)
Loss per share:				
– basic and diluted (pence)	8	**(15.7p)**	(2.9p)	(70.3p)
Dividend declared per share (pence)				

Non-GAAP alternative performance measure	Note	**Unaudited 26 weeks ended 26 December 2020 *IFRS 16* £'000**	Unaudited 26 weeks ended 28 December 2019 *IFRS 16* £'000	Audited 52 weeks ended 27 June 2020 *IFRS 16* £'000
Operating (loss)/profit		**(14,416)**	992	(32,655)
Exceptional items	**4**	**6,221**	4,377	27,770
Charge arising from long-term incentive plans	**7**	**16**	94	42
Adjusted operating (loss)/profit		**(8,179)**	5,463	(4,843)
Finance expense		**(3,292)**	(2,568)	(4,934)
Adjusted (loss)/profit before tax		**(11,471)**	2,895	(9,777)
Depreciation		**6,933**	7,325	14,612
Amortisation		**1**	-	1
Finance expense		**3,292**	2,568	4,934
Adjusted EBITDA		**(1,245)**	12,788	9,770

Revolution Bars Group plc
Condensed Consolidated Statement of Financial Position
at 26 December 2020

	Note	**Unaudited 26 weeks ended 26 December 2020 *IFRS 16* £'000**	Unaudited 26 weeks ended 28 December 2019 *IFRS 16* £'000	Audited 52 weeks ended 27 June 2020 *IFRS 16* £'000
Assets				
Non-current assets				
Property, plant and equipment	9	**35,554**	50,708	41,222
Right of Use Assets	9	**66,276**	89,762	70,689
Intangible assets		**20**	9	20
Deferred tax asset		**-**	316	-
		101,850	140,795	111,931
Current assets				
Inventories		**2,787**	4,303	3,593
Trade and other receivables	10	**1,281**	7,513	3,429
Tax receivable		**-**	-	50
Cash and cash equivalents		**4,593**	3,116	2,502
		8,661	14,932	9,574
Total assets		**110,511**	155,727	121,505
Liabilities				
Current liabilities				
Trade and other payables		**(11,646)**	(25,186)	(15,795)
Lease liabilities	11	**(5,626)**	(7,113)	(10,203)
Provisions		**-**	-	-
		(17,272)	(32,299)	(25,998)
Net current liabilities		**(8,611)**	(17,367)	(16,424)
Non-current liabilities				
Lease liabilities	11	**(103,191)**	(112,214)	(102,960)
Interest-bearing loans and borrowings		**(25,583)**	(11,500)	(24,500)
Provisions		**(1,004)**	(1,883)	(1,019)
		(129,778)	(125,597)	(128,479)
Total liabilities		**(147,050)**	(157,896)	(154,477)
Net liabilities		**(36,539)**	(2,169)	(32,972)
Equity attributable to equity holders of the parent				
Share capital		**125**	50	50
Share premium		**14,050**	-	-
Merger reserve		**11,645**	11,645	11,645
Accumulated losses		**(62,359)**	(13,864)	(44,667)
Total equity		**(36,539)**	(2,169)	(32,972)

Revolution Bars Group plc
Condensed Consolidated Statement of Changes in Equity
for the 26 weeks ended 26 December 2020

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings / (accumulated losses) £'000	Total equity £'000
At 29 June 2019 as originally presented	50	-	**11,645**	**9,725**	**21,420**
Impact of change in accounting policy	-	-	-	(23,127)	(23,127)
Tax impact of change in accounting policy	-	-	-	3,874	3,874
At 29 June 2019	50	**-**	**11,645**	**(9,528)**	**2,167**
Loss and total comprehensive expense for the period	-	-	-	(35,181)	(35,181)
Charge arising from long-term incentive plans	-	-	-	42	42
At 27 June 2020	**50**	**-**	**11,645**	**(44,667)**	**(32,972)**
Loss and total comprehensive expense for the period	-	-	-	(17,708)	(17,708)
Fundraising	75	14,050	-	-	14,125
Charge arising from long-term incentive plans	-	-	-	16	16
At 26 December 2020	**125**	**14,050**	**11,645**	**(62,359)**	**(36,539)**

Revolution Bars Group plc
Condensed Consolidated Statement of Cash Flow
at 26 December 2020

	Note	**Unaudited 26 weeks ended 26 December 2020**	Unaudited 26 weeks ended 28 December 2019	Audited 52 weeks ended 27 June 2020
		£'000	£'000	£'000
Cash flow from operating activities				
Loss before tax from operations		**(17,708)**	(1,576)	(31,720)
Adjustments for:				
Net finance expense	5	3,292	2,568	4,934
Exceptional finance income	5	-	-	(5,869)
Exceptional gain on disposal	4	(6,538)	(575)	-
Depreciation of property, plant and equipment	9	3,893	3,587	7,397
Depreciation of right-of-use assets	9	3,040	3,738	7,215
Impairment of property, plant and equipment		2,749	1,755	8,727
Impairment of right-of-use assets		7,816	2,997	19,566
Lease modification		(17)	-	(897)
Working Capital and Other movements	14	(2,172)	3,041	(2,883)
Net cash flow from operating activities		**(5,645)**	15,535	6,470
Cash flow from investing activities				
Purchase of intangible assets		**(1)**	-	(12)
Purchase of property, plant and equipment	9	**(974)**	(2,919)	(4,213)
Net cash flow from investing activities		**(975)**	(2,919)	(4,225)
Cash flow from financing activities				
Net proceeds from equity fundraising		**14,125**	-	-
Interest paid	5	**(402)**	(361)	(599)
Lease surrender premiums paid	5	**(1,250)**	-	(1,369)
Principal element of lease payments	11	**(1,954)**	(5,766)	(3,067)
Interest element of lease payments	11	**(2,890)**	-	(4,335)
Repayment of borrowings		**(30,918)**	(9,000)	(12,000)
Drawdown of borrowings		**32,000**	3,000	19,000
Net cash flow from financing activities		**8,711**	(12,127)	(2,370)
Net increase in cash and cash equivalents		**2,091**	489	(125)
Opening cash and cash equivalents		2,502	2,627	2,627
Closing cash and cash equivalents		**4,593**	3,116	2,502

Notes to the Half-yearly Financial Report

1. General information and basis of preparation

(a) General Information

Revolution Bars Group plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. Its Registered Office is at 21 Old Street, Ashton-under-Lyne, OL6 6LA, United Kingdom. The Company's shares were admitted to trading on the AIM market of the London Stock Exchange on 27 July 2020.

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

These condensed consolidated interim financial statements as at and for the 26 weeks ended 26 December 2020 comprises the Company and its subsidiaries (together referred to as the "Group").

(b) Basis of preparation

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

The condensed consolidated interim financial statements of the Group for the 26 weeks ended 26 December 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the 52 weeks ended 27 June 2020.

As required by the Disclosure Guidance and Transparency Rules of the FCA, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the 52 weeks ended 27 June 2020.

The comparative figures for the 52 weeks ended 27 June 2020 are extracted from the Company's statutory accounts for that period. Those accounts have been reported on by the Company's auditor, filed with the Registrar of Companies and are available on request from the Company's Registered Office or to download from www.revolutionbarsgroup.com. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, did include a reference to a material uncertainty relating to going concern, and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006

New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Going concern

As reported in the Group Annual Report and Accounts 2020, the severe disruption to the Group's trade during the last twelve months caused by COVID-19 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 is somewhat reduced following the Prime Minister's roadmap and the Chancellor's Budget announcement but continues to exist until a firm reopening date is committed. The unpredictability of the nature, extent and duration of COVID-19, the vaccination programme, and the imposed operating restrictions seen to date means that the uncertainty still exists. How this will impact the Group's operational performance and in particular the level of sales and EBITDA generated will in turn determine the Group's covenant compliance.

As reported in the Group Annual Report and Accounts 2020 and reflected in these interim financial statements, the Group took various actions to support the liquidity of the Group including: an equity raising of £15.0 million with net proceeds of £14.1 million; securing a £16.5 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan; and securing committed total facilities (including the CLBILS) as at 26 December 2020 of £37.1 million. Additionally, in April 2021, NatWest approved a further £3.5 million CLBILS taking committed total facilities to £40.3 million as at the date of these interim financial statements. As such, as at the date of these interim financial statements the Group's net bank debt was approximately £30.8 million, and therefore the Group has available liquidity of £9.5 million.

The Group have updated the Management Case and "severe but plausible" downside scenarios described in the Group's Annual Report and Accounts 2020 to reflect the roadmap and the Budget, assuming minimal sales for the period 12 April – 17 May 2021 when only outside trade is allowed, and relevant announcements from the devolved governments. The Downside Case has been strained to assume a 10-week delay on the 21 June 2021 release of restrictions, and some level of further restrictions on late-night trade extending through Winter 2021.

In both revised scenarios, the Group forecasts to remain within its borrowing facilities and be in compliance with its covenant obligations, although this would be placed under pressure if trading was worse than the Downside Case. Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these condensed financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the circumstances noted above indicate the existence of a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group were unable to continue as a going concern.

2. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the 52 weeks ended 27 June 2020. These accounting policies are all expected to be applied for the 53 weeks to 3 July 2021.

Leases

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

Items impacting Alternative Performance Measures

Exceptional items

Items that are unusual or infrequent in nature and material in size are disclosed separately in the income statement. The separate reporting of these items helps provide a more accurate indication of the Group's underlying business performance, which the Directors believe would otherwise be distorted. Exceptional items typically include impairments of property, plant and equipment, bar closure costs, lease surrender costs and provisions for onerous leases, significant contract termination costs including costs associated with making changes to the Executive team and corporate Mergers and Acquisitions activity.

Share based payments

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

3. 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 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.

4. 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:

	Unaudited 26 weeks ended 26 December 2020	Unaudited 26 weeks ended 28 December 2019	Audited 52 weeks ended 27 June 2020
	£'000	£'000	£'000
Administrative expenses:			
– AIM delist	**-**	-	371
– bar closure	**-**	200	-
– impairment of right of use assets	**7,816**	2,997	19,566
– impairment of property, plant and equipment	**2,749**	1,755	8,727
– lease modification	**(17)**	-	(897)
– gain on disposal	**(6,538)**	(575)	-
– property restructure	**2,211**	-	-
– other	**-**	-	3
Total exceptional items	**6,221**	4,377	27,770

Following the implementation of IFRS 16 in the prior year, impairment reviews now include right-of-use assets relating to leases. The net book value of property, plant and equipment at 27 of the Group's bars (FY20-end: 37) was written down, as well as right-of-use assets at 29 (FY20-end: 37) bars. Four of these bars had not been subject to impairment charges previously. The non-cash impairment charge is predominantly a reflection of increased right-of-use assets as a result of lease re-gears, and the continued effect on future forecasts of restrictions on trading.

A gain on disposal was recognised in respect of surrendered leases in the year as a result of extinguishing the remaining IFRS 16 lease liability, and is net of surrender premiums paid and other relevant exceptional closure costs of £0.5 million cash exceptionals.

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

5. Finance expense and income

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'000
Interest payable on bank loans and overdrafts	**402**	361	**599**
Interest on lease liabilities	**2,890**	2,207	**4,335**
Interest payable	**3,292**	2,568	**4,934**

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'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)**

6. Taxation

The taxation charge for the 26 weeks ended 26 December 2020 has been calculated by applying an estimated effective tax rate for the 53 weeks ending 3 July 2021. Due to the pre-tax loss position and continued uncertainty over COVID-19, there was no deferred tax charge or credit to the income statement.

7. Share-based payments

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'000
Charge in the period	**45**	120	65
Credit relating to forfeitures in period	**(29)**	(26)	(23)
Total	**16**	94	42

The Group currently operates an employee share incentive scheme, namely The Revolution Bars Group Share Plan. Awards under the scheme comprise:

- a Nominal Cost Option ("NCO") granted to acquire ordinary shares in the Company at an option price of 0.1 pence per share; and
- a linked, tax-favoured Company Share Option ("CSOP") granted under Part II of The Revolution Bars Group Share Plan to acquire a number of ordinary shares in the Company. The option price is set at the market value of the shares at the time of the award.

The Group also issued 1,348,383 options under a newly formed Restricted Share Award scheme on 24 December 2020.

8. (Loss)/earnings per share

The calculation of loss per ordinary share is based on the results for the period, as set out below:

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'000
Loss for the period (£'000)	**(17,708)**	(1,467)	(35,181)
Weighted average number of shares – basic and diluted ('000)	**113,093**	50,029	50,029
Basic and diluted loss per ordinary share (pence)	**(15.7p)**	(2.9p)	(70.3p)

Loss for the period was significantly impacted by exceptional costs. A calculation of adjusted earnings per ordinary share is set out below:

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'000
Loss on ordinary activities before taxation	**(17,708)**	(1,576)	(31,720)
Exceptional items	**6,221**	4,377	27,770
Share-based payments	**16**	94	42
Bar opening costs	**-**	-	-
Exceptional finance income	**-**	-	(5,869)
Adjusted (loss)/profit on ordinary activities before taxation	**(11,471)**	2,895	(9,777)
Taxation on ordinary activities	**-**	109	(3,461)
Taxation on exceptional items and bar opening costs	**(2,078)**	(793)	(5,447)
Adjusted (loss)/profit of ordinary activities after taxation	**(13,549)**	2,211	(18,685)
Basic and diluted number of shares ('000)	**113,093**	50,029	50,029
Adjusted basic and diluted (loss)/earnings per ordinary share (pence)	**(12.0p)**	4.4p	(37.3p)

9. 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 29 June 2019	1,426	80,868	54,579	8,217	145,090
Additions	-	1,872	1,667	674	4,213
At 27 June 2020	**1,426**	**82,740**	**56,246**	**8,891**	**149,303**
Additions	-	574	287	113	974
at 26 December 2020	**1,426**	**83,314**	**56,533**	**9,004**	**150,277**
Accumulated depreciation and impairment					
At 29 June 2019	(1,216)	(35,190)	(42,403)	(6,956)	(85,765)
Provided in the period	-	(3,709)	(2,880)	(808)	(7,397)
Impairments	-	(11,853)	(2,997)	(69)	(14,919)
At 27 June 2020	**(1,216)**	**(50,752)**	**(48,280)**	**(7,833)**	**(108,081)**
Provided in the period	-	(1,919)	(1,645)	(329)	(3,893)
Impairments	-	(2,349)	(384)	(16)	(2,749)
at 26 December 2020	**(1,216)**	**(55,020)**	**(50,309)**	**(8,178)**	**(114,723)**
Net book value					
at 26 December 2020	**210**	**28,294**	**6,224**	**826**	**35,554**
at 27 June 2020	210	31,988	7,966	1,058	41,222

Right-of-use assets - Group	Bars £'000	Vehicles £'000	Total £'000
Cost			
At 27 June 2020	97,035	435	97,470
Reassessment/modification of assets previously recognised	7,229	-	7,229
Disposals	-	(9)	(9)
At 26 December 2020	104,264	426	104,690
Accumulated depreciation and impairment			
At 27 June 2020	26,601	180	26,781
Depreciation charged during the year	2,965	75	3,040
Impairment charged during the year	8,593	-	8,593
At 26 December 2020	38,159	255	38,414
Net book value			
At 26 December 2020	**66,105**	**171**	**66,276**
At 27 June 2020	70,434	255	70,689

Depreciation and impairment of property, plant and equipment and right-of-use assets are recognised in operating expenses in the consolidated statement of profit or loss and other comprehensive income. £777k of right-of-use asset impairment is reclassified from exceptional impairment against the exceptional gain on disposal line.

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.

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

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. The January Management Case forecast was used for the value in use calculation, which assumed a full lockdown until 11 April and restrictions thereon, with reduced sales in the next few months and a gradual return to normal sales over the year. These were considered the best estimate at the interim-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.

10. Trade and other receivables

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'000
Amounts falling due within one year			
Trade and other receivables	**726**	2,803	661
Accrued rebate income	**64**	963	114
Prepayments	**(389)**	3,747	2,054
Other debtors	**880**	-	600
	1,281	7,513	3,429

The above Other Debtors relates to a furlough claim made on 14 January 2021 for the period 1 December 2020 - 31 December 2020. £880k of this relates to the interim reporting period and is therefore recognised as a debtor. The amount claimed was received in full on 21 January 2021. £600k of furlough claim relating to FY20 was received in FY21 H1.

In total, amounts of £6.9 million of furlough claims have been made relating to FY21 H1, of which £6.0 million was received within the interim period. A further £3.9 million has been claimed as at the date of this report relating to the second half of FY21.

11. Lease liabilities

	Short leasehold properties £'000	Vehicles £'000	Total £'000
At 27 June 2020	**112,903**	**260**	**113,163**
Reassessment/modification of liabilities previously recognised	7,228	-	7,228
Modifications taken as a credit to administrative expenses (note 3)	(17)	-	(17)
Surrender of leases	(7,820)	(9)	(7,829)
Lease liability payments	(4,764)	(80)	(4,844)
Lease concessions	(1,774)	-	(1,774)
Finance costs	2,885	5	2,890
At 26 December 2020	**108,641**	**176**	**108,817**

The reassessment/modification of leases relates to re-gears on existing leases, where the terms of the lease have been changed such as an extension or change to rental amount.

The lease liability cash payments in the year comprise interest of £2.9 million and principal of £2.0 million.

12. Dividends

No dividend in respect of the interim reporting period is being declared. No interim or final dividend was declared in respect of the 52 weeks ended 27 June 2020.

13. Capital Commitments

There were £nil capital commitments as at 26 December 2020 (at 27 June 2020: £nil).

14. Note to accompany the consolidated statement of cash flow

	Unaudited 26 weeks ended 26 December 2020 £'000	Unaudited 26 weeks ended 28 December 2019 £'000	Audited 52 weeks ended 27 June 2020 £'000
Cash flow from operating activities			
Loss before tax from operations	**(17,708)**	(1,576)	(31,720)
Adjustments for:			
Net finance expense	**3,292**	2,568	4,934
Exceptional finance income	**-**	**-**	(5,869)
Exceptional gain on disposal	**(6,538)**	(575)	-
Depreciation of property, plant and equipment	**3,893**	3,587	7,397
Depreciation of right-of-use assets	**3,040**	3,738	7,215
Impairment of property, plant and equipment	**2,749**	1,755	8,727
Impairment of right-of-use assets	**7,816**	2,997	19,566
Modification of lease	**(17)**	-	(897)
Working Capital and Other movements (further analysed below)	**(2,172)**	3,041	(2,883)
Amortisation of intangibles	**1**	-	1
Charges arising from long-term incentive plans	**16**	94	42
Operating cash flows before movement in working capital	**(3,456)**	12,588	9,396
Decrease/(increase) in inventories	**807**	(217)	493
Decrease/(increase) in trade and other receivables	**2,148**	4,764	6,444
(Decrease)/increase in trade and other payables	**(5,129)**	(1,600)	(10,483)
(Decrease)/increase in provisions	**(15)**	-	619
	(5,645)	15,535	6,469
Tax refunded	**-**	-	1
Net cash flow from operating activities	**(5,645)**	15,535	6,470

Within the Working Capital and Other movements analysis, the prior year interim comparatives have been corrected to remove an incorrect Tax Credit line of £109k, increasing trade and other payables by £58k, and decreasing tax refunded by £51k. There was no impact on the net cash flow generated from operating activities or on the net increase in cash and cash equivalents for the period to 28 December 2019.

15. Post balance sheet events

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 CVA. On 10 February 2021, post the balance sheet date, the Group exited a further site as part of the CVA. This was a result of receiving a formal notice to vacate from the landlord of its site in Richmond due its categorisation in the CVA. This is in addition to the exit of the initial five sites as part of the CVA and the surrender of two loss-making sites which occurred in the period. Post the balance sheet date, the Group has also secured a further three rental concessions and three lease re-gears which has resulted in additional savings of £370k, which will be accounted for in the second half of the year.

UK Government COVID-19 announcements
On 22 February 2021 the Prime Minister set out the roadmap to cautiously ease national lockdown restrictions. The Group traded from 20 bars with external space on 12 April 2021, and anticipates opening the remaining bars for indoor hospitality on 17 May 2021. Whilst some uncertainty remains around when the restrictions will be eased, the Group hopes for the relaxation of all legal limits on social contact on 21 June 2021 to allow a positive trading environment in which the Group can safely and viably operate under normal conditions. The Group monitors the devolved Government announcements carefully and is planning reopening in line with guidance.

On 3 March 2021, the Chancellor of the Exchequer announced the budget which included a variety of items relevant to the hospitality industry. The Group intends to utilise the aid where possible, including: extension of the furlough scheme, business rates holidays, Local Authority grants, extension of the reduced hospitality VAT rate, and frozen alcohol excise duty. This aid does not go anywhere near plugging the gap left by COVID-19, so the Group will be continuing lobbying alongside UK Hospitality for further assistance.

Sensible assumptions for these measures were included in the going concern assessment. However, the impairment review of property, plant and equipment and right-of-use assets were performed using the January Management Case, prior to the announcement of these measures and the roadmap. The impact of these updated assumptions would have reduced impairment by £0.5 million.

Changes to committed borrowing facilities
As at the date of report, the Group had a revolving credit facility ("RCF") of £21.0 million expiring at the end of June 2022, and a £16.5 million Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loan of £16.5 million expiring 5 July 2023. £2.0 million of amortisation due in September 2021 was waived in April 2021, as well as a further £3.5 million CLBILS term loan agreed which will be drawn down on post balance sheet date.

16. Alternative Performance Measures – Condensed 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 26 weeks to 26 December 2020. It is included to provide an understanding of the underlying performance for the 26 weeks to 26 December 2020. 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.

	26 weeks ended 26 December 2020 IFRS 16 £'000	**Impact of IFRS 16 £'000**	**26 weeks ended 26 December 2020 IAS 17 £'000**	Unaudited 26 weeks ended 28 December 2019 IAS 17 £'000
Revenue	**21,636**	**-**	**21,636**	81,229
Cost of sales	**(5,772)**	**-**	**(5,772)**	(19,428)
Gross profit	**15,864**	**-**	**15,864**	61,801
Operating expenses				
- operating expenses, excluding exceptional items	**(24,059)**	**892**	**(24,951)**	(57,974)
- exceptional items	**(6,221)**	**(1,063)**	**(5,158)**	(7,354)
Total operating expenses	**(30,280)**	**(171)**	**(30,109)**	(65,328)
Operating loss	**(14,416)**	**(171)**	**(14,245)**	(3,527)
Finance expense	**(3,292)**	**(2,881)**	**(411)**	(401)
Loss before taxation	**(17,708)**	**(3,052)**	**(14,656)**	(3,928)
Tax	**-**	**-**	**-**	111
Loss and total comprehensive income for the period	**(17,708)**	**(3,052)**	**(14,656)**	(3,817)
Loss per share				
Basic and diluted (pence)	**(15.7p)**	**(2.7p)**	**(13.0p)**	(7.9p)
Adjusted basic and diluted (pence)	**(12.0p)**	**(3.5p)**	**(8.5p)**	4.5p

Non-GAAP alternative performance measure				
Operating loss	**(14,416)**	**(171)**	**(14,245)**	(3,527)
Exceptional items	**6,221**	**1,063**	**5,158**	7,354
Credit arising from long-term incentive plans	**16**	**-**	**16**	94
Adjusted operating (loss)/profit	**(8,179)**	**892**	**(9,071)**	3,921
Finance expense	**(3,292)**	**(2,881)**	**(411)**	(401)
Adjusted (loss)/profit before tax	**(11,471)**	**(1,989)**	**(9,482)**	3,520
Depreciation	**6,933**	**3,675**	**3,258**	3,728
Amortisation	**1**	**-**	**1**	-
Finance expense	**3,292**	**2,881**	**411**	401
Adjusted EBITDA	**(1,245)**	**4,567**	**(5,812)**	7,649

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 £0.9 million in operating expenditure

	Impact of IFRS 16 £'000
Rental expenditure incurred	(4,566)
Reclassification of non-exceptional items under IAS 17	(1)
IFRS 16 depreciation reversal	6,933
IAS 17 depreciation incurred	(3,258)
Total increase in operating expenses	(892)

- Decrease of £1.1 million in exceptional items

	Impact of IFRS 16 £'000
IFRS 16 impairment reversal	10,318
Reclassification of non-exceptional items under IAS 17	(7,044)
IAS 17 impairment incurred	(893)
IFRS 16 lease modification reversal	(17)
IAS 17 Rent free creditor release (exited sites)	341
Net onerous lease movement	(1,642)
Total decrease in exceptional items	1,063

- Reduction of £2.9 million in finance expense

	Impact of IFRS 16 £'000
IFRS 16 finance cost reversal	2,890
Onerous lease interest incurred	(9)
Total decrease in finance expense	2,881

Exceptional items are comprised of:

	Unaudited 26 weeks ended 26 December 2020 IFRS 16 £'000	**Unaudited 26 weeks ended 26 December 2020 IAS 17 £'000**
Administrative expenses:		
- bar closure	**-**	165
- impairment of right of use assets	**7,816**	-
- impairment of property, plant and equipment	**2,749**	1,140
- lease modification	**(17)**	-
- gain on disposal	**(6,538)**	-
- property restructure	**2,211**	2,211
- movement on onerous lease provisions	**-**	1,642
Total exceptional items	**6,221**	5,158