REVOLUTION
BARS GROUP

REVOLUTION | Revolución de Cuba
FOUNDERS & CO. | PLAYHOUSE

ANNUAL REPORT AND ACCOUNTS 2022

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FINANCIAL STATEMENTS

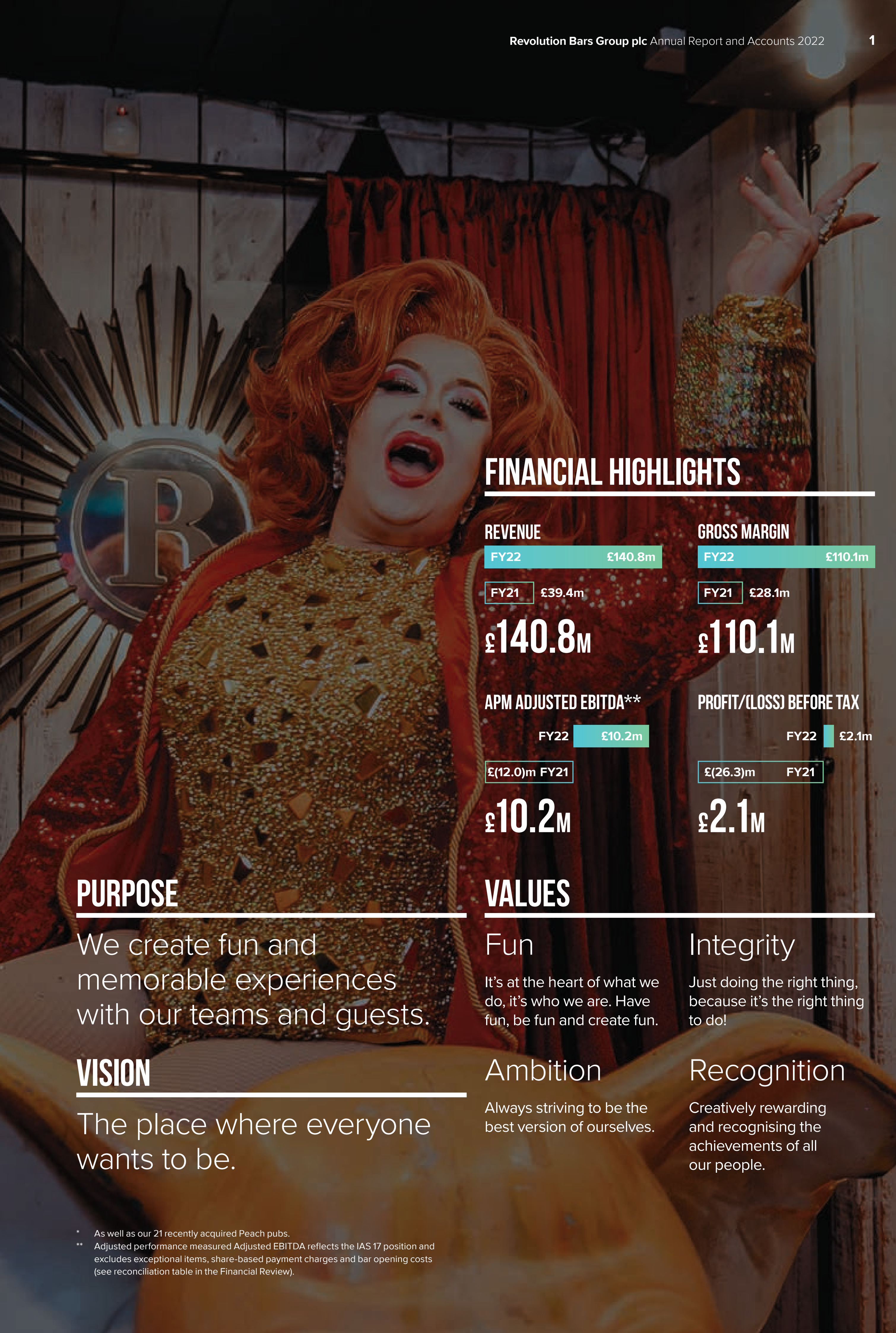
We are a leading operator of premium bars operating two market-leading brands, "Revolution" and "Revolución de Cuba", and two exciting new concepts. We have a strong national presence across the UK but with significant opportunities for further expansion and currently trade from 69* bars located exclusively in town or city centre high streets.

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

VENUES ACROSS THE UK

69*

Huge thank you to Jordan Baird @Bairdvisuals for allowing us to use some of his images across this report, including the amazing front cover.



FINANCIAL HIGHLIGHTS

REVENUE

FY22 £140.8m

FY21 £39.4m

£140.8M

GROSS MARGIN

FY22 £110.1m

FY21 £28.1m

£110.1M

APM ADJUSTED EBITDA**

FY22 £10.2m

£(12.0)m FY21

£10.2M

PROFIT/(LOSS) BEFORE TAX

FY22 £2.1m

£(26.3)m FY21

£2.1M

PURPOSE

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

VISION

The place where everyone wants to be.

VALUES

Fun

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

Integrity

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

Ambition

Always striving to be the best version of ourselves.

Recognition

Creatively rewarding and recognising the achievements of all our people.

* As well as our 21 recently acquired Peach pubs.

** Adjusted performance measured Adjusted EBITDA reflects the IAS 17 position and excludes exceptional items, share-based payment charges and bar opening costs (see reconciliation table in the Financial Review).

CHAIRMAN'S STATEMENT

OVERVIEW

I am pleased that our business has now returned to normal trading without restrictions, despite the impact from COVID-19 in the first half of the year. We hope and plan for a period of exciting trading over the winter months, celebrating large parties with our corporate guests, whilst remaining cautious of the upcoming festive period where the Government has found it necessary in the last few years to restrict trading and damage guest confidence.

We recognise the potential for uncertainty in guest confidence as we enter a period of economic uncertainty, characterised by recession and an inflationary environment, but are confident of the resilience of our guest base.

During the year, we have delivered two new Revolution bars, completed 19 refurbishments across the estate, and launched our second exciting new concept.

Keith Edelman, Non-Executive Chairman

ACCELERATED REFURBISHMENT PROGRAMME: 19 SITES COMPLETED IN FY22

TWO NEW BRANDS

RETURN TO STRONG SALES

FIRST NEW BAR LEASE SIGNED IN FOUR YEARS

The two new bars, in Preston and Exeter, have had excellent guest reception and feedback and are trading in line with expectations, which are set to achieve a four-year payback.

On 18 October we were also very excited to announce the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), the operator of a collection of 21 award-winning pubs. Peach offers an exciting addition to the Group portfolio and provides a more balanced and diversified business with scale and compelling growth potential across multiple trading segments of drinks, food and accommodation. We look forward to seeing where this new venture takes us.

Our refurbished Revolution sites are demonstrating a new, edgy design which is social media friendly and gives our guests the opportunity to showcase their experience, encouraging return visits. Our refurbished bars are also performing well and are in line with a two-year payback period. Our guest proposition review is being finalised on Revolución de Cuba to take it into its next exciting stage and enhance the guest journey.

We are pleased with the performance of both new concepts, Founders & Co. and Playhouse, both of which have received excellent guest feedback. Founders & Co. has created a friendly community feel which is enjoyed by guests of all ages and has enabled the Group to diversify sales towards daytime and food from the more traditional patterns. Playhouse, a competitive socialising offering, has seen great success with corporate and group bookings, offering an immersive experience for our guests.

We have continued to build on the progress made with Inclusion & Diversity, Wellbeing, Sustainability and developing the guest journey. Management are now aligning their focus to continue driving these important strategies forwards, whilst driving new workstreams to grow and build business performance.

OUR BUSINESS

At the end of the reporting period, the Group operated 69* premium bars with a strong presence throughout the UK for its two high-quality retail brands: Revolution (49 bars), focused on young adults; and Revolución de Cuba (18 bars), which attracts a broader age range. Most of the Group's sales are derived from food and drink with some late-night admission receipts driven by entertainment completing the sales mix. The FY22 portfolio also includes one Founders & Co. venue in Swansea and one Playhouse venue in Northampton, providing a new diversification of sales through increased food offerings and game machine sales.

We were excited to return to our pre-COVID-19 strategy of expansion and refurbishment of the estate, and in the year spent £8.3 million of capital expenditure across two brand new Revolution bars, 19 refurbishments, converting a bar into Playhouse, sustainability, IT and other key investments. In FY23 we plan on refurbishing up to a further 18 bars, meaning up to 57% of the like-for-like estate will have been refurbished across FY22 and FY23.

To date, four bars have been refurbished in FY23. The bars opened and refurbished in FY22 are performing well, and we look forward to extending our expansion plans over the coming years.

OUR RESULTS

Sales of £140.8 million (2021: £39.4 million) were 257.4% higher than the previous year due to a return to much more normal trading, albeit with some impact from COVID-19 at the start of the period and during festive trading. In comparison, the previous year was significantly impacted by lockdowns and restrictions. Our statutory profit before tax for the year of £2.1 million (2021: loss before tax of (£26.3) million) reflects very positive trading and careful cost management, compared to the prior period which was significantly impacted by the restrictions on trading. Adjusted[1] EBITDA, our preferred KPI, is significantly impacted by IFRS 16 and thus the Directors believe that business progress is best measured by the directly comparable IAS 17 Alternative Performance Measures[3] ("APM") measure of adjusted[1] EBITDA which was a profit of £10.2 million (2021: loss of (£12.0) million). The positive movement in APM[3] adjusted[1] EBITDA reflects a strong period of cash generative sales from excellent business progress and pent-up demand.

No further debt drawdowns were required in FY22 due to the positive trading, whereas in FY21 a total of £20.0 million of Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans were obtained, as well as £34.0 million from the net proceeds of the two equity fundraisings. The business remains in a strong cash position, meaning it is ready to take advantage of any potential good-value acquisition opportunities in addition to the organic expansion and refurbishment of the estate. As at 17 October 2022, the Group had net cash of £0.7 million.

OUR BOARD

There have been no changes to the Board in the year. With COVID-19 firmly behind us, the Board have been able to return to in-person meetings where applicable, and have continued their focus on Governance matters, strategy, and performance improvement of the business. The Board and Executive Management group continue to work closely together, with the Board providing challenge, a sounding board and support to Management decisions.

OUR TEAM MEMBERS

At the end of the reporting period, the Group employed around 2,800 people, all of whom strive to provide the outstanding guest experience that is at the heart of our strategy. Recruitment needs have risen since the start of FY22, when we were able to finish our use of the Coronavirus Job Retention Scheme early and bring all our people back, as well as staffing our brand-new bars. Our teams continue to demonstrate amazing commitment to the business, making sure our bars are the place where everyone wants to be. I thank all of our people and teams for their hard work, great attitudes, and continued efforts as we move into the next exciting stage of expansion and growth for the business.

OUR FUTURE

Like-for-like[2] ("LFL") revenue generated in the first 11 weeks of FY23 was -10.0%, reflecting the challenging trading conditions faced. A combination of rail and tube strikes, heatwaves, festivals and events, and people going abroad for their holidays have all contributed to reduced footfall in our bars.

However, LFL[2] revenue from next two weeks improved to -4.5%, reflecting the positive sales increase from the return of students in September. Our young and resilient guest base are somewhat protected from the ongoing cost pressures on the economy; summer trading is one of our quieter times of the year and we are therefore pleased to see sales improve after the summer period.

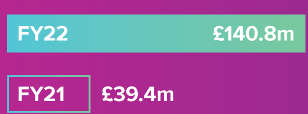
The Financial Review provides information on liquidity and going concern, and also the full going concern disclosures, which include references to material uncertainty, can be found in note 1.

I am confident that the strong leadership and new workstreams will continue to drive improved performance and expansion and look forward to a future of positive trading.

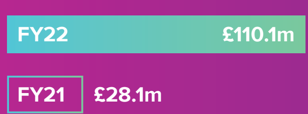
I would like to take this opportunity to thank all our colleagues for their hard work during a very difficult year interrupted by COVID-19, as well as our stakeholders with particular thanks to the continued support of our suppliers.

Keith Edelman
Non-Executive Chairman
18 October 2022

REVENUE £M



GROSS MARGIN £M



NET BANK CASH/(DEBT)

£4.1M
2021: (£3.6M)

APM[3] ADJUSTED EBITDA/(LOSS)

£10.2M
2021: (£12.0M)

1 Adjusted performance measures exclude exceptional items, share-based payment charges and bar opening costs
2 Like-for-like (LFL) sales are same site sales defined as sales at only those venues that traded in the same week in both the current year and most recent non-COVID-19 affected comparative period
3 APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis
* As well as our 21 recently acquired Peach pubs

AT A GLANCE

FOUR PREMIUM BRANDS

REVOLUTION | Revolución de Cuba RUM BAR • CANTINA | FOUNDERS & CO. | PLAYHOUSE

LOCATIONS	DRINKS
	
An exciting high street party venue, serving fresh food and expertly mixed cocktails. Bringing big weekend entertainment, this is where to get the party started	A wide range of premium cocktails and vodka focused drinks
Bringing Cuba to you, an authentic Cuban bar experience where you can bring your amigos for live music, rum-focused cocktails and great tapas	Rum-led cocktails and Cuban inspired drinks
An eclectic food hall offering four different independent kitchens with a coffee shop, gentleman's barbers, vintage clothing retailer and community-focused events	Stocked with local drinks, created and curated by the finest homegrown South Wales talent
A place to thrill, chill and fill, bringing a mix of next-level gaming experiences, pizza by the slice and an innovative drinks range	Cocktails on tap and self-service drink dispensers let you keep on gaming

VENUES ACROSS THE UK

Our first Revolution bar opened in Manchester in 1996, and now we have 49 bars across the UK.

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

We opened our first Founders & Co. in Swansea in June 2021, and our first Playhouse in Northampton in October 2021.

On 18 October we announced the acquisition of 21 award-winning pubs that are not included in these figures.

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

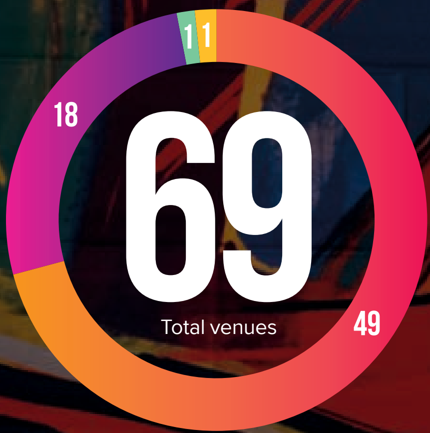
* Revolución de Cuba only in Northern Ireland.

FOOD

- Signature pizzas and burgers, supported by delicious grazing dishes
- Cuban and Latin American inspired tapas focused food menu
- An ever-changing array of local food vendors serve you anything from pizza, burgers, Indian, Japanese, poutine, Mexican... there's always something new to try
- Enjoy a New York-inspired giant pizza slice, prepared with 24hr dough freshly made in-house. Or try and tackle our metre pizza if you dare

ENTERTAINMENT

- Delivering the party spirit since 1996, the best place to celebrate any occasion with our amazing DJs
- Authentic live Latin music and dance productions, supported by exciting dancers and entertainment
- Pub quizzes, learn-to-paint, life drawing, baby groups, dogs, creative writing... we've got it all! New events are added and enjoyed regularly
- You'll find all the classic arcade games here, with the showcase being our huge 10-person raceway.



- Revolution
- Revolución de Cuba
- Founders & Co
- Playhouse

FY22 REFURBISHMENTS COMPLETED

19

FY23 REFURBISHMENTS PLANNED (UP TO)

18

YEAR IN REVIEW

2022 BACK WITH A BANG

AN EXCITING REOPENING

On 19 July 2021, two weeks into FY22, we were very excited to fully reopen without social distancing and other restrictions. We saw an exciting level of custom as pent-up demand brought our guests back to the place where everyone wants to be, and we were certainly ready to bring the party.

Read more on pages 14 to 17

THE CONFERENCE

After a missed year, the Group was very excited to come together for the annual conference in September 2021. Over 500 of our management team across the bars and support centre met in Birmingham to celebrate our successes and hear about our exciting future, with a party afterwards of course!

Read more on page 31

REFURBISHMENT PROGRAMME

Our ambitious refurbishment programme saw 19 exciting refurbishments completed in FY22, with up to a further 18 planned for FY23. From our first one at Nottingham Cornerhouse, to the last one at Parsonage Gardens in Manchester, we have seen pleasing increased performance as guests enjoy our bars.

Read more on pages 14 to 17

FY22 NEW BARS

2

SALES

£140.8M

We are continually investing in our brands to ensure we continue to win our guests' hearts and minds. Revitalising and refreshing the brand propositions are key, with the introduction of unique experiences at our new concept venues that are proving successful alongside focusing on bar refurbishments.

PLAYHOUSE

Our second exciting new concept, Playhouse, opened in October 2021; a competitive socialising concept with both old and new arcade games to excite our guests. Metre-long pizzas with our freshly made in-house dough, cocktails on tap, and a 10-car huge raceway bring an enticing offering to our guests.

Read more on pages 4 to 5

FIRST NEW OPENING IN FOUR YEARS

Late June 2022 saw the launch of our first bar in four years at Revolution Exeter. This was quickly followed by another brand-new opening at Revolution Preston. Our fabulous property team has been scouring the UK for the most beautiful and thrilling venues to bring our four exciting brands to, and continue to build a strong pipeline of future sites.

Read more on pages 14 to 17

ABOVE MINIMUM WAGE EMPLOYER

In March 2022, the Group was proud to announce it was investing over £2.0 million per annum in becoming an "above minimum wage employer" as part of its "fair day's pay for hard day's work" pledge. These new pay bands brought wages above the April 2022 new national minimum wage rates and helps retain our status as an employer of choice.

Read more on pages 32 to 33

OUR HIGHEST EVER ENPS SCORE

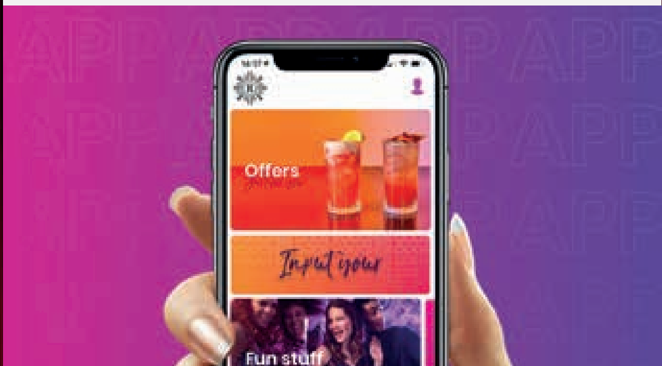
41.5PTS

MARKET REVIEW

We seek the right opportunities and experiences that our guests desire in a post-COVID-19 world.

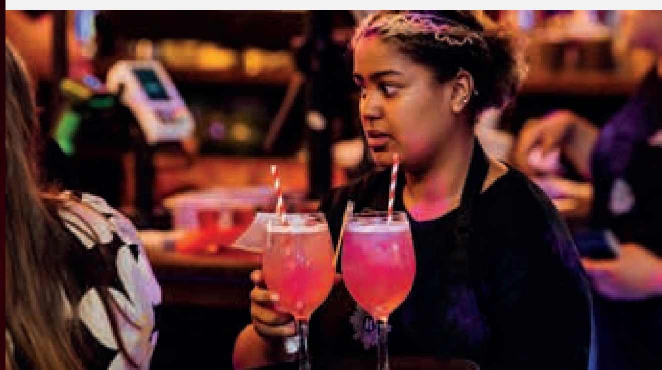
OUR DIGITAL JOURNEY

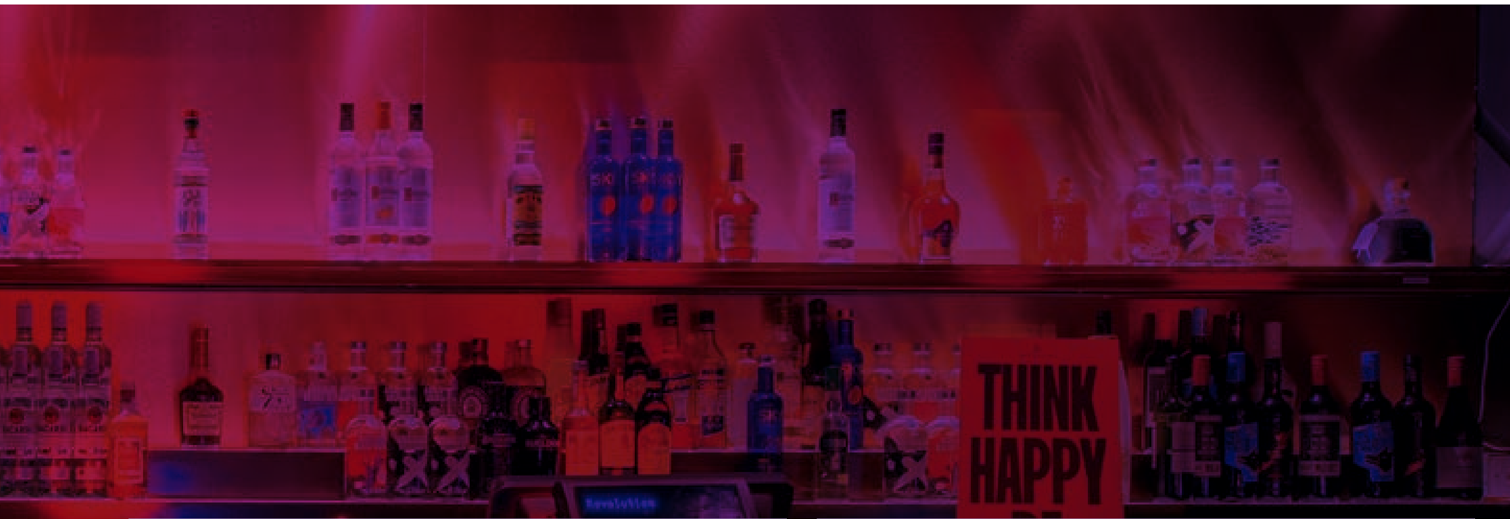
The heavy restrictions during the pandemic resulted in an opportunity for expansion in our technological advancements. This resulted in an exciting App used by over 1.2 million of our guests, an improved booking system allowing our sales teams to organise group bookings with ease and streamlining the guest journey, as well as other general improvements to the digital guest journey. We continue to invest in QR codes for at-table ordering in all our sites and have recently recognised the need to outsource certain IT support to allow our brilliant IT team the capacity to focus on our exciting in-house technology.



THE END OF THE MORATORIUM

The British Government introduced a moratorium during COVID-19 to support struggling hospitality businesses who may not have been able to pay their rents during the pandemic. This came to an end on 25 March 2022, after which point the Group has seen a number of new property opportunities arise in the market. The Group has opened two new sites in FY22, and is ready to take advantage of any exciting acquisition opportunities that may arise. We operate an incentive scheme where our people will be rewarded for notifying the property team of any suitable properties in their local area we end up expanding to. The Group was thrilled to announce in October 2022 the acquisition of 21 award-winning pubs.



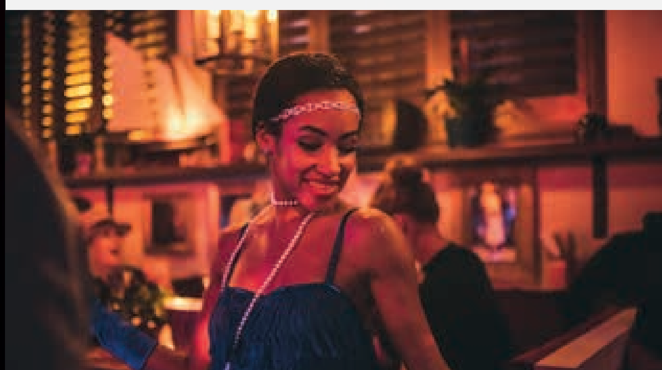


GUEST EXPERIENCES

We were very pleased to see the end of all restrictions in England in July 2022 and traded very strongly outside of restricted periods in the year. We continue to identify a desire by our guests for exciting new experiences, which is why we partner with brilliant talent, entertainment and dancers across the UK. Our bottomless brunches are so well loved that we recently launched a trial of premium bottomless dinners which feature DJs and entertainment, taking you into the night. Following the shift in working patterns, we are also working to capitalise on remote working by partnering with relevant suppliers and making our bars welcoming environments for remote-office workers to join us for a coffee, wi-fi and a place to collaborate.

FUTURE TRADING

As at the end of June 2022, the Coffer Peach Tracker noted like-for-like sales at Britain's top managed restaurant, pub and bar groups at 5% ahead of the pre-COVID-19 levels of June 2019, noting that this "would represent a strong performance for managed groups in most months. However high inflation means sales are down in real terms, and mounting costs continue to pile pressure on profit margins." The Group continues to monitor costs carefully noting that inflation may potentially also have an impact on guest confidence; we have contracted cost specialists to review all terms with our suppliers and identify cost savings, whilst we negotiate improved terms and secure fixed costs where possible. With the current economic climate and potential recession, we recognise a potential risk to some of our guests but feel this is somewhat mitigated by our primarily resilient young guest base. Through careful cost management and strategic price increases, the Group secured a gross margin of 78.2% in FY22, which is higher than FY20 of 75.9% and FY19 of 75.8%.



INVESTMENT CASE

YIELDING STRONG RESULTS

FOUR EXCITING PREMIUM BRANDS

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

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

Founders & Co. is an eclectic mix of independent food vendors, makers, sellers, and creators all under one roof.

Playhouse, a competitive socialising concept filled with old and new arcade games, a huge 10-car raceway, and metre long pizzas.

The Group is pleased with the new concepts which add a diversification of sales to the Group and is in the process of expanding the Founders & Co. and Playhouse portfolios. We continue searching for amazing venues to bring all of our brands to and are poised to take advantage of any good acquisition opportunities.

We are thrilled to bring a fifth brand into the Group in October 2022, with the acquisition of 21 award-winning pubs from the Peach brand, which offers a further diversified brand and business with scale and growth potential across drinks, food and accommodation.

Read more on page 4

REVOLUTION

Revolución de Cuba RUM BAR ★ CANTINA

FOUNDERS & CO.

PLAYHOUSE

“We’ve got a management team here that can run a bigger operation, and therefore an acquisition is very much on our agenda.

Rob Pitcher, Chief Executive Officer

Our talented management team's focus on our strategy and core strengths is beginning to yield strong results.

Management is ready to drive the trading performance, refurbishments, expansion of the estate, and exciting new brands. The Group is ready to take advantage of good acquisition opportunities.

CLEAR STRATEGY IN PLACE

- Maximising revenue and profit
- Focus on brand awareness and ESG including Sustainability and EVP
- Developing the guest experience
- Cost monitoring and control, mitigating risks wherever possible
- Diversification of sales via new concepts and workstreams

Read more on pages 18 to 19

PEOPLE FIRST

- Experienced Executive and Management teams empowered by the Board to maximise performance
- Purpose, Vision and Values embedded throughout the businesses
- Rolling out the Inclusion Revolution to make us the place where everyone wants to be
- Engaging our 2,800-strong passionate team
- Attracting new talent and ensuring we are the employer of choice

Read more on pages 32 to 33

FINANCIALLY WELL STRUCTURED

- Strong cash generation
- Significantly improved liquidity with £25.9 million cash generated from operating activities provides resilience and an excellent platform which allowed the exciting acquisition of Peach
- Debt target to below one times APM (IAS 17) adjusted EBITDA
- Net cash as at the end of FY22 of £4.1 million

Read more on pages 24 to 27

MARCH 2022 SAW THE GROUP'S BIGGEST EVER PRE-BOOKED REVENUE OUTSIDE OF CHRISTMAS

PASSIONATE TEAM MEMBERS

2,827

FY22 NET CASH

£4.1M

BUSINESS MODEL

Our business model is built on core strategies driving improved performance and exciting new opportunities.

LEVERAGING OUR SOURCES OF COMPETITIVE ADVANTAGE

Two established and recognised brands
- Revolution and Revolución de Cuba, both of which are synonymous with a fun night out
- Two new brands, Founders & Co. and Playhouse, diversifying our guest offering, and recent acquisition of fifth brand, Peach

Refurbishments and new bars
- 19 exciting refurbishments completed, with up to a further 18 planned for next year
- Two new bars opened, the first in four years

Experienced team and skilled staff
- Highly experienced and dedicated Executive and Management teams empowered by the Board to deliver growth

Strong financial structure
- Overperformance has seen steady cash generation

NEW BRANDS LAUNCHED
2

NEW BARS OPENED
2

COLLEAGUES AT YEAR-END
2,827

NET CASH AT YEAR-END
£4.1M

CREATING VALUE FROM OUR GUEST PROPOSITION

IMPACTFUL VENUES

Large, characterful spaces

PREMIUM DRINKS

70% of drinks sales from cocktails and spirits

MAXIMISING VALUE

Strong expansion strategy

See page 8

Embedded values

See page 32

LIVELY ENTERTAINMENT & ENERGY

Live music, DJs and entertainers

INNOVATIVE FOOD

All-day menus that are both delicious and Instagram worthy

SHARING VALUE WITH OUR STAKEHOLDERS

Guests
- Fun and safe night out for our predominantly female guests

Colleagues
- Rewarding roles, with opportunities for advancement and improved career plans for all levels

Shareholders
- Exciting return to trading after freedom-day, seeing strong like-for-likes of +14% until Omicron. The business is currently in a net cash position

Communities
- Vibrant bars and job opportunities at the heart of communities, while supporting impactful charities

SMALL PLATES AS PROPORTION OF FOOD SALES
24%

HIGHEST EVER COLLEAGUE ENGAGEMENT RATES
87%

NET CASH AS AT 17 OCTOBER 2022
£0.7M

LOCATIONS (NOT INCLUDING PEACH)
69

Robust risk management

See page 28

Sound governance

See page 47

CHIEF EXECUTIVE OFFICER'S STATEMENT

> After the excitement of "Freedom Day" in the summer of 2021, we were delighted to experience pent-up demand and staycations having a very positive impact on performance once able to trade normally, with the devolved nations gradually relaxing restrictions through late summer and into the autumn. The Group also benefitted from many of our young guests enjoying delayed celebrations during the first half of the year.

BUSINESS REVIEW

After an excellent start to the year, it was extremely disappointing to find COVID-19 so severely affecting festive trading. Government guidance and restrictions regarding "Plan B" derailed festive trading, where Corporate guests were discouraged from fulfilling their large group bookings. This continued into our second half of the year with restrictions still in place; restrictions were, once again, slower to release across Wales, Scotland and Northern Ireland where approximately 15% of the Group's business is generated.

Similarly to the summer of 2021, we were pleased to see pent-up demand return in spring 2022 following the release of "Plan B" restrictions. Many of our postponed Christmas parties enjoyed a belated celebration in these months, and we were delighted to welcome our Corporate guests back. Positive trading conditions continued, with our young guest base ready to party, and a good run of bank holidays.

The advent of summer 2022 brought with it much tougher trading conditions with our guests attending many postponed festivals and large-scale stadium concerts, as well as restriction-free summer holidays abroad returning for the first time since 2019. Trade was impacted by our guests attending two years' worth of gigs and events, that had been postponed and then crammed into the summer of 2022.

During this time, the growing media coverage on the war in Ukraine and the resultant cost-of-living crisis has continued to build into the everyday lives of the general public and has driven consumer confidence to an all-time low. Whilst the Group's young guest base is somewhat sheltered from the full impact of this crisis, due to still living at home or in shared accommodation, they are, however, not completely immune and we are seeing a level of caution from them at this uncertain time. We continue to review internal costs and pricing carefully to navigate the current economic backdrop.

We launched our first new concept, Founders & Co. at the very end of FY21, and saw it celebrate its first birthday in week 52 of FY22. The site has created a strong community feel for people of all ages and backgrounds and is performing well. The sales mix is 50:50 food and drink (with the Group taking a proportion of food sales from our independent traders as rent), with 97% of sales also achieved before 11pm, meaning the brand is introducing a new demographic and trading pattern to the Group. Our second new concept, Playhouse, launched towards the end of FY22 H1, is delivering on our low-cost/high-margin model, helped by strong game machine sales making up 21% of total sales. We are very excited to launch our second Playhouse site in FY23 H1.

We are thrilled to announce that in October 2022 we completed the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), a collection of 21 award-winning countryside pubs. After working closely with Peach over the last several months, we feel Peach has a strong focus on its colleagues and guests and has great synergies both operationally and from a People perspective. We are very excited to get under the skin of this complimentary new offering and enjoy the Christmas trade together.

Our focus is and has been on getting back to our value-creating workstreams to further develop the business under our strategic priorities.

The strategic priorities set for FY22 made great progress with some of the highlights set out below:

Investing in our team:

- Became an above-minimum wage paying employer to enable us to retain and attract the best talent in the industry;
- appointed a dedicated Pay, Reward & Operational Support Manager, reflecting the importance in providing best-in-class support to our bars and our teams;
- Inclusion & Diversity ("I&D") champions recruited from across the entire workforce to set up a new I&D advisory Board; establishment of our "Inclusion Revolution" Strategy, with data driven insight through our partnership and research with "Wiser";
- identified the key elements of our Wellbeing Strategy. Nominated Area Wellbeing Champions to drive insight and inform actions in wellbeing focus groups across the business. Trained 71 Mental Health First Aiders at management level in the Group as well as support centre colleagues;
- launched the "Rev U" training academy, including new career pathways for all operational roles. We also launched our first ever high potential programme for our General Managers, and our Area Manager Development programme, management level apprenticeships, and implemented a mentoring programme;
- our April 2022 Employee Engagement Survey saw us achieve record results, despite the last couple of years being some of the most challenging for the business. We saw our highest ever participation rate of 87%, highest ever engagement score of 65%, and highest ever Employee Net Promoter Score ("Employee NPS") score of 41.5; and
- new employee benefits offered to our people included an enhanced pension scheme, life assurance, enhanced parental leave, amongst other exciting changes. Introduction of long service awards to demonstrate our commitment back to our wonderful people and to celebrate their long-standing contributions to the Group.

Investing in our brands and guest experience:

- "Feed It Back" guest experience feedback platform driving continuous improvement in our guest opinion scores and Net Promoter Scores. The Group now holds a sector-leading position on these measures of guest satisfaction;
- continued investment in our digital capabilities through a newly created digital marketing function, which has seen early wins through email campaigns, affiliate marketing and website migration. This is just the start of an exciting digital journey for the Group;
- building on the success seen in the prior year, the Revolution App now has 1.2 million registered users, up from one million six months ago and 230,000 in February 2020;
- we have begun exciting brand proposition work for Revolución de Cuba, which is ongoing, as we look to further refine the brand offering in order to deliver the next stage of growth; and
- the Revolution brand has had a very exciting year, picking up "Bar Brand of the Year" from the Pub & Bar Magazine in June 2022. An exciting, "Instagrammable" and TikTok style is reflected in all new refurbishments.

Investing in our estate:

- Opened our first new sites since 2018, with the welcoming of Revolution Exeter and Revolution Preston. We are pleased with their reception, and both are trading in line with expectations;
- first full year of trade for our first new concept, Founders & Co., which brings a new, diverse range of custom to the Group and has a fantastic community feel for all ages, with strong food and pre-11pm sales;
- the second new concept, Playhouse, launched late FY22 H1, and we are excited to see the machines proving very popular with our guests, with 21% of sales coming from them. Food sales are up 42% compared to the previous Revolution bar at the site. We have received excellent guest feedback, and our marketing and design review has been completed ahead of the launch of our second Playhouse venue in FY23 H1;
- our largest ever refurbishment programme saw 19 site refurbishments delivered in the year, and we are on target to see a two-year payback from these sites;
- energy consumption is down 32% since 2017, whilst our carbon footprint has reduced by 19% since our 2019/20 baseline due to energy efficiencies including increased use of renewable sources, the effects of making our cocktail menu carbon neutral, and other projects including LED lighting; and
- our Zero Hero engagement at sites continues to show improved results with out-of-hours energy waste at 3% at the last quarter, which meets our target and is down from 10% at the start of the year. Recycling increased by 7% in the year also, to 63%. Supply chain engagement has begun with questionnaires completed for all tier 1 suppliers, and tier 2 is midway through completion. We have already seen benefits here at a supply chain level by reducing the number of deliveries from our largest supplier, Matthew Clark.

OUR FIVE STRATEGIC PRIORITIES ARE MORE RELEVANT THAN EVER:

1 Maximising Revenue & Profit

2 Brand Awareness and ESG including Sustainability and EVP

3 Guest Experience

4 Cost Control

5 Diversification of Sales

Read more on page 18

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

GROUP STRATEGIC OBJECTIVES

We have taken the opportunity in the year to refine our focus and strategy, identifying great synergies between our previous strategic objectives and new key pillars:

- Maximising Revenue & Profit
- Brand Awareness and ESG including Sustainability and EVP
- Guest Experience
- Cost Control
- Diversification of Sales

These five pillars are not a directional shift from the previous strategy, but a refinement coming out of the pandemic to ensure we are aligned with growth plans and to drive our long-term decision-making. Prior to COVID-19, the Group expected to start planning for estate expansion towards the end of FY20; whilst the disruption caused by COVID-19 set back our timescales for expansion, we have opened two new bars in FY22, as well as introducing two new concepts since June 2021. We continue to build an exciting pipeline of properties to continue expansion, alongside the exciting new acquisition of Peach.

STRATEGIC PRIORITIES FOR FY23

During FY22 we were able to launch our enhanced refurbishment programme, open two new Revolution bars, and opened our second new concept. The fact that we are in a position to restart our growth strategy is a testament to the hard work and positive growth we have seen in the last year.

It is a very exciting time for the Group as we get back to our core methodology of continuous improvement across the business that is driven through multiple workstreams.

With these exciting plans and focus for FY23, we are committed to the following strategic priorities in FY23:

MAXIMISING REVENUE & PROFIT

- A strong pipeline of new properties to deliver continued growth, including a second Founders & Co. site;
- up to 18 sites earmarked for refurbishment in FY23, including our second Playhouse site; this will be our second largest ever refurbishment programme after FY22;
- we continue to explore potential value-creating acquisition opportunities as and when they arise; and
- implementation of a new draft product range across the Group in order to drive margin maximisation and sales.

BRAND AWARENESS AND ESG INCLUDING SUSTAINABILITY AND EVP

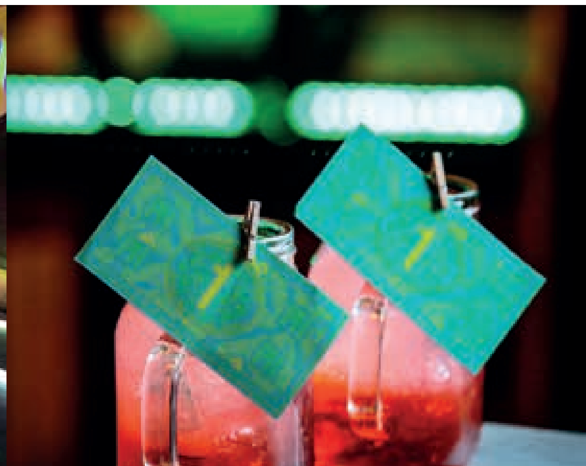
- Further driving Diversity, Inclusion and Belonging through strengthening our relationship with subject matter expert René Carayol, maximising outputs from our internally appointed Inclusion Board and working with external partners like Be Inclusive and WiHTL to ensure enhanced awareness and knowledge amongst our RBG family, in order to ultimately deliver our "Inclusion Revolution" Strategy;
- further driving our Sustainability, Health and Wellbeing agenda across the entire business with the ambition to be known as the most progressive late-night hospitality business in the industry, whilst putting our peoples' wellbeing at the heart of our decision making. To achieve this will we continue to work with external partners "So Let's Talk" to build a culture of openness and understanding, as well as hosting insight-driven employee voice groups to ensure robust priorities for delivery that really make a difference to our people, focusing on the financial, physical and mental wellbeing of all;
- continued delivery of high-quality training and coaching across the business via our "Rev U" platform, including the talent development of our Head Bartenders, Senior Kitchen Managers and expert core, training more Mental Health First Aiders than ever before, as well as rolling out our mentoring programme across the entire business;
- ensure and drive retention of our talented teams by acting on feedback, ensuring a voice through our employee listening groups, and designing best-in-class reward and recognition initiatives alongside ensuring an inclusive culture for all; and
- proud to win the On-Trade Company of the Year award at the Footprint Drinks Sustainability Awards in September 2022, and be shortlisted in the British Business Excellence Awards for Employer of the Year.

GUEST EXPERIENCE

- We aim to surprise and delight by creating memorable experiences for our guests using the art of true hospitality to add value to their experiences;
- refinement of our guest journey, from the first interaction, which is often digital, to their time in our bars, and through to excellent aftercare to ensure peak happiness is sustained and a repeat visit is driven;
- enhancing our "Atmosphere programme" to replicate the success seen in our late-night atmosphere creation to other parts of the day and week to drive guest satisfaction; and
- guest proposition review to be conducted on Revolución de Cuba brand to enhance guest experience, following the success of the Revolution guest proposition review 12 months ago.

COST CONTROL

- Developing our vending proposition, with an initial introduction of this seen in the new concept, Playhouse, to maximise spend per head with minimal additional costs, positively impacting margin;
- creation of our sustainability blueprint bar at Reading Revolución de Cuba, where we are delivering a market-leading sustainability blueprint to assess how low we can go with energy consumption; and
- sustainable, energy-saving cellar equipment rolled out to at least 50% of our sites. B-Corp gap analysis is to be undertaken, with water usage monitoring rolled out across the estate, as well as a carbon impact review on our food menus. We see all of this as the "right way" of mitigating cost inflation.



DIVERSIFICATION OF SALES

- Evolution of our "project event space" workstream to deliver increased utilisation of our spaces outside of peak trading, as well as driving dwell time and spend per head;
- expansion and diversification of our product offerings, looking at merchandising and gifting, expansion of our Playhouse food offering, "Slice Shop", and vending opportunities; and
- roll-out to weddings, festivals and events of our "Daiq Shack" portable bar, bringing the Revolución de Cuba party straight to our guests.

MARKET OUTLOOK

Entering the new financial year, free from COVID-19 restrictions, we look towards the winter months and festive trading period as the most important in the year. Unfortunately, we must also look at this time with a degree of caution having seen the sector shut down the last couple of years. With the uncertainty in the political landscape, we cannot predict what the "Government of the day" may choose to do during this time.

We have so far found that our young guest base are prioritising experiences and their freedom, where they are somewhat more resilient to the cost-of-living crisis. Conversely, the business is feeling the effects of inflation. This is a key area of focus for Management, and an area where we are mitigating hard, but utility costs, people costs, and other inflationary pressures are rising at an alarming rate which cannot be entirely mitigated nor passed through to our guests via price increases.

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

To help break the inflationary cycle that the nation is currently in we would urge the Government to cut the headline rate of VAT as a catalyst to prevent for further retail price increases being passed on to the consumer during the difficult winter months, as businesses try to recover some of the increased costs they are being exposed to in the form of energy, people, and other inflationary costs.

Following the opening of two new bars in FY22, the property market continues to be favourable. Strong cash generation and recent fundraisings have created a strong balance sheet in order to take advantage of this.

Winter is likely to be a challenging few months for the sector; the Group is poised to take advantage of any potential further competition being removed from the market which supports our long-term prospects.

CURRENT TRADING

The first two periods of FY23 were challenging with footfall disrupted by train and tube strikes, heatwaves, resurgence in festivals and events, and people going abroad for their first holidays in three years. We were pleased to see the return of students in September provide a positive impact on our sales performance; however, the national rail strikes continue to have a meaningful negative impact on some of our peak trading days with the rail unions targeting Saturdays to create peak disruption for travel between cities across the nation.

We are starting to see strong momentum building in the level of corporate bookings, with larger functions returning with more regularity and our Christmas bookings are well ahead of the same time last year. The festive trading period is an extremely important one for the Group and we are very much looking forward to our first restriction-free Christmas for three years.

Both of our new concepts, Founders & Co. and Playhouse, are trading well and are receiving strong guest sentiment which has given us the belief to open a second site for both concepts. These are planned to open during the course of this financial year.

Our two new Revolution bars, Exeter and Preston, opened at the very end of FY22. It was great to welcome our new guests and colleagues who worked very hard to open these bars to our launch parties in July 2022, and guest reception and feedback has been excellent. Both sites are performing well, and we will take this success and learnings forwards into our new openings in FY23.

We recognise the impact strikes, weather, events and holidays and cost pressures has had on summer trading and are pleased to see an improvement in trade as we enter autumn, with the return of university students. We continue to monitor performance very carefully, and are hopeful of a very positive Christmas, celebrating with our corporate guests, parties and walk-in guests.

I am incredibly proud of what our people have achieved over recent years; we have made great progress with advancements of our brand offerings, our "Inclusion Revolution", sustainability agenda, guest journey and wellbeing and support of our people. We have created exciting workstreams which focus on value-creation and developing the Group for the future.

Rob Pitcher
Chief Executive Officer
18 October 2022

OUR STRATEGY

STRATEGIC DELIVERY

An exciting return to normal trading, with continued focus on advancement of guest proposition strategy. Strategic pricing and effective cost reductions allowed great margin growth, with a strong cash position for future investment in new sites and refurbishments.

Trade in the year was still partially impacted by COVID-19, with the first two weeks of the financial year still under restriction and Omicron significantly impacting Christmas trade. Excluding these periods, the Group traded excellently. In our H1 Trading Update we were pleased to announce +14% like-for-like sales from 19 July 2021 to 13 November 2021, before Omicron started, and in our pre-close statement we confirmed our 56 English bars delivered like-for-like sales growth after 19 July 2021 of +1.3%, despite the disruption of Omicron. This gives us confidence our recent workstreams, new experiences and improvements to the guest experience are seeing fruition.

In the year we launched our second new concept, Playhouse, which is now coming up to its first-year anniversary. We are very pleased with the performance of both new brands, as they continue to adapt to the needs of their local guests and communities and are excited at the continued new development of their guest offerings. We are in the process of further openings for these new concepts.

We continue to identify new locations for both the new concepts and to grow our property portfolio. The property team are busier than ever, continuing with the enhanced refurbishment programme whilst building a strong pipeline of future sites. Management continues to develop our guest proposition through new experiences and events, with utilisation of our bars outside of normal trading hours as workspaces or for external events.

FY22 STRATEGIC PILLARS

1 Maximising Revenue & Profit

Improved performance through a focus on profitable sales generation.

Read more on page 20

2 Brand Awareness and ESG

including Sustainability and EVP.

Read more on page 20

3 Guest Experience

Making sure we're the place where everyone wants to be.

Read more on page 21

4 Cost Control

Rigorous focus on all expenditure to mitigate inflationary cost environment.

Read more on page 22

5 Diversification of Sales

New concepts and workstreams to expand our offering towards becoming omnichannel.

Read more on page 23

Workstream	Progress	KPIs	Next Steps
MAXIMISING REVENUE & PROFIT			
• Reduced level of discounts given lower footfall and operating capacity reductions to protect margin • Active planning for World Cup and Christmas trading • Assessing what the new peak-time trading looks like in a post-COVID-19 world • "Planning to Win" meetings held with all bar and area managers, with a programme to upskill and engage our bars with the biggest opportunities to grow	• New Revolution food menu launched June 2022 • Continued relaunch parties at our refurbished bars • Executive team have led individual bar meetings to highlight opportunities in sales growth and cost mitigation • Acquisition of Peach, bringing 21 well-performing new pubs into the Group portfolio	• Improved EHO 5-star scores across all bars of 89.2% (FY21: 83.3%) • Site-specific KPIs and opportunities identified with tracking of performance against these metrics quarterly • Improvements in bar controls around purchasing and gross profit management	• Finding more ways of delivering what our guests want • Continue innovating and refreshing our drinks offer by working with key brand owners • Focus on profit generation during peak evening trade • High-energy entertainment packages (Saturday X and Saturday Y) and exciting launch parties at our new bars
BRAND AWARENESS AND ESG INCLUDING SUSTAINABILITY AND EVP			
• Encouragement for all staff to live and breathe fun into their jobs • Launched "Rev U" training academy, allowing training for all • Mental Health First Aid training for all managers across business, including support centre colleagues • Actively engaging with PR and awards for the business • Focus on best-communication methods internally and externally • Annual sustainability plan to hit our target of Net Zero before 2030	• Collaborating to further both our Wellbeing and Inclusion & Diversity ("I&D") agendas • Became an above-minimum wage employer in the year • I&D champions recruited across business to set up advisory board • Enhanced long-service awards, holiday schemes, and parental leave • Sustainability focus on all new refurbishments • A sustainable kitchen created in Reading Revolución de Cuba • Removal of passion fruit garnishes from our cocktails in the year	• Highest ever Employee Net Promoter Score of 41.5 in April 2022 Quality of Life survey across all colleagues • Increase General Manager retention of 2.42 years, up from 2.12 at start of FY22 • Nominated, won and shortlisted for a variety of exciting awards across brand, Sustainability and people • Savings from passion fruit reinvested to make our cocktail menus carbon neutral • Zero Heroes in all our bars pushing sustainability and energy reductions	• Utilising Area Wellbeing Champions to support and develop our colleague welfare, and Inclusion & Diversity policies • Continued investment in colleague wellbeing and remuneration packages • Continued group activities like the annual football tournament and annual conference • Attracting and retaining the best bartenders on the high street • Rollout of Office 365 and Microsoft Teams to all bars • Integration and implementation of new CRM system across all brands
GUEST EXPERIENCE			
• Female guest at heart of both our major brand propositions; focus on clean, well-maintained, safe environments • New App features to enhance guest loyalty • Revamped music offerings in all our bars • Selling fun times and happy, memorable experiences • Enhancing our guests' multi-sensory experiences across all trading sessions	• "Feed It Back" guest experience platform launched • Order and pay at table via the App continued improvement • Engaging with external experts to review the Revolución de Cuba guest experience and atmosphere in bars • New Party Booking and management system	• 80% of bookings are made via our booking system • Increased net audience growth across all social media platforms of +4.4% for Revolution and +8.4% for Revolución de Cuba • Over 1.2 million users of the Revolution App, up from 230,000 in February 2020	• Maintain high level of feedback response both centrally and at our bars • Continued development of the Apps • Further use of technology in delivering guest journey • QR codes to be available on all tables
COST CONTROL			
• Re-engineered menus with focus on cost-effective products to improve margin and improve speed of service • Partnering with cost reduction specialist incentivised to reduce costs on all non-resale product spend	• Menu adaption, sales price and changes in bar ergonomics to drive sales and cost control • Gross margin increased to 78.2%, which is above the levels seen pre-COVID-19 • Continued engagement with energy brokers to plan for future pricing	• Expansion of estate with two new bars opened in the year • Conversion of Northampton into new brand, Playhouse • 32% reduction in energy usage since 2017 • Energy prices largely fixed until April 2023	• Ongoing focus on how to minimise the impact from National Minimum Wage increases • Focus on maximisation of App sales and efficiency of product delivery • Continued sustainability agenda with cost benefits
DIVERSIFICATION OF SALES			
• Launch of new promoter-led events • Focus on daytime offerings like food, brunch and themed events • Increased focus on return of students after COVID-19	• Future-focused workstreams such as World Cup planning • Bottomless Brunch bookings seeing increased popularity in shift to daytime trade • Exciting new style in our Revolution bars, seeing graffiti and street art a real focus to energise our bars	• Both new concepts now open with pleasing trading • Vending and drinks-on-tap options at Playhouse have shown pleasing payroll-control performance • New events and themed brunches utilising our exciting venues	• Continued new utilisations of our amazing spaces • Bringing vending and merchandise sales into our bars • Exciting roll-out of our existing food offers through increased Deliveroo presence and Playhouse's award-nominated pizza

OUR STRATEGY CONTINUED

STRATEGY IN ACTION

1 Maximising Revenue & Profit

GROWTH FOR THE FUTURE

After a return to normal trading two weeks into the financial year, apart from disrupted trading over Christmas due to Omicron, the Group was pleased with positive trading, as well as improved gross margin above levels seen pre-COVID-19. We see this as a reflection of the excellent progress on workstreams and performance management have focused on throughout the pandemic.

Strategic focus has shifted from survival to thriving in normal trade. Our guests have returned with a bang, and we've showcased two brand new Revolution bars, two new concepts, and 19 refurbishments. Our planned expansion and refurbishment plans are going well, and we continue to build a strong pipeline of new bars, expecting a further six new sites in FY23 alongside rolling out our new concepts further.

We have adapted to new guest patterns, reflecting improved trading in the daytime and weekends as well as targeting those working from home. We have a very exciting pipeline of workstreams that our senior management are focused on to further expand sales, including sales diversification, the upcoming World Cup, and how to best use our spaces.

2 Brand Awareness and ESG including Sustainability and EVP

INVESTING IN OUR PEOPLE

We were very excited to announce that we became an above-minimum wage employer in the year as well as improving our benefits packages, a real benefit seen across our entire workforce in order to enable us to attract and retain the best talent in the industry. This was recently reflected as we were shortlisted for the 2022 British Business Excellence Awards as "Employer of the Year"; we are incredibly proud to have been made finalists and are excited for the awards ceremony in November 2022 where we will find out the results.

Development and training of our teams remains paramount, and with the launch of "Rev U" – our central training environment, we are offering varied internal and external training courses to all of our people, both in the bar and at the support centre. We want to create an exciting environment where our people can become whoever they want to be as we support them on that journey; we love nothing more than seeing our talented bar staff work their way through the operational career paths or join the support centre to progress their career goals. This is further enhanced via our recent introduction of long-service awards including additional holidays, exciting incentive trips, and year-long gifting for our most dedicated people who have been with us over 20 years.

3 Guest Experience

MAKING OUR BARS THE PLACE WHERE EVERYONE WANTS TO BE

With 19 refurbishments under our belts in the year, we have seen a new, edgy design emerge in our bars which focuses on making them “Instagrammable”, social-media friendly, and a truly exciting venue our guests will want to keep visiting.

Graffiti and street art can be found on the walls (both internally and externally!), as well as intimate spots in all our bars where guests can get their best picture “for the Gram”. Our guests will truly feel like the star of the party in our “Best Seats in the House” as they are brought bottles to tables. Our “Push for Party” button in the new Preston toilets is already well-loved, with our guests often having to be reminded that there is a whole other party going on in the bar outside the bathrooms!

We continue to create dynamic new menus and have launched new food and drinks menus in the year with a focus on calories, bar snacks, and small plates and grazers, as well as improving our vegan and dietary options. Our Drink and Food Development teams bring a plethora of experience to the business and aren’t afraid to launch Insta-worthy cocktails and plates our guests will love.

OUR STRATEGY CONTINUED

STRATEGY IN ACTION

4 Cost Control

PROTECTING OUR MARGINS

With rising costs being seen across the UK in all industries, we continue to carefully monitor the impact on the Group.

This remains a key agenda point at all strategy meetings, and energy costs are largely fixed until April 2023. We have engaged an external party to review and assist in contract negotiations to ensure we are getting the best price available without compromising on quality. Our procurement team has recently expanded, bringing in new experience to ensure supply chain and supplier negotiations are well controlled. Where appropriate, the Group will strategically assess the need for sales price increases to combat rising costs.

Sustainability remains a key priority, and we see this as an effective method of doing the right thing and enabling us to control costs in the right way. We continue to drive sustainability into the hearts of all our people, reminding teams to do their part, whether that is turning off the lights or recycling. But we also have a team of dedicated Zero Heroes across all our bars and centrally who focus on driving sustainable and green methods throughout the whole business. Our Reading Revolución de Cuba kitchen is a market-leading sustainable venue, where we continue to assess how low we can go with energy emissions; we also roll out best practice sustainable equipment into our bars through refurbishments.

5 Diversification of Sales

PARTY ANY WAY YOU WANT TO

The introduction of our two new concepts, Founders & Co. and Playhouse, brought a completely different demographic of guests and experiences to the Group. We have been pleased with the performance of the first two bars to trial these concepts and are looking to roll these out either to under-performing core brand sites or through the acquisition of brand-new sites. Founders & Co. in particular offers a huge range of experiences to their guest base in Swansea, offering anything from breathing classes, yoga, pub quizzes, pottery classes, to a simple coffee and workspace or exciting brunch.

Our Sales team have done a fantastic job of improving the range of optionality for our corporate guests who may be looking to book with us for a celebration, team building event or Christmas party. Both the central and bar-led sales teams utilise our spaces effectively to ensure our corporate guests have a dedicated space to let their hair down, exciting array of tailored food and drinks, and committed team members there on the night to cater for their every whim. Wider still, we continue to identify new events and uses for our bars, including offering the bars as workspaces in the day, bottomless dinners, themed brunches and external party hire.

FINANCIAL REVIEW

INTRODUCTION

- The "FY22" accounting period represents trading for the 52 weeks to 2 July 2022 ("the period"). The comparative period "FY21" represents trading for the 53 weeks to 3 July 2021 ("the prior period");
- the Group continues to offer comparative Alternative Performance Measures[3] ("APM") of the numbers converted to IAS 17 following the implementation of IFRS 16 in FY20. APM[3] for the current period are given equal prominence in this review because, in the opinion of the Directors, these provide a better guide to the underlying performance of the business;
- the results information therefore gives FY22 IFRS 16 statutory numbers, followed by APM[3] of FY22 under IAS 17, and the equivalent comparison from FY21. A reconciliation between statutory and APM[3] figures is provided in note 27;
- when considering the results for the period, it should be noted that the Group experienced a period of pent-up demand during Q1 followed by tough Christmas trading impacted by the move to "Plan B" including the return to the "Work from Home" instruction, implementation of Vaccine Passports for late night bars and Government messaging which encouraged the limiting of social interactions resulting in a significant impact on Christmas trade, all of which we are now pleased to see removed; and
- comparatively, when considering the results for the prior period, it should be noted that trade was restricted, including two lockdown periods where the Government enforced the closure of pubs, bars and restaurants in November and January until mid-March, as well as varying rules in the tier systems significantly impacting Christmas trade, and ongoing social distancing restrictions for the remainder of the year.

	FY22 (IFRS 16) £m	FY21 (IFRS 16) £m	FY22 APM[3] (IAS 17) £m	FY21 APM[3] (IAS 17) £m
Total Sales	**140.8**	39.4	**140.8**	39.4
Operating Profit/(Loss)	**7.4**	(21.2)	**4.8**	(21.6)
Adjusted[1] EBITDA	**19.4**	(3.9)	**10.2**	(12.0)
Profit/(Loss) Before Tax	**2.1**	(26.3)	**3.9**	(22.8)
Non-cash Exceptionals	**(0.6)**	(3.2)	**(0.2)**	(0.5)
Cash Exceptionals	**–**	(2.2)	**–**	(2.7)
Net Cash/(Net Debt)	**4.1**	(3.6)	**4.1**	(3.6)

PRESENTATION OF RESULTS

Consistent with previous reporting periods, the Group operates a weekly accounting calendar and as each accounting period refers only to complete accounting weeks, the period under review reflects the results of the 52 weeks to 2 July 2022. Prior year comparatives relate to the 53 weeks ended 3 July 2021. There have been no changes to accounting policies following the implementation of IFRS 16 in FY20. The Directors believe that adjusted[1] EBITDA provides a better representation of underlying performance as it excludes the effect of exceptional items and share-based payment charge/credits (non-cash), none of which directly relate to the underlying performance of the Group. The adjusted[1] EBITDA represents IFRS 16 and therefore excludes any rental costs. APM[3] adjusted[1] EBITDA represents IAS 17 and is therefore after deducting the IAS 17 rental charge.

RESULTS

The Group is very pleased to have seen a positive upturn in trading since social distancing restrictions were lifted on 19 July 2021; this is in comparison to FY21 where much of the year was severely impacted by ongoing COVID-19 lockdowns, tiers and social distancing restrictions. The Group has therefore seen a significant increase in revenue in the year to £140.8 million (2021: £39.4 million), 257.4% higher than the corresponding period, which shows the level of disruption that lockdowns and restrictions caused in FY21 and strong recovery in FY22.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA (see note 27), was £22.2 million higher, at a profit of £10.2 million (2021: loss of (£12.0) million). This is our preferred metric because it shows the underlying cash available, in a normal trading period, for investment, loan servicing and repayment, and for distributing to shareholders in the form of dividends. Adjusted[1] EBITDA was a profit of £19.4 million (2021: loss of (£3.9) million).

Margins: Gross profit in the year amounted to £110.1 million (2021: £28.1 million) which amounted to a gross margin of 78.2%, up from 71.3% in the prior year and above margins seen pre-COVID-19, with 75.8% seen in FY19. The increase in margin was in part due to a change in the mix of products sold, with guests now able to enjoy late-night trading at higher full price volumes. This late-night trading, together with lower discounting, particularly in our cocktail menu, better trading agreements, the reduction in the VAT rate on food and non-alcoholic drink, and an improvement in the sales mix with higher-margin items also contributed to this improved margin.

Payroll: Headcount increased from 2,495 at the start of FY22 to 2,827 at the end of FY22, as we continued to recruit to normal staffing levels upon the release of restrictions. Pleasingly, the Group ended its use of the Coronavirus Job Retention Scheme ("CJRS") before the scheme's end date of 30 September 2021 as the bars returned to normality. Our increased turnover, the decreased furlough claims, increased headcount, and becoming an above-minimum wage employer meant that total payroll costs for the year were £51.4 million compared to £22.1 million in FY21. This is a payroll to turnover ratio of 36.5% in FY22, compared to 31.0% in FY19 (our last pre-COVID-19 year), showing the impact of minimum wage requirements and a challenging period of trading over Christmas.

Government Support: The Group took advantage of all applicable Government support throughout the period. The Group has recognised £0.6 million of grant funding received under the Restart Grant scheme. This income has been recognised within Grant Income within operating profit. The two-thirds reduction in business rates for the English Hospitality industry, capped at £2.0 million, expired at the end of March 2022. This reduction resulted in an overall £2.0 million saving for the Group in FY22, a further £0.7 million in rates savings relating to the devolved nations has also been recognised in FY22 as well as a further £0.1 million from additional schemes.

The Group achieved an operating profit of £7.4 million (2021: loss of (£21.2) million). This was after charging non-cash exceptional items of £0.6 million (2021: £3.2 million) and nil cash exceptionals (2021: £2.2 million), which are detailed further below.

UNDERLYING PROFITABILITY

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

	52 weeks ended 2 July 2022 IFRS 16 £m	53 weeks ended 3 July 2021 IFRS 16 £m	52 weeks ended 2 July 2022 APM[3] IAS 17 £m	53 weeks ended 3 July 2021 APM[3] IAS 17 £m
Pre-tax profit/(loss)	**2.1**	(26.3)	**3.9**	(22.8)
Add back Exceptional items	**0.6**	5.4	**0.2**	3.2
Add back Charge arising from long-term incentive plans	**0.1**	0.1	**0.1**	0.1
Add back Pre-opening costs	**0.3**	–	**0.3**	–
Adjusted[1] pre-tax profit/(loss)	**3.1**	(20.8)	**4.5**	(19.5)
Add back Depreciation	**11.1**	11.8	**4.9**	6.3
Add back Amortisation	**0.0**	0.0	**0.0**	0.0
Add back Finance costs	**5.3**	5.1	**0.9**	1.2
Adjusted[1] EBITDA	**19.4**	(3.9)	**10.2**	(12.0)

FINANCIAL REVIEW CONTINUED

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 £0.6 million is £0.4 million higher than the APM[3] exceptionals of £0.2 million due to impairment incurred on IFRS 16 right-of-use assets. The statutory exceptional charge of £0.6 million comprises £0.6 million (2021: £3.2 million) of non-cash exceptionals relating to right-of-use impairment charges of £0.4 million, property, plant and equipment impairment charges of £0.3 million offset by a modification of lease credit of £0.1 million. There are no cash exceptionals in FY22, whereas FY21 included £2.2 million of cash exceptionals relating to property restructure costs including legal and professional expenditure incurred in the CVA and various landlord deals, as well as the cost of exiting sites. A full analysis of exceptional items is given in note 3 to the financial statements.

Charge relating to long-term incentive schemes resulted from equity-settled share-based payment transactions; this was a charge of £77k (2021: £64k). No awards vested in either the current period or prior period.

Pre-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.

FINANCE COSTS

Finance costs of £5.3 million (2021: £5.1 million) comprised £0.9 million (2021: £1.1 million) of bank interest paid on borrowings and £4.4 million (2021: £4.0 million) of lease interest. Bank interest relates to the committed fees relating to undrawn elements on the Company's committed revolving credit facility with NatWest ("RCF"), as well as the interest charged on the Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans. A reduction was seen here due to lower borrowing values in the year.

LIQUIDITY

In the prior year, the Group received a £16.5 million CLBILS loan from NatWest in the form of a three-year term loan which was used to pay down the RCF. A further £3.5 million CLBILS term loan was approved in April 2021.

Two equity fundraisings were also completed in the prior year, raising total net proceeds of £34.0 million. These net proceeds were used to repay all remaining outstanding loan draw downs on the RCF, with some funds ringfenced for an enhanced refurbishment programme and expansion opportunities.

On 11 November 2021, the RCF was extended to 30 June 2023, and interest was increased by 1.2% with a further up-to 1% chargeable if the RCF is drawn to within £5.0 million of total limits. A new deleveraging method was also agreed based on overperformance compared to the severe but plausible downside case, due in June 2022, which was extended to September 2022 in June 2022 to support the refinancing.

As at the balance sheet date of 2 July 2022, the Group held the £16.3 million RCF Facility which was fully unutilised, with £14.8 million total outstanding in CLBILS term loans which continue to amortise. Gross bank debt was therefore £14.8 million, and the total net cash position was £4.1 million.

The total facility was refinanced on 10 October 2022, through which a new RCF was committed at a total facility level of £30.0 million expiring October 2025. The RCF was sought with the purposes of repaying all other indebtedness, general working capital requirements, and for future acquisitions. Therefore, all outstanding CLBILS term loans were repaid on 13 October 2022, with just the RCF making up total facilities going forwards. Interest is charged on the utilised RCF at a margin determined by leveraging plus SONIA, with unutilised RCF values having interest charged at 40% of margin.

The RCF will amortise by £1.0 million on 30 June 2023, £2.0 million on 30 June 2024 and £2.0 million on 30 June 2025. In accordance with these arrangements and subject to compliance with financial covenants, the Group will therefore have committed funding facilities available during the going concern assessment period as follows:

	RCF £m
31 December 2022	30.0
30 June 2023	29.0
31 December 2023	29.0
30 June 2024	27.0

As at 17 October 2022 the Group has net cash of £0.7 million.

TAXATION

There is no tax payable in respect of the current period due to brought-forward losses. Accordingly, the charge in the current year is £nil (2021: £nil).

EARNINGS PER SHARE

Basic earnings per share for the period was 0.9 pence (2021: loss (21.2) pence). Adjusting for exceptional items, non-recurring bar opening costs and charges arising from long-term incentive plans resulted in a basic adjusted[1] earnings per share for the period of 1.3 pence (2021: loss of (18.9) pence).

OPERATING CASH FLOW AND NET BANK DEBT

The Group generated net cash flow from operating activities in the period of £25.9 million (2021: utilised (£2.3) million) as a direct result of positive trade in the year, whereas the prior year had significant cash strains during periods of closure.

After positive cash flow from operating activities, capital expenditure payments of £8.3 million, bank loan interest £0.9 million and loan repayments of £1.0 million all contributed to a net cash inflow in the period of £6.7 million improving the net bank cash position to £4.1 million. This is in comparison to 2021, where capital expenditure payments of £2.0 million, lease surrender payments of £1.7 million, bank loan interest £1.1 million and loan repayments of £52.7 million offset with proceeds from fundraising of £34.0 million and drawdown of borrowings of £44.0 million all contributed to a net cash inflow in the period of £9.6 million decreasing net bank debt to a closing position of (£3.6) million.

CAPITAL EXPENDITURE

The Group made capital investments of £8.3 million (2021: £2.0 million) during the period consisting of two new Revolution bars, converting an existing Revolution bar into a new concept, Playhouse, refurbishments across 19 bars, sustainability, and IT projects and other key investments. In the prior year, capital expenditure related entirely to existing bars. Capital expenditure is expected to remain high in FY23 with up to 18 refurbishments, as we continue to use the funding provided in the FY21 equity fundraisings.

DIVIDEND

As notified previously, the Board has suspended payments of dividends. Furthermore, (a) a condition of taking on the CLBILS facility is that the Company is unable to pay a dividend whilst the CLBILS remains outstanding and (b) as a result of the CVA referred to above, the Company's subsidiary entity, Revolution Bars Limited, is unable to pay a dividend for a period of three years until 13 November 2023. A restriction on the Group's principal trading subsidiary being unable to make a dividend payment to its parent company may significantly impact the

Company's ability to make a dividend payment until after 13 November 2023. There was no dividend paid or declared in either the current or prior period.

GOING CONCERN

Under the terms of its banking facilities with NatWest, the Company has covenants over interest cover, net leverage, and fixed charge cover. The Directors have modelled both a management base case forecast scenario and a downside case scenario; please see note 1 for further details on the key assumptions. No forecast breach of the banking covenants arises under either forecast scenario.

The material uncertainty caused by COVID-19, guest confidence, and higher input costs, coupled with forecasting difficulties as a result of constantly changing economic impacts means that the Group cannot be assured that it will not breach covenants. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of non-current borrowings to current borrowings.

The Directors have assessed, however, that given a strong underlying business, particularly when allowed to trade without restriction or significant economic disturbance, the Group's existing relationships with its main creditors, its success in recent years in obtaining covenant waivers and renegotiating its banking facilities and recent equity fundraisings, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be successful.

Despite a return to normal trading in England since July 2021, the severe disruption to the Group's trade prior to that since March 2020 caused by COVID-19, and the resultant and frequently changing operating restrictions imposed by the UK Government and the devolved authorities, as well as the cost-of-living narrative and economic impacts of this, 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-19, and the possibility of further restrictions or lockdowns imposed by the Government, as well as significant inflationary cost pressures, and how this will impact the Group's operational performance and in particular the level of sales and EBITDA generated that will in turn determine the Group's covenant compliance.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group and the Company have sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. However, the impact of possible COVID-19 restrictions and further cost impacts on our trading indicates the existence of a material uncertainty which may cast significant doubt over the ability of the Group and Company to continue as a going concern. The financial statements do not contain the adjustments that would arise if the Group (and the Company) were unable to continue as a going concern.

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

Danielle Davies
Chief Financial Officer
18 October 2022

1 Adjusted performance measures exclude exceptional items and share-based payment charges and bar opening costs.
2 Like-for-like (LFL) sales are same site sales defined as sales at only those venues that traded in the same week in both the current year and most recent non-COVID-19 affected comparative period
3 APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis.

RISK REPORT

RISK MANAGEMENT

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

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

PRINCIPAL RISKS

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

RISK MANAGEMENT FRAMEWORK

BOARD
RESPONSIBLE FOR RISK MANAGEMENT

AUDIT COMMITTEE

RISK COMMITTEE

NON-EXECUTIVE DIRECTORS

Underlying cause of risk	Response and mitigation	Change to residual risk in FY22	Commentary
COVID-19			
The Group's operating environment has continued to be affected by COVID-19 due to the Omicron variant in the winter. There is the risk of ongoing extensive local or national lockdowns, guest or corporate caution, and potential operating restrictions.	• Operational procedures implemented to ensure safeguarding of our teams and guests • Investment to ensure COVID-safe venues through use of signage, PPE, technology and enhanced cleaning procedures • Regular Board reviews and action planning to monitor restrictions	↓	The Group continues to carefully monitor the ongoing situation and will react quickly to further restrictions for hospitality businesses. We appreciate the support from NatWest to ensure sufficient facilities to accommodate future potential restrictions.
CLIMATE CHANGE AND SUSTAINABILITY			
Climate change and a growing requirement to operate a sustainable business pose a risk to the business' ability to source appropriate food and drink. It also has the potential to cause reputational damage with our guests.	• Dedicated management and team members focused on driving sustainability agenda • Collaborating with Net Zero partners to monitor progress and provide accurate reporting • Removal of passion fruit garnishes allowing us to net our cocktail menu and make it carbon neutral	↑	The Group implemented the RBG Sustainability Charter, becoming the UK's first bar group to commit to Science-Based Targets to achieve Net Zero before 2030. We continue to develop our "sustainable" kitchen in Reading.
REFURBISHMENT AND ACQUISITION OF BARS			
The Group's long-term strategy is based on growth through the acquisition of new bars and sales generation from refurbished bars, with longer-term market expectations reliant on this. There is a risk that should these not happen, like-for-like sales will not grow, the business will not remain relevant, and overall sales growth will not occur.	• The development team and property agents have sufficient resources to ensure the investigation of new site opportunities • 5/6-year investment cycle for all bars • Bars refurbished have proven track record of improvement in sales • Operational management focus on economically significant bars	↔	The Group has a strong cash position to take advantage of any expansion and new bar opportunities, whilst continuing the enhanced refurbishment programme into FY23.

Underlying cause of risk	Response and mitigation	Change to residual risk in FY22	Commentary
SUPPLY CHAIN AND SUPPLIER CONCENTRATION			
The reopening of the global economy post-COVID-19 has caused supply chain issues that continue to affect the availability of certain products. The UK is seeing cost prices rise across several areas, including utilities, food and drink. The drinks distribution market is also dominated by one significant business, Matthew Clark, which is the Group's principal supplier as it operates nationwide. If Matthew Clark were to face business difficulties or alter pricing it could disrupt the Group's operations.	• Product offerings can be easily adapted and switched to alternative suppliers and ingredients • Increases in our retail selling prices are strategically required to counter the growing costs • Utility rates are largely fixed until April 2023 • The proposed strategy regarding Matthew Clark is to tolerate the risk based on the Group's assessment that they are the best supplier and a three-year deal is in place to September 2024, as well as maintaining a good relationship		The Group operates wholly within the UK and therefore exposure is limited. The Board will continue to monitor the situation and react accordingly to mitigate risk, including contract reviews with suppliers to ensure securing the best prices.
CONSUMER DEMAND AND PR			
The out of home markets for eating and drinking depend on the consumers' disposable income. Macroeconomic factors, including recent challenges with energy costs, other inflationary pressures, and low-growth, have an impact on consumer confidence and disposable income. In an increasingly digital world, guests are more likely to express dissatisfaction on social media rather than alerting a member of staff, which can have reputational impacts. There is a growing trend for consumer-led digital campaigns against sectors or brands that they believe require change.	• Ability to tailor offerings in response to macroeconomic influences, including quick adjustments to promotional activity • Group's proposition is not based solely on selling price; a more affluent demographic is targeted • Increased focus on guest experience and feedback, with recent partnership with "Feed It Back" to monitor guest experience • Community management team to monitor and respond across our social channels • Crisis PR agency to support in any high-risk issues that may occur		Recent global events, including the war in Ukraine, have increased macroeconomic uncertainty and consumer demand both financially and from a health risk perspective. All bars are tasked with reviewing feedback and addressing it, whilst Management also review overall guest experience scores. Our brands take a progressive approach to consumer trends, allowing them to be on the right side of most consumer-led campaigns.
HEALTH AND SAFETY			
The Group's bars are open to the public and the Group has a duty of care to look after its colleagues and its guests. Allergens are a heightened risk for our guest base, and thus the Group must ensure strict guidelines are adhered to in order to ensure the safety of guests. The physical safety of our guests is paramount, and our bar and operational teams are trained in managing guest safety	• The Group's policies and procedures manual covers all aspects of operations, as well as detailed ongoing training for all staff • Adherence to these is strictly enforced both through internal operational line management and through external third-party audits • Incidents are thoroughly investigated, and any lessons learned communicated throughout the business		Independent audits of Health & Safety continue across all bars to ensure a high quality of safety. New Health & Safety provider, Food Alert, and new key performance Health & Safety Management software, Alert 365. Executive team sit on industry bodies to ensure we are up to date on any issues.
NATIONAL MINIMUM/LIVING WAGE			
A significant proportion of bar-based teams are affected, directly or indirectly, by wage legislation and the national minimum living wage. Recent years have seen rises above inflation imposed on the business. Post-COVID-19, we face challenges in availability of the right people, and we must ensure we offer competitive packages to attract and be the best place to work. This extends to the costs of other people-focused suppliers like security staff.	• Technology is utilised to deploy our people more effectively and to streamline back office processes that will help mitigate wage increases • Contracts are reviewed regularly for external suppliers to ensure securing the best rates • Increase in sales price of goods may be required to counter the growing costs • In FY22 we became an above-minimum wage employer to ensure retention of our best people		Better adoption and refinements of the labour scheduling system have allowed improvements in efficiency of staff rostering. The Group has recently increased the rate paid for security staff to ensure meeting licence requirements and providing guests with a safe night out.
FUNDING			
NatWest provides funding to the Group by way of a Revolving Credit Facility which bears covenants which set levels for ratios on leverage, interest and fixed charge covers. As interest rates increase this has the potential to put increased pressure on the Group's banking facilities.	• The difficult economic landscape may result in further increases to this risk • The Group manages costs and has several options to manage cash to ensure compliance		The Group has ample headroom to cover its plans and reasonable downsides. Please refer to the Going Concern section in note 1 for further information.

SECTION 172 (1) STATEMENT

STAKEHOLDER ENGAGEMENT

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

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

- engaged with colleagues, suppliers, guests, investors and the community; and
- had regard to employee interests, the need to foster the Company’s business relationships with suppliers, guests and others, in relation to the principal decisions taken by the Company during the financial year.

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

We set out here the key priorities and the ways in which we engaged with our key stakeholders during FY22. This list is not intended to be an exhaustive list of all stakeholder priorities and engagement activity, but to provide a summary that illustrates the importance stakeholder groups play in the Board’s decision making.

WE ENGAGE WITH:	WHY WE ENGAGE:
COLLEAGUES	Attracting and retaining the best people is fundamental to driving business success, particularly given the Group’s purpose, vision and values. Creating fun and memorable experiences would not succeed without a diverse group of engaged, well-trained and motivated people that enjoy working in our bars.
SUPPLIERS	Accessing new premium products is a key element of keeping the Group’s offering vibrant, refreshed and interesting, whilst providing the brand owners with an opportunity to showcase their products in a fun environment. Great relationships with suppliers allow us to source the best value goods for the benefit of our guests.
GUESTS	We want to create a safe environment in which our guests love coming to us for the fun and memorable experiences we are known for, and in order to do so we must recognise our guests’ needs. The Board recognises the need for innovation to provide our guests with a new and exciting offering.
INVESTORS	We recognise the incredible support we receive from our investors and having their buy-in to short and long-term strategy is key to business success.
COMMUNITY	The Group is dedicated to acting responsibly in its business practice, which is beneficial to the environment and community. With our exciting expansion plans, it is imperative we have local community buy-in to secure the success of our new bars.

HOW WE ENGAGE:	MATERIAL TOPICS:
Continued effective use of technology through remote working has allowed the opportunity for the Board, Executive team and wider colleagues to work together more closely and successfully than ever. Following the successful implementation of regular strategy and business virtual updates by the Chief Executive Officer and other Executive members, this has been made a regular quarterly update to the wider business. The Board considers the twice-yearly Quality of Life survey undertaken across the whole of the Group's workforce to be the most effective way of measuring employee engagement, motivation, affiliation and commitment to the business. The Executive team and core management undertake regular bar visits to allow the teams time for communication and feedback.	• Providing a safe, inclusive, and diverse working environment • The Group is determined that it remains a responsible employer • Introduction of the Inclusion & Diversity Board, made up of members across our workforce, committed to working together with respect for each other and the Group at all times and in a truly collaborative way • Became an above-minimum wage employer in the year
Brand owners and all key suppliers are invited to attend the Group's annual conference, which includes sessions for the drink brands to understand how they can work with the Group and provides them an opportunity to showcase new products. All major contracts are reviewed and approved by the Board when they are first entered into and at renewal. The senior management team regularly engages with the development teams at the leading drinks brands to look at menu innovation. The Commercial team has seen an effective restructuring to ensure the right people are available for cost analysis, supply chain management, and supplier negotiations.	• Major suppliers are required to include statements on modern slavery and anti-bribery, and are asked to partner with us on sustainable workflows • A number of large contracts were re-signed in the year, securing key terms and conditions for effective planning
Social media and review platforms are internally and externally reviewed, with high response rates to guests to understand their experiences with our bars. Recognising the increased focus on health and wellbeing, the Board is also mindful that the Group's trade is associated with the retailing of alcohol. Accordingly, significant resources are allocated to staff training and guest supervision to ensure that guests do not gain entry if they are intoxicated and that they leave our bars in a safe and orderly fashion so as not to cause disruption to others.	• Our guests are showing an increased focus on the environment and sustainability agenda • Increased health & safety requirements. ensure a safe environment in which our guests can return following COVID-19
The Group provides regular engagement and consultation with investors, with regular trading updates. Executive Directors are regularly available for direct meetings with institutional and individual investors, particularly following publication of the Group's interim and annual results. The corporate website is maintained with the latest statutory information including significant shareholders, market announcements and the latest financial statements.	• Twice-yearly roadshows to discuss interim and annual performance and plans • Utilisation of fundraising monies for long-term growth of portfolio, and providing updates on the pipeline of new bars
The Business Development Director leads a team of individuals committed to driving our sustainability agenda in a mutually beneficial way for our bars and local communities. We have removed passion fruit from our drinks, created a sustainability-focused kitchen in one of our bars, and even homed a local beehive on the roof of one of our bars. Sustainability and the community are key agenda points in all Risk Committee meetings. Both local management and our Compliance team remain in regular contact with local enforcement officers to ensure our bars remain a safe and welcoming environment for local communities.	• Community-focused new concepts, Founders & Co. and Playhouse, regularly engage with communities through events such as beach cleanups. • Goal to have our Support Centre office paper-free • Active engagement through social media platforms with communities

RESPONSIBLE BUSINESS

CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT

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

PEOPLE

At Revolution Bars Group, our attitudes and activities prioritise our near-3,000 strong workforce under our "People First" pledge; we challenge ourselves daily to "revolution"-ise the way members of the hospitality sector train, work, and progress, both professionally and personally. Our early adoption of a "sustainability lens" with reference to our people has empowered us to see beyond the antiquated talent life cycle and firm up our employer proposition holistically across Attraction & Retention, Pay & Reward, and Learning & Development. We believe that, by growing and developing the very best people, we can truly bring to life our vision of being "the place where everyone wants to be".

"Rev U", our internal brand for all of our learning and development programmes, covers induction through to Executive development and everything in-between, including career pathways for our talented kitchen, sales, and management teams. We focus on innovative, high-impact programmes to facilitate the upskilling and reskilling of our people, which has seen us maintain high levels of internal succession into management roles across all parts of the business. We are proud of our reputation for training and development and all the more that many of our "Rev U" alumni members have advanced to hold key roles not only within our business, but also the wider sector.

Our newly developed programme for new openings and refurbishments has played a pivotal role in supporting the successful launch of our first new bars in four years and trained over 90 of our new recruits. This is all delivered by our Guest Experience Trainers, whose primary role is to deliver best in class training to our people to ensure we are able to deliver fun and memorable experiences with our teams and guests.

As a Group, we challenge ourselves to progress our inclusive culture daily and this starts with educating ourselves. We continue to engage external partnerships and organisations like Women in Hospitality, Travel & Leisure, and as well as a recent collaboration with "Be Inclusive", we are also proud to be one of the founding partners of "Plan B", the mentoring platform designed to accelerate women's representation on boards. We remain committed to closing our gender pay gap, beginning with representation, and within this Financial Year the Executive team moved to a female majority for the first time ever. Of our workforce, 48% is female and 52% is male, and as we continue on our "Inclusion Revolution" journey we anticipate evolution in all forms of diversity and parity through the insight and counsel of our Inclusion Board, made up of team members from different roles across the Group.

Colleague wellbeing continues to live at the heart of our people strategy, and we are confident that our clear leadership and actions have us on the journey toward long-term, sustainable improvements in the health and wellbeing of our people. Our investment in the internal accreditation of the Mental Health First Aid course has seen over 70 managers graduate this crucial education programme so far. Further, our corporate charity partner appointed in year (Campaign Against Living Miserably ("CALM")) was voted for by 75% of our colleagues, and we are collectively delighted to support CALM in their journey.

This year, we have evolved our reward structures and priorities in line with the Group's values of fun, ambition, integrity, and recognition. October 2021 saw enhancement to our pay matrixes and eradicated National Minimum Wage rates from our pay structures entirely, which built on efforts beginning pre-pandemic to ensure we retain our place as an industry-leading employer. Further, the Group introduced a suite of "lifetime benefits", including enhanced pensions, life assurance, a holiday purchase scheme, electric vehicle options and significant enhancements to parental leave pay. These sit alongside our already established EAP, BHSF free counselling services, 24/7 GP access, pay on demand and lifestyle savings platform.

Recruitment has been a challenging obstacle to overcome since our return to trade with both the pandemic and Brexit having a huge impact on our employee turnover and ability to attract candidates, though it has been reassuring to see some stabilisation in this space towards the end of this financial year with colleague turnover dropping by 4% in the final quarter, and General Manager stability improving across the last three quarters.

Listening to our amazing teams is pivotal to understanding the quality of their experience with us. A key employee voice channel is the Group's performance measurement issued twice yearly through an independently administered "Quality of Life" survey. We are delighted that April 2022 saw the highest ever participation rate (87%), engagement (65%) and ENPS (41.5 pts) scores recorded since inception with significant gains wave-on-wave across every question.

RESPONSIBLE DRINKS RETAILING

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

PEOPLE TRAINED INTERNALLY AS MENTAL HEALTH FIRST AIDERS IN THE YEAR

71

PARTICIPATION RATE IN OUR "QUALITY OF LIFE" SURVEY

87%

FOOD INFORMATION AND QUALITY

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

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

CHARITY

As part of its social responsibility agenda, the Group partnered with a new corporate charity partner in August 2021. Following an internal vote, over 75% of those that voted chose the Campaign Against Living Miserably ("CALM"). After a challenging year in FY21, where at times up to 98.5% of our workforce were on furlough, the Group has an increased focus on employee wellbeing and ensuring a safe and supportive environment at work. Our people told us that suicide support was an incredibly serious concern given the challenging year many had faced, and the Group is proud to support CALM in their journey. The Group will be donating 50p from every sharing platter sold, and additional fundraising activity will be planned.

As at year-end, the Group has raised a total of £54.6K for CALM through the sale of products and local fundraising initiatives, and as at the date of report a further £12.3K has been raised on top of this.

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

CASE STUDY: OUR HERO – MIKE BUCKLEY

Our very own Hero (aka: Head of Safety, Audit and Stock at Revolution Bars Group), Mike Buckley, won The Hero Award at the Retailer's Retailer Awards 2022. Mike has guided the Group through the varying restrictions over the past few years with unfailing humour, ensuring our teams are well-informed and confident in their actions. He has gone above and beyond to help transform the business, whilst demonstrating stand-out professional growth. Judging for The Hero Award involved a series of interviews with sector leaders, and we couldn't be more proud of Mike for his win – congratulations!

ANTI-BRIBERY AND CORRUPTION POLICY

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

MODERN SLAVERY POLICY AND HUMAN RIGHTS

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

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

STREAMLINED ENERGY AND CARBON REPORTING ("SECR") DISCLOSURE

The Group has chosen to early adopt a Task Force on Climate-related Financial Disclosures ("TCFD") Report. This report includes the requirements of the SECR disclosure, including relevant disclosures on emission type and Greenhouse Gas Emissions Intensity Ratio, scope and methodology, and sustainability plans, and therefore has not been duplicated here. Please see pages 34-40 for further information.

RESPONSIBLE BUSINESS CONTINUED

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) REPORT

Our commitment to environmental best practice is central to our long-term business strategy. We are making our first disclosure under TCFD early as part our commitment to sustainable practices. There is no planet "B" and at Revolution Bars Group we are 100% committed to doing our bit to ensure we minimise our impact on the environment and achieve Net Zero.

Rob Pitcher, Chief Executive Officer

CLIMATE-RELATED RISK

Disclosure of the actual and potential impacts of climate-related risks and opportunities on an organisation is fundamental to understanding how the business strategy may be influenced. Climate-related issues can affect several important aspects of an organisation's financial performance and position, both now and in the future.

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Task Force provides recommendations for climate-related financial disclosures structured around four thematic areas:

1. Governance
2. Strategy
3. Risk Management
4. Metrics & Targets

The four overarching recommendations are supported by 11 specific recommended disclosures focussing on assessing climate-related risks and opportunities. Revolution Bars Group (the "Group") recognises the importance of adopting the TCFD recommendations and reporting climate-related information using this framework to ensure high-quality and decision-useful disclosures that enable users to understand the impact of climate change on the organisation.

GOVERNANCE

The Governance disclosure looks at organisations' governance around climate-related risks and opportunities.

The strategic oversight of climate change is owned by the Board of Directors, with decision-making delegated to the Executive team.

Our day to day Governance structure is implemented in this area through four working groups:

1. Operational Carbon
2. Value Chain
3. Climate change and Business Strategy
4. Engagement and Accountability

Day to day decision-making resides in the third working group (Climate change and Business Strategy) of which the Chief Executive Officer (Rob Pitcher) and Chief Financial Officer (Danielle Davies) are members.

BOARD OVERSIGHT

The Group considers climate change to be a significant Board-level strategic issue.

Overall responsibility for our Sustainability Strategy (including Net Zero/Climate change) sits with the Board. The Board receives quarterly updates and approves the Annual Sustainability Plan ahead of each financial year.

Climate-related financial issues fall in the scope of the Risk Committee, which will review and take action as required on risk management policies and business planning.

MANAGEMENT'S ROLE

At Management level, the climate change agenda is managed as part of the delivery of our Sustainability programme. Driven day to day by the Annual Sustainability Plan, we set clear goals and metrics/targets to operationalise our approach.

Each year we undertake a planning cycle to assess climate-related issues and ensure that our Sustainability programme is fit for purpose in addressing climate-related risk and to deliver value for the business from the opportunities that climate change presents.

We retain a specialist consultancy (Energise) on an ongoing basis who provide any specific technical advice that is required in relation to climate-related risk, in respect of mitigation, adaption and transition.

NEXT STEPS

We are committed to disclosing information relating to our governance approach, the Board's oversight of climate-related risks and opportunities and management's role in assessing and managing climate-related risks and opportunities on an ongoing basis in line with the TCFD recommendations.

We will continue to engage at both Board and Management level on climate-related issues, considering how we can integrate best practice into our internal governance structure and processes.

STRATEGY

The Strategy disclosure looks at the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We acknowledge that climate-related risks and opportunities have an impact on our business. We are therefore implementing a clear strategy to respond to that. Our focus is on:

- Mitigation of our impact, by reducing our emissions.
- Managing any transition or physical risks in relation to adaptation.

In 2021 we formally adopted our Sustainability Strategy, providing us a clear framework of how we manage our climate-related risks and opportunities through to 2030.

CASE STUDY: A PASSION FOR SUSTAINABILITY

A particularly innovative carbon-saving move that Revolution Bars Group has recently implemented was the removal of the passion fruit garnish from its cocktails. which will reduce its carbon footprint by more than 100 tonnes of CO_2. The financial savings have been invested back into sustainability projects as part of the Net Zero strategy. This measure, coupled with carbon offsetting to help the business achieve its goals in the short term, will significantly lower the business' overall carbon footprint, with cocktails alone currently representing 8% of its total footprint.

MATERIAL CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our primary risks and opportunities centre around our supply chain and reputation/response to policy. We have a significant number of workstreams active in our Net Zero/Sustainability strategy to address these topics. We believe we need to take an industry-leading approach to decarbonisation, which will manage risk and increase opportunities in relation to reputation/response to policy.

We have extensive activity in our supply chain from delivering the same strategy, and we are working with our suppliers on the risk in our supply chain as part of this process/activity. Much of our climate-related risk is presented by our supply chain, which also represents the largest element of our carbon footprint.

We have begun to engage with our supply chain to both mitigate our emissions and understand any resilience issues which may occur and address those. The short-term risk is not immediately significant, but some purchasing from areas which are at greater risk of the acute physical impacts of climate change will be reviewed. In addition, we will play an active part in the Hospitality sector in developing approaches to more sustainable food/drink options.

EMISSIONS REDUCTION STRATEGY

We have adopted six key principles as part of our Sustainability Strategy which guide our approach:

1. Make sustainability central to everything we do by adopting a sustainability mindset throughout the business
2. Take proactive action by implementing changes to our business to reduce our impact on the environment
3. Engage with and report to our key stakeholders (our people, shareholders, suppliers, guests, industry)
4. Become efficient by design (including buildings, refurbishments and menus)
5. Renew our approach/technology where required to address the sustainability challenge
6. Rebalance our impact where the other actions taken do not address it sufficiently

We have two headline commitments in relation to emissions reduction in our Sustainability Strategy

1. To achieve carbon neutral status by the end of the decade and commit to a Science-Based Target as soon as practicable
2. To reduce our carbon intensity by 40% by 2030

These are reinforced by resource level targets, which are further detailed in the metrics and targets section.

RESPONSIBLE BUSINESS CONTINUED

RISK MANAGEMENT

The Risk Management disclosure looks at the processes used to identify, assess and manage climate-related risks.

IDENTIFYING AND ASSESSING RISK

The Group identifies climate-related risks and opportunities and defines materiality based on the We Mean Business risk taxonomy, TCFD Guidance and our existing climate-related risk and opportunity assessments.

Risks are grouped into two categories and then into further sub-categories: Physical risks which relate to the physical impacts of climate change, and Transition risks, which relate to the transition to a low-carbon economy. We consider our climate change risk between now and 2050 as a timeframe.

MANAGING RISK

Risks and opportunities are managed through:

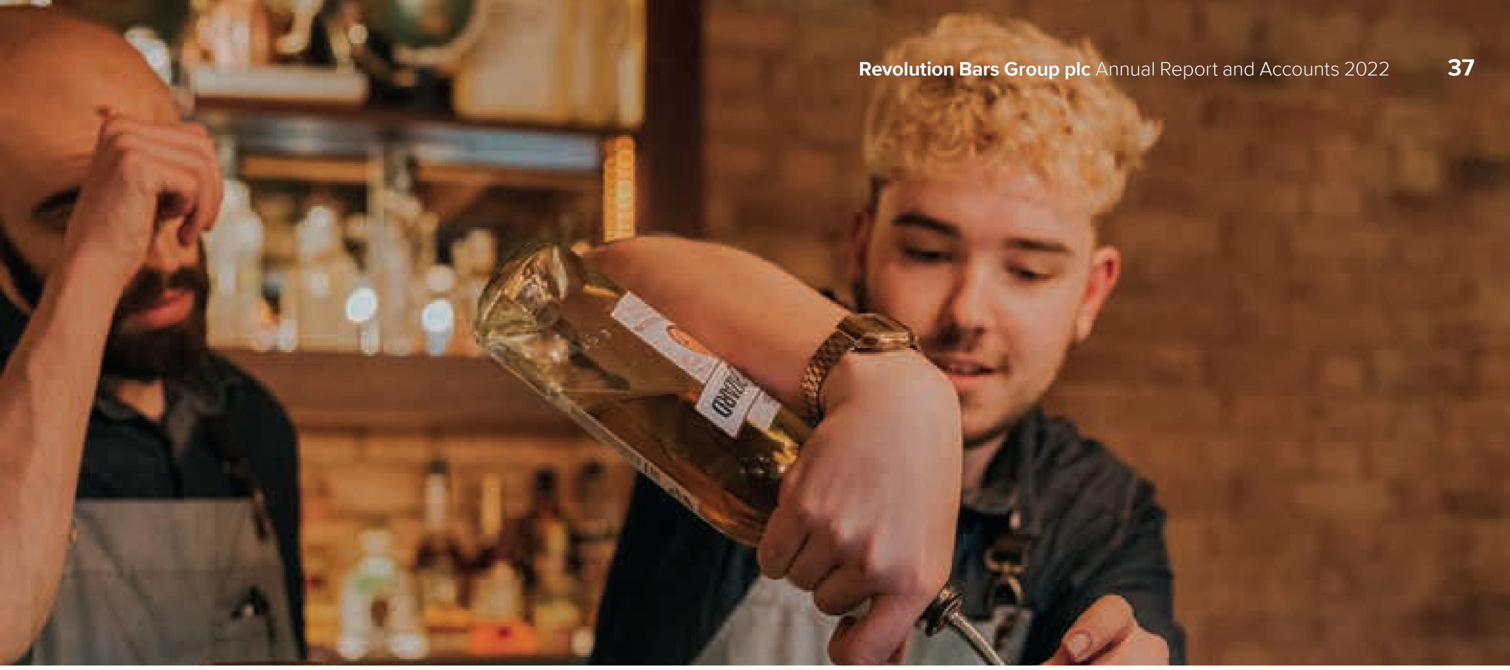
- Where not material to the entire business, the relevant Net Zero/Sustainability working group, which meet at least quarterly.
- Where material, through the Risk Committee.

Our risk management process in relation to climate-related risk can be summarised by the following steps:

- **Identify** risks and opportunities/define materiality, based upon:
  - We Mean Business taxonomy
  - TCFD guidance
  - Existing climate-related risks and opportunity assessments
- **Assess** the risks/opportunities and any required action in a short-term timeframe (<5 years)
- **Model** through scenario analysis (where relevant) the potential impact of the risks/opportunities against three climate change scenarios
- **Manage** by developing and implementing internal risk controls
- **Monitor** on an ongoing basis and improve risk management controls

The three scenarios considered in respect of this risk assessment can be summarised as follows:

SCENARIO	EARLY	LATE	BAU
DESCRIPTION	Smooth transition to <2°C	Disruptive transition to <2°C	No acceleration of action >3°C
OVERVIEW	Transition to a carbon-neutral economy starts early and the increase in global temperatures stays well below 2 degrees, in line with the Paris Agreement.	Global climate goal of keeping temperatures well below 2 degrees is met but the transition is delayed and must be more severe to compensate for the late start.	Where no policy action beyond that which has already been announced is delivered, resulting in above 3 degrees of warming. Therefore, the transition is insufficient for the world to meet its climate goal.
ASSUMPTIONS	There is early and decisive action to reduce global emissions in a gradual way, with clearly signposted government policies implemented relatively smoothly.	To compensate for the delayed start a deeper adjustment is required, as evidenced in a steeper increase in global carbon prices in a late attempt to meet the climate target. Under this scenario, physical risks rise more quickly than in the early policy action scenario and transition risks are severe.	This scenario tests organisation's resilience to both chronic changes in weather (e.g. rising sea levels), as well as more frequent and extreme weather events (e.g. flash floods). Therefore, under this scenario, there are limited transition risks, but physical risks are significant.



INTEGRATING RISK

To assess, manage and integrate risk, we maintain a climate-related risks and opportunity register. This is prepared following the risk management process already described. The taxonomy structure is aligned to the We Mean Business structure and is described below. The register summarises our actions in relation to each risk area.

RISK TAXONOMY & ASSESSMENT

Our risk taxonomy (in relation to climate-related risk) is shown below, with the underlying level of risk we believe that they present.

RISK AREA	PHYSICAL/TRANSITION	CATEGORY	RISK	OPPORTUNITY
Reputation	Transition	Reputation	Medium-high	Medium-high
Customer Demand	Transition	Customer Demand	Medium-high	Medium-high
Renewable Energy Policy	Transition	Policy	Medium-high	Medium
Air Pollution Limits	Transition	Policy	Medium	Low
Environmental Policy	Transition	Policy	Medium-high	Low
Emissions Reporting Policy	Transition	Policy	Medium-high	Medium-high
Product Policy	Transition	Policy	High	High
Product Efficiency Policy	Transition	Policy	Medium-high	Low
Product Labelling Policy	Transition	Policy	Medium-high	Medium
Cap and Trade	Transition	Policy	Medium	Low
Fuel Taxes and Policy	Transition	Policy	Medium-high	Medium-high
Carbon Taxes	Transition	Policy	Medium-high	Low
International Agreements	Transition	Agreements	Medium	Low
Voluntary Agreements	Transition	Agreements	Medium-high	Medium-high
Snow & Ice	Physical	Changing Climate	Medium	N/A
Changes in Rainfall	Physical	Changing Climate	Medium	N/A
Increasing Temperatures	Physical	Changing Climate	Medium	N/A
Extreme Temperatures	Physical	Changing Climate	Medium	N/A
Change in Rainfall Patterns	Physical	Changing Climate	Medium	N/A
Droughts or Heavy Rainfall	Physical	Changing Climate	Medium	N/A
Impact on Natural Resources	Physical	Natural Resources	Medium-high	N/A
Community Impact	Physical	Social Impacts	Medium-high	N/A
Disaster Relief	Physical	Social Impacts	Medium-high	N/A
Economic Impact on Consumer	Physical	Social Impacts	Medium-high	N/A

RESPONSIBLE BUSINESS CONTINUED

METRICS & TARGETS

The Metrics & Targets disclosure looks at the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

With our most material risk and opportunity areas being our supply chain and our reputation, our metrics and targets focus on our decarbonisation (driven by our Net Zero/Sustainability strategy) and our supply chain's engagement.

METRICS USED

Our operational management of climate-related risk is measured through the below metrics:

- Greenhouse Gas Emissions (absolute and relative) measured in tCO_2e
- Performance against our Carbon Budget (set as part of our strategy)
- Supply chain engagement/targets (% of suppliers engaged) to measure the engagement of our supply chain in managing our climate change risks/opportunities
- Energy efficiency (like-for-like kWh usage) to measure the effectiveness of our energy conservation
- Renewables/Power Purchase Agreements (% renewables/% self-generated) to measure our transition to renewable energy
- Waste targets (% recycled/landfill avoidance) to measure the effectiveness of our approach to waste management

GREENHOUSE GAS EMISSIONS

Emissions data in respect of the 2021-22 reporting period, based on Operational Control, are disclosed as follows:

Scope	Category	tCO_2e (Location)	tCO_2e (Market)	Previous year (Location)	Baseline year (Location)	Variance (+/-) Variance (+/-) Prev year (S1 &2), Baseline (S3)	Variance (%) Prev year (S1 &2), Baseline (S3)
Scope 1	Combustion	1,193		715	1,580	478	66.9%
Scope 1	**TOTAL**	**1,193**	**1,193**	**715**	**1,580**	**478**	**66.9%**
Scope 2	Electricity/heat/steam/cooling	4,160	0	2,352	4,912	1,808	76.9%
Scope 2	**TOTAL**	**4,160**	**0**	**2,352**	**4,912**	**1,808**	**76.9%**
Scope 3	Business travel	174			94	80	85.1%
Scope 3	Employee commuting	1,360			1,360	0	0.0%
Scope 3	Fuel and energy-related activities	1,384			1,160	224	19.3%
Scope 3	Purchased goods and services	20,401			27,088	(6,687)	(24.7)%
Scope 3	Capital goods	1,715			716	999	139.5%
Scope 3	Waste generated in operations	218			944	(726)	(76.9)%
Scope 3	**TOTAL**	**25,252**	**25,252**	**10,238**	**31,362**	**(6,110)**	**146.6%**
All	**TOTAL**	**30,605**	**26,445**	**13,305**	**37,854**	**(3,824)**	**130.0%**

(Location) refers to location-based reporting; (Market) refers to market-based reporting. Both definitions are in line with the Greenhouse Gas Protocol. All stated variances are of our location-based emissions.

ENERGY USE STATEMENT

Scope	Category	Current kWh	Previous kWh
Scope 1	Combustion	6,513,431	3,789,991
Scope 1	**TOTAL**	**6,513,431**	**3,789,991**
Scope 2	Electricity/heat/steam/cooling	19,542,144	10,088,994
Scope 2	**TOTAL**	**19,542,144**	**10,088,994**
Scope 3	Business travel	290,624	–
Scope 3	**TOTAL**	**290,624**	**–**
All	**TOTAL**	**26,346,199**	**13,878,98**

GREENHOUSE GAS EMISSIONS INTENSITY RATIO

	Total Footprint (Scope 1, Scope 2 and Scope 3) - CO_2e tonnes		
	Current Year (2021-22)	Previous Year (2020-21)	Year on Year Variance
Turnover (£)	140.8 m	39.4 m	257.3%
Intensity Ratio (tCO_2e/£100,000)	21.737	33.771	(35.6)%

Emission reporting notes

- Our methodology has been based on the principals of the Greenhouse Gas Protocol, taking account of the 2015 amendment which sets out a "dual reporting" methodology for the reporting of Scope 2 emissions. In the "Total Footprint" summary above, purchased electricity is reported on a location-based method.
- We have reported on all the measured emissions sources required under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 except where stated.
- The period of our report is 01/07/2021 – 30/06/2022.
- This report includes emissions under Scope 1 and 2, except where stated, and includes emissions from Scope 3 sources relating to business travel, purchased good and services, capital goods, employee commuting, fuel- and energy-related activities, water and waste.
- Conversion factors for UK electricity (location-based methodology), gas and other emissions are those published by the Department for Environment, Food and Rural Affairs for 2021-22.
- Conversion factors for UK electricity (market-based methodology) are published on the fuel mix disclosures on each supplier's website.

Statement of exclusions

- Emissions in relation to fugitive emissions are excluded from the scope of reporting due to lack of quality data records in this area. This is not a material carbon emission.

Energy efficiency action

In this year we have:

- Almost completed LED rollout to our entire estate, with a few sites remaining.
- Created a test energy efficiency site at Revolución de Cuba Reading to see how low we can drive energy usage in a single site, with initial results positive.
- Delivered exceptional results through our Zero Hero programme, with a huge reduction in overnight usage waste.
- Now adopted a minimum standard specification for our sites to define what equipment is required in refurbishment/installations, as well as being used by our Property team to identify areas of opportunity for immediate improvement during maintenance work.
- Made substantial progress in delivering our Net Zero/Sustainability strategy which can be seen in our reduced carbon emissions.

OUR TARGETS

Our sustainability strategy has the below targets, against which we have declared our progress to date:

TARGET	BASELINE	PROGRESS
To achieve carbon neutral status by the end of the decade and commit to a Science-Based Target as soon as practicable	FY20 (adjusted for COVID impacts in Q4)	On target, we are in the process of validation of our Science-Based Target and our cocktail menu is carbon neutral
To reduce our carbon intensity by 40% by 2030		Ahead of target for FY22
To achieve a further 20% energy efficiency improvement by 2025		Ahead of target for FY22
To commit to working towards and maintaining thereafter 100% renewable electricity supply		All sites except landlord sites (two) now renewable energy supply
To achieve a 30% reduction in water consumption by 2030		On target, monitoring being improved
To reduce supply chain emissions by 30% by 2030		On target
To reduce waste to landfill by 50% by 2030		On target
To reduce overall waste volumes by 15% by 2030		On target

LIKE-FOR-LIKE REDUCTION OF ENERGY CONSUMPTION SINCE 2017

32%

REDUCTION IN CARBON FOOTPRINT SINCE THE 2019-20 BASELINE

19%

RESPONSIBLE BUSINESS CONTINUED

NEXT STEPS

We will continue to drive forward through our Sustainability programme to deliver significant carbon reductions. We are on track for all of the targets we have set at this point and will continue to reduce our impact on the environment across all three emission scopes in line with climate science.

APPENDIX

THEMATIC AREA	RECOMMENDATION	HOW HAS DISCLOSURE BEEN MET
GOVERNANCE	a) Describe the Board's oversight of climate-related risks and opportunities.	Role of Risk Committee described
	b) Describe Management's role in assessing and managing climate-related risks and opportunities.	Role of pillar working groups described
STRATEGY	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Refer to risks and opportunities section
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	The risks are not a material change to the Company's financial strategy at this time, so the operational risks are highlighted. Organisational strategy is integrated through Board Oversight, Risk Committee and pillar working groups.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Understanding of risks and opportunities available and described. Net Zero strategy outlined.
RISK MANAGEMENT	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Cyclical risk management process outlined.
	b) Describe the organisation's processes for managing climate-related risks.	Cyclical risk management process outlined.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Cyclical risk management process outlined.
METRICS & TARGETS	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics outlined with explanation of reason
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Emissions included
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Targets declared

By order of the Board

Danielle Davies
Company Secretary
18 October 2022

CASE STUDY: PUB & BAR – BAR BRAND OF THE YEAR 2022

In June 2022 we were immensely proud to be awarded the Bar Brand of the Year by Pub & Bar Magazine for our Revolution brand. This was a huge achievement and we are incredibly proud of our Revolution family who have worked tirelessly to create a brand that empowers its people and lives by all of its values, all whilst delivering the best party on the high street. We've taken the time to understand not only who we are, but also who our guest is and this has obviously delivered some exceptional results and successes.

CASE STUDY: BRITISH BUSINESS EXCELLENCE AWARDS – EMPLOYER OF THE YEAR

In July 2022 we found out that we had been shortlisted for the 2022 British Business Excellence Awards as Employer of the Year. This coveted award celebrates businesses that go the extra mile to support colleagues and promote welfare and engagement. Specifically, the award looks at investment in people, initiatives, collaborative culture, and the impact this has had on commercial performance and how resources have been optimised to sustainably achieve commercial goals. We are incredibly proud to have been made finalists, and are excited for the awards ceremony in November 2022 where we will find out the results.

RESPONSIBLE BUSINESS CONTINUED

CASE STUDY: READING – A KITCHEN TO CHALLENGE THE STATUS QUO

RDC Reading was chosen as our Centre of Excellence site for sustainable equipment trials in seeing "how low we can go" with our carbon footprint and impact on sustainability. So far at Reading we have held successful trials of:

- Cellar cooling equipment – with plans to roll out this equipment to at least 50% of the RBG estate in FY23.
- Smart water metering – this smart meter shows us when we have water leaks at site, and the live dashboard allows us to fix the problem straight away. We plan to fit 25 bars across the estate with a smart water meter in FY23.
- Removal of gas from our kitchen – we have successfully removed gas from our kitchen and have started using the new electrical kit in new sites opening in FY22/23.

RDC Reading has great metering, which allows us to accurately track the results of the equipment trials and a fantastically engaged team who give us valuable feedback in how equipment is performing operationally. Throughout FY23 we will continue to look at opportunities within RDC Reading to see how much lower we can go!

CASE STUDY: PLAYHOUSE AND PITSFORD BEES

In May 2022, Playhouse, one of our new concepts, teamed up with local honey producer Pitsford Bees to house its very own colony of bees on the Playhouse rooftop. Pitsford were no stranger to Playhouse, already supplying the honey used on the Pitsford Bee Sting pizza and Hot Honey dipping sauce. Playhouse has cemented itself in the local community with a focus on quality, local ingredients and sustainable business. The partnership will eventually see Playhouse receiving some of the honey produced on its very own rooftop – you don't get much more local than that!

CASE STUDY: LEAVING OUR FOOTPRINT ON THE WORLD

The Group was thrilled to win the On-Trade Company of the Year award at the Footprint Drinks Sustainability Awards in September 2022. These awards recognise the annual celebration of businesses who are genuinely implementing change and building a better world, and we couldn't be more proud to have been recognised for the Group's efforts.

BOARD OF DIRECTORS

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

KEITH EDELMAN
Non-Executive Chairman

DATE APPOINTED TO BOARD
16 February 2015

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

OTHER APPOINTMENTS
Keith is currently Non-Executive Chairman of Headlam Group plc. He is also Chairman of Jewellery Quarter Bullion Limited.

Committees: Audit Committee, Remuneration Committee, Nomination Committee (Chair)

ROB PITCHER
Chief Executive Officer

DATE APPOINTED TO BOARD
25 June 2018

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

OTHER APPOINTMENTS
None.

Committees: Nomination Committee

KEY
- Audit Committee
- Remuneration Committee
- Nomination Committee
- Chair

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

DANIELLE DAVIES
Chief Financial Officer

DATE APPOINTED TO BOARD
22 December 2020

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

OTHER APPOINTMENTS
None.

JEMIMA BIRD
Senior Independent Non-Executive Director

DATE APPOINTED TO BOARD
19 December 2016

RELEVANT PAST EXPERIENCE
Jemima is a marketer with more than 25 years' experience working with many of the UK's leading high street brands including The Co-op, where she most recently led the rebrand of their food business. She formed Hello Finch, a strategic brand consultancy, in 2013. Specialising in early-stage businesses, Hello Finch supports raising seed finance for entrepreneurs.

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

WILLIAM TUFFY
Independent Non-Executive Director

DATE APPOINTED TO BOARD
26 November 2018

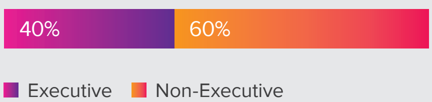
RELEVANT PAST EXPERIENCE
William Tuffy is a Chartered and Certified Accountant with over 35 years' experience in senior general and financial management roles in retail, FMCG and property investment and management. He has also been involved with business transformation and turnaround projects in companies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

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

LENGTH OF SERVICE

GENDER ANALYSIS

EXECUTIVE/NON-EXECUTIVE ANALYSIS



SENIOR MANAGEMENT

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

BETH ANDERSON
PEOPLE DIRECTOR

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

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

ALEX YOUNG
SALES & MARKETING DIRECTOR

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

ALEX MCMILLAN
BRAND OPERATIONS DIRECTOR – REVOLUCIÓN DE CUBA

Alex joined the team as Brand Operations Director in March 2022. She has over 25 years' experience in the hospitality industry having worked in operational roles for Mitchells & Butlers, Welcome Break, KFC and Forte. Most recently she fulfilled a senior operations role in Harvester restaurants which involved menu redevelopment and brand design enhancements, as well as delivering revenue in excess of £120 million per annum.

WILL STELLING
HEAD OF PROPERTY

Will joined the team as Head of Property in June 2020 from OYO Rooms, where he held the role of Midlands Hub Head. During this time, he was responsible for leading a regional team of Business Development, Infrastructure and Construction managers. Prior to this, he was a Building Development Manager at Mitchells and Butlers for over 5 years, where his main responsibilities included the successful delivery of all brand projects and the management of capital budgets. Will was promoted to the Executive Senior Management team in 2022.

Will is a chartered Project Manager (CIOB) and a qualified Quantity Surveyor (GradDipQS); he is responsible for the delivery of capital expenditure throughout the Group including new properties and refurbishments, as well as the management of the estate and maintenance requirements.

ANDY DYSON
BUSINESS DEVELOPMENT DIRECTOR

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

FIONA HALL
COMMERCIAL DIRECTOR

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

MARK WALTER
BRAND OPERATIONS DIRECTOR – REVOLUTION

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

The business address of each senior manager is 21 Old Street, Ashton-under-Lyne, Tameside OL6 6LA.

CORPORATE GOVERNANCE

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

The Board of Directors (the "Board") of Revolution Bars Group plc (the "Company") recognises the importance of, and is committed to, high standards of corporate governance. We believe strong corporate governance is key to delivering high performance as a business and ensuring success for its shareholders. Accountability to our stakeholders, including shareholders, guest, suppliers and employees is key to our governance approach.

Therefore, and in compliance with the updated AIM Rules for Companies, the Company has chosen to formalise its governance policies by complying with the UK's Quoted Companies Alliance Corporate Governance Guidelines for Small and Mid-Size Quoted Companies (the "QCA Code"). The annual financial statements of the Company for the financial year ending 2 July 2022 will be prepared in accordance with the Company's obligations as an AIM company and the requirements of the QCA Corporate Governance Code.

All Directors are fully aware of their duties and responsibilities under the QCA Code. As at the date of report, we consider we are in full compliance with the QCA Code, which is made up of ten principles. Below, we explain how we have complied with each principle. We continue to review for best practice and will update this report accordingly as we do so, at least annually.

Keith Edelman
Chairman
18 October 2022

REVOLUTION BARS GROUP PLC BOARD

Chairman: Keith Edelman

Chief Executive Officer: Rob Pitcher

Chief Financial Officer: Danielle Davies

Senior Independent Non-Executive Director: Jemima Bird

Independent Non-Executive Director: William Tuffy

AUDIT COMMITTEE

Chair: William Tuffy
Jemima Bird
Keith Edelman

REMUNERATION COMMITTEE

Chair: Jemima Bird
Keith Edelman
William Tuffy

AUDIT COMMITTEE

Chair: Keith Edelman
Jemima Bird
Rob Pitcher
William Tuffy

GOVERNANCE SECTION

QUOTED COMPANIES ALLIANCE CODE ("QCA")

QUOTED COMPANIES ALLIANCE CODE COMPLIANCE

The following sets out the 10 QCA Code principles and either how Revolution Bars Group plc has complied with those principles or where a more detailed discussion can be found on the Group's website following the disclosure guidance in the QCA Corporate Governance Code:

1. ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

The Group's strategy and business model is discussed within the Chief Executive's Review on pages 14 to 17. A further review of the business model can also be found on pages 12 to 13, and further information on our strategic framework on pages 18 to 19.

Our five key strategic pillars are:

- Maximising Revenue & Profit;
- Brand Awareness and ESG including Sustainability and EVP;
- Guest Experience;
- Cost Control; and
- Diversification of Sales.

Following recent fundraisings, our focus has been on the expansion of the estate through acquisition of new sites or groups, and refurbishment of our estate. We continue to deleverage the business and have enjoyed strong cash positions allowing us to deliver our strategies. We are currently running an enhanced refurbishment programme, to ensure our estate is at its best, and have launched two new concepts in the last year which are enjoying growing success.

We continue to focus on our team, recently becoming an above-minimum wage employer as well as focusing on a portfolio of other staff-benefits to ensure we retain our position as an employer of choice. Our Inclusion & Diversity ("I&D") champions were recruited from across the entire workforce to set up an advisory board to drive developments in this area. We have also invested heavily in our staff welfare, partnering with "Wiser" and "So let's talk".

Our investment in guest experience technology allows us to respond to guest needs quickly and adapt our strategy accordingly. We continue to drive technology forwards to enhance our guest experience and drive sales, including a party booking system and Apps allowing pay-at-table service.

The key risks we face as a business are discussed in section 4 below but can also be found on pages 28 to 29.

2. SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Group prides itself on open communication and strong relationships with its key investors and shareholders. The Executive Directors are in regular contact with the Company's shareholders and brief the Board on feedback and any shareholder issues. In FY21 and FY22 interim, investor briefings and roadshows were held at regular intervals, including following announcement of the preliminary and interim results, and other ad-hoc one-to-one meetings with key investors and potential investors were also held through the year to discuss the Group's strategy and shareholder expectations, amongst other things. FY22 roadshows will be held after release of the preliminary results in October.

Feedback from investors is also delivered to the Executive Board and key management to ensure it is at the heart of our strategies. The Board believes the Annual Report and Interim Report, and the accompanying presentations, provide necessary information to influence investor assessments on performance, business model and strategy. Hard copies are available to all shareholders who request one, and copies are also available on the Group's website at the following link: https://www.revolutionbarsgroup.com/investors/results-centre/

Shareholders or investors may contact the Company or the management team via our investor relations email address, shareholderhelp@revolutionbarsgroup.com. We also welcome any written correspondence, which our Chief Financial Officer or Financial Controller will respond to, as well as contact via our Company's registrar, Link Group.

The Board particularly supports the use of the Annual General Meeting ("AGM") to communicate, in particular, with private investors. All shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or informally with the Directors afterwards. Where the AGM has been a closed meeting due to COVID-19, shareholders have been given the opportunity to raise questions in advance via the email address above.

The voting record at the Company's General Meetings is monitored, and we are pleased that all resolutions were passed by shareholders at the 2021 AGM. The 2022 AGM will be held on 2 December 2022.

3. TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Board considers engagement with its stakeholders as fundamental to the Group's success, as well as helping the Board and management make key decisions. The s172 Statement provides detailed information as to our engagement with key stakeholders and can be found on pages 30 to 31.

In addition, Revolution Bars Group prides itself on being a market leader with its sustainability agenda. We recently removed passion fruit garnishes from our cocktails saving approximately 100 tonnes of carbon and providing a significant reduction in waste; we have used the financial savings from this to offset all other cocktails making our cocktail menu carbon neutral. The Group scored a B in CDP reporting, meaning Management are taking coordinated action on climate issues and is higher than the bars, hotels & restaurants sector average. We continue to invest in our energy-efficient kitchen in Reading and are soon to be validated for our science-based targets. More information can be found on pages 34 to 40.

4. EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

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

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

The risk factors set in the Risk Report on pages 28 to 29 are those which the Board believes are the most significant to the Group's business model that could adversely affect its operations, revenue, profit, cash flow or asset values and which may prevent the Group from achieving its strategic objectives. There may be additional risks and uncertainties that are currently unknown or currently believed to be immaterial that may also have an adverse effect on the Group.

5. MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board consists of five Directors: three Non-Executive Directors and two Executive Directors. The three Non-Executive Directors are independent, in line with the QCA Code guidance. The Group believes the balance and experience of the Board is suitable for the business. The Non-Executive Directors of the Board have been selected with the objective to further support the breadth of skills and experience of the Board and bring constructive challenge to the Executive Directors. The Non-Executive Directors are also responsible for the effective running of the Board's Committees and ensuring that the Committees support the strategic priorities of the Board.

The Board members are as follows:

- Keith Edelman – Non-Executive Chairman and Chair of the Nomination Committee;
- Rob Pitcher – Chief Executive Officer;
- Danielle Davies – Chief Financial Officer;
- Jemima Bird – Senior Independent Non-Executive Director and Chair of the Remuneration Committee; and
- William Tuffy – Independent Non-Executive Director and Chair of the Audit Committee.

The Executive Directors of the Company are employed on a full-time basis. Non-Executive Directors are required to devote such time to the Group's affairs as necessary to discharge their duties, and this may change from time to time. Members are required to attend all Board meetings and Sub-Committee meetings as necessary.

The Board's intention is to meet at least eight times per year for structured Board meetings covering all aspects of the business. Meeting papers include business reports and updates from the CEO and the CFO. Members of the Group's senior management team are also invited to present at Board meetings on a regular basis, as appropriate, so that Non-Executive Directors keep abreast of developments in the Group. The Board meet through a variety of virtual and in-person meetings.

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

	Board	Audit	Remuneration	Nomination
Number of meetings	**12***	**3**	**6**	**1**
Keith Edelman	11	3	6	1
Rob Pitcher	12	3	6	1
Danielle Davies	12	3	6	–
Jemima Bird	9	3	6	1
William Tuffy	9	3	6	1

* Including Sub-Committee meetings of the Board which all Non-Executive Directors were not required to attend

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

The Board has overall responsibility for the Group's system of internal control and reviewing its effectiveness. Key elements of the system of internal control include clearly defined levels of responsibility and delegation, together with well-structured reporting lines up to the Board; the preparation of comprehensive budgets for each bar and head office, approved by the Board; a review of period results against budget, together with commentary on significant variances and updates of both profit and cash flow expectations for the period; Board authorisation of all major purchases and disposals and regular reporting of legal and accounting developments to the Board.

Further details on the composition and experience of the Board can be found on pages 44 to 45.

GOVERNANCE SECTION CONTINUED

6. ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Board considers that it has sufficient skills and experience to enable it to execute its duties and responsibilities effectively given the nature and size of the Group. The Directors have a wide range of skills in Leisure, Retail, Marketing, Operational, People and Finance backgrounds, and continue to develop their skills and knowledge either through other Directorships (for Non-Executives) or via time and experience and attending industry body events.

Where the Board considers that it does not possess the necessary expertise or experience, it will engage the services of professional advisors and consultants. The Directors receive regular updates from external advisors on legal requirements and regulations, remuneration matters and corporate governance best practice.

Further details of Board experience can be found on pages 44 to 45.

7. EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Board completed a Board evaluation in summer 2022. This assessed the Board effectiveness, and any recommendations were implemented; the questions were reviewed and approved by the Group's corporate lawyers to ensure they were independently verified and were found to be robust and conclusive of the QCA Code principles. The questionnaire was then shared with the Board, asking them to participate and respond to questions designed to elicit honest feedback about Board dynamics, operations, structure, performance, and composition.

A key output from the review found that the Board has identified a requirement for more timely and focused information in advance of meetings to allow them to come well-prepared. The evaluation also identified the key strategy and concentration of the Board in the next year, with a focus on continued growth plans and forensic and relentless reviews of cost headwinds. It was noted that to succeed in these areas the Board must also ensure a strong succession plan.

In line with best practice and the newly applicable requirements of the QCA Code, the Board intends to undertake regular evaluations of the Board, the Chairman and the individual Committees and Directors. The Board will utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning.

Personal objectives and targets are determined each year for the Executive Directors and Executive team, and performance is measured against these metrics. The Independent Non-Executive Chairman undertakes the responsibility of assessing and monitoring the performance of the Executive Directors.

8. PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The business is built on a core purpose, vision, and values. These are:

- **Purpose** – We create fun and memorable experiences with our Teams & Guests.
- **Vision** – The place where everyone wants to be.
- **Values:**
  Fun – It's at the heart of what we do, it's who we are. Have fun, be fun and create fun.
  Ambition – Always striving to be the best version of ourselves
  Integrity – Just doing the right thing, because it's the right thing to do!
  Recognition – Creatively rewarding and recognising the achievements of all our people.

Our purpose, vision and values are at the core of what we do and how we expect our people to behave. We believe these values will drive the success of the business, whilst ensuring we have happy and cared for teams and guests.

The Group has a strong People Development team who are committed to the welfare and development of the bar teams and the Support Centre.

We recently became an above-minimum wage paying employer and introduced a new portfolio of staff benefits to ensure we retain and attract the best talent in the industry, as well as enhancing our long service awards to demonstrate our commitment back to our wonderful people and to celebrate their long-standing contributions to the Group.

We were excited to introduce the "Rev U" training academy, including new career pathways for all operational roles. We also launched our first ever high potential programme for our General Managers, an Area Manager Development programme, management level apprenticeships and implemented a mentoring programme.

I&D champions were recruited from across the entire workforce to set up a new I&D Advisory Board, to ensure we're always doing the right thing for our people. We recently implemented our "Inclusion Revolution" strategy to support this, and partner with "Wiser" to drive insight and research, to ensure we are a truly inclusive place to work.

We are aware of the pressures faced by all our team members in everyday life and we offer Mental Health First Aid training to all management across the business and have nominated Area Wellbeing Champions to drive insight and inform actions in wellbeing across the estate.

People are at the core of what we do; we strive to operate with ethics and integrity with all our stakeholders. We see many of our bar staff stay with us for long careers, working their way to senior operational roles such as General and Area managers, or alternative careers.

Where people have joined us with future aspirations, potentially as a student, we aim to support this either through flexible working or opportunities in our Support Centre departments. We pride ourselves on the length of service of our staff and home-grown abilities.

The culture and satisfaction of our people is monitored through a twice-yearly satisfaction and engagement survey called the "Quality of Life" survey, which is expected to be completed by the entire Group. We recently enjoyed our highest ever participation rate and our highest ever Employee Net Promoter Score, which was very exciting with the backdrop of the recent extremely challenging trading conditions.

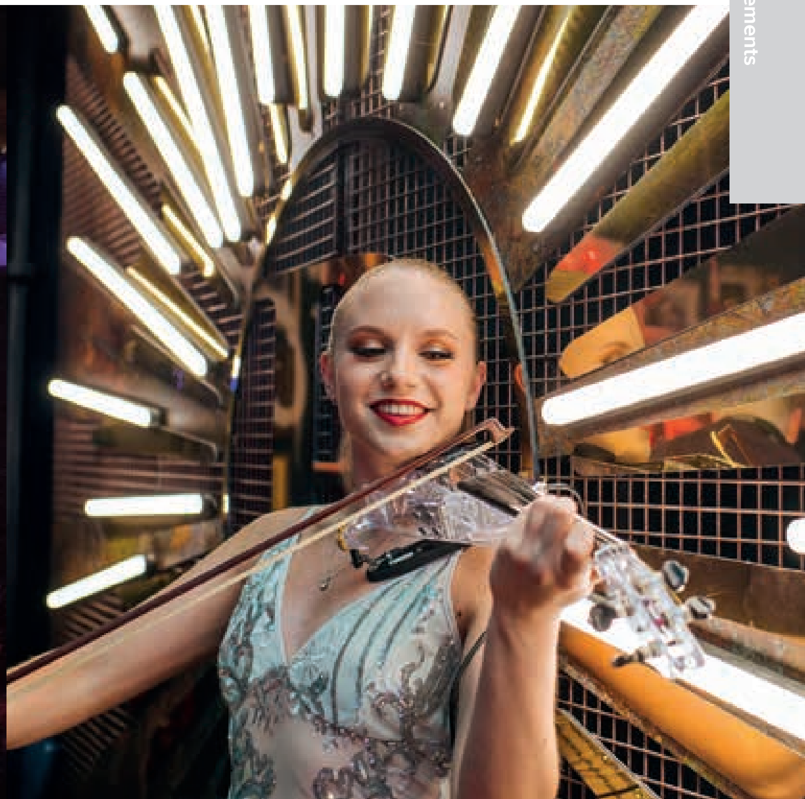
9. MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Group has established a clear division between the respective responsibilities of the Non-Executive Chairman of the Board and the Chief Executive Officer. The Non-Executive Chairman is Keith Edelman, and he is responsible for the effective operation, leadership and governance of the Board, leading the Board's discussions and its decision-making. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors and ensuring constructive relations between Executive and Non-Executive Directors.

The Chief Executive Officer is Rob Pitcher, who, through delegation from the Board, is responsible for leading the Group's business organisation and performance and the day-to-day management of the Group. This separation of responsibilities between the Chairman and the CEO, coupled with the schedule of matters reserved for the Board, ensures that no individual has unfettered powers of decision-making.

The Board meets monthly, with further meetings for the Committees and any ad-hoc matters. Further details of attendance at these meetings can be found in section 5 above. It is deemed that the independence and experience of the Non-Executive Directors allow the Committees to run effectively, as follows:

Nomination Committee – The responsibility of the Committee includes reviewing the Board composition, appointing new Directors, the reappointment and re-election of existing Directors, succession planning taking into account the skills and expertise that will be needed on the Board in the future, reviewing the time requirement from Non-Executive Directors, determining membership of Board Committees and their modus operandi, and ensuring an objective evaluation of the performance of the Board and each Director takes place on a regular basis.



GOVERNANCE SECTION CONTINUED

Audit Committee – The responsibility of the Committee includes reviewing annual and half-year results, external auditing, internal controls, and advising on the independence, appointment of the external auditor, reviewing the impact of any upcoming changes in accounting treatment as a result of new or modified IFRS, and considering matters the external auditor consider to be a significant audit risk.

Remuneration Committee – The responsibility of the Committee includes determining the Chairman's fee, the framework and policy for the remuneration of Executive Directors and other members of the Executive team, advising, determining and agreeing the total individual remuneration package of each of the Executive Directors and Executive team, considering and approving appropriate targets for the annual bonus and long-term share schemes operated for the Executive Directors and Executive Team, and overseeing remuneration and benefit structures and policies throughout the Group's business.

The Risk Committee formed in 2018, meets quarterly, and continues to improve the management of risk across all areas of the business and to hold individuals to account. The Committee's terms of reference centre around Health and Safety and minimising losses but extend to the identification and management of any business risk. In the lead in to, during and post the Government enforced closure of pubs and restaurants, the Committee members, which are made up of relevant management and department heads, were focused on the health and safety aspects of COVID-19 to ensure that when trading was allowed to recommence, the Group could provide a safe environment for colleagues and guests. All Board Committees play an essential role in supporting the Board to implement its strategy and provide focused oversight of key aspects of the business. Minutes and action points arising from all Committee meetings are circulated to all Directors and reviewed at Board meetings. The full terms of reference for each Committee are available on the Group's website, www.revolutionbarsgroup.com.

Further details on key activities of the Board can be viewed on page 53. These include business reviews and strategy, financial updates, assessment of internal control and risk management, governance updates, and any other ad-hoc matters.

10. COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Group welcomes questions from shareholders and potential investors via its shareholder inbox, shareholderhelp@revolutionbarsgroup.com, where a member of the senior team will respond quickly to any queries or concerns.

The Group's main communication channels with shareholders for immediate messages, such as trading updates, will be the London Stock Exchange's Regulatory News Service ("RNS"), and the investor section of our corporate website.

The Company reports formally to shareholders twice a year via the release of its interim and full-year results, including the preliminary announcement for year-end, and the annual financial statements following shortly afterwards. These financial results are communicated to the markets and shareholders through a roadshow attended by the Chief Executive Officer and Chief Financial Officer, where both will make themselves available for questions. The AGM is also a key opportunity, where the Board will make themselves available for questions by shareholders and investors.

An internal call for colleagues is also held after the release of key financial information by the Chief Executive Officer and Chief Financial Officer, where the information will be communicated at a high level and the floor is opened for questions. The Group ensures its people are appropriately communicated with and kept abreast of current affairs, in order to maintain operational integrity.

Danielle Davies
Chief Financial Officer and Company Secretary
18 October 2022

BOARD ACTIVITY

BUSINESS REVIEW AND STRATEGY

- Reviewed the Group's strategy and vision
- Reviewed the Group's operations, ensuring competent and prudent management, sound planning, adequate accounting and other records, and compliance with statutory and regulatory obligations
- Received regular presentations from operating division Directors and business function Directors to consolidate the understanding of trading performance, opportunities and challenges
- Reviewed progress reports on major workstreams, new concepts and business plans in pursuance of strategy
- Reviewed and monitored progress on the Group's sustainability agenda
- Reviewed and debated acquisition strategy
- Agreed Board agenda programme for the year
- Challenged and approved new site business cases and review refurbishment performance to ensure in line with payback targets

FINANCIAL

- Received regular financial performance updates from the Chief Financial Officer
- Approved 2021 Annual Report and Accounts and Annual General Meeting (AGM) business
- Approved 2022 interim report and trading updates
- Reviewed and approved 2022 Forecast updates and the annual budget
- Reviewed and approved three-year financial model update
- Approved revised authorisation policy and authorisation limits

INTERNAL CONTROL AND RISK MANAGEMENT

- Reviewed minutes of Risk Committee meetings
- Received regular reports on litigation and regulatory matters including licensing updates and health and safety matters
- Reviewed effectiveness of risk management and internal control systems
- Reviewed all insurance arrangements ahead of June 2022 renewal

GOVERNANCE AND SHAREHOLDERS

- Executive Director virtual meetings with individual institutional shareholders following publication of FY21 results and FY22 interims
- Reviewed feedback from institutional shareholders following Executive Director meetings
- Review of shareholder register (quarterly)
- Approved 2021 Modern Slavery Statement
- Received regular updates on health and safety
- Approved the transition from the UKLA code of conduct to the QCA Corporate Governance Code

COVID-19

- Reviewed and approved several market updates on trading and measures to improve liquidity and access to funding
- Reviewed and approved extension to bank lending facilities, including an extension to June 2023, and changes to interest rates and deleveraging
- Regular progress reviews of measures taken to minimise the Group's cost base during the enforced closure period
- Reviews of safety protocols for reopening to ensure that all reasonable measures were being taken in accordance with available guidance for the safe operation of venues for both team members and guests

OTHER

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

NOMINATIONS COMMITTEE REPORT

DEAR SHAREHOLDER

I am pleased to introduce the report of the Nomination Committee for the 52 weeks to 2 July 2022.

RESPONSIBILITIES

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

COMPOSITION

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

MEETINGS AND ATTENDANCE

During the 52 weeks ended 2 July 2022, the Nomination Committee met on one occasion. The Committee formally reviews succession plans for all Board and senior management positions so that in the event of unforeseen events, there is a clear and agreed understanding of both the short-term and long-term actions that would be implemented, and in certain cases other changes made to ensure that appropriate contingencies are in place and operational vulnerabilities minimised.

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

ELECTION OF DIRECTORS

On the recommendation of the Committee, per the articles of association, each of the Company's serving Directors will stand for election at the forthcoming AGM and will subsequently offer themselves for re-election on an annual basis. The biographical details of the Directors are set out on pages 44 to 45.

DIVERSITY

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

The Committee supports the recommendations outlined in the Hampton-Alexander Review "FTSE Women Leaders" and strives to increase the number of women on the Board and in other senior management positions. The Board endeavours to make appointments based on merit and against objective criteria to ensure the best individual is appointed for each role and that the appointee can add to or complement the existing range of skills and experience of the relevant team. However, the Board is also committed to equality and acknowledges that it must lead by example. Following the recent appointment of the new Revolución de Cuba Business Operations Director, the Executive Management team is now at a female majority, and as at the end of the reporting period, 50% (2021: 45%) of the positions at Board and senior management level were female. This represents a significant step forward towards gender equality and the Board believes that appointing females to these key positions will help drive change throughout the Group.

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

Of 2,827 employees, females represented approximately 48% of the workforce as at 2 July 2022 (3 July 2021: 46%), and 40% of the Board of Directors. The Group is committed to continuing to develop the potential of its female employees through its training programmes and its corporate development pipeline.

Diversity also encompasses background, ethnicity and disability. The Board is fully committed to the principles of equality and diversity throughout the business and recognises that there is more to achieve in this area. During the year, we continued our Inclusion & Diversity strategy, focused solely on driving the right behaviours and actions across every part of the business. We have created a I&D Board represented by individuals across the workforce to bring a voice to our colleagues and have invested significant training resource to ensure that everyone understands and is fully engaged with the principles.

GENDER PAY GAP

The Group published its April 2021 Gender Pay Gap report in early 2022. Following the significant impact of COVID-19 on the 2020 report findings, the Group is pleased to have seen a large reduction in the gap during 2021 reporting. The Group is committed to closing the gap further, and all bar staff have recently benefitted from the Group becoming an above-minimum wage employer. The latest report can be downloaded from our corporate website at www.revolutionbarsgroup.com

I hope to be able to take any questions from shareholders on the work of the Nomination Committee at the Annual General Meeting on 2 December 2022.

Keith Edelman
Chairman of the Nomination Committee
18 October 2022

AUDIT COMMITTEE REPORT

DEAR SHAREHOLDER

I am pleased to introduce the report of the Audit Committee for the 52 weeks ended 2 July 2022.

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

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

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

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

PwC was appointed as the Group's external auditors on 29 January 2018; the period under review represents their fifth year of audit. The Committee is satisfied that PwC has undertaken its responsibilities as the Group's external auditors to a high standard and therefore the Committee will be recommending that PwC be reappointed as auditors at the 2022 Annual General Meeting ("AGM"). The PwC audit partner responsible for the Group is Jonathan Studholme, who became the Group's audit partner for the first time in FY22 following Randal Casson's retirement.

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

- Board governance, including the Committee and the procedure for assessing the Group's key risks;
- management accounting processes to ensure that high-quality information is provided to the Board;
- external financial reporting procedures and audit arrangements and reporting standards, as well as the appropriateness of going concern conclusions and stress testing;
- complex transactions, and the accounting for a number of unique circumstances, including reliefs provided by stakeholders as a result of COVID-19;
- information systems; and
- budgeting and forecasting procedures and controls.

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

I hope to be able to take any questions from shareholders at the AGM on 2 December 2022, at which the Annual Report will be approved, to answer any questions on the work of the Audit Committee.

ASSESSING EFFECTIVENESS OF EXTERNAL AUDIT PROCESS

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

For the auditors to be fully effective, they must be totally independent from the Company. To that end, the Committee intends to ensure that no other work is performed by the external auditors so that their independence is not compromised. There were no non-audit services provided in the current or prior year.

FRC REVIEW

The Financial Reporting Council ("FRC") contacted the Group in March 2022 to request information on the following three areas:

- Exceptional items;
- Carrying value of property, plant and equipment and right of use assets; and
- Supplier rebates.

The FRC review was based on our annual financial statements and did not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The review provides no assurance that our financial statements are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The letters from the FRC are written on the basis that the FRC accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

The Group provided a detailed response into the queries and have adopted the minimal recommended changes into this set of financial statements. The FRC was satisfied by our response and the review is now concluded.

ROLE AND RESPONSIBILITIES

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

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

EXTERNAL AUDIT

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

AUDIT COMMITTEE REPORT CONTINUED

ROLE AND RESPONSIBILITIES CONTINUED

FINANCIAL STATEMENTS

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

  and reports to the Board if it is not satisfied with any aspect of the proposed financial statements.

- **Significant issues and judgements:** The Committee reviews and may report to the Board for ratification of significant financial reporting issues and critical judgements contained in the financial statements, particularly if the auditors have expressed any uncertainty or concerns.
- **Other statements containing financial information:** The Committee reviews other statements containing financial information where a review prior to Board approval is practicable and consistent with any prompt reporting requirements under any law or regulation including the AIM Regulations.
- **Annual Financial Statements:** The Committee reviews the content of the Annual Report and Accounts and advises the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, and whether it informs the Board's statement in the Annual Report on these matters as required under the Code.

OTHER MATTERS

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

MEETINGS AND ATTENDANCE

During the 52 weeks ended 2 July 2022, the Audit Committee met formally on three occasions, with all members attending. At all of the meetings, the Committee had access to the external auditor without management present.

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

- reviewing the Annual Report and Accounts for 2021 and recommending to the Board its adoption as fair, balanced and understandable. In fulfilling this task, the Committee reviewed the process undertaken to produce the Annual Report and Accounts 2021, which included internal verification processes and content approval procedures;
- reviewing the Group's accounting policies and critical judgements and sources of estimation and uncertainty including the appropriateness of going concern;
- reviewing the designation of certain items of income and expenditure as Exceptional and the appropriateness of alternative performance measures;
- approving the transfer to the QCA Code and reviewing compliance with and explaining any exceptions from the Code;
- reviewing the independence and objectivity of PwC as external auditor, together with its effectiveness, following the 2021 audit and recommending its appointment to shareholders at the Annual General Meeting in December 2021;
- reviewing the auditor comments during FY22 planning;
- reviewing and approving the external audit plan for the 52 weeks ended 2 July 2022;
- reviewing the FRC Review letter, discussing the response with the Audit Committee Chair and Committee members, and agreeing on required changes and responses to the FRC;
- receiving the external auditor's reports to the Committee and acting on any recommendations therein; and
- considering the risk assessment, mitigation actions and assurance activities produced by management.

INTERNAL AUDIT

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

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

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

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

RISK COMMITTEE

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

- to identify, mitigate and prevent risk as far as possible;
- to protect the financial, physical and reputational image of the business;
- to ensure that the Group fulfils its legal and statutory obligations; and
- to ensure visibility and transparency over controls.

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

The key activities of the Committee during the period have been:

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

SIGNIFICANT ACCOUNTING MATTERS

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

As a result of its review, the Committee has identified the following items that require particular judgement or have significant impact on the interpretation of the Annual Report and Accounts for 2022:

- **Recoverable amount of property, plant and equipment and right-of-use assets:** The Group keeps the carrying value of its fixed assets under review. Formal procedures are used in each external reporting period to assess the appropriateness of the balance sheet asset carrying values. Due to the adoption of IFRS 16 in FY20, right-of-use assets have been recognised in respect of leasehold properties, substantially increasing reported tangible asset values and necessitating more extensive and rigorous impairment testing. Impairment calculations are based upon assumptions that were considered reasonable as at the balance sheet date. However, given the timing to publishing the financial statements, additional disclosures are given in note 1 to the financial statements to provide an understanding of the charges that would have resulted had the current outlook been apparent at the balance sheet date. The Committee has considered and approved the assumptions regarding trading outlook at both the balance sheet date and at the date of signing the accounts, as well as scrutinised all resultant impairment charges. The Committee has also approved a dilapidations provision to recognise that amounts may be payable on the expiration of lease terms if the Group is unable or unwilling to extend the lease on agreeable terms.
- **Capitalisation of employment costs:** The Committee has reviewed capitalisation policies, in particular the capitalisation of internal costs in relation to property development and IT systems development and is satisfied that its policies and the amounts capitalised are appropriate.
- **Exceptional items:** Exceptional items on a pre-tax basis of £0.6 million (2021: £5.4 million) usually represent a material item in the profit and loss account but have seen a significant decrease in the year due to lower impairment. The charge in the reporting period comprises a lower-than-usual impairment of property, plant and equipment and right-of-use assets offset by an exceptional modification gain to a lease. The Committee considered the appropriateness of presenting these items as exceptional.
- **Going concern:** The Committee recognises that with the degree of uncertainty in the trading outlook, and notwithstanding that the business has a level of liquidity that under normal circumstances would be more than adequate to allow going concern sign-off of the financial statements, it is right to reference material uncertainty when considering going concern statements. Detailed descriptions are given with regard to the Board's assumptions on its base case forecast scenario as well as a severe but plausible downside forecast scenario so that users of the accounts are able to understand the trading backdrops that would likely require a further injection of liquidity over and above that which is currently committed. The Committee has carefully studied the assumptions relating to both sets of projections and believes that they are sensible and appropriate to the circumstances.

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

William Tuffy
Chair of the Audit Committee
18 October 2022

DIRECTORS' REMUNERATION REPORT

ANNUAL STATEMENT

DEAR SHAREHOLDER

I am pleased to present, on behalf of the Board, the Directors' Remuneration Report of the Remuneration Committee. As an AIM-listed company, we are not required to comply with the Listing Rules of the Financial Conduct Authority, or the requirements of Schedule 8 (Quoted Companies Directors Remuneration Report) as amended by the provisions of The Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (SI 2008/410) (the "Regulations") or the UK Corporate Governance Code. However, noting the Company has chosen to comply with the UK's Quoted Companies Alliance Corporate Governance Guidelines for Small and Mid-Size Quoted Companies (the "QCA Code"), the Board considers it appropriate for the Company to provide shareholders with additional information in respect of executive remuneration where appropriate.

PERFORMANCE AND REWARD IN RELATION TO THE 52 WEEKS ENDED 2 JULY 2022

Trade has significantly improved in the year following the release of restrictions in England two weeks into the financial year, and devolved nations in the weeks after that; however, we were disappointed with Christmas trade due to the severe impact of Omicron on restrictions and consumer confidence. When not impacted by restrictions of Omicron, the Group is delighted to have traded positively in the year.

Following Management focus on survival of the business in FY20 and FY21, following COVID-19, we have entered a new, dynamic period where we have returned to normal trading. This has allowed focus to realign to new workflows in order to drive sales and performance across all our brands. Our two new brands are operating well and remain a Management priority, and we are currently looking to expand these brands further.

COVID-19 gave rise to unprecedented trading conditions and demands on our team; rarely does such good underlying business progress and high personal performance go without rewards, however we felt it not appropriate to operate an annual bonus plan in FY21. Because of that, the Remuneration Committee is delighted to have operated a bonus scheme for bar staff and support centre colleagues in FY22. It is only right that the fantastic performance in the year is shared between our people, as both a reflection of the excellent return to normal trading but also their dedication to the business throughout the hardest times we have ever faced.

IMPLEMENTATION OF THE POLICY IN FY22

As a result of performance in the year, annual bonus awards of 95% of salary were awarded to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Details of the targets, performance and the bonus awards are set out in the Annual Report on Remuneration below. No share awards vested in respect of three-year performance to 2 July 2022.

IMPLEMENTATION OF THE POLICY IN FY23

In respect of operating the Remuneration Policy in FY23:

- no changes, aside from a cost-of-living increase, will be made to base salaries of the Executive Directors, benefits or pension provisions. Any new executive Board appointments would receive a workforce-aligned pension provision;
- annual bonus provision for FY23 will be capped at 100% of salary for Executive Directors with a majority based on sliding scale profit-related targets and a minority based on strategic targets. While the profit and strategic targets are currently commercially sensitive, details of the targets and performance against the targets will be disclosed in next year's Directors' Remuneration Report;
- the Committee intends to grant Restricted Share Awards ("RSAs") in line with the Remuneration Policy approved by shareholders in 2020 which will:

  – be set at no more than 50% of salary for the CEO and 40% of salary for the CFO (with lower levels cascaded below Board);
  – vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment against a performance underpin. No shares can be disposed of by Executive Directors until at least five years from grant, other than those required to settle any taxes directly related to the vesting of those shares.

  Further details in respect of the RSA grant for 2022 are set out in the Annual Report on Remuneration:

- shareholding guidelines will continue to operate at 100% of salary; and
- no changes were made to the fees for the Chairman and Non-Executive Directors for FY23.

COMMITTEE ACTIVITIES IN FY22

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

- review the Chairman's fee and the framework and policy for the remuneration of the Executive Directors and other members of the Executive Committee;
- advise on the design of, and to determine and agree, the total individual remuneration package of each of the Executive Directors and other members of the Executive Committee, giving due regard to any relevant legal requirements, the provisions and recommendations set out in the prevailing Code and the AIM Rules and associated guidance;
- consider and approve the design of, and targets for, the annual bonus for FY22 and share schemes operated for the Executive Directors and other members of the Executive Committee; and
- oversee remuneration and benefit structures and policies throughout the Group's business and to give advice on any major changes.

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

SHAREHOLDER FEEDBACK

The Committee is committed to consulting with its major shareholders and the main shareholder representatives, both when material changes are being made to the Remuneration Policy and in respect of the implementation of the Policy.

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

Jemima Bird
Chair of the Remuneration Committee
18 October 2022

DIRECTORS' REMUNERATION POLICY

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

ANNUAL REPORT ON REMUNERATION

COMPOSITION OF THE REMUNERATION COMMITTEE (UNAUDITED)

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

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

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

IMPLEMENTATION OF THE REMUNERATION POLICY IN THE 52 WEEKS ENDING 2 JULY 2022 (UNAUDITED)

BASE ANNUAL SALARY

Current Executive Director salary levels are as follows:

Role	Director	From 1 April 2022	From 1 April 2021	% Increase
Chief Executive Officer	Rob Pitcher	£367,710	£350,000	5%
Chief Financial Officer	Danielle Davies	£236,385	£225,000	5%

Consistent with the cost-of-living base salary increases awarded to the general workforce, Executive Directors received a 2% increase from 12 September 2021 and a 3% increase from 27 March 2022. The 2% rise was delayed from April 2021, when the business was still facing heavy restrictions and a rise was not appropriate.

ANNUAL BONUS

Annual bonus provision for FY23 will be capped at 100% of salary for Executive Directors with a majority based on sliding scale profit-related targets and a minority based on strategic targets. While the profit and strategic targets are currently commercially sensitive, details of the targets and performance against the targets will be disclosed in next year's Directors' Remuneration Report.

SHARE AWARDS

The Committee intends to grant Restricted Share Awards ("RSAs") in 2022 in line with the Remuneration Policy approved by shareholders in 2020 which will:

- be set at no more than 50% of salary for the CEO and 40% of salary for the CFO (with lower levels cascaded below Board); and
- vest after three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment of performance against an underpin (i.e. the Committee must be satisfied that Revolution's underlying performance and delivery against its strategy and recovery plans is sufficient to justify the level of vesting having regard to such factors as the Committee considers to be appropriate in the round (including revenue, earnings and share price performance) and the shareholder experience more generally (including the risk of windfall gains)). No shares can be disposed of by Executive Directors until at least five years from grant, other than those required to settle any taxes directly related to the vesting of those shares.

NON-EXECUTIVE DIRECTORS' FEES AND INCENTIVES

No changes were made to the fees for the Chairman and Non-Executive Directors for FY23.

DIRECTORS' REMUNERATION FOR THE 52 WEEKS ENDED 2 JULY 2022 (AUDITED)

		Fees/ Salary[1] £'000	Taxable Benefits[2] £'000	Pension[3] £'000	Total Fixed Benefits £'000	Annual Bonus[4] £'000	Long-term Incentives[5] £'000	Total Variable Benefits £'000	Total £'000
Executive Directors									
Rob Pitcher	**2022**	**358**	**18**	**49**	**425**	**–**	**334**	**334**	**759**
	2021	272	18	45	335	–	107	107	442
Danielle Davies[6]	**2022**	**230**	**16**	**7**	**253**	**–**	**172**	**172**	**425**
	2021	85	8	3	96	–	55	55	151
Non-Executive Directors									
Keith Edelman	**2022**	**91**	**–**	**–**	**91**	**–**	**–**	**–**	**91**
	2021	69	–	–	69	–	–	–	69
Jemima Bird	**2022**	**39**	**–**	**–**	**39**	**–**	**–**	**–**	**39**
	2021	27	–	–	27	–	–	–	27
William Tuffy	**2022**	**39**	**–**	**–**	**39**	**–**	**–**	**–**	**39**
	2021	27	–	–	27	–	–	–	27
Former Directors									
Mike Foster	**2022**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2021	85	13	–	98	–	–	–	98
Aggregate emoluments									
	2022	**757**	**34**	**56**	**847**	**–**	**506**	**506**	**1,353**
	2021	565	39	48	652	–	162	162	814

1 As disclosed in last year's Directors' Remuneration Report, salary/fees for 2021 include a number of voluntary reductions in response to COVID-19 related trading restrictions.
2 Taxable benefits comprise medical insurance policies and car allowances.
3 Rob Pitcher received a pension provision/salary supplement of 15% of salary. Danielle Davies received a pension provision/salary supplement of 3% of salary from appointment.
4 Details of the annual bonus awards for FY22 are set out below. No annual bonus plan was operated for Executive Directors in respect of FY21 as a result of the impact of COVID-19 on the Company.
5 Based on the face value of Restricted Share Awards granted to Executive Directors on 23 November 2021 in respect of 2022 (see below) and 24 December 2020 in respect of 2021.
6 Danielle Davies was appointed to the Board as CFO from 22 December 2020.

ANNUAL BONUS (AUDITED) FOR FY22

As a result of performance in the year, annual bonus awards of 95% of salary were awarded to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). No share awards vested in respect of three-year performance to 2 July 2022.

SHARE AWARDS GRANTED IN FY22 (AUDITED)

The following share awards were granted to Executive Directors in the 52 weeks to 2 July 2022:

Executive	Type of Award	Exercise Price (p)	Number of Awards Granted	Basis of Award	Face Value[1]
Rob Pitcher	RSA	0.1	1,519,149	100% of salary	£357,000
Danielle Davies	RSA	0.1	781,277	80% of salary	£183,600

1 Based on a share price of 23.5 pence being the five-day average prior to the grant date.

The awards, which were granted on 23 November 2021, will vest and become exercisable on the later of: (i) three years from the date of grant, being 23 November 2024; and (ii) the preliminary announcement of the results for the 52 weeks ending 29 June 2024. Vesting will be subject to the Remuneration Committee being satisfied that the Group's underlying performance and delivery against its strategy and plans is sufficient to justify the level of vesting having regard to such factors as the Remuneration Committee considers to be appropriate in the round (including, inter alia, revenue, earnings and share price performance) and the shareholder experience more generally (including windfall gains).

DIRECTORS' REMUNERATION POLICY CONTINUED

OUTSTANDING EXECUTIVE SHARE AWARDS (AUDITED)

Executive Director	Scheme	Grant date	Exercise price (p)	No. of Shares at 3 July 2021	Granted during the year Number	Vested during the year Number	Lapsed during the Year Number	No. of Shares at 2 July 2022	Vesting Date
Rob Pitcher	PSP	18.10.18	0.1	585,154	–	–	(585,154)	–	18.10.21
	CSOP	18.10.18	114.5	26,200	–	–	(26,200)	–	18.10.21
	PSP	23.10.19	0.1	531,269	–	–	–	531,269	23.10.22
	RSA	24.12.20	0.1	475,759	–	–	–	475,759	24.12.23
	RSA	23.11.21	0.1	–	1,519,149	–	–	1,519,149	23.11.24
				1,618,382	**1,519,149**	**–**	**(611,354)**	**2,526,177**	
Danielle Davies	RSA	24.12.20	0.1	244,676	–	–	–	244,676	24.12.23
	RSA	23.11.21	0.1	–	781,277	–	–	781,277	23.11.24
				244,676	**781,277**	**–**	**–**	**1,025,953**	
Total				**1,863,058**	**2,300,426**	**–**	**(611,354)**	**3,552,130**	

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

No payments were made for loss of office and no payments were made to past Directors.

DIRECTORS' INTERESTS AND SHAREHOLDING GUIDELINES (AUDITED)

The following table shows Directors' interests in the Company:

Director	Beneficially owned at 2 July 2022 Number	Outstanding Share Awards Number	Outstanding Share Awards under all Employee Share Plans Number	Total interest in Shares Number	Shareholding as a % of Base Salary at 2 July 2022	Prospective Shareholding* as a % of Base Salary at 2 July 2022
Rob Pitcher	775,000	2.526,177	–	3,301,177	30%	77%
Danielle Davies	75,000	1.025,953	–	1,100,953	5%	34%
Keith Edelman	370,000	–	–	370,000	n/a	n/a
William Tuffy	100,000	–	–	100,000	n/a	n/a
Jemima Bird	7,500	–	–	7,500	n/a	n/a

* The Prospective Shareholding shows the position if all outstanding options to date were to mature at the current share price at current salaries, applying the "net of tax" equivalent number which assumes shares would be sold to pay the tax impact.

Executive Directors are expected to build and then hold shares equal in value to at least 100% of base salary in Company shares. 50% of any awards which vest under the Company's LTIPs (net of any taxes due) must be retained until the requirement has been met. The table above shows Directors' interests in shares and the percentage of the guideline held as at 2 July 2022.

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

APPROVAL

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

Jemima Bird
Chair of the Remuneration Committee
18 October 2022

DIRECTORS' REPORT

INTRODUCTION

The Directors present their Annual Report and the audited consolidated financial statements of the Company and Group for the 52 weeks ended 2 July 2022. This Directors' Report includes additional information required to be disclosed under the Companies Act 2006 and the QCA Code. Certain information required to be included in the Directors' Report is included in other sections of this Annual Report as follows:

- the Strategic Report on pages 2 to 43 sets out a review of the Group's business during the 52 weeks ended 2 July 2022 and the financial position of the Group at the end of that period to enable shareholders to assess how the Directors have performed their duty under section 172 of the Companies Act. The Strategic Report also describes the principal risks and uncertainties facing the Group, provides a fair review of the Group's business at the end of the financial year and an indication of likely future developments in the business;
- the Corporate Governance Statement on pages 47 to 52; and
- related party transactions as set out in note 25 to the consolidated financial statements.

This Directors' Report together with the Strategic Report set out on pages 2 to 43 represents the "Management Report" for the purpose of compliance with the DTR 4.1.5R.

RESULTS AND DIVIDEND

The Group's results for the year are shown in the statement of comprehensive income on page 76. The Directors are not recommending a final dividend in respect of the 52 weeks ended 2 July 2022 (2021: nil pence per share issued). There was no interim dividend during the period (2021: nil pence per share), and thus the total dividend for the 52 weeks ended 2 July 2022 is nil pence per share (2021: nil pence per share).

SHARE CAPITAL AND RELATED MATTERS

The Company has only one class of share and the rights attached to each share are identical. Details of the rights and obligations attaching to the shares are set out in the Company's Articles of Association, which are available from the Company Secretary and can also be found on the Company's website www.revolutionbarsgroup.com under investor relations and shareholder information. The Ordinary Shares are listed on the official list and are traded on AIM as at the date of this report, following the cancellation of the admission of the Company's shares to listing on the Official List (premium segment) of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities and their admission to trading on the London Stock Exchange's AIM market effective 27 July 2020. The Company may refuse to register any transfer of a share which is not a fully paid share. At a General Meeting of the Company, every member has one vote on a show of hands, and on a poll one vote for each share held. Details of the voting procedure, including deadlines for exercising voting rights, are set out in the Notice of Annual General Meeting 2022.

At 2 July 2022, the issued share capital of the Company was 230,048,520 Ordinary Shares of £0.001 each.

POWERS OF THE DIRECTORS

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

RESTRICTIONS ON TRANSFER

There are no general restrictions on the transfer of Ordinary Shares in the Company other than in relation to certain restrictions imposed from time to time by laws and regulations (for example, insider trading laws).

The Company has in place certain share incentive plans; details of these can be found on page 62. As at the financial period end on 2 July 2022 and up to the date of this report, 2,526,177 share options have been granted to the Company's Chief Executive Officer, Rob Pitcher and 1,025,953 share options have been granted to the Company's Chief Financial Officer, Danielle Davies.

DIRECTORS

The Directors of the Company and their biographies are set out on pages 44 to 45. Their interests in the Ordinary Shares of the Company are shown in the Directors' Remuneration Report on page 64.

APPOINTMENT AND REMOVAL OF DIRECTORS

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

DIRECTORS' INDEMNITIES AND INSURANCE

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

TRANSACTIONS WITH RELATED PARTIES

Details of the transactions entered into by the Group with parties who are related to it are set out in note 25 to the consolidated financial statements. There were no material transactions with related parties during the 52 weeks ended 2 July 2022.

CHANGE OF CONTROL

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

DIRECTORS' REPORT CONTINUED

AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION

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

POLITICAL DONATIONS

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

POST-BALANCE SHEET EVENTS

The Group announced that on 18 October 2022 it has completed the acquisition of the entire issued share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), the operator of a collection of 21 award-winning, premium food-led pubs for a cash consideration of £16.5 million on a debt and cash-free basis. £0.5 million of this is due as a deferred consideration contingent upon the future performance of the business. This is tested at each of September 2023, March 2024 and September 2024. If the hurdle has not been passed by the third of these dates, then the deferred consideration will not be paid.

The acquisition will create a more balanced and diversified business with scale and compelling growth potential across multiple trading segments of drinks, food and accommodation.

GOING CONCERN

GOING CONCERN

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks and, in particular, the possible adverse impact on financial performance, specifically on revenue and cash flows, as a result of ongoing inflationary cost rises, as well as potential future restrictions imposed by the UK Government and the devolved authorities in response to COVID-19. The going concern status of the Company and subsidiaries is intrinsically linked to that of the Group.

LIQUIDITY

At the end of the reporting period, the Group had net cash of £4.1 million (2021: net debt of (£3.6) million). In FY21, the Group took out three separate Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans to a sum of £20.0 million, of which £14.8 million (2021: £15.8 million) was still outstanding as at year-end. The Group maintained a £16.3 million Revolving Credit Facility ("RCF") of which no amounts were drawn down as at year-end.

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

The RCF was reduced from £21.0 million in June 2021, to £17.3 million following £3.7 million of amortisation, and amortised a further £1.0 million to £16.3 million at the end of June 2022. The RCF was due to expire 30 June 2023; the Group has, however, undergone a refinancing of all facilities, completing in October 2022.

Following the refinancing on 10 October 2022, a new RCF was committed at a total facility level of £30.0 million expiring October 2025. The RCF was sought with the purposes of repaying all other indebtedness, general working capital requirements, and for the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"). Therefore, all outstanding CLBILS term loans were repaid on 13 October 2022, with just the RCF making up total facilities going forwards. Interest is charged on the utilised RCF at a margin determined by leveraging plus SONIA, with unutilised RCF values having interest charged at 40% of margin. The new RCF is secured via a cross guarantee against certain properties within the business across the trading subsidiaries.

The RCF will amortise by £1.0 million on 30 June 2023, £2.0 million on 30 June 2024 and £2.0 million on 30 June 2025. In accordance with these arrangements and subject to compliance with financial covenants, the Group will therefore have committed funding facilities available during the going concern assessment period as follows:

	RCF £m
31 December 2022	30.0
30 June 2023	29.0
31 December 2023	29.0
30 June 2024	27.0

CURRENT NET BANK DEBT AND AVAILABLE LIQUIDITY

As at 17 October 2022, the Group's net cash position was £0.7 million and therefore the Group has available liquidity of £30.7 million. However, consideration of £16.0 million is due after this point towards the acquisition of Peach, and a further £0.5 million of deferred payment is due on the acquisition at a later date contingent upon the future performance of the business. This is tested at each of September 2023, March 2024 and September 2024. If the hurdle has not been passed by the third of these dates, then the deferred consideration will not be paid.

COVENANTS

The new facilities are subject to covenants including: interest cover, net leverage and fixed charge cover. Management are also required to provide typical financial information at quarterly and annual periods to the bank, as is to be expected. Covenants are built into long-term forecasting to allow Management to review and manage covenant compliance; covenant compliance certificates will be issued as required under the agreement, with an annual certificate reviewed by the Company auditors.

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 challenging trading conditions that face the UK Hospitality industry this year, including softened guest confidence, higher input and energy costs, as well as potentially reduced Christmas footfall compared to pre-COVID-19 levels due to the impact of increased cost-of-living, with some price increases assumed to mitigate the earnings impact of these challenges. During FY22 the Group was subject to restrictions or reduced consumer confidence from Government messaging during the first two weeks and over the winter months, which severely impacted performance during those periods. Although the Group is hopeful of the continued normality in trading, it is not clear what level of trade may be possible should the UK Government impose further restrictions.

Both base and severe but plausible downside scenarios were considered with the inclusion of the newly acquired business, Peach, with appropriate sensitivities applied.

The level of sales that the Group generates drives EBITDA and cash generation, which in turn drives compliance with the covenant tests. 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 a continued impact of the cost-of-living crisis on the business with reduced performance from that previously expected. Under the base case forecast, liquidity is sufficient and there is no forecast breach of the banking covenants.

SEVERE BUT PLAUSIBLE DOWNSIDE SCENARIO

The Directors have also reviewed a severe but plausible downside case which takes the base case and assumes a further significant reduction in Christmas trading, as well as reduced volumes of sales following the first quarter. Softer trading is then continued into FY24. No further Government assistance is assumed, and Capex is reduced with postponed refurbishments and new-site openings, compared to the original Board-approved budget prepared May-June 2022. This remains an area of flexibility should it be required, whereby the programme, if necessary, could be adjusted to enhance liquidity in the business through deferred or reduced refurbishments or new openings. The severe but plausible downside case shows sufficient liquidity and no forecast breach of the banking covenants.

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

The material uncertainty caused by COVID-19, guest confidence, and higher input costs, coupled with forecasting difficulties as a result of the constantly changing economic environment means that the Group cannot be assured that it will not breach covenants. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of non-current borrowings to current borrowings.

The Directors have assessed, however, that given a strong underlying business, particularly when allowed to trade without restriction or significant economic disturbance, the Group's existing relationships with its main creditors, its success in recent years in obtaining covenant waivers and renegotiating its banking facilities and recent equity fundraisings, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be more than likely.

GOING CONCERN STATEMENT

Despite a return to normal trading in England since July 2021, the severe disruption to the Group's trade in the last few years caused by COVID-19 and the potential for changing operating restrictions imposed by the UK Government and the devolved authorities, as well as the continued cost-of-living narrative and economic effects including the impact on consumer confidence, means that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. These factors impact the Group's operational performance and in particular the level of sales and EBITDA generated that will in turn determine the Group's covenant compliance.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group and the Company have sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. The financial statements do not contain the adjustments that would arise if the Group (and the Company) were unable to continue as a going concern.

DISABLED EMPLOYEES

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

EMPLOYEE CONSULTATION

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

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Company will take place on 2 December 2022. The Notice of Annual General Meeting is set out in the explanatory circular that accompanies these financial statements.

FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks, including interest rate risk, liquidity risk and credit risk. Information regarding such financial risks is detailed in note 23. The Group's risk management policies and procedures and principal risks and mitigations can be found on pages 28 to 29.

INDEPENDENT AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

PricewaterhouseCoopers LLP ("PwC") have expressed their willingness to be reappointed as independent auditors of the Company. In accordance with section 489 of the Companies Act 2006, a resolution for the reappointment of PwC as independent auditors of the Company is to be proposed at the forthcoming General Meeting on 2 December 2022.

By order of the Board

Danielle Davies
Company Secretary
18 October 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

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

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

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the Directors' report is approved:

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

Rob Pitcher
Chief Executive Officer

Danielle Davies
Chief Financial Officer
18 October 2022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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVOLUTION BARS GROUP PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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

- give a true and fair view of the state of the group's and of the company's affairs as at 2 July 2022 and of the group's profit and the group's and company's cash flows for the 52 week period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 2 July 2022; the Consolidated statement of profit or loss and other comprehensive income, the Consolidated and Company statements of changes in equity, and the Consolidated and Company statements of cash flow for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

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

INDEPENDENCE

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the group financial statements and note 1 to the company financial statements concerning the group's and the company's ability to continue as a going concern. The severe disruption to the group's trade since the beginning of the COVID-19 pandemic, has significantly impacted the group's performance and financial position. There is unpredictability in the nature, extent and duration of COVID-19 and the level of operating restrictions that may be imposed during the next 12 months and beyond. It is uncertain how this, in addition to the ongoing cost of living crisis and associated economic effect, will impact consumer confidence and, in turn, the group's operational performance and ability to comply with banking facility covenants. In addition, the going concern status of the company is intrinsically linked to that of the group. These conditions, along with the other matters explained in those notes to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern.

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

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

- we obtained management's forecasts and information, which included the ongoing impact of COVID-19 and the cost-of-living crisis;
- we evaluated the process by which the group's future cash flow forecasts were prepared;
- we assessed and challenged management as to the reasonableness of the key assumptions in the going concern model, including the forecast sales and cost assumptions over at least the next 12 months;
- we obtained the terms of the group's financing facility and the covenants in place in relation to this facility, and determined that the group cash flow forecasts show compliance with all covenant conditions;
- we agreed the opening position of the group's cash flow forecasts to the August 2022 management accounts. We also agreed the gross debt and cash per the August 2022 management accounts to the group's bank statements; and.
- we evaluated the appropriateness of the severe but plausible cash flow forecast used in management's determination of the going concern basis of preparation, which included an assessment of any key assumptions underpinning the cash flows throughout the going concern period.

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

OUR AUDIT APPROACH

OVERVIEW

Audit scope

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

OUR AUDIT APPROACH CONTINUED

OVERVIEW CONTINUED

Key audit matters

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

Materiality

- Overall group materiality: £263,000 (2020: £253,000) based on 2.5% of Adjusted EBITDA, on an IFRS 16 basis less lease payments (2020: 4 year average of Adjusted EBITDA, on an IFRS 16 basis less lease payments).
- Overall company materiality: £237,000 (2020: £180,000) based on 1% of total assets, capped at approximately 90% of the overall materiality for the group.
- Performance materiality: £197,250 (2020: £189,750) (group) and £177,750 (2020: £134,000) (company).

THE SCOPE OF OUR AUDIT

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

KEY AUDIT MATTERS

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

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

The key audit matters below are consistent with last year.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of property, plant and equipment and right-of-use asset (group)	
Refer to page 59 of the Audit Committee Report and notes 1 and 11 of the Notes to the Consolidated financial information. The property, plant and equipment balance of £36,375k and right-of-use asset balance of £62,744k has been tested for impairment during the period. Testing has been performed at a cash generating unit level, which has been assessed as an individual bar. The impairment tests performed, which are based on a value in use calculation, identified an impairment charge of £637k, of which £261k relates to property, plant and equipment and £376k relates to right-of-use assets, which has been recognised as an exceptional item during the period. We focused on this area as the assessment of impairment of property, plant and equipment and right of use assets requires the use of estimates in the value in use calculation, including future forecast cash flows, a discount rate and long-term growth rate. In addition, the classification of items as exceptional also requires the use of judgement.	To review the impairment assessment performed by the Directors' based on a value in use model, we performed the following: • we evaluated and assessed the process by which the group's future cash flow forecasts were prepared; • we assessed the reasonableness of the forecast cash flows, including assessing the revenue and costs included in those forecasts, based on our understanding of the group; • we tested the Directors' historical budgeting accuracy by evaluating whether previous budgets had been achieved. Where budgets had not been achieved, we understood the reasons why; • we tested the Directors' key assumptions for long-term growth rates outside the budget period, by comparing them to forecast inflation rates in the UK; • we considered the discount rate by forming our own independent expectation of what we would consider to be an appropriate range; and • we considered whether the charge recognised in respect of impairment should be recognised as an exceptional item, and, given the magnitude of the charge, concurred that the presentation as exceptional was appropriate. Based on our work performed, we concluded that the carrying values of these assets have been appropriately reduced to their recoverable amounts as at 2 July 2022 and that appropriate disclosures have been made in the financial statements.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

OUR AUDIT APPROACH CONTINUED

KEY AUDIT MATTERS CONTINUED

Impairment of investments (company)	
Refer to notes 1 and 5 of Notes to the company financial information. The company holds an investment balance on the Statement of financial position of £29,650k. This investment is in the trading subsidiaries of the group. Management have performed a value-in-use assessment, to calculate the recoverable amount of the investment. The recoverable amount supports the carrying value of the investment and therefore management concluded that no impairment is required. We focused on this area as the assessment of impairment of investments requires the use of estimates in the value in use calculation, including future forecast cash flows, a discount rate and long-term growth rate.	To review the impairment assessment performed by the Directors', based on value in use model, we performed the following: • we evaluated and assessed the process by which the group's future cash flow forecasts were prepared; • we assessed the reasonableness of the forecast cash flows, based on our understanding of the group; • we tested the Directors' key assumptions for long-term growth rates outside the budget period, by comparing them to forecast inflation rates in the UK; • we considered the discount rate by forming our own independent expectation of what we would consider to be an appropriate range; and • we assessed carrying value against the level of the market capitalisation of the group. Based on our work performed, we concluded that the recoverable amount supports the carrying value of the investment as at 2 July 2022 and that appropriate disclosures have been made in the financial statements.
Recognition of supplier rebates (group)	
Refer note 1 of the Notes to the Consolidated financial information. The group receives rebates from certain key suppliers. The terms of the rebates vary by supplier but largely relate to listing or marketing fees, or volume-based rebates on purchases made throughout the financial period, with the value being determined by the level of spend. Amounts recognised as a reduction from costs in the consolidated statement of profit or loss and other comprehensive income, and amounts recognised as a receivable in the consolidated statement of financial position, are material to the financial statements. We focused on this area because the amount of supplier rebates income in respect of the period is determined by the terms for each supplier, which are negotiated separately and, as a result, differ from one another. This means that the calculation of the rebates recognised in the consolidated statement of profit or loss and other comprehensive income, and as a receivable at the period end, is inherently more prone to error. We note, however, that the recognition criteria is simple in nature and does not contain significant judgement. We also focused on the existence and accuracy of the supplier rebate income, and the valuation of period-end receivable, due to the risk of potential under or overstatement given the manual nature of the process.	To test supplier rebates, we performed the following for a sample of suppliers: • we recalculated the rebate income recognised within the consolidated statement of profit and loss and other comprehensive income in the period, and receivable as at 2 July 2021; • we compared purchases recorded in the period, and the contractual rebate arrangements agreed with each supplier, to the Directors' calculation of the rebate income; • we compared the receivable recognised at the prior period end to the amounts paid in the period ended 2 July 2021: in respect of those receivables; • we tested whether rebate arrangements recognised as income in the period ended 2 July 2022, had been accounted for in the right period; and • we agreed amounts paid by suppliers post 2 July 2022 to source documentation to check amounts were recoverable. Based on our work performed, we concluded that the no material issues have been noted with the recognition and disclosure of the supplier rebate balances as at 2 July 2022.
Impact of COVID-19 (group and company)	
Refer to page 66 of the Directors' Report and note 1 of the Notes to the Consolidated financial information. Similar to most businesses in the hospitality sector, COVID-19 has had an adverse impact on the performance of the group following the restrictions at the start of the financial year and over the festive period. The key areas of the financial statements most impacted by the increased uncertainty are detailed below: i) The Directors have considered the appropriateness of the going concern basis of preparation in the group's financial statements; ii) The recoverability of supplier rebates has been considered in light of the increased uncertainty over supplier liquidity and the ability of the group to collect amounts due; and iii) Impairment of £637k have been recorded against the carrying value of property, plant and equipment and right-of-use assets as explained in the previous key audit matter.	In response to the key areas identified as being significantly impacted by COVID-19, we performed the following procedures: i) Our work and conclusions in respect of going concern are set out in the "material uncertainty related to going concern" section above; ii) Refer to the third key audit matter above for details of how we considered the recoverability of supplier rebate receivables; and iii) Refer to the first key audit matter above for details of how we considered the impact of COVID-19 in our impairment procedures. We assessed whether the nature and extent of the disclosure made by management was sufficiently complete to articulate the impact of the pandemic on the business and its sector, supported by the information available to date. Based on our work performed we concluded that appropriate disclosures have been made in the financial statements.

HOW WE TAILORED THE AUDIT SCOPE

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

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

MATERIALITY

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

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

	FINANCIAL STATEMENTS – GROUP	FINANCIAL STATEMENTS – COMPANY
Overall materiality	£263,000 (2020: £253,000).	£237,000 (2020: £180,000).
How we determined it	2.5% of Adjusted EBITDA, on an IFRS 16 basis less lease payments (2020: 4 year average of Adjusted EBITDA, on an IFRS 16 basis less lease payments)	1% of total assets, capped at approximately 90% of the overall materiality for the group
Rationale for benchmark applied	Adjusted EBITDA is the key measure used both internally by the Board and, we believe, through reading Directors' presentations to analysts, externally by shareholders in evaluating the performance of the group. This measure excludes finance expense, tax, depreciation, exceptional items, (credits)/ charges from long term incentive plans and bar opening costs.	Total assets is considered to be appropriate as it is not a profit oriented company. The company holds investments in subsidiaries and therefore total assets is deemed a generally accepted auditing benchmark. This has been capped at approximately 90% of overall materiality for the group.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £145,000 and £237,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £197,250 (2020: £189,750) for the group financial statements and £177,750 (2020: £134,000) for the company financial statements.

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

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £13,000 (group audit) (2020: £11,000) and £11,850 (company audit) (2020: £9,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

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

STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 2 July 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT CONTINUED

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

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

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

USE OF THIS REPORT

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

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Manchester
18 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 2 JULY 2022

	Note	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Revenue	2	**140,821**	39,417
Cost of sales		**(30,695)**	(11,352)
Gross profit		**110,126**	28,065
Operating expenses:			
– operating expenses, excluding exceptional items	3	**(102,721)**	(47,217)
– exceptional items	3	**(561)**	(5,361)
– grant income	4	**568**	3,357
Total operating expenses		**(102,714)**	(49,221)
Operating profit/(loss)	5	**7,412**	(21,156)
Finance expense	8	**(5,280)**	(5,140)
Profit/(loss) before taxation		**2,132**	(26,296)
Income tax	9	**–**	–
Profit/(loss) and total comprehensive income/(expense) for the period		**2,132**	(26,296)
Earnings per share:			
– basic (pence)	10	**0.9**	(21.2)
– diluted (pence)	10	**0.9**	(21.2)
Dividend declared per share (pence)		**–**	–

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 2 JULY 2022

	Note	2 July 2022 £'000	3 July 2021 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	**36,375**	33,945
Right-of-use assets	11	**62,744**	64,044
Intangible assets	12	**28**	24
		99,147	98,013
Current assets			
Inventories	13	**3,487**	2,956
Trade and other receivables	14	**8,777**	5,218
Cash and cash equivalents	15	**18,815**	12,118
		31,079	20,292
Total assets		**130,226**	118,305
Liabilities			
Current liabilities			
Trade and other payables	16	**(30,618)**	(20,361)
Provisions	19	**(1,314)**	(842)
Lease liabilities	17	**(5,437)**	(5,143)
		(37,369)	(26,346)
Net current liabilities		**(6,290)**	(6,054)
Non-current liabilities			
Lease liabilities	17	**(99,545)**	(100,034)
Interest-bearing loans and borrowings	18	**(14,751)**	(15,751)
Provisions	19	**(1,582)**	(1,404)
		(115,878)	(117,189)
Total liabilities		**(153,247)**	(143,535)
Net liabilities		**(23,021)**	(25,230)
Equity attributable to equity holders of the parent			
Share capital	21	**230**	230
Share premium		**33,794**	33,794
Merger reserve		**11,645**	11,645
Accumulated losses		**(68,690)**	(70,899)
Total equity		**(23,021)**	(25,230)

These financial statements were approved by the Board of Directors on 18 October 2022 and signed on its behalf by

Danielle Davies
Director

Registered number: 08838504

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 2 JULY 2022

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
At 27 June 2020	50	–	11,645	(44,667)	(32,972)
Loss and total comprehensive expense for the period	–	–	–	(26,296)	(26,296)
Fundraising (note 21)	180	33,794	–	–	33,974
Charge arising from long-term incentive plans (note 22)	–	–	–	64	64
At 3 July 2021	230	33,794	11,645	(70,899)	(25,230)
Profit and total comprehensive income for the period	–	–	–	2,132	2,132
Charge arising from long-term incentive plans (note 22)	–	–	–	77	77
At 2 July 2022	**230**	**33,794**	**11,645**	**(68,690)**	**(23,021)**

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE 52 WEEKS ENDED 2 JULY 2022

	Note	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Cash flow from operating activities			
Profit/(loss) before tax		**2,132**	(26,296)
Adjustments for:			
Net finance expense	8	5,280	5,140
Exceptional gain on disposal	3	–	(8,388)
Depreciation of property, plant and equipment	11	5,630	6,045
Depreciation of right-of-use assets	11	5,437	5,770
Impairment of property, plant and equipment	3	261	3,273
Impairment of right-of-use assets	3	376	8,315
Lease modification	3	(76)	(28)
Amortisation of intangibles	12	3	1
Charges arising from long-term incentive plans	22	77	64
Operating cash flows before movement in working capital		**19,120**	(6,104)
(Increase)/decrease in inventories		(532)	637
Increase in trade and other receivables		(3,559)	(2,908)
Increase in trade and other payables		10,170	4,859
Increase in provisions		650	1,228
Net cash flow generated from/(used in) operating activities		**25,849**	(2,288)
Cash flow from investing activities			
Purchase of intangible assets	12	**(7)**	(5)
Purchase of property, plant and equipment	11	**(8,321)**	(2,038)
Net cash flow used in investing activities		**(8,328)**	(2,043)
Cash flow from financing activities			
Net proceeds from equity fundraising	21	–	33,974
Interest paid	8	**(917)**	(1,133)
Lease surrender premiums paid		–	(1,700)
Principal element of lease payments	17	**(4,544)**	(4,438)
Interest element of lease payments	17	**(4,363)**	(4,007)
Repayment of borrowings		**(1,000)**	(52,749)
Drawdown of borrowings		–	44,000
Net cash outflow (used in)/generated from financing activities		**(10,824)**	13,947
Net increase in cash and cash equivalents		**6,697**	9,616
Opening cash and cash equivalents		**12,118**	2,502
Closing cash and cash equivalents	15	**18,815**	12,118

Reconciliation of net bank debt		
Net increase in cash and cash equivalents	**6,697**	**9,616**
Cash inflow from increase in borrowings	–	**(44,000)**
Cash outflow from repayment of borrowings	**1,000**	**52,749**
Opening net bank debt	**(3.633)**	(21.998)
Closing net bank cash/(debt)	**4,064**	(3,633)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE 52 WEEKS ENDED 2 JULY 2022

1. GENERAL INFORMATION

CORPORATE INFORMATION

The consolidated financial statements of Revolution Bars Group plc for the 52 weeks ended 2 July 2022 were authorised for issue by the Board of Directors on 18 October 2022. Revolution Bars Group plc is a public limited company whose shares are publicly traded on the Alternative Investment Market ("AIM") of the London Stock Exchange and is incorporated in the United Kingdom and registered in England and Wales.

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

STATEMENT OF COMPLIANCE

The Group's financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS") and with the requirements of the Companies Act 2006 applicable to companies reporting under those standards, and they apply to the financial statements of the Group for the 52 weeks ended 2 July 2022 (prior period 53 weeks ended 3 July 2021).

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 2 July 2022 is a 52-week period; the period ended 3 July 2021 was 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 International Financial Reporting Standards ("IFRS"). References to 2022 or FY22 relate to the 52-week period ended 2 July 2022 and references to 2021 or FY21 relate to the 53-week period ended 3 July 2021 unless otherwise stated. The consolidated financial statements are presented in Pounds Sterling with values rounded to the nearest thousand, except where otherwise indicated. These policies have been applied consistently unless otherwise stated.

BASIS OF CONSOLIDATION

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

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

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

GOING CONCERN

Going concern

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks and, in particular, the possible adverse impact on financial performance, specifically on revenue and cash flows, as a result of ongoing inflationary cost rises, as well as potential future restrictions imposed by the UK Government and the devolved authorities in response to COVID-19. The going concern status of the Company and subsidiaries is intrinsically linked to that of the Group.

Liquidity

At the end of the reporting period, the Group had net cash of £4.1 million (2021: net debt of (£3.6) million). In FY21, the Group took out three separate Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans to a sum of £20.0 million, of which £14.8 million (2021: £15.8 million) was still outstanding as at year-end. The Group maintained a £16.3 million Revolving Credit Facility ("RCF") of which no amounts were drawn down as at year-end.

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

The RCF was reduced from £21.0 million in June 2021, to £17.3 million following £3.7 million of amortisation, and amortised a further £1.0 million to £16.3 million at the end of June 2022. The RCF was due to expire 30 June 2023; the Group has, however, undergone a refinancing of all facilities, completing in October 2022.

Following the refinancing on 10 October 2022, a new RCF was committed at a total facility level of £30.0 million expiring October 2025. The RCF was sought with the purposes of repaying all other indebtedness, general working capital requirements, and for the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"). Therefore, all outstanding CLBILS term loans were repaid on 13 October 2022, with just the RCF making up total facilities going forwards. Interest is charged on the utilised RCF at a margin determined by leveraging plus SONIA, with unutilised RCF values having interest charged at 40% of margin. The new RCF is secured via a cross guarantee against certain properties within the business across the trading subsidiaries.

1. GENERAL INFORMATION CONTINUED

GOING CONCERN CONTINUED

Liquidity continued

The RCF will amortise by £1.0 million on 30 June 2023, £2.0 million on 30 June 2024 and £2.0 million on 30 June 2025. In accordance with these arrangements and subject to compliance with financial covenants, the Group will therefore have committed funding facilities available during the going concern assessment period as follows:

	RCF £m
31 December 2022	30.0
30 June 2023	29.0
31 December 2023	29.0
30 June 2024	27.0

Current Net debt and available liquidity

As at 17 October 2022, the Group's net cash position was £0.7 million and therefore the Group has available liquidity of £30.7 million. However, consideration of £16.0 million is due after this point towards the acquisition of Peach, and a further £0.5 million of deferred payment is due on the acquisition at a later date contingent upon the future performance of the business. This is tested at each of September 2023, March 2024 and September 2024. If the hurdle has not been passed by the third of these dates, then the deferred consideration will not be paid.

Covenants

The new facilities are subject to covenants including: interest cover, net leverage and fixed charge cover. Management are also required to provide typical financial information at quarterly and annual periods to the bank, as is to be expected. Covenants are built into long-term forecasting to allow Management to review and manage covenant compliance; covenant compliance certificates will be issued as required under the agreement, with an annual certificate reviewed by the Company auditors.

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 challenging trading conditions that face the UK Hospitality industry this year, including softened guest confidence, higher input and energy costs, as well as potentially reduced Christmas footfall compared to pre-COVID-19 levels due to the impact of increased cost-of-living, with some price increases assumed to mitigate the earnings impact of these challenges. During FY22 the Group was subject to restrictions or reduced consumer confidence from Government messaging during the first two weeks and over the winter months, which severely impacted performance during those periods. Although the Group is hopeful of the continued normality in trading, it is not clear what level of trade may be possible should the UK Government impose further restrictions.

Both base and severe but plausible downside scenarios were considered with the inclusion of the newly acquired business, Peach, with appropriate sensitivities applied.

The level of sales that the Group generates drives EBITDA and cash generation, which in turn drives compliance with the covenant tests. 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 a continued impact of the cost-of-living crisis on the business with reduced performance from that previously expected. Under the base case forecast, liquidity is sufficient and there is no forecast breach of the banking covenants.

Severe but plausible downside scenario

The Directors have also reviewed a severe but plausible downside case which takes the base case and assumes a further significant reduction in Christmas trading, as well as reduced volumes of sales following the first quarter. Softer trading is then continued into FY24. No further Government assistance is assumed, and Capex is reduced with postponed refurbishments and new-site openings, compared to the original Board-approved budget prepared May-June 2022. This remains an area of flexibility should it be required, whereby the programme, if necessary, could be adjusted to enhance liquidity in the business through deferred or reduced refurbishments or new openings. The severe but plausible downside case shows sufficient liquidity and no forecast breach of the banking covenants.

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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

1. GENERAL INFORMATION CONTINUED

GOING CONCERN CONTINUED

Severe but plausible downside scenario continued

The material uncertainty caused by COVID-19, guest confidence, and higher input costs, coupled with forecasting difficulties as a result of the constantly changing economic environment means that the Group cannot be assured that it will not breach covenants. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of non-current borrowings to current borrowings.

The Directors have assessed, however, that given a strong underlying business, particularly when allowed to trade without restriction or significant economic disturbance, the Group's existing relationships with its main creditors, its success in recent years in obtaining covenant waivers and renegotiating its banking facilities and recent equity fundraisings, that a request for a waiver of a covenant breach or renegotiation of the banking facilities would be more than likely.

Going concern statement

Despite a return to normal trading in England since July 2021, the severe disruption to the Group's trade in the last few years caused by COVID-19 and the potential for changing operating restrictions imposed by the UK Government and the devolved authorities, as well as the continued cost-of-living narrative and economic effects including the impact on consumer confidence, means that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. These factors impact the Group's operational performance and in particular the level of sales and EBITDA generated that will in turn determine the Group's covenant compliance.

Notwithstanding the material uncertainty, after due consideration the Directors have a reasonable expectation that the Group and the Company have sufficient resources to continue in operational existence for the period of 12 months from the date of approval of these financial statements. Accordingly, the financial statements continue to be prepared on the going concern basis. The financial statements do not contain the adjustments that would arise if the Group (and the Company) were unable to continue as a going concern.

(A) ACCOUNTING POLICIES

Revenue recognition

Revenue is the fair value of goods and services sold to third parties as part of the Group's trading activities, net of discounts. Revenue primarily arises from the sale of food and beverage in the Group's trading outlets and is recognised at the point of delivery to the customer. Other Revenue relates to photobooth income, retail sales, commission, rental and gaming income.

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

Expenses

Cost of sales

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

Supplier rebates

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

Financing income and expenses

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

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Taxation

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

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

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

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

Operating segments

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

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

Share-based payments

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

Exceptional items

Items that are unusual or infrequent in nature and material in size are disclosed separately in the consolidated statement of profit or loss and other comprehensive income. The separate reporting of these items helps, in the opinion of the Directors, to provide a more accurate indication of the Group's underlying business performance. Exceptional items typically include impairments of property, plant and equipment and right-of-use assets, venue closure costs, significant contract termination costs and costs associated with major one-off projects. Transactions will be assessed as being either operational or financial depending on the terms and reasoning of the arrangement. Charges related to share-based payment arrangements are not treated as exceptional but are excluded from the calculation of adjusted EBITDA due to significant variations in the annual charges/credits historically arising from senior employees with significant options leaving the business and changes to the probability of share options vesting.

Bar opening costs

Bar opening costs refer to certain revenue costs incurred in preparing a new bar for opening and include all costs incurred before opening and preparing for launch, even if the bar does not open in the reporting period. These costs are excluded from the calculation of adjusted EBITDA. The separate reporting of these items helps provide a more accurate indication of the Group's underlying business performance, which the Directors believe would otherwise be distorted due to the irregular timing of the opening of new bars.

Non-derivative financial instruments

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

Trade and other receivables

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

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Other financial liabilities, including bank loans, are measured initially at fair value, and are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Cash and cash equivalents

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

Interest-bearing borrowings

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

Share capital

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

Share premium

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

Merger reserve

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

Property, plant and equipment

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

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

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

Equipment replaced as part of a refurbishment is capitalised at the appropriate 3 to 10 year category, dependent on asset type.

Freehold land is not depreciated. Depreciation policies and useful economic lives are reviewed at each statement of financial position date.

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

Leases

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

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

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

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

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

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Intangible assets

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

Inventories

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

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

Employee benefits

Defined contribution pension plans

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

Short-term benefits

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

Provisions

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

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

Covid-19 accounting policies

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

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

Furlough and the Coronavirus Job Retention Scheme (CJRS)

The Company has utilised the CJRS extensively throughout the period of lockdown. The scheme has allowed a maximum of 80% of the normal earnings of individuals who have been furloughed up to a maximum cap of £2,500 per month per employee, with periods of reduction until it is phased out. The Company pays the furlough wages and then lodges a claim to Government for reimbursement. The Government claim is accounted for on an accruals basis and, therefore in the consolidated statement of profit or loss, matches the furlough wages. Unpaid claims to Government are included in Trade and other receivables in the consolidated statement of financial position. The claim is netted against the corresponding payroll expense included in operating costs. The Group ended its use of the scheme in August 2021.

Rates holiday

The Government provided relief for general rates by way of a rates holiday for hospitality businesses for the 2020/21 fiscal year; 2021/22 rates were discounted at 66% to a cap of £2.0 million for the Group. Smaller discounts have been made available for 2022/23 across England and the devolved nations which are not expected to have a material impact on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Covid-19 accounting policies continued

Government grants

The Government have provided various Local Authority grants to support the hospitality industry, particularly for periods of closure or severe restrictions. There have been various rules around claiming these, with the values predominantly based on the rateable value of the properties. This income has been recognised as Grant income within operating profit on a cash basis as it relates to the period that it is received.

Rent concessions

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

Only those rental concessions agreed with landlords prior to the end of the FY22 reporting period and relating to FY22, FY21 or FY20 where they were not agreed before the end of FY21 or FY20, have been accounted for within the reporting period. Rent-free periods or reduced rental periods that are in effect a gift from the landlord with nothing given in exchange are treated as an immediate relief of rent under IFRS 16 and taken as a credit to the income statement. However, where the rental concession is in exchange for an extension to the term of a lease or for some other structural change to the terms of the lease, it is treated as a lease modification and the right-of-use asset and lease liability are modified for the new terms.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. GENERAL INFORMATION CONTINUED

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

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

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

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

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

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

Capitalisation of employment costs

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

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

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

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

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

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

The key assumptions in the value in use calculation are the applicable post-tax discount rate of 11.0 per cent (2021: 9.0 per cent) and long-term revenue and cost base growth rates of 1 per cent (2021: 1 per cent).

(C) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has not applied any new or amended standards in the annual reporting period commencing 4 July 2021.

(D) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period ended 2 July 2022 and have not been early adopted by the Group. These are not expected to have a material impact upon implementation.

- Amendments to IFRS 3 the Conceptual Framework
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

2. SEGMENTAL INFORMATION

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

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

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Revenue	**140,821**	39,417
Cost of sales	**(30,695)**	(11,352)
Gross profit	**110,126**	28,065
Operating expenses:		
– operating expenses excluding exceptional items	**(102,721)**	(47,217)
– exceptional items	**(561)**	(5,361)
– grant income	**568**	3,357
Total operating expenses	**(102,714)**	(49,221)
Operating profit/(loss)	**7,412**	(21,156)

Depreciation is disclosed in note 5.

Bar Revenue relates to food, drink and admission sales from the Group's bars. Other Revenue includes photobooth income, as well as other smaller revenue streams including rental, commission, gaming and online revenue.

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Bar Revenue	**139,581**	39,180
Other Revenue	**1,240**	237
Revenue	**140,821**	39,417

3. OPERATING EXPENSES

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Sales and distribution	**91,696**	43,639
Administrative expenses	**11,586**	8,939
Total operating expenses	**103,282**	52,578

The Group also received grant income of £0.6 million (2021: £3.4 million) which is included in operating expenses; please see note 4 for further information.

3. OPERATING EXPENSES CONTINUED

EXCEPTIONAL ITEMS

Exceptional items, by virtue of their size, incidence or nature, are disclosed separately in order to allow a better understanding of the underlying trading performance of the Group. Exceptional charges/(credits) comprised the following:

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Administrative expenses:		
– impairment of right-of-use assets	**376**	8,315
– impairment of property, plant and equipment	**261**	3,273
– lease modification	**(76)**	(28)
– gain on disposal	**–**	(8,388)
– property restructure	**–**	2,189
Total exceptional items	**561**	5,361

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 nine of the Group's bars (2021: 30) was written down, including right-of-use asset write-downs at two bars (2021: 31). All bars had been subject to impairment previously (2021: four not subject to impairment previously). The Directors considered that trading at these bars is unlikely to recover in the foreseeable future to a level that would justify their current book value.

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

In the prior period two loss-making leases were surrendered and a further six sites returned to their landlords through a Company Voluntary Arrangement ("CVA") undertaken by the Group's wholly owned subsidiary entity, Revolution Bars Limited. The Property Restructure costs predominantly comprise the associated CVA professional fees, alongside other legal and professional costs incurred through landlord negotiations and the relevant closure costs of the affected sites.

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Gross gain on disposal	**–**	(9,686)
Surrender premiums paid in period	**–**	450
Related surrender costs paid in period	**–**	71
Impairment on exited properties	**–**	777
Total exceptional gain on disposal	**–**	(8,388)

Bar opening costs relate to costs incurred in getting new bars fully operation and primarily include costs incurred before the opening and preparing for launch, even if the bars do not open in the period. In the 52-week period ended 2 July 2022 two new bars were opened (2021: none opened).

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Bar opening costs	**306**	–

4. GRANT INCOME

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Local authority grants	**568**	3,357

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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

5. OPERATING PROFIT/(LOSS)

Group operating profit/(loss) is stated after charging:

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Depreciation of property, plant and equipment	**5,630**	6,045
Depreciation of right-of-use assets	**5,437**	5,770
Impairment of property, plant and equipment	**261**	3,273
Impairment of right-of-use assets	**376**	8,315
Amortisation of intangibles	**3**	1
Auditors' remuneration:		
– audit fees payable to the Company's auditors for the audit of these financial statements	**160**	155
Fees payable to the Company's auditors for:		
– audit of financial statements of subsidiary companies	**103**	85

6. STAFF NUMBERS AND COSTS

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Administrative	**109**	92
Operational	**2,718**	2,403
	2,827	2,495

The aggregate payroll costs were as follows:

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Wages and salaries	**47,598**	19,401
Social security costs	**2,993**	2,068
Other pension costs	**728**	527
Share-based payment charge (note 22)	**77**	64
	51,396	22,060

Aggregate payroll costs include £0.3 million (2021: £0.1 million) capitalised as property, plant and equipment, and are net of nil (2021: £14.5 million) of Coronavirus Job Retention Scheme grants received.

7. DIRECTORS' REMUNERATION

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Aggregate emoluments	**1,297**	766
Pension contributions to money purchase schemes[1]	**56**	48
	1,353	814
Emoluments in respect of the highest paid Director		
Aggregate emoluments	**710**	397
Pension contributions to money purchase schemes[1]	**49**	45
	759	442

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

Two Directors (2021: two) were enrolled in a defined contribution pension scheme in the period. In addition to the above, £334k (2021: £107k) of long-term incentive share options were awarded to the highest paid Director in the period.

8. FINANCE EXPENSE

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Interest payable on bank loans and overdrafts	**917**	1,133
Interest on lease liabilities	**4,363**	4,007
Interest payable	**5,280**	5,140

9. INCOME TAX

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Analysis of credit in the period		
Current tax		
UK corporation tax on the profit/(loss) for the period	**–**	–
	–	–
Deferred tax – Profit and loss account		
Origination and reversal of timing differences	**–**	–
	–	–
Deferred tax – Reserves		
Tax impact of change in accounting policy	**–**	–
Total deferred tax	**–**	–
Total tax credit	**–**	–
Factors affecting current tax credit for the period		
Profit/(loss) before taxation	**2,132**	(26,296)
Profit/(loss) at standard rate of UK corporation tax (2022: 19.0%; 2021: 19.0%)	**405**	(4,996)
Effects of:		
– expenses not deductible for tax and other permanent differences	**54**	386
– adjustment in respect of prior periods	**–**	(4)
– changes in expected tax rates on deferred tax balances	**145**	(5,635)
– deferred tax not recognised	**(604)**	10,249
Total tax charge/(credit) for the period	**–**	–

At 2 July 2022, the Group has carried forward tax losses of £45.5 million (2021: £23.6 million) available to offset against future profits for which no deferred tax asset has been recognised (2021: no deferred tax asset recognised).

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

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

10. EARNINGS PER SHARE

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

	52 weeks ended 2 July 2022	53 weeks ended 3 July 2021
Profit/(loss) for the period (£'000)	**2,132**	(26,296)
Weighted average number of shares – basic ('000)	**230,049**	124,075
Basic earnings per Ordinary Share (pence)	**0.9**	(21.2)
Weighted average number of shares –diluted ('000)	**235,139**	124,075
Diluted earnings per Ordinary Share (pence)	**0.9**	(21.2)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

10. EARNINGS PER SHARE CONTINUED

Diluted shares are calculated making an assumption of outstanding options expected to be awards. Profit/(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 earnings per share	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Profit/(loss) on ordinary activities before taxation	**2,132**	(26,296)
Exceptional items, share-based payments and bar opening costs	**944**	5,425
Adjusted profit/(loss) on ordinary activities before taxation	**3,076**	(20,871)
Taxation (charge)/credit on ordinary activities	**–**	–
Taxation on exceptional items and bar opening costs	**(150)**	(2,600)
Adjusted profit/(loss) on ordinary activities after taxation	**2,926**	(23,471)
Basic number of shares ('000)	**230,049**	124,075
Adjusted basic earnings per share (pence)	**1.3**	(18.9)
Diluted number of shares ('000)	**235,139**	124,075
Adjusted diluted earnings per share (pence)	**1.2**	(18.9)

Taxation on exceptional items and bar opening costs is calculated by applying the standard corporation tax rate of 19% against only taxable exceptional items.

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

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

Property, plant and equipment	Freehold land and buildings £'000	Short leasehold premises £'000	Fixtures and fittings £'000	IT equipment and office furniture £'000	Total £'000
At 27 June 2020	1,426	82,740	56,246	8,891	149,303
Additions	–	1,133	641	264	2,038
Transfers	–	15	–	–	15
At 3 July 2021	1,426	83,888	56,887	9,155	151,356
Additions	–	3,846	3,881	594	8,321
Asset reclassification*	–	(1,059)	1,066	(7)	–
At 2 July 2022	**1,426**	**86,675**	**61,834**	**9,742**	**159,677**
Accumulated depreciation and impairment					
At 27 June 2020	(1,216)	(50,752)	(48,280)	(7,833)	(108,081)
Provided in the period	–	(3,238)	(2,282)	(525)	(6,045)
Impairment charges	–	(2,750)	(465)	(58)	(3,273)
Transfers	–	–	(6)	(6)	(12)
At 3 July 2021	(1,216)	(56,740)	(51,033)	(8,422)	(117,411)
Provided in the period	–	(2,626)	(2,436)	(568)	(5,630)
Impairment charges	–	(162)	(78)	(21)	(261)
Asset reclassification*	–	148	(156)	8	–
At 2 July 2022	**(1,216)**	**(59,380)**	**(53,703)**	**(9,003)**	**(123,302)**
Net book value					
At 2 July 2022	**210**	**27,295**	**8,131**	**739**	**36,375**
At 3 July 2021	210	27,148	5,854	733	33,945
At 27 June 2020	210	31,988	7,966	1,058	41,222

* The above Asset reclassifications reflect a reclassification to cost and accumulated depreciation, with a net impact to net book value of nil. This is to align opening cost and accumulated depreciation to the consolidated Group basis.

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

Right-of-use assets	Short leasehold premises £'000	Vehicles £'000	Total £'000
Cost			
At 27 June 2020	97,035	435	97,470
Reassessment/modification of assets previously recognised	8,234	–	8,234
Additions	–	–	–
Disposals	–	(17)	(17)
At 3 July 2021	105,269	418	105,687
Reassessment/modification of assets previously recognised	1,171	–	1,171
Additions	3,342	–	3,342
At 2 July 2022	**109,782**	**418**	**110,200**
Accumulated depreciation and impairment			
At 27 June 2020	(26,601)	(180)	(26,781)
Provided in the period	(5,625)	(145)	(5,770)
Impairment charges	(9,092)	–	(9,092)
At 3 July 2021	(41,318)	(325)	(41,643)
Provided in the period	(5,348)	(89)	(5,437)
Impairment charges	(376)	–	(376)
At 2 July 2022	**(47,042)**	**(414)**	**(47,456)**
Net book value			
At 2 July 2022	**62,740**	**4**	**62,744**
At 3 July 2021	63,951	93	64,044
At 27 June 2020	70,434	255	70,689

Please see note 17 for details of lease liabilities.

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.

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

During the 52 weeks ended 2 July 2022, the Group impaired the property, plant and equipment of nine CGUs (2021: 30 CGUs) and the right-of-use assets of two CGUs (2021: 31 CGUs), either partially or in full, based on the value in use of the CGU being lower than the prevailing net book value. When an impairment loss is recognised, the asset's adjusted carrying value is depreciated over its remaining useful economic life.

Impairment testing methodology

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

The Group has continued to apply a lower multiplier against earnings of seven to recognise the adverse trading impact of COVID-19, raising the prospect of more widespread CGU impairments that may only be revealed by detailed value in use reviews.

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 post-tax discount. The Budget for FY23 is based on the last twelve months of trading prior to COVID-19, being the last twelve months of normal trade, and then accordingly adjusted. Standard agreed long-term assumptions are then applied at revenue and cost levels to the end of the lease term. This is deemed the most suitable basis at the year-end for considering whether the assets were impaired at the balance sheet date and, therefore, management has adopted these assumptions in all of the detailed value in use reviews.

- The long-term growth rate has been applied from July 2022 at 1.0 per cent (2021: 1.0 per cent).
- Post-tax discount rate: 11.0 per cent (2021: 9.0 per cent) based on the Group's weighted average cost of capital.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

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

Impairment testing methodology continued

Sensitivity analysis has been performed on each of the long-term growth rate and post-tax discount rate assumptions with other variables held constant. Increasing the post-tax discount rate by 1 per cent would result in additional impairments of £0.1 million. A 0.1 per cent decrease in the long-term growth rate would result in additional impairments of £0.1 million. Applying the most recent performance to the signing date, which therefore includes the impact of recent cost challenges, as well as latest trading amounting to a 3% reduction in site EBITDA, results in an increase in the impairment charge of approximately £0.5 million.

12. INTANGIBLE ASSETS

	Total £'000
Cost	
At 3 July 2021	26
Additions	7
At 2 July 2022	**33**
Accumulated amortisation	
At 3 July 2021	(2)
Provided in the period	(3)
At 2 July 2022	**(5)**
Net book value	
At 2 July 2022	**28**
At 3 July 2021	24

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

13. INVENTORIES

	2 July 2022 £'000	3 July 2021 £'000
Goods held for resale	**2,321**	1,996
Sundry stocks	**1,166**	960
	3,487	2,956

Sundry stocks include items such as glasses, packaging, uniform and drinks decorations. Inventory is net of provision of £0.23 million (2021: £0.54 million). £0.11 million was written-down in the year as an expense (2021: £0.50 million).

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Cost of inventories	**30,359**	11,352

14. TRADE AND OTHER RECEIVABLES

	2 July 2022 £'000	3 July 2021 £'000
Amounts falling due within one year		
Trade receivables	**3,707**	1,896
Accrued rebate income	**501**	720
Prepayments	**4,427**	2,469
Other debtors	**142**	133
	8,777	5,218

14. TRADE AND OTHER RECEIVABLES CONTINUED

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

	2 July 2022 £'000	3 July 2021 £'000
Not past due	**3,207**	1,816
Past due 0-30 days	**298**	17
Past due 31-60 days	**42**	10
More than 60 days	**160**	53
	3,707	1,896

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 2 July 2022 (2021: none).

All receivables are GBP denominated. The Group trade and other receivables is net of a specific provision for bad and doubtful debts of £23k (2021: £29k) and a provision for bad and doubtful debts of £73k (2021: £114k), and an IFRS 9 expected credit loss provision of £28k (2021: £23k).

Prepayments and accrued rebate income do not contain impaired assets. There is no difference between the carrying value and fair value of all trade and other receivables. £4.2 million of prepayments relates to property rent and rates (2021: £0.8 million).

£2.3 million of Trade receivables relates to uncleared credit and debit card takings (2021: £1.5m).

15. CASH AND CASH EQUIVALENTS

	2 July 2022 £'000	3 July 2021 £'000
Cash and cash equivalents	**18,815**	12,118

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

16. TRADE AND OTHER PAYABLES

	2 July 2022 £'000	3 July 2021 £'000
Trade payables	**11,801**	7,526
Other payables	**142**	122
Accruals and deferred income	**15,434**	10,197
Other taxes and social security costs	**3,241**	2,516
	30,618	20,361

Trade and other payables are non-interest bearing and are normally settled 30 days after the month of invoice. Trade payables are denominated in Sterling. The Directors consider that the carrying value of trade and other payables approximates to their fair value. The value of trade payables and accruals is substantially higher at 2 July 2022; this is as a result of the Group's return to trading.

17. LEASE LIABILITIES

	Short leasehold properties £'000	Vehicles £'000	Total £'000
At 3 July 2021	105,079	98	105,177
Reassessment/modification of liabilities previously recognised	1,171	–	1,171
Modifications taken as a credit to administrative expenses (note 3)	(76)	–	(76)
Additions	3,483	–	3,483
Lease liability payments	(8,813)	(94)	(8,907)
Lease concessions	(229)	–	(229)
Finance costs	4,361	2	4,363
At 2 July 2022	**104,976**	**6**	**104,982**

Cash payments in the period comprise interest of £4.4 million and principal of £4.6 million. Reassessment and modification of liabilities previously recognised predominantly relates to the re-gear of five bars (2021: 29 bars) where either the length of the lease has been extended or the rental charge has been increased.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

17. LEASE LIABILITIES CONTINUED

Lease liabilities are comprised of the following balance sheet amounts:

	2 July 2022 £'000	3 July 2021 £'000
Amounts due within one year	**5,437**	5,143
Amounts due after more than one year	**99,545**	100,034
	104,982	105,177

The maturity analysis of the Lease liabilities is as follows:

	2 July 2022 £'000	3 July 2021 £'000
Year 1	**9,629**	9,243
Year 2	**9,781**	9,436
Year 3	**9,787**	9,504
Year 4	**9,601**	9,443
Year 5	**9,285**	9,159
Year 6	**8,626**	8,820
Year 7	**8,424**	8,005
Year 8	**8,372**	7,803
Year 9	**8,334**	7,764
Year 10	**8,208**	7,725
Year 11	**7,630**	7,637
Year 12	**6,963**	7,082
Year 13	**6,277**	6,500
Year 14	**5,878**	5,796
Year 15	**5,214**	5,398
After 15 years	**25,299**	27,968
Effect of discounting	**(42,326)**	(42,106)
Carrying amount of liability	**104,982**	105,177

Please see note 11 for details of right-of-use assets.

18. INTEREST-BEARING LOANS AND BORROWINGS

	2 July 2022 £'000	3 July 2021 £'000
Revolving credit facility	**–**	–
Coronavirus Large Business Interruption Loan Scheme	**14,751**	15,751
	14,751	15,751

As at the date of the consolidated financial position, the Group had an undrawn revolving credit facility (the "Facility") of £16.3 million expiring June 2023. A refinancing was completed on 10 October 2022; please refer to Going Concern in note 1 for further information.

In the prior year, the Group received a total of £20.0 million of Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans, of which £14.8 million was outstanding at year-end. The CLBILS is a three-year term loan, partially expiring in July 2023 and May 2024.

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

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

19. PROVISIONS

The dilapidations provision relates to a provision for dilapidations due at the end of leases. The Group provides for unavoidable costs associated with lease terminations and expires against all leasehold properties across the entire estate, built up over the period until exit. Other provisions include provisions for various COVID-19 related items, which are uncertain of timing and therefore classified as less than one year. Dilapidations provisions are expected to be utilised over the next 5-15 years as leases come to an end.

	Other provisions £,000	Dilapidations provision £'000	Total provisions £'000
At 3 July 2021	**842**	**1,404**	**2,246**
Movement on provision	472	218	**690**
Utilisation of provision	–	(40)	**(40)**
At 2 July 2022	**1,314**	**1,582**	**2,896**

	2 July 2022 £'000	3 July 2021 £'000
Current	**1,314**	842
Non-current	**1,582**	1,404
	2,896	2,246

20. DEFERRED TAX

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

	Share-based payments £'000	Disclaimed or not used Capital Allowances £'000	Brought-forward losses £'000	Total £'000
At 27 June 2020	–	–	–	–
Charge to income	–	–	–	–
At 3 July 2021	–	–	–	–
Charge to income	–	–	–	–
At 2 July 2022	**–**	**–**	**–**	**–**

	2 July 2022 £'000	3 July 2021 £'000
Deferred tax assets	**–**	–
Deferred tax liabilities	**–**	–
Total	**–**	**–**

As at the reporting date, the Group had unused tax losses of £45.5 million (2021: £23.6 million) available for offset against future taxable profits, but has not recognised a deferred tax asset in relation to these (or any other credits, including for Capital Allowances) due to uncertain trading conditions.

21. SHARE CAPITAL

	2 July 2022 £'000	3 July 2021 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2021: 230,048,520 £0.001 Ordinary Shares)	**230**	230
	230	230

	2 July 2022 £'000	3 July 2021 £'000
Share capital at the start of the period	**230**	50
Share capital issued during the period	**–**	180
Share capital at the end of the period	**230**	230

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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

22. SHARE-BASED PAYMENTS (EQUITY SETTLED)

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

1. The Restricted Share Award scheme ("RSA)

Since FY21, the Group has adopted an RSA Scheme. Awards are made under the RSA to Executive Directors and other Senior Management. These awards vest over a period of the later of the preliminary announcement of results for the third financial year after issue (inclusive of the year in which granted) or three years from the date of grant.

The first RSA Scheme was issued on 24 December 2020, vesting over a period of the later of the preliminary announcement of results for the year ended 1 July 2023 and 24 December 2023 (being three years from the Date of Grant). These shares were awarded at £0.001 cost. The total charge in FY22 for this scheme was £0.04 million (2021: £0.05 million).

A second RSA Scheme was issued on 23 November 2021, vesting over a period of the later of the preliminary announcement of results for the year ended 30 June 2024 and 23 November 2024 (being three years from the Date of Grant). These shares were awarded at £0.001 cost. The total charge in FY22 for this scheme was £0.1 million.

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

2. "The Revolution Bars Group Share Plan"

Awards under the scheme have typically comprised:

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

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

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

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

Total share-based payment plans

The total charge for the period relating to employee share-based payment plans was £0.08 million (2021: £0.06 million), all of which related to equity-settled share-based payment transactions. A credit of £0.01 million (2021: charge of £0.04 million) was released in FY22, predominantly due to several management eligible for the scheme leaving in the year, and being the associated National Insurance ("NI") at 13.8% on the new RSA scheme. Following the Government announcement in September 2021 of an increase in NI rate of 1.25% from April 2022, the calculations have been updated in FY22 to reflect the heightened rate from 13.8% to 15.05%, as the new expected prevailing rate when the awards are exercised. Following the Government announcement in September 2022 that this rise would be reversed, the calculations will be reduced in FY23 to remove this increase.

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
IPO LTIP AWARD		
– Tranche 3	–	(10)
	–	(10)
2016 LTIP AWARD		
– Tranche 3	–	(15)
	–	(15)
2017 LTIP Award	–	20
2018 LTIP Award	**(51)**	(37)
2019 LTIP Award	**(43)**	33
2020 LTIP Award	**20**	22
2021 RSA Award	**36**	51
2022 RSA Award	**115**	–
	77	64

22. SHARE-BASED PAYMENTS (EQUITY SETTLED) CONTINUED

Total share-based payment plans continued

In the 52 weeks ended 2 July 2022, conditional awards of ordinary shares were granted as follows:

	Restricted Share Award scheme ("RSA")	Nominal cost option ("NCO")	Company share option plan ("CSOP")
23 November 2021	4,155,290	–	–
Total	**4,155,290**	**–**	**–**

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

Under the NCO and RSA schemes, the number of shares and movements in options, as well as the performance conditions are detailed below. The 2019 and 2020 LTIPs are not expected to be exercised.

Award	Grant Date	Performance period		Movement in period				
		Start	End	At start	Granted	Lapsed	Forfeited	At end
2019 LTIP	18-Oct-18 and 01-Apr-19	Jun-19	Jun-22	785,154	–	(775,154)	–	10,000
2020 LTIP	23-Oct-19	Jun-19	Jun-22	751,269	–	–	(55,000)	696,269
2021 RSA	24-Dec-20	n/a	n/a	1,311,528	–	–	(93,674)	1,217,854
2022 RSA	23-Nov-21	n/a	n/a	–	4,155,290	–	(58,514)	4,096,776
				2,847,951	**4,155,290**	**(775,154)**	**(207,188)**	**6,020,899**

PSP & CSOP Part A – EPS targets

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

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

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

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

PSP & CSOP Part B – TSR targets

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

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

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

Information used in calculating the cost of granting each option

The offer price is based on a three-month average prior to the start of the performance period. For all awards, the end point offer price is based on the average for the last three months of the respective performance period.

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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

22. SHARE-BASED PAYMENTS (EQUITY SETTLED) CONTINUED

Information used in calculating the cost of granting each option continued

The fair value of share options granted under the scheme dependent on TSR performance is estimated at the date of grant using a Stochastic model. The fair value of share options granted under the scheme dependent on EPS performance is estimated at the date of grant using the Black-Scholes model. The following table gives the assumptions relevant to options for which charges were made in the year:

	2020[2] award	2019[1] award
NCO: fair value at grant date – EPS (pence)	67	116
CSOP: fair value at grant date – EPS (pence)	–	40
NCO: fair value at grant date – TSR (pence)	34	62
CSOP: fair value at grant date – TSR (pence)	–	35
NCO: exercise price (pence)	0.1	0.1
CSOP: exercise price (pence)	–	115
Share price (pence)*	57.4	115
Expected volatility	45.0%	44.6%
Expected life of options (years)	3.0	3.0
Weighted average remaining life (years)	1.3	1.3
Expected dividend yield	0.0%	0.0%
Risk-free rate	0.5%	0.8%

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

23. FINANCIAL INSTRUMENTS

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

The Group is exposed to the following financial risks:

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

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

CREDIT RISK

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

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

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

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

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

	2 July 2022 £'000	3 July 2021 £'000
Trade receivables	**3,707**	1,896
Cash and cash equivalents	**18,815**	12,118
	22,522	14,014

23. FINANCIAL INSTRUMENTS CONTINUED

CREDIT RISK CONTINUED

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

	2 July 2022 £'000	3 July 2021 £'000
Not past due	**3,207**	1,816
Past due 0-30 days	**298**	17
Past due 31-60 days	**42**	10
More than 60 days	**160**	53
	3,707	1,896

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 2 July 2022.

In accordance with IFRS 9, the group has two types of financial assets that are subject to the expected credit loss model:
- Trade and other receivables
- Accrued rebate income

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

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

The expected loss rates are based on the risk profiles of the suppliers with whom the balances are held as well as the related historical results of recoverability. On that basis, the loss allowance as at 2 July 2022 and as at 3 July 2021 was determined as follows for both trade receivables and accrued rebate income:

	2 July 2022 £'000	3 July 2021 £'000
Expected loss rate	**2%**	2%
Trade and other receivables	**1,168**	433
Accrued rebate income	**501**	720
	28	23

The difference between trade receivables, as shown immediately above at £1.2 million (2021: £0.4 million), and the £3.7 million balance (2021: £1.9 million) earlier in this note relates to uncleared credit and debit card takings, which have been determined as having no expected credit card loss due to their very short clearance period (two to three days at the balance sheet date), and the bad debt provision.

LIQUIDITY RISK

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

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

The Group maintains forward cash flow projections, updated daily, to ensure that it always has sufficient cash on hand to meet expected operational expenses. The Group has committed lines of credit through an undrawn revolving credit facility due to expire in June 2023 and Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans provided by Natwest, of which £14.8 million was drawn at 2 July 2022. See note 1 under sub-heading Going concern for further details of the Group's funding arrangements.

The Group's financial liabilities are as follows:

	2 July 2022 £'000	3 July 2021 £'000
Trade payables	**11,801**	7,526
Other payables	**142**	122
Accruals and deferred income	**15,434**	10,197
Revolving credit facility	**–**	–
CLBILS loans	**14,751**	15,751
	42,128	33,596

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

23. FINANCIAL INSTRUMENTS CONTINUED

LIQUIDITY RISK CONTINUED

The maturity analysis of the financial liabilities is as follows:

As at 2 July 2022	< 1 year £'000	1–5 years £'000	> 5 years £'000	Total £'000
Trade and other payables	**11,943**	**–**	**–**	**11,943**
Revolving credit facility	**–**	**–**	**–**	**–**
CLBILS loans	**–**	**14,751**	**–**	**14,751**

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

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

MARKET RISK

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

At 2 July 2022, the Group's interest-bearing financial assets consisted solely of cash and cash equivalents (see note 15). The Group has interest-bearing financial liabilities as at 2 July 2022, comprising a CLBILS term loan of £14.8 million (2021: £15.8 million).

The Group does not enter into derivatives or hedging transactions.

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

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

CAPITAL RISK

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

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

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

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

24. DIVIDENDS

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the 52 weeks ended 2 July 2022 of nil per share (53 weeks ended 3 July 2021 of nil per share)	**–**	–
	–	–

25. RELATED PARTY TRANSACTIONS

(a) Subsidiaries

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

(b) Key management personnel

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

	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Key management emoluments including social security costs	**1,459**	1,357
Awards granted under long-term incentive plans	**721**	233
Pension contributions to money purchase schemes[1]	**86**	45
	2,266	1,635

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

The Group's key management are the Directors of the Company and Senior Management as detailed on pages 44 to 46. Details of the Directors' remuneration is provided in the Board Report on Remuneration. The Group did not enter into any form of loan arrangement with any Director during any of the reporting periods presented.

26. 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 £16.3 million expiring in June 2023, and £14.8 million remaining across three Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans expiring across 2023 and 2024. On 10 October 2022 the RCF was increased to £30.0 million and extended to June 2025, and the CLBILS loans were fully repaid. Interest is charged on the utilised RCF at a margin determined by leveraging plus SONIA, with unutilised RCF values having interest charged at 40% of margin. The RCF is due to amortise by £1.0 million on 30 June 2023, £2.0 million on 30 June 2024 and £2.0 million on 30 June 2025. 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.

Acquisition of Peach Pub Group

The Group announced that on 18 October 2022 it has completed the acquisition of the entire issued share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), the operator of a collection of 21 award-winning, premium food-led pubs for a cash consideration of £16.5 million on a debt and cash-free basis. £0.5 million of this is due as a deferred consideration contingent upon the future performance of the business. This is tested at each of September 2023, March 2024 and September 2024. If the hurdle has not been passed by the third of these dates, then the deferred consideration will not be paid.

The acquisition will create a more balanced and diversified business with scale and compelling growth potential across multiple trading segments of drinks, food and accommodation.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 2 JULY 2022

27. ALTERNATIVE PERFORMANCE MEASURES – ADJUSTED EBITDA – NON-IFRS 16 BASIS

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

	Note	52 weeks ended 2 July 2022 £'000	53 weeks ended 3 July 2021 £'000
Non-GAAP measures			
Revenue	2	**140,821**	39,417
Operating profit/(loss)	5	**7,412**	(21,156)
Exceptional items	3	**561**	5,361
Charge arising from long-term incentive plans	22	**77**	64
Bar opening costs		**306**	–
Adjusted operating profit/(loss)		**8,356**	(15,731)
Finance expense	8	**(5,280)**	(5,140)
Adjusted profit/(loss) before tax		**3,076**	(20,871)
Depreciation	5	**11,067**	11,815
Amortisation		**3**	1
Finance expense	8	**5,280**	5,140
Adjusted EBITDA		**19,426**	(3,915)

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

	52 weeks ended 2 July 2022	Reduction in depreciation	Reduction in interest	Onerous lease provision interest	Rent charge	52 weeks ended 2 July 2022
	IFRS 16					IFRS 17
	£'000	£'000	£'000	£'000	£'000	£'000
Adjusted profit before tax	**3,076**	6,218	4,393	(30)	(9,189)	**4,468**
Depreciation	**11,067**	(6,218)	–	–	–	**4,849**
Amortisation	**3**	–	–	–	–	**3**
Finance expense	**5,280**	–	(4,393)	30	–	**917**
Adjusted EBITDA	**19,426**	**–**	**–**	**–**	**(9,189)**	**10,237**

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

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

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

COMPANY STATEMENT OF FINANCIAL POSITION

AT 2 JULY 2022

	Note	2 July 2022 £'000	3 July 2021 £'000
Assets			
Non-current assets			
Investments	5	**29,650**	29,650
Current assets			
Trade and other receivables	6	**33,589**	33,513
Total assets		**63,239**	63,163
Liabilities			
Current Liabilities			
Trade and other payables		**–**	–
Total Liabilities		**–**	–
Net assets		**63,239**	63,163
Equity attributable to equity holders of the Parent			
Share capital	7	**230**	230
Share premium		**33,794**	33,794
Merger reserve		**11,645**	11,645
Retained earnings		**17,570**	17,494
Total equity		**63,239**	63,163

The Company made a £1,000 loss after tax in the 52 weeks ended 2 July 2022 (53 weeks ended 3 July 2021: £0.7 million loss).

Signed on behalf of the Board on 18 October 2022

Danielle Davies
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 2 JULY 2022

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 27 June 2020	50	–	11,645	18,114	29,809
Result and total comprehensive expense for the period	–	–	–	(684)	(684)
Fundraising	180	33,794	–	–	33,974
Charges arising from long-term incentive plans	–	–	–	64	64
At 3 July 2021	230	33,794	11,645	17,494	63,163
Loss and total comprehensive expense for the period	–	–	–	(1)	(1)
Charges arising from long-term incentive plans	–	–	–	77	77
At 2 July 2022	**230**	**33,794**	**11,645**	**17,570**	**63,239**

COMPANY STATEMENT OF CASH FLOW

FOR THE 52 WEEKS ENDED 2 JULY 2022

	2 July 2022 £'000	3 July 2021 £'000
Cash flow from operating activities		
Loss before tax	**(1)**	**(684)**
Adjustments for:		
Dividends received	–	–
Increase in trade and other receivables	**(76)**	**(32,687)**
Decrease in trade and other payables	–	**(667)**
Charge arising from share-based payments	**77**	**64**
Net cash flow used in operating activities	–	**(33,974)**
Cash flow from investing activities		
Dividends received from subsidiary company	–	–
Net cash flow generated from investing activities	–	–
Cash flow from financing activities		
Equity dividends paid	–	–
Fundraising	–	**33,974**
Net cash flow generated from financing activities	–	**33,974**
Net increase in cash and cash equivalents	–	–
Opening cash and cash equivalents	–	–
Closing cash and cash equivalents	–	–

NOTES TO THE COMPANY FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The Company's financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, and they apply to the financial statements of the Group, for the 52 weeks ended 2 July 2022 (prior period 53 weeks ended 3 July 2021).

BASIS OF PREPARATION

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

GOING CONCERN

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

(A) ACCOUNTING POLICIES

Non-derivative financial instruments

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

Trade and other receivables

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

Trade and other payables

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

Cash and cash equivalents

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

Interest-bearing borrowings

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

Share-based payments

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

Investments in subsidiary undertakings

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

Share capital

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

Dividends

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

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

1. ACCOUNTING POLICIES CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Taxation

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

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

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

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

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

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

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

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

The Directors consider the principal estimates made in the Financial Statements to be:
Recoverable amount of investments (note 5)
An impairment review of the carrying value of the Investment in subsidiaries was carried out, using a value in use ("VIU") with free cash flows starting in FY23 (based on the board approved budget), a post-tax discount rate of 11.0% (2021: 9%) and a long term growth rate of 1% (2021: 2%). If the WACC rate was changed by 1% this would change the VIU by £1.5 million. If the long-term discount rate was changed by 1% this would change the VIU by £0.7 million. If both were changed by 1% this would change the VIU by £2.1 million.

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

(C) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

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

2. RESULT FOR THE PERIOD

No profit or loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The loss after tax for the period was £1,000 (2021: £0.7 million), arising solely from the expected credit loss.

3. AUDITORS' REMUNERATION

Auditors' remuneration in respect of the Company audit was £2,000 (2021: £1,500).

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

Details of Directors remuneration in respect of services delivered to the Group are contained in the Directors' Remuneration Report on pages 60 to 64. The remuneration received by the Directors in respect of directly attributable services to this company is inconsequential in the context of the remuneration figure. The Company has no employees other than the Directors and the Directors are not remunerated through this Company other than by issues of share-based payments as described in Note 1 to the Company financial statements. The Directors are considered to be the Key Management Personnel of the Company.

NOTES TO THE COMPANY FINANCIAL INFORMATION CONTINUED

5. INVESTMENTS

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

At cost and net book value:	2 July 2022 £'000	3 July 2021 £'000
At the beginning of the period	**29,650**	29,650
Investment in subsidiary	**–**	–
At the end of the period	**29,650**	29,650

As at 2 July 2022 and at 3 July 2021, the Company owned 100 per cent of the Ordinary Share capital of the following UK companies:

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

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

6. TRADE AND OTHER RECEIVABLES

	2 July 2022 £'000	3 July 2021 £'000
Amounts owed from subsidiary undertakings	**33,589**	33,513
	33,589	33,513

Amounts owed from subsidiary undertakings are unsecured, interest free and repayable on demand. The amounts owed from subsidiary undertakings is net of an expected credit loss provision from IFRS 9 of £0.685 million (2021: £0.684 million).

7. SHARE CAPITAL

	2 July 2022 £'000	3 July 2021 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2021: 230,048,520 £0.001 Ordinary Shares)	**230**	230
	230	230

	2 July 2022 £'000	3 July 2021 £'000
Share capital at the start of the period	**230**	50
Share capital issued during the period	**–**	180
Share capital at the end of the period	**230**	230

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

8. POST-BALANCE SHEET EVENTS

Acquisition of Peach Pub Group

The Group announced that on 18 October 2022 it has completed the acquisition of the entire issued share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), the operator of a collection of 21 award-winning, premium food-led pubs for a cash consideration of £16.5 million on a debt and cash-free basis. £0.5 million of this is due as a deferred consideration contingent upon the future performance of the business. This is tested at each of September 2023, March 2024 and September 2024. If the hurdle has not been passed by the third of these dates, then the deferred consideration will not be paid.

The acquisition will create a more balanced and diversified business with scale and compelling growth potential across multiple trading segments of drinks, food and accommodation.

GLOSSARY

Adjusted	"Adjusted" before any performance measure denotes that it excludes exceptional items, share-based payment (credit)/charges and bar opening costs
Alternative Performance Measure ("APM")	Key performance measure reported on an IAS 17 basis
AGM	Annual General Meeting
CVA	Company Voluntary Arrangement
COVID	The COVID-19 pandemic
Earnings per share	Profit after tax of the business divided by the weighted average number of shares in issue during the period
EBITDA	Earnings before interest, tax, depreciation, and amortisation. Please refer to note 27 for an understanding of how this metric has been affected by the implementation of IFRS 16
ENPS	Employee Net Promoter Score
EPS	Earnings per share
EVP	Employee Value Proposition
Exceptional items	Items that by virtue of their unusual nature or size warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Group
FY21	The financial reporting period ended 3 July 2021
FY22	The financial reporting period ended 2 July 2022
IAS 17	Where measures are described as being prepared on an "IAS 17" basis, this means that they reflect the framework of accounting that applied in FY19 prior to the transition to IFRS 16 in FY20
Like-for-like sales	This measure provides an indicator of the underlying performance of our bars. There is no accounting standard or consistent definition of "like-for-like sales" across the industry. Group like-for-like sales are defined as sales at only those venues that traded in both the current year and comparative reporting periods
Net bank debt	Net bank debt is calculated as bank borrowings less cash at bank and other cash and cash equivalents
Operating Profit	Earnings before interest and tax
Profit before tax	Profit after taking account of all income and costs including interest but before tax

CORPORATE INFORMATION

REVOLUTION BARS GROUP PLC
REGISTERED NUMBER 08838504

Registered address
21 Old Street
Ashton-under-Lyne
Tameside
OL6 6LA

Nominated advisor and Joint broker
finnCap
1 Bartholomew Close
London
EC1A 7BL

Joint broker
Peel Hunt LLP
Moor House
120 London Wall
London
EC2Y 5ET

Registrar
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Financial PR
Instinctif Partners
65 Gresham Street
London
EC2V 7NQ

Independent auditors
PricewaterhouseCoopers LLP
1 Hardman Square
Spinningfields
Manchester
M3 3EB

Tax advisers
Grant Thornton UK LLP
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Legal advisers (corporate)
Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Macfarlanes LLP
20 Cursitor St
London
EC4A 1LT

Legal advisers (property)
Shoosmiths
100 Avebury Boulevard
Milton Keynes
MK9 1FH

Legal advisers (licensing)
Kuits
3 St Mary's Parsonage
Manchester
M3 2RD

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Registered address

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