REVOLUTION
BARS GROUP PLC

FOR THE TRENDSETTERS

PARTYGOERS

UNWINDERS

AMAZING VENUES FOR EVERYONE
ANNUAL REPORT AND ACCOUNTS 2023

REVOLUTION · Revolución de Cuba · PEACH · FOUNDERS & CO. · PLAYHOUSE

Our purpose is to create fun and memorable experiences with our teams and guests.

We do this through our diverse portfolio of venues, catering for everyone from the **socialisers**, to the **late-nighters**, to the **celebrators** and the **cocktail-makers**.

COME ON IN IT'S THE PLACE WHERE EVERYONE WANTS TO BE

STRATEGIC REPORT

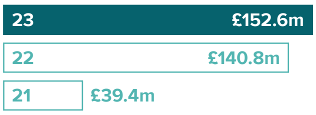
GOVERNANCE REPORT

FINANCIAL STATEMENTS

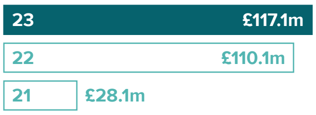
HIGHLIGHTS

FINANCIALS

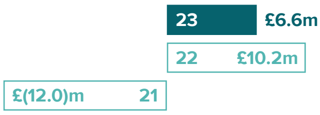
£152.6M
REVENUE



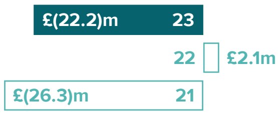
£117.1M
GROSS MARGIN



£6.6M
APM ADJUSTED EBITDA*

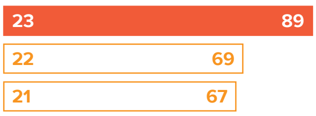


£(22.2)M
(LOSS)/PROFIT BEFORE TAX

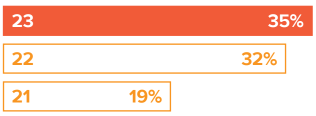


OPERATIONAL

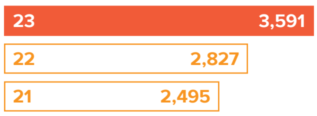
89
VENUES



35%
ENERGY CONSUMPTION REDUCTION**



3,591
COLLEAGUES



* Adjusted performance measures 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).

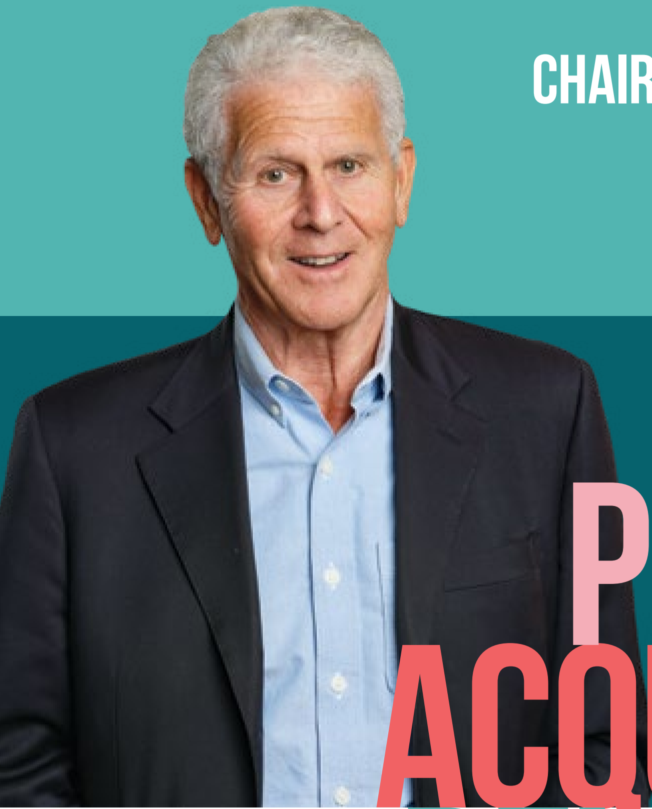
** Like-for-like reduction of energy consumption since 2017.

SUSTAINABILITY

- Revolution Bars Group was proud to announce in June 2023 that due to its commitment to reach net zero greenhouse gas emissions by 2030 across operations and supply, it has had its net zero target assessed and approved by the Science Based Targets initiative.
- Revolution Bars Group was among the first companies in the UK to have their net zero targets approved and aligned to the 1.5-degree pathway ambition.
- Energy consumption is 35% down since 2017, largely attributed to increased LED coverage and the amazing performance of our Zero Heroes.
- Relationships built with suppliers and peers have continued to allow the Group to collaborate in the Hospitality sector and overcome common obstacles in our aim for Net Zero.

See page 36 for more

CHAIRMAN'S STATEMENT



PEACH ACQUISITION DELIVERING

- Peach Pubs acquisition
- Focus on costs
- Diversified portfolio
- People-focused strategies

See page 16 for more

£152.6M

TOTAL GROUP REVENUES ACROSS FIVE BRANDS

I was delighted that the Group managed to complete the exciting acquisition of Peach Pubs in October 2022. I am immensely proud of the management team's ability in both managing the integration of Peach Pubs whilst at the same time having to operate in the most difficult of trading environments with a cost-of-living crisis, compounded by high inflation, train strikes and permanent change post COVID-19 of the office workforce working from home.

We have nearly completed our integration of the Pubs, with the only synergies still to be delivered being contracts and systems which will provide added benefits to our strong brand of pubs. We remain confident in delivering the £1.5 million of annual synergies we identified at the time of making the acquisition in FY25. This acquisition has already delivered much needed diversification of sales and guests to tackle the changing environment and consumer trends seen post-pandemic. When the sun shines, we now get to benefit from our guests flocking to the lovely outside spaces at our pubs.

Our Revolution brand has however been particularly impacted by the reduced footfall as a result of the well-publicised challenges faced by our young guest base. Revolución de Cuba has performed well, particularly in the second half of the year, as we see the results of the initial actions taken as a result of our review of the brand proposition.

Given the fundamental changes in the market, management is undertaking key strategic brand proposition work on our main bar brands to ensure we remain our guests' first choice when they're able to enjoy out-of-home experiences. Christmas was, yet again, impacted by external factors, this time by train strikes after the two previous years of COVID-19 restrictions. Th train strikes particularly impacted our walk-in trade, whilst corporate party bookings remained strong. We are very excited by the current level of bookings made for Christmas 2023.

It is pleasing to see our guests' inclination to recommend Revolution bars through our feedback tracking, which has never been higher and gives us confidence that once our guests can afford to do so, we will see visit frequency improve.

Whilst performance and our brands remain a key focus, we of course maintain our focus on offering a rewarding workplace to our teams, ensuring we retain key partnerships with our wellbeing partners and continuing to drive progress in our Diversity & Inclusion, Wellbeing and Sustainability journeys.

OUR BUSINESS

At the end of the reporting period the Group operated 89 venues (2022: 69 not including Peach Pubs) consisting of the following brands: Revolution (47 bars), focused on young adults; Revolución de Cuba (18 bars), which attracts a broader age range; Peach Pubs (21 pubs), attracting a more affluent guest base, Playhouse (two bars), a competitive socialising offering; and Founders & Co. (one bar), an artisanal market place experience. After year-end we closed one Revolution bar and opened one new Peach Pub.

In FY23, we refurbished five bars in the first half of the year as well as converting a second bar into a Playhouse, and investing in sustainability, IT and other key investments. Our refurbishment strategy was paused in January 2023 whilst we manage the cost-of-living cost impacts on our guests and our business, and we intend to resume progress when appropriate.

OUR RESULTS

Sales of £152.6 million (2022: £140.8 million) were 8.4% higher than the previous year as a result of the acquisition of Peach Pubs and the associated increased sales from pubs in the last eight months of the year. This offset the impact of the cost-of-living crisis and resulting lack of consumer confidence particularly felt by our young guest base in bars. The current year was significantly affected by macroeconomic factors outside of our control, with none of the last three years representing the true Christmas trading that the Group can deliver when not disrupted by external factors.

Our statutory loss before tax for the year of £(22.2) million (2022: profit before tax of £2.1 million) is significantly impacted by non-cash exceptional impairment charges. Adjusted[1] EBITDA, our preferred KPI, removes the impact of non-cash and non-recurring elements to show a true reflection of performance. Though this measure is also significantly influenced 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") of adjusted[1] EBITDA profit of £6.6 million (2022: profit of £10.2 million). The reduction in APM[3] adjusted[1] EBITDA is a direct result of heightened costs and the challenging sales environment.

During FY23, the Group refinanced its banking facilities resulting in full repayment of all existing Coronavirus Large Business Interruption Loan Scheme ("CLBILS") term loans, and the previous Revolving Credit Facility ("RCF") being replaced with a new £30.0 million RCF. This was utilised for repayment of existing debts and to fund the acquisition of Peach Pubs. As at 15 October 2023, the Group had net debt of £23.2 million.

OUR BOARD

There have been no changes to the Board in the year. With COVID-19 firmly behind us, the Board has been able to return to in-person meetings and has continued its focus on strategy, performance improvement of the business, and Governance matters.

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 PEOPLE

The Group is led by an experienced and committed Executive Management team with proven credentials who continue to navigate the challenging trading conditions the industry faces, supported by the Board. Our young, ambitious workforce create amazing experiences in all our bars and pubs, and I would like to extend my thanks to the whole team for continuing to demonstrate remarkable resilience and enthusiasm, and delivering excellent service to our guests.

OUR FUTURE

Year-to-date like-for-like2 ("LFL") revenue, compared to FY23, has been -5.5%. However, in the past three weeks this has improved to -3.5% as a result of improved performance in Revolution bars following the return of students, continued positive momentum in Revolución de Cuba bars, and a continuation of the strong performance seen at Peach Pubs. We have confidence in the Peach Pub brand's ability to expand across the United Kingdom, when funding allows.

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.

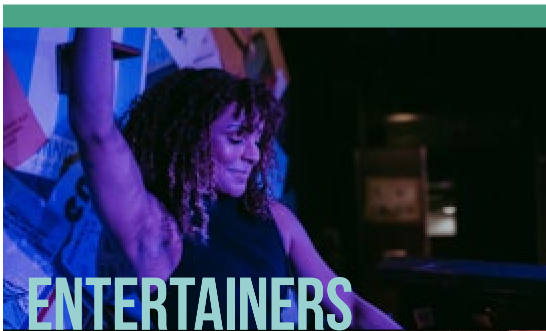
I am confident that the strong leadership, cost focus, and delivery of synergies will continue to drive performance and navigate us through the continued challenging environment.

I would like to take this opportunity to thank all our colleagues for their hard work, amazing attitudes, and delivery of fun and memorable experiences to our guests, as well as our stakeholders with particular thanks to the continued support of our suppliers.

Keith Edelman
Non-Executive Chairman
16 October 2023

3,591

AMAZING COLLEAGUES ACROSS THE GROUP



World class entertainment from dancers, DJs, live bands, singers, and everything in between. All our venues offer an exciting place to relax, enjoy amazing food and drink, whilst being thoroughly entertained.

See page 6 for more

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 Measures being measures reported on an IAS 17 basis.

WELCOME TO PEACH

Creating a more balanced and diversified business with scale and compelling growth potential.

CONNOISSEURS
DOG-WALKERS
GASTRONOMERS
SUPERB SUPPLIERS

OVERVIEW

In October 2022, we completed the acquisition of Peach Pubs, a collection of 21 countryside gastropubs. Since the acquisition, we have focused our efforts on integrating the new colleagues into the Group, driving synergies, and ensuring we not only maintain but improve the guest experience.

The pubs sit predominantly in the heart of England, with lovely outdoor spaces perfect for those ever-hotter summers. The affluent guest base love visiting the pubs for high-quality food and drink in beautiful surroundings.

The brand has strong sustainability credentials, and always seeks to do the right thing for its guests, teams and local communities.

ALIGNMENT TO OUR STRATEGY

Both our Pubs and Bars businesses are culturally aligned, aiming to provide excellent and exciting service to our guest base in amazing venues, with a strong food, drink and entertainment offering. The Peach teams are an essential part of the success of Peach Pubs, as are our respective teams for all our brands.

The strong Executive Management team, which already featured plenty of gastropub experience, is complemented by the addition of Peach's senior management. Together, we have made great steps towards synergies between the businesses that will only help to improve guest experiences whilst improving performance of the Group.

Visit makinglifepeachy.com to discover more

WE ONLY SERVE THE GOOD STUFF. FOR DECADES, WE HAVE SOUGHT OUT THE VERY BEST FOOD AND DRINK SUPPLIERS.

"THIS IS AN EXCITING AND TRANSFORMATIVE OPPORTUNITY FOR THE GROUP.

Q&A ROB PITCHER (CEO) ON THE ACQUISITION OF PEACH PUBS

Why did the Group acquire Peach Pubs?

Fabulous Pubs and Fabulous People – providing a perfect opportunity to diversify our business and create an even stronger platform for future growth.

What excites you the most about the acquisition?

The opportunity to share best practice across both the Bars and the Pubs businesses as they learn from each other, and we combine the best aspects of both businesses to create even better experiences for our guests and our teams.

What do you think Peach brings to the Group?

Peach brings balance to the Group and provides another route for future growth. When the sun comes out, our Pub beer gardens fill with guests enjoying themselves, and with people working from home on a Friday the pub lunch and after-work beer in your local Peach pub has never been of stronger appeal. There are also a huge number of future properties that would make an excellent Peach pub and we are being approached with potential sites all the time.

How are the Peach team getting on?

A big part of the decision to purchase Peach was the cultural alignment between the two businesses. That might sound strange given the difference in the guest propositions but culture has got far more to do with mindset and ultimately both the Pubs and the Bars are selling experiences to our guests. Both businesses care passionately about their teams, their guests and about our wider impact on society. Testament to the success of the integration is that we have almost 100% retention of the Head Chef, General Manager and Support Centre teams after almost 10 months of ownership.

How can we all help make life Peachy for our Teams and Communities?

Making Life Peachy is our guiding principle of the way we do things but also our social responsibility plan. We should all live by this every day to ensure we deliver on our promise to make our team's lives Peachy, serve the good stuff, and love our planet.

For our team this looks like creating an environment in which they can work, learn and grow; for our product this means our commitment to try to buy local, British and quality sustainable produce. It also covers what we do around giving back to charities as this can make a real difference to the communities in which we live and operate our pubs.

What can you tell us about the Bigger Peach, and what does it mean to you?

Bigger Peach is our sustainability commitments and our plan to deliver on our Net Zero targets. We have Planet Heroes in each of the pubs; they help us deliver on these commitments but also generate the ideas to help reduce waste and improve our sustainability. The wider Group has been industry-leading in this area for the last few years, and this is something I'm immensely proud of.

Where do you see Peach going in the future?

Everywhere! We have made this acquisition to grow the Peach business and bring the joy of a Peachy experience to all parts of the UK in the years to come. Everyone deserves a bit of Peachiness in their lives.

A year into the acquisition, what have you learned?

It's not really something I've learned but more something that has been reaffirmed to me, and that is we purchased the best gastropub company on the planet.

Which is your favourite Pub and why?

No comment! They are all equally beautiful in their own way.

AT A GLANCE

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

WE ARE FOR EVERYONE	WE ARE BARTENDERS
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, with regular menu changes ensuring our cocktails stay on-trend and photo-worthy
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, with regular spotlights and innovative menus of our favourite brands
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
Beautiful countryside pubs offering toasty fireplaces, cosy seating, lovely outdoor spaces, and a very warm welcome	Excellent wines, local and well-known beers on tap, all supported by beautifully curated cocktails

OUR ORIGINS

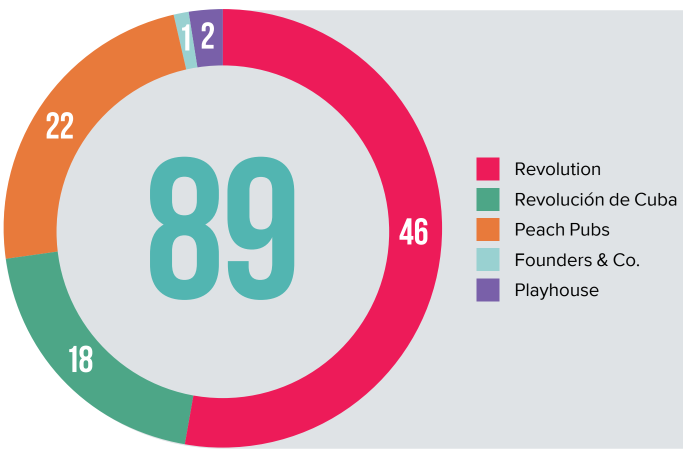
Our first Revolution bar opened in Manchester in 1996, and now we have 47 bars across the UK.

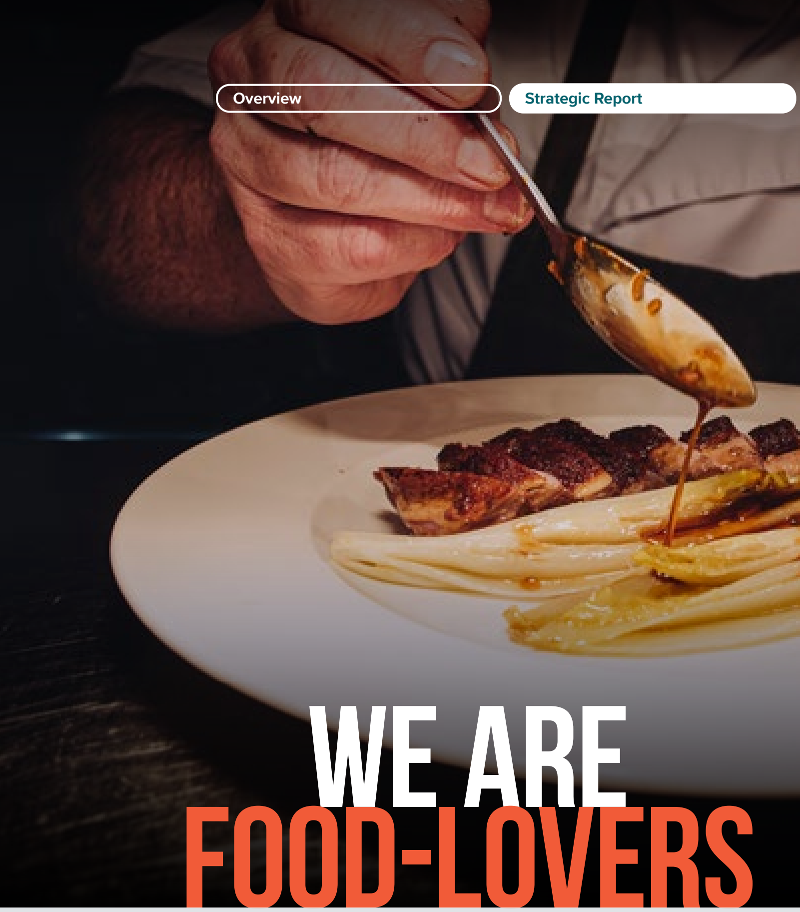
Our first Revolución de Cuba bar opened in Sheffield in 2011, and we now operate 18 bars across the UK.

We opened our first Founders & Co. in Swansea in June 2021, and our first Playhouse in Northampton in October 2021, with a second Playhouse opening in Newcastle-under-Lyme in November 2022.

On 18 October 2022 we acquired Peach Pubs, bringing in 21 award-winning pubs.

TOTAL VENUES ACROSS THE UK





WE ARE FOOD-LOVERS

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, Mexican... there's always something new to try

Enjoy a New York-inspired giant pizza slice, prepared with our freshly made signature dough. Or try and tackle our metre of pizza if you dare

Always serving the good stuff, ensuring we only serve what we want to eat ourselves, supplied by the very best suppliers

WE ARE ENTERTAINERS

Delivering the party spirit since 1996, the best place to celebrate any occasion with our amazing DJs and entertainment

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

Beautiful spaces to host your own event, or let our warm and welcoming atmosphere soothe you after a long, hard day

07	SCOTLAND
11	NORTH-EAST
12	NORTH-WEST
25	MIDLANDS
03	WALES
21	SOUTH-EAST
09	SOUTH-WEST
01	NORTHERN IRELAND*

* Revolución de Cuba only in Northern Ireland.

PUBS ACQUIRED IN FY23

21

NEW CONCEPT BARS

3

WHY INVEST?

FIVE EXCITING PREMIUM BRANDS

REVOLUTION

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

Revolución de Cuba

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

PEACH

Peach Pubs is a collection of high-quality pubs, mainly in market towns in the heart of England, that serve good quality, fresh, honest food and drink in relaxed, welcoming surroundings.

FOUNDERS & CO.

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

PLAYHOUSE

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

Our core original brands continue to remain a popular choice amongst guests both in the day and for late-night trade. We were pleased to open a new Playhouse in FY23, and are especially excited with the brilliant performance seen at our Founders & Co. market hall.

We were thrilled to bring a fifth brand into the Group in October 2022, with the acquisition of 21 award-winning pubs from the Peach Pub company, which offers further diversification and a business with growth potential across the United Kingdom.

ALWAYS PUTTING PEOPLE FIRST

OUR PURPOSE

WE CREATE FUN AND MEMORABLE EXPERIENCES WITH OUR TEAMS AND GUESTS.

OUR VISION

THE PLACE WHERE EVERYONE WANTS TO BE.

OUR 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.

Experienced Executive and Management teams empowered by the Board to maximise performance

Purpose, Vision and Values embedded throughout the businesses

Culturally aligned brands, ensuring our teams are always doing the right thing

Engaging our 3,500-strong passionate team

Attracting new talent and ensuring we are the employer of choice

3,591

PASSIONATE TEAM MEMBERS

See page 32 for more

CLEAR STRATEGY IN PLACE

Maximising Revenue & Profit

Drive Brand Awareness and ESG including Sustainability and Employee Value Proposition

Developing the Guest Experience

Cost control, mitigating risks wherever possible

Diversification of Sales via new concepts and workstreams

21

PUBS ACQUIRED IN FY23

See page 4 for more

FINANCIALLY WELL SUPPORTED

Strong cash generation with £9.7 million cash generated from operating activities (2022: £25.8 million), meaning when allowed to trade without external factors or cost of acquisition the business is cash generative

Exciting addition of Peach Pubs which supports strong cash generation, even in hot weather where the Group has previously struggled

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

Net debt as at the end of FY23 of £21.6 million (2022: net cash of £4.1 million)

£9.7M

CASH GENERATED FROM OPERATING ACTIVITIES

See page 24 for more

OUR BUSINESS MODEL

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

Leveraging our sources of competitive advantage

Five diverse brands

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

Refurbishments and new bars

- Five refurbishments completed in FY23 H1, with programme paused until funds allow
- Two new Revolution bars opened in FY22, and one new Playhouse opened in FY23

Experienced and skilled team

- Highly experienced and dedicated Executive and Management teams empowered by the Board to deliver growth
- Complemented by the addition of strong management at Peach

Strong financial structure

- Strong cash generation enhanced by diversification through acquisition of Peach and strong relationship with bank

5 BRANDS AT YEAR-END

3,591 COLLEAGUES

1 NEW PLAYHOUSE IN FY23

£21.6M NET DEBT AT YEAR-END

Creating value from our guest proposition

FOR THE

CELEBRATORS
ALL-NIGHTERS
PUB-LUNCHERS...

MUSIC-LOVERS
ENTERTAINERS
PERFORMERS...

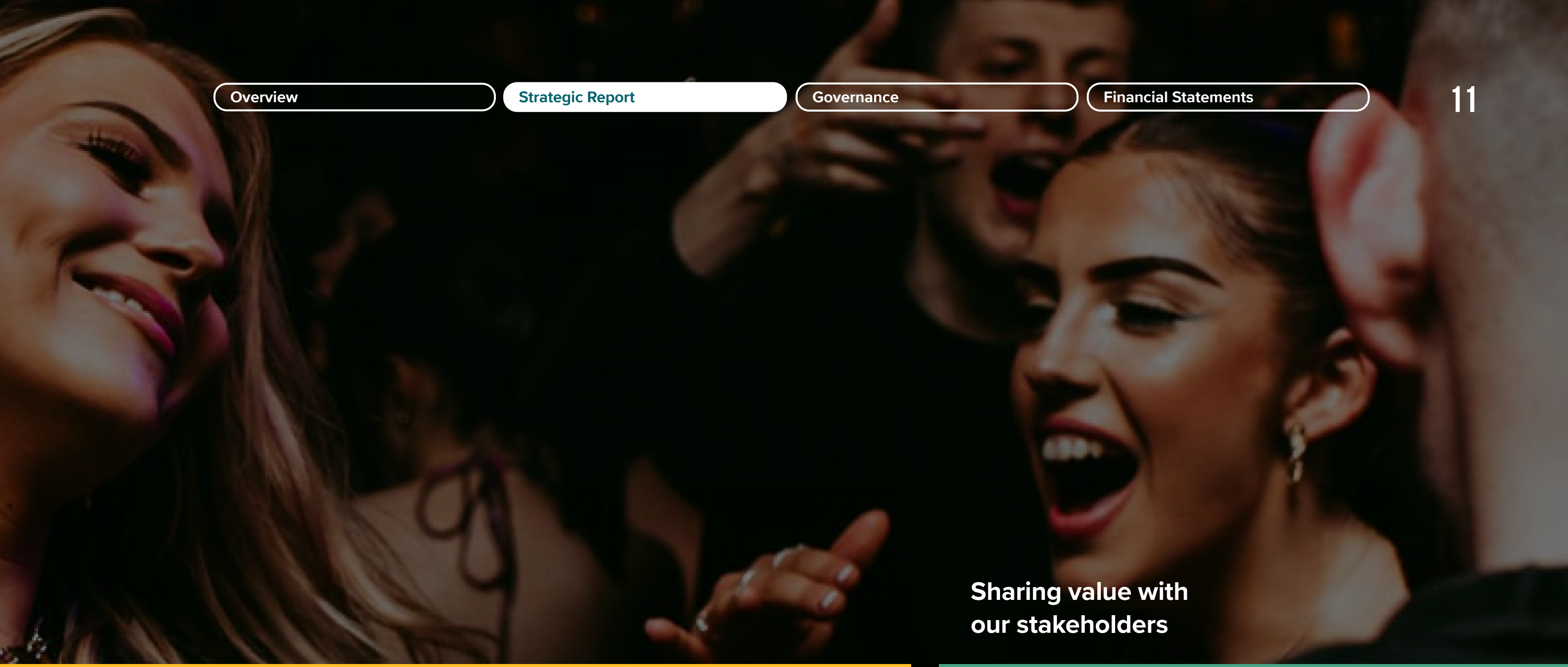
COCKTAILS
BEERS
LOW/NO ALCOHOL...

INFLUENCERS
BRUNCHERS
CONNOISSEURS...

MAXIMISING VALUE

STRONG GROWTH STRATEGY
See page 16 for more

EMBEDDED VALUES
See page 32 for more



Sharing value with our stakeholders

AMAZING VENUES FOR EVERYONE

The place everyone wants to be

ENTERTAINMENT AND ENERGY

Live music, DJs and entertainers

PREMIUM DRINKS

Over two thirds of bar drinks sales from cocktails and spirits

AMAZING FOOD FOR EVERY MOOD

All-day menus that are both delicious and Instagram-worthy

Guests

Fun and safe night out for our young guest base at our late-night venues

Warm and welcoming pubs for our more affluent guests

Colleagues

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

Shareholders

Delivering value for shareholders through growth strategies for the business

Communities

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

70% OF BAR DRINKS SALES FROM COCKTAILS AND SPIRITS

89% HIGHEST EVER COLLEAGUE ENGAGEMENT RATES

118K PEACH SOCIAL-MEDIA FOLLOWERS

89 VENUES

ROBUST RISK MANAGEMENT
See page 28 for more

SOUND GOVERNANCE
See page 57 for more

CHIEF EXECUTIVE OFFICER'S STATEMENT

ADVANCEMENTS IN OUR BRAND OFFERINGS

Sales and Profit focus

Drive Brand awareness

Careful cost control

Art of Hospitality

See page 16 for more

£6.6M

APM ADJUSTED EBITDA

BUSINESS REVIEW

After a strong FY22, there has been a seismic shift from COVID-19 to the cost-of-living crisis now being the major factor impacting the UK Hospitality sector. With COVID-19 now largely behind us, we are trading in its wake caused by lockdowns and the changes in consumer behaviour which include working from home, which has especially impacted trade on a Friday afternoon and evening in our bars.

It is our young guest base who are the most impacted by the current high inflationary environment. Young people have seen the largest fall in real wages since the real value of take-home pay started to fall in May 2022; this has directly impacted their ability to spend on discretionary items such as nights out. When able to do so, we are pleased to see our guests still choosing us as their venue of choice, with their propensity to recommend our bars as a great place to go at record levels, however the strain on their budgets means they are less often able to do so.

The other major factor impacting our business during the last 12 months has been the continuation of industrial action on the railways preventing our guests from travelling to city centres.

This targeted approach has continued to disrupt major events and key trading days across the UK, including payday weekends and the week before Christmas, and we hope to see this matter resolved before it impacts another Christmas trading period.

Clearly, these issues, that are beyond our control, have meant we have had to be agile and adapt to the changing environment. In October 2022 we purchased the Peach Pub Company, consisting of 21 gastropubs primarily located in the heart of England, in desirable market towns. The Peach guest brings an exciting and diverse new dynamic to the Group, typically being older and more affluent than the Group's traditional guests, and therefore more insulated from the cost-of-living crisis. Furthermore, the work-from-home dynamic benefits Peach where guests start their weekends early at the pubs rather than venturing into major cities or towns.

In January 2023, our logistics partner experienced major issues with the implementation of a new IT system which resulted in five months of severe disruption through our supply chain. This has both had an impact on product availability to our guests as well as being a major distraction for management teams in bar. This disruption with our logistics partner has caused a delay in delivering the full synergies from the Peach acquisition whilst management focus was on resolving those issues.

The year began with a record-breaking heatwave across the UK, including the hottest day in history for England. As a business with very little outdoor space, this clearly impacted trading at the time, whilst demonstrating the need to diversify our estate. The summer of 2022 also saw the return of restriction-free travel outside of the UK, providing our guests with the opportunity to experience holidays abroad for the first time in a number of years. Coupled with the return of major festivals and international artists performing delayed events, this impacted on summer trading due to our target market being a key consumer of both European holidays and music festivals.

Inflationary cost pressures have continued, driven by unprecedented increase in many areas, including the utilities market. These inflationary pressures have driven the cost-of-living crisis, disproportionately impacting our younger guests. We are pleased to see the recent fall in utility prices and resultant increases in consumer confidence.

We are pleased to see a strong return of our corporate guests, with pre-booked party revenue for the FY24 festive period now at record levels, up 17.7% versus FY23. Unfortunately, the above-mentioned industrial action had a major impact on walk-in trade during the festive period in FY23, without which we would have delivered a much stronger festive trading season.

OUR BRAND FAMILY

Revolution is aimed at 18 to 30-year-old guests. As demonstrated by the CGA Peach industry tracker, bars businesses across the UK have had a very difficult 12 months due to the impact on younger guests. The focus has therefore been on providing the very best value and guest experiences to tempt our guests in, with some strong improvements seen in recent months and significant brand proposition work is ongoing.

Revolución de Cuba is aimed at a slightly older target market who are further into their careers, and therefore have more disposable income and are therefore more protected from the cost-of-living crisis. Having seen a difficult six months leading up to the key festive trading period, I'm pleased to see this guest base has returned more strongly in the second half of the financial year.

With a focus on live entertainment and delivering an authentic Cuban experience, we are now consistently tracking ahead of the wider bars market and have been since the turn of the year.

Peach Pubs, since acquisition in October 2022, has seen continued strong trading that has strengthened in recent months with the good weather throughout May and June. Whilst sales in this brand are buoyant, cost pressures are nonetheless impacting on profitability. We are currently focused on delivering our synergies targets to mitigate the impact of these inflationary pressures.

Founders & Co., our market hall concept, has performed extremely well over the last 12 months, having established itself as a destination in Swansea city centre. Two years on from opening, sales continue to grow as the site reaches maturity. We have refreshed the lineup of traders during in the year, and this has continued to strengthen our reputation as a go-to destination for both food and events.

Playhouse, our competitive socialising concept, now consists of two sites both of which were previous Revolution legacy locations. Whilst guest feedback is positive, footfall at these locations is lower than anticipated and therefore further refinement of the proposition is underway.

ACQUISITION OF PEACH

We were delighted to announce in October 2022 the completion of the acquisition of Peach Pubs, a collection of 21 award-winning gastropubs. We have been very pleased to see sales continue to strengthen since acquisition, and the brand helps to diversify and strengthen our portfolio.

Working closely with the Peach team in advance of the acquisition, we identified that Peach has a strong focus on its colleagues and guests and has great synergies with the wider Group both operationally and from a people perspective. The Group and Peach are focused on our people and the planet, and both are award-winning in these areas.

Our existing Executive Management team were already very experienced in running food-led pubs, and we were pleased to welcome Chris Stagg, the existing Operations Director of Peach, to the Group Management team. The Peach brand offers an exciting new avenue for growth, with good levels of new pub availability in affluent market towns located in aspirational counties.

The Peach Pubs brand trades well throughout the week and is mainly focused on daytime and early-evening trade which offers a great diversification for the Group, allowing it to be less reliant on weekend and late-night trading. The affluent guest base and locations also offer mitigation and balance against recent macroeconomic factors. Some of the pubs offer high-margin accommodation for guests with over 80 letting bedrooms, providing a new revenue stream for the Group. Peach's revenue mix is approximately 45:49 between Wet and Food, with c. 6% accommodation; after annualisation of the Peach brand we expect this to significantly increase food sales, taking the Group from a previous c. 14% food sales mix to 20%.

Following some of the hottest summers on record, the Group's existing brands have been negatively affected by the hot weather due to a lack of outdoor space and the impact on late-night trading. The Peach estate offers extensive, attractive outdoor spaces with a proven track record of increased sales during good weather. Furthermore, the post-pandemic impact of working from home has seen an impact on city centre trading on Fridays as commuters choose to stay home; Peach has benefitted from this change as guests now stay local on a Friday and visit their pubs for either lunch meetings or a post-work drink.

Peach Pubs has delivered +14.1% like-for-like sales in FY23 since acquisition, compared to 2019, clearly demonstrating the additional resilience and diversity that the acquisition has brought to the Group.

CHIEF EXECUTIVE OFFICER'S STATEMENT CONTINUED

FY23 GROUP STRATEGIC PRIORITIES

Our focus is and has been on getting back to our value-creating workstreams to further develop the business under our **strategic priorities**. In the year we have taken the opportunity to refine our focuses and strategy, identifying synergies between our previous strategic objectives and our new pillars for growth:

MAXIMISING REVENUE & PROFIT:

- Acquisition of Peach Pubs, 21 premium gastropubs, predominantly located in affluent towns and villages in Warwickshire, Oxfordshire, Bedfordshire, Hertfordshire and Surrey, providing diversification in the brand portfolio;
- Five refurbishments were completed in FY23 H1, with these bars performing in line with expectations and ahead of the main estate whilst meeting our ROI targets. The refurbishment programme has been paused until the macroeconomic trading environment improves;
- Our new Customer Relationship Management ("CRM") platform is now live, with campaigns operational, allowing us to optimise the 3.6 million guest database, following a purge of inactive users, by gaining a complete view of the way our guests interact with and across our brands. This will allow real-time communication with them, integrating social media content and audience management features;
- Monthly competitor price reviews established to ensure we are optimally priced and utilising dynamic pricing in the current ever-changing environment;
- Spirits range tender has been completed, with a new range implemented in April, delivering cost savings in an inflationary environment as well as a fresh range for our guests; and
- New draught product range fully rolled out across the Group, delivering improved margins.

BRAND AWARENESS AND ESG INCLUDING SUSTAINABILITY AND EVP:

- Our Net Zero target was assessed and approved by the Science Based Targets initiative in the year, becoming one of the first UK companies to have their net zero targets approved in this way;
- We were thrilled to win or be nominated for a variety of awards in the last year, including winning On-trade Company of the Year at the Footprint Drinks Sustainability Awards, and being a finalist for the EDIE Net Zero Strategy of the Year award;
- Installed cellar energy reduction equipment across 80% of the bars estate. This equipment has undergone extensive trials and produces an eight-month return on investment;
- Continued partnership with So Let's Talk, holding general wellbeing and health sessions for our colleagues. Supporting 21 of our colleagues through exciting apprenticeship journeys;
- Excellent success of our people: our first General Manager to complete the Women in Hospitality, Travel and Leisure ("WiHTL") Ethnic Future Leaders Programme was subsequently selected to join the WiHTL advisory board; and two internal promotions from our high-performance General Managers Programme to Area Manager and General Manager of our flagship bar;
- Instigated a trial of energy-efficient kitchen extract controls in our bar in Wigan, with a view to roll-out following a successful trial period; and
- Retained our B score in our FY23 Carbon Disclosure Project ("CDP") submission, which is in the Management band, demonstrating that we are taking coordinated action on climate issues.

GUEST EXPERIENCE:

- Revolución de Cuba brand proposition review completed in FY23 H1, and in FY23 H2 trials have been taking place on all guest-facing elements ahead of rollout in FY24. This covers all aspects of our guest experience, enabling us to further refine our guest offering to drive increased awareness and usage of the brand;
- Head Bartender role created in all bars to drive product quality, average spend and speed of service, culminating in the first RBG Bartender of the Year competition held in June 2023; and
- Entertainment and atmosphere creation remain core to the product offering. Whilst we remain competitive in this area, we have put extra investment into this with the creation of a dedicated role to ensure we are best in class in this important aspect of our business.

COST CONTROL:

- Utilities remain an area of real focus for the Group, with Peach remaining fixed until at least October 2023 and the remaining Group entering into a new three-year contract at the end of March 2023. We continue to drive down consumption with a decrease of 35% versus our 2017 baseline, which is a further improvement from the start of FY23, partially achieved through the new cellar cooling technology;
- A new broker engaged to assist with our dynamic energy purchasing strategy. We are pleased to note wholesale energy costs reducing recently;
- Integration of the newly acquired Peach Pubs is on track, and cost synergies are starting to be realised. It is expected that the larger Group will attract bigger buying power and secure further cost savings;
- Synergies from the acquisition with Peach Pubs will be at least £1.5 million when fully delivered in FY25, taking proforma EBITDA to approximately £3.0 million. To date we have delivered £0.7 million in synergies from the acquisition of Peach through a reduction in people costs, food costs, and goods not for resale, with drink purchasing synergies now a major focus area having been delayed due to the previously mentioned issues with our logistics supplier; and
- A full review of our non-consumable spend has been conducted, with new contracts being signed at reduced rates across many areas of spend despite the current inflationary environment, resulting in cost savings of c. £750,000.

DIVERSIFICATION OF SALES:

- New revenue streams in the business through introduction of accommodation sales with Peach Pubs;
- Vending machines continue to be rolled out across the Bars brands, delivering incremental revenue;
- Third Party Account sales have been a real avenue of growth throughout the year with new partnerships struck with Virgin Experience Days, amongst others, showcasing our experiences through their websites and databases; and
- Our two Playhouse bars are seeing up to 34% of their revenue coming from machine sales.

FY24 GROUP STRATEGIC PRIORITIES

With the current macroeconomic issues continuing, and the cost-of-living crisis still disproportionately affecting our younger guest base, we are focusing on tight cost control whilst providing great value and memorable experiences for our guests. Below are some of our key areas of focus for FY24:

MAXIMISING REVENUE & PROFIT:

- New CRM platform to be optimised in order to engage our different, and more diversified, guest profiles;
- Deliver outstanding value to our guests to support them through the cost-of-living crisis, including the launch of our inflation-busting £2.99 main course meals across the Revolution brand, as well as strengthening the value in our Happy Hour cocktail promotions;
- Cocktail menus will be revamped to incorporate current trends of Rum and Tequila, as well as refreshing our No and Low alcohol options;
- Further drive the adoption and usage of the Revolution App; and
- Improve margins in the Peach pubs by fully delivering procurement synergies.

BRAND AWARENESS AND ESG INCLUDING SUSTAINABILITY AND EVP:

- Create a culture of exceptional hospitality to delight our guests, in order to drive repeat visit and increased earnings for our teams through higher tips;
- Drive down energy consumption across the Peach pubs estate through the implementation of technology and support structures that have delivered for the bars business in recent years; and
- Continue striving towards our carbon reduction targets through decarbonisation of kitchens, cellar cooling, LEDs lightings, and expanding our Zero Heroes' work to include travel and food.

GUEST EXPERIENCE:

- Brand proposition rollout for the new elements within Revolución de Cuba to drive increased awareness and usage of the brand;
- Brand proposition review to be undertaken on the Revolution brand to ensure we continue to be the destination of choice for young adults looking for a great night out;
- Brand partnerships created to support our ambition of creating unforgettable in-bar experiences; and
- Dedicated resource to drive our guest experience through best-in-class music and entertainment.

COST CONTROL:

- Rollout of an upgraded labour management system with dedicated training and support to deliver further optimisation in this area;
- Review of all service providers to achieve "same-for-less" or "more-for-same" outcomes; and
- Water consumption monitoring equipment is now on trial in seven bars, with good opportunities to reduce usage being highlighted. The trial continues, and if successful will be fully rolled out.

DIVERSIFICATION OF SALES:

- Take our brands to new places to highlight them outside of our bricks and mortar locations; and
- Further utilisation of unused spaces in bars to drive sales and bring in new guests.

OUR PEOPLE

The challenges faced by the business also impact our colleagues who are not immune from the cost-of-living crisis. We continue to support and identify ways to maximise colleague earnings and incentivise the continued amazing performance of our people. We are very pleased that our Peach teams are now integrated into the Group, creating one family to contribute towards our goals.

Despite the challenges faced by our teams, I was incredibly proud to find in the most recent Quality of Life employee survey that employee engagement is at record levels, seeing the highest ever participation rate and highest ever Employee Net Promoter Score. I am extremely proud of the fantastic service our teams continue to deliver and the amazing experiences they create for our guests.

MARKET OUTLOOK

Our young guests are, in the bars business, disproportionately impacted by the cost-of-living crisis, facing unprecedented challenges against their earnings and outgoings. We are pleased to see utility prices continuing to trend in the right direction which is of some comfort to both our guests and the business. Inflation has, hopefully, peaked, and is now starting to fall with consumer confidence starting to rise.

The continuing challenge with interest rates remaining high means we anticipate the macroeconomic climate to remain difficult for a further 12-to-18 months. We continue to monitor the situation carefully and mitigate our cost base wherever possible.

Furthermore, the continuing disruption on railways is unfortunately still impacting on our business and the wider Hospitality sector, over a year on from when this action first started. We hope to see this resolved and allow the first normal Christmas of trade since 2019, and are comforted by early signs of returning consumer confidence. Peach trade, albeit affected by a wet summer, has remained strong under market conditions, with the first new Peach Pub post-acquisition opening in October 2023.

CURRENT TRADING AND OUTLOOK

It has been a challenging start to the new financial year with the continued pressure on our guests, and whilst the wetter and colder summer, in comparison to recent years, has somewhat aided our bars business it has not helped the Peach Pubs business whose beautiful beer gardens weren't fully utilised. The Peach business has performed extremely well outside the periods of poorer weather.

The return of students has been strong for the Revolution brand over recent weeks with a high level of engagement in our promoted nights as well as sign-ups to the Revolution App. Revolución de Cuba continues to outperform the bars market, per the Coffer CGA Tracker, and has done since the start of 2023. Our Founders & Co. bar in Swansea continues to trade positively and provides another route for growth when the time is right. Our two Playhouse bars are experiencing the same challenges with the cost-of-living crisis as we see in the Revolution brand and we continue to review this concept. Peach Pubs continue to perform in line with expectations and well ahead of pre-COVID-19 levels, with excellent expansion opportunities available when funds allow.

Corporate Christmas booking are tracking well ahead of the same period last year, and this gives us confidence of a strong festive trading period whilst we remain mindful of the global political volatility and, nearer to home, potential industrial action by the railway unions to disrupt peoples' Christmas.

Rob Pitcher
Chief Executive Officer
16 October 2023

OUR STRATEGY

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

01 MAXIMISING REVENUE AND PROFIT

PG 17

Improved performance through a focus on profitable sales generation.

02 BRAND AWARENESS AND ESG

PG 18

Including Sustainability and EVP.

03 GUEST EXPERIENCE

PG 19

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

04 COST CONTROL

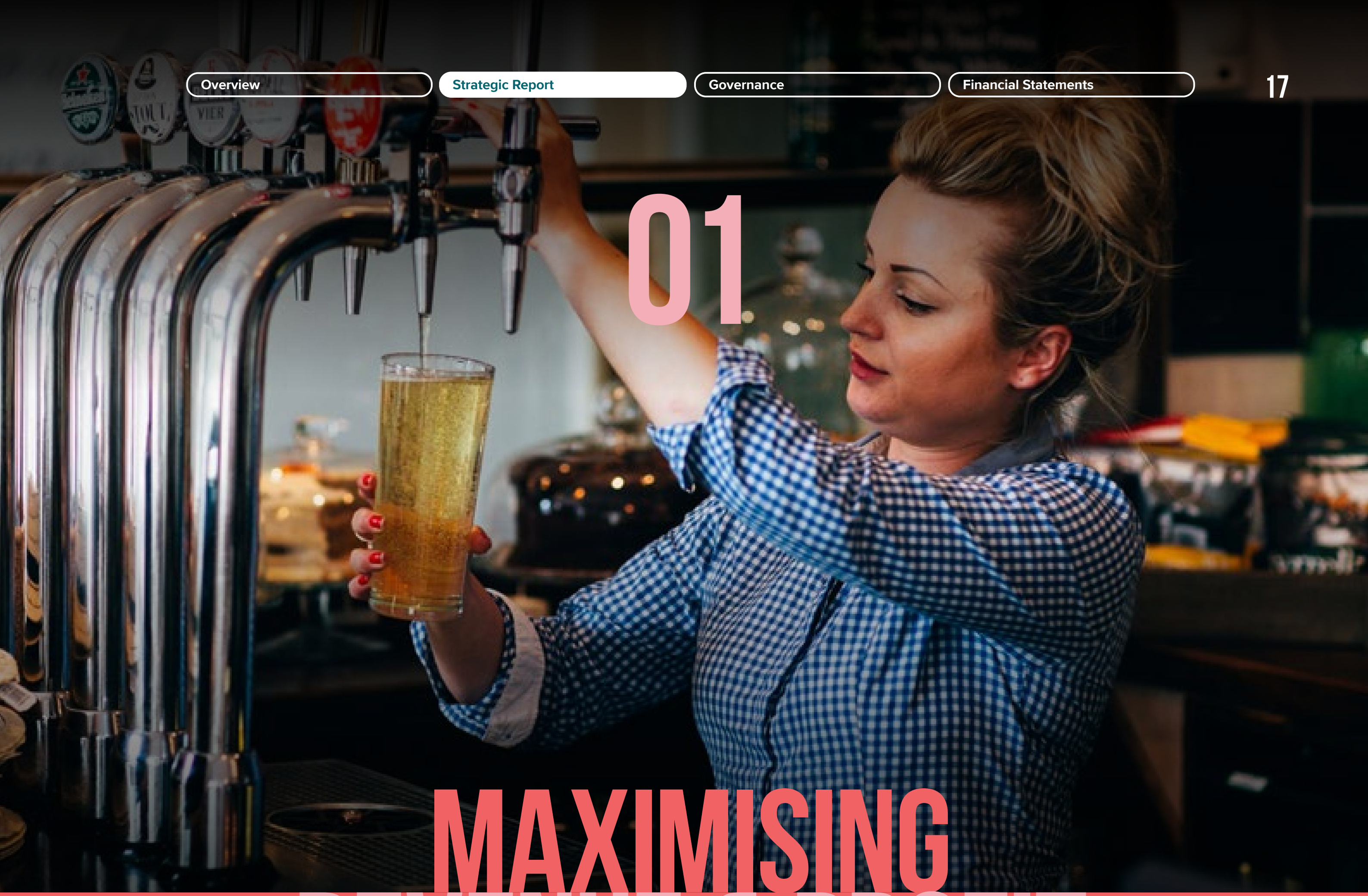
PG 20

Rigorous focus on all expenditure to mitigate inflationary cost environment.

05 DIVERSIFICATION OF SALES

PG 21

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



01

MAXIMISING REVENUE & PROFIT

Improved performance through a focus on profitable sales generation.

PROGRESS IN FY23

- Acquisition of profitable pub company, Peach, to drive further revenue and profit
- Exciting events that get guests in the door, like Blackpool Young Farmers weekend
- At FY23-end, Christmas party pre-booked revenue was 24.7% up compared to the same time last year
- New food and cocktail menus reflecting current trends
- Second Playhouse opened to jump on competitive socialising trend
- Improved margins and opportunities for upselling brunches, which continue to grow

NEXT STEPS

- Continued brand research to understand and find more ways of delivering what our guests want
- Continue innovating and refreshing our drinks offering by working with key brand owners
- Focus on session profitability to ensure correct opening hours
- Focus on, hopefully, the first peak Christmas trade not impacted by COVID-19, strikes, or other factors since 2019
- Continued rollout of themed brunches to attract new guests
- Tackle "work-from-home" Fridays by giving guests a reason to visit our venues

Strategy in action

BLACKPOOL YOUNG FARMERS

Each year our Blackpool Revolution welcomes the Young Farmers for our biggest weekend of the year. 2023 was no different, with the brilliant team at Blackpool breaking out all the stops and throwing the best party in town. Planning is meticulous and begins for the next one as soon as the clean-up is finished. We secure the right entertainment that appeals to the farmers, add giveaways, and incentivise peer-to-peer ticket selling as Farmer Reps. Pricing, product, and maximising guest experience all contribute to the overall experience, with everyone at the bar getting stuck in, and volunteers from our support centre lined up to help!

+24.7%

CHRISTMAS PARTY PRE-BOOKED REVENUE

02

BRAND AWARENESS AND ESG

Including Sustainability and Employee Value Proposition.

PROGRESS IN FY23

- Our Net Zero target was assessed and approved by the Science Based Targets initiative in the year, which was among the first UK businesses to do so
- Best ever participation of 89.3% and ENPS of 48.4 in the April 2023 Quality of Life
- Life assurance extended across our colleagues so that all Support Office and General Managers benefit from this
- Retained our B score in our FY23 CDP submission
- Team turnover reduced 18% over the year
- Partnered with influencers like GK Barry, Pete Wicks and Sam Thompson

NEXT STEPS

- Following record-breaking Quality of Life scores in the last two questionnaires, we want to ensure a continued trajectory
- Continued collaboration with our suppliers and net zero partner to meet our sustainability targets
- Continued investment in sustainable equipment
- Exciting charity and community opportunities through Peach Pubs to be explored
- Social media-led, innovative marketing campaigns to drive brand awareness
- “Lunch and learns” regularly held across a wide range of areas

Strategy in action

EX AMNESTY

This Valentine’s Day all we asked for... was for our lovely guests to bring their ex’s clothes into our bars in exchange for a free shot. All clothes were donated to local charities, and we were very pleased to see the social media reach of this Revolution campaign. We secured coverage in various regional newspapers and media with a total reach of 14,520,206. Thank you to all our amazing guests for closing that chapter on your lives and bringing us so many clothes for charity!

48.4

EMPLOYEE NET PROMOTER SCORE

03
GUEST EXPERIENCE

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

PROGRESS IN FY23

- Brand proposition work continues to ensure all brands stay at the forefront of current trends
- Cost-of-living busting £2.99 Summer Meal Deal
- Bottomless brunch relaunch and extension
- Research and development, partnering with key suppliers to create unique memorable experiences to tempt restricted budgets
- Reigniting Fridays in our late-night venues with live music and trial of "First Sip Friday"

NEXT STEPS

- Further understanding drivers for our brands, in order to evolve them in line with guest expectations
- Return to active refurbishment programme as soon as possible
- Applying exciting learnings from brand proposition for Revolución de Cuba including website overhaul, Cuban content and storytelling, and premiumisation
- Shift of focus to Revolution with new opportunities for trial and innovation
- Differentiate on hospitality and continue to evolve our brand proposition

Strategy in action

I MADE A TACO AT REVOLUCIÓN DE CUBA!

After being turned away by other local Latin-American businesses, Nottingham Revolución de Cuba came to the rescue of a local primary school looking to immerse their Year 4 class in Cuban culture. A little bit different from the usual parties we hold, the team took it upon themselves to create educational and colouring-in leaflets, lay out our best decorations, and welcome the kids for a day they've not stopped raving about. Everyone got to make their own taco, and then were surprised with churros to finish the day. Huge well done to the team who went above and beyond to make this a very memorable day for the class.

89%

GUEST OPINION SCORE

04 COST CONTROL

Rigorous focus on all expenditure to mitigate inflationary cost environment.

PROGRESS IN FY23

- A new energy contract was secured in March 2023 for three years, with electricity prices reducing from their peak last year
- Refurbishment programme paused in January following the depth of challenges faced in the UK economy
- Tightly controlled spend across the Group
- Appointment of industry payroll rota specialist to produce payroll efficiency savings
- Continued partnering with external consultants to tackle cost savings and new contracts

NEXT STEPS

- Mitigation of alcohol duty increased through effective purchasing and strategy planning
- Driving synergies across all brands through unification of contracts and other cost-saving initiatives
- Working with landlords to find mutually beneficial rental agreements
- Management focus on loss-making sites and strategic decisions
- Continued delivery and annualisation of savings identified with consultants

Strategy in action

COST-SAVING PARTNERSHIP

The Group partnered with external consultants to deliver cost savings with existing suppliers and negotiate some new contracts. Savings to date are just under £0.8 million, expected to provide over £1.0 million annualised benefit for the Group. Both improved pricings and improved terms have been negotiated and we thank our suppliers for their continued support. This has included renegotiated terms on wastage, energy, marketing, maintenance and other areas – all without compromising on the quality we offer to our guests.

£0.8M

TOTAL SAVINGS TO DATE WITH COST CONSULTANTS

05

DIVERSIFICATION OF SALES

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

PROGRESS IN FY23

- New revenue streams including accommodation introduced with the acquisition of Peach Pubs
- New, more affluent guest base also with Peach Pubs, reflecting a diversification of sales into gastropub food and high-quality wine menus
- Founders & Co. going from strength to strength due to success of wide variety of events and classes hosted there
- Enhancement of brunch and afternoon tea offering
- Held over 2,500 events in our venues to attract new customers as part of Project Event Space

NEXT STEPS

- Introduce merchandise into our bars and online, such as hoodies, beanies and bags
- Continue successful rollout of themed brunches and bingo nights in our bars
- Exploring alternative uses of unused spaces in our bars, such as collaborating with puzzle room companies and similar
- Further rollout of Project Event Space, seeing events in our bars such as: speed dating, life drawing, Sip & Paint, craft markets, dance classes, wreath making, quizzes etc.
- Take the brands on the road with Slice Shop, Cuban Caravan, university pop-ups and attendance at festivals

2,500

EVENTS HELD AS PROJECT EVENT SPACE SINCE JANUARY 2023

Strategy in action

THE FIRST RBG BARTENDING CHAMPIONSHIPS

The first RBG Bartending Championships showcased the incredible talent, creativity and flair of the ten best bartenders in the Group. Sponsored by some of our favourite suppliers, including Diageo, Ketel One, Ciroc and Chase, and judged by some of the best internal and external experts in the industry, the competition was on! Ultimately the accolades went to Adrian Clayton from Revolution Preston, closely followed by Fraser Haig (Aberdeen Revolución de Cuba) and Brenden Gowler (Norwich Revolución de Cuba). Congratulations to everyone involved, and a huge thank you to Xavier Lequitte for organising!

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 period.

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 FY23. 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.

STAKEHOLDER GROUP	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 and pubs.
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. 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 and adaptability to provide our guests with a new and exciting offering, whilst recognising the challenges our guests face.
INVESTORS	We recognise the support we receive from our investors and having their buy-in to short and long-term strategy is key to business strength and 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
In the year we have utilised technology effectively through hybrid working, as well as rolling Microsoft Teams out to our bars. This has allowed the opportunity for the Board, Executive team and wider colleagues to work together more closely and successfully than ever. "Rob's Recap", the Group newsletter, continues to be issued quarterly full of both business and strategy-related updates, as well as the opportunity to celebrate each other's successes. A quarterly virtual update, hosted by Rob Pitcher, has also continued. Ad hoc virtual meetings are held when appropriate to share significant news with the business, for example following the acquisition of Peach Pubs. 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.	• **Providing a safe, inclusive, and diverse working environment** • **The Group is determined that it remains a responsible employer** • **Maintained status as an above-minimum wage employer** • **Exciting and development training provided for all levels of team members, hosted both by our incredible Rev U Training team and inspirational external trainers**
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. Peach prides itself on long-standing relationships with its key suppliers, enabling it to deliver ethical, high-quality produce, whilst supporting British farmers and products who share Peach's values.	• **Major suppliers are required to include statements on modern slavery and anti-bribery, and are asked to partner with us on sustainable workflows** • **Contracts continue to be reviewed in both an active mitigation of cost increases, as well as providing synergies post acquisition**
Social media and guest review platforms are internally and externally reviewed, with high response rates from 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. Peach offers a warm and welcome environment for our guests to relax and enjoy a high-quality meal and excellent glass of wine. The brand offers an enjoyable experience for a new guest base to the Group.	• **Our guests are showing an increased focus on the environment and sustainability agenda** • **Increased health & safety requirements ensure a safe environment catering for allergies and other dietary requirements** • **A more diverse guest base, following the acquisition of Peach**
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** • **Long-term strategies to provide growth opportunities for investors**
The Business Development Director leads a team of individuals committed to driving our sustainability agenda in a mutually beneficial way for our bars, pubs and local communities. 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 and pubs remain a safe and welcoming environment for local communities. The Group works with a main charity partner as well as fundraising for local charities in communities through contributions from menus as well as sponsored activities.	• **Goal to have our Support Centre office paper-free, with recent implementation of new software bringing this closer to success** • **Active engagement through social media platforms with communities** • **Continue support of nationwide and local charities across our bars and pubs, as well as central teams**

FINANCIAL REVIEW

NAVIGATING CHALLENGES

INTRODUCTION

- The "FY23" accounting period represents trading for the 52 weeks to 1 July 2023 ("the period"). The comparative period "FY22" represents trading for the 52 weeks to 2 July 2022 ("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 FY23 IFRS 16 statutory numbers, followed by APM[3] of FY23 under IAS 17, and the equivalent comparison from FY22. A reconciliation between statutory and APM[3] figures is provided in note 28.

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 1 July 2023. Prior year comparatives relate to the 52 weeks ended 2 July 2022. There have been no significant 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 faced a challenging trading period in FY23 under the cost-of-living crisis which significantly affected consumer demand. A strategic decision was made to acquire Peach Pubs in October 2022 which has seen very positive results and contribution to sales and profit generation since. Because of this, the Group has seen an increase in revenue in the year to £152.6 million (2022: £140.8 million), 8.4% higher than the corresponding period. Despite Peach only being part of the Group for eight months of FY23, which didn't include its key summer trading months, we have been very pleased with the diverse compliment of new guest offering that the brand brings to the Group.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA (see note 28), was £3.6 million lower, at a profit of £6.6 million (2022: profit of £10.2 million).

£17.0M

STATUTORY ADJUSTED EBITDA

76.8%

GROSS MARGIN

	FY23 (IFRS 16) £m	FY22 (IFRS 16) £m	FY23 APM[3] (IAS 17) £m	FY22 APM[3] (IAS 17) £m
Total Sales	**152.6**	140.8	**152.6**	140.8
Adjusted[1] EBITDA	**17.0**	19.4	**6.6**	10.2
Operating (Loss)/Profit	**(15.2)**	7.4	**(7.0)**	4.8
(Loss)/Profit Before Tax	**(22.2)**	2.1	**(9.1)**	3.9
Non-cash Exceptionals	**(18.6)**	(0.6)	**(6.1)**	(0.2)
Cash Exceptionals	**(1.6)**	–	**(1.6)**	–
(Net Debt)/Net Cash	**(21.6)**	4.1	**(21.6)**	4.1

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 Measures being measures reported on an IAS 17 basis.

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 (IFRS 16) was a profit of £17.0 million (2022: profit of £19.4 million). Despite the positive benefit of Peach in the last eight months of the year, sales were challenged under uncertain trading conditions, with other cost headwinds, which impacted on profitability.

Margins: Gross profit in the year amounted to £117.1 million (2022: £110.1 million) which amounted to a gross margin of 76.8%, down from 78.2% in the prior year but still above margins seen pre-COVID-19, with 75.8% seen in FY19. The reduction seen in the year is a result of higher participation of food in the Group following the acquisition of Peach, as well as the ongoing cost challenges faced across the UK, mitigated by active contract reviews and negotiations. Although discounting is kept under control, there is still the need for adaptation of marketing and deals to entice guests into our venues, which impacts on margin.

Payroll: Headcount increased from 2,827 in FY22 to 3,591 in FY23. Just over 600 of these new staff joined the Group as part of the Peach Pubs acquisition, meaning the underlying Group headcount saw a small increase. This increase in headcount is predominantly as a result of improved staffing levels at bars following recent challenging recruitment conditions, mitigated by a small restructuring at head office. The acquisition, increased headcount, and becoming an above-minimum wage employer in the previous year meant that total payroll costs for the year were £55.6 million compared to £51.4 million in FY22. This is a payroll to turnover ratio of 36.4% in FY23, compared to 36.5% in FY22, showing that payroll has maintained a similar rate since prior year. Although the Group percentage has remained consistent, there has actually been a net reduction seen in the bars business due to active cost management, with the Group result arising due to Peach's high-quality service model requiring heightened payroll costs.

The Group had an operating loss of £(15.2) million (2022: profit of £7.4 million). This was after charging non-cash exceptional items of £18.6 million (2022: £0.6 million) and cash exceptionals of £1.6 million (2022: £nil), 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 (loss)/profit 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.

EXCEPTIONAL ITEMS, PRE-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 £20.2 million is £12.5 million higher than the APM3 exceptionals of £7.7 million due to impairment charges under IFRS 16 on right-of-use assets.

	52 weeks ended 1 July 2023 IFRS 16 £m	52 weeks ended 2 July 2022 IFRS 16 £m	52 weeks ended 1 July 2023 APM[3] IAS 17 £m	52 weeks ended 2 July 2022 APM[3] IAS 17 £m
Pre-tax (Loss)/Profit	**(22.2)**	2.1	**(9.1)**	3.9
Add back Exceptional items	**20.2**	0.6	**7.7**	0.2
Add back (Credit)/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 (Loss)/Profit	**(2.1)**	3.1	**(1.5)**	4.5
Add back Depreciation	**12.0**	11.1	**6.0**	4.8
Add back Amortisation	**0.0**	0.0	**0.0**	0.0
Add back Finance costs	**7.1**	5.3	**2.1**	0.9
Adjusted[1] EBITDA	**17.0**	19.4	**6.6**	10.2

FINANCIAL REVIEW CONTINUED

The statutory exceptional charge of £20.2 million comprises £18.6 million (2022: £0.6 million) of non-cash exceptionals relating to right-of-use impairment charges of £12.6 million, and property, plant and equipment impairment charges of £6.0 million. Cash exceptionals of £1.6 million predominantly relate to legal and consultancy costs involved in the acquisition of Peach Pubs. A full analysis of exceptional items is given in note 3 to the financial statements.

(Credit)/Charge relating to long-term incentive schemes resulted from equity-settled share-based payment transactions; this was a credit of £117k (2022: charge of £77k) as a result of the lapse of previous schemes. 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 £7.1 million (2022: £5.3 million) comprised £1.9 million (2022: £0.9 million) of bank interest paid on borrowings and £5.2 million (2022: £4.4 million) of lease interest. Bank interest relates to the committed fees relating to the Company's committed revolving credit facility ("RCF") with NatWest, as well as the interest charged on the Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans until they were repaid in October 2022. An increase is seen in bank interest due to higher borrowings as a result of the acquisition of Peach Pubs, as well as rising interest rates.

LIQUIDITY

In the prior year, 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 was drawn to within £5.0 million of total limits. A new deleveraging profile was agreed with the first reduction due in June 2022, which was extended to September 2022 in June 2022 to support the refinancing.

At the start of FY23, the Group held the £16.3 million RCF which was fully unutilised, with £14.8 million total outstanding in CLBILS term loans which continued to amortise. 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 the acquisition of Peach Pubs. 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.

In March 2023, an amendment was made to the facility to hold a £1.35 million Energy Guarantee for the purposes of signing a new energy contract. A further amendment was made in October 2023 such that all originally agreed reductions in total facility level be deferred to 30th June 2025, meaning at that date the £30.0 million facility will reduce by £5.0 million to a £25.0 million facility.

All profitability-based covenants were waived until June 2025, and the minimum liquidity covenant was amended to link to management severe but plausible downside case forecasts. The requirement for a signed covenant certificate by the auditors was also waived for FY23 and FY24.

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 shown in the table below.

As at 15 October 2023 the Group has net debt of £23.2 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 (2022: £nil).

(LOSS)/EARNINGS PER SHARE

Basic loss per share for the period was (9.7) pence (2022: earnings 0.9 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 0.7 pence (2022: earnings 1.3 pence).

OPERATING CASH FLOW AND NET BANK DEBT

The Group generated net cash flow from operating activities in the period of £9.7 million (2022: £25.8 million) as a direct result of cash generation from sales in the year, with a reduction seen since the prior year due to the impact of heightened costs.

	Energy Guarantee £m	RCF £m	Total Facility £m
30 June 2023	1.35	28.65	30.0
31 December 2023	1.35	28.65	30.0
30 June 2024	1.35	28.65	30.0
31 December 2024	1.35	28.65	30.0

After positive cash flow from operating activities, capital expenditure payments of £5.5 million, bank loan interest of £1.9 million, loan repayments of £25.8 million (offset by drawdowns of £36.0 million), acquisition of subsidiary costs of £13.9 million offset by cash acquired of £4.7 million, and £5.9 million of repayment of subsidiary borrowings contributed to a net cash outflow in the period of £15.4 million. This decreased net bank cash of £4.1 million as at 2 July 2022 to a net bank debt closing position of £(21.6) million as at 1 July 2023.

This is in comparison to 2022, where cash generated from trade was offset with capital expenditure payments of £8.3 million, bank loan interest of £0.9 million and loan repayments of £1.0 million, which all contributed to a net cash inflow in the period of £6.7 million improving the net bank cash position to £4.1 million.

CAPITAL EXPENDITURE

The Group made capital investments of £5.5 million (2022: £8.3 million) during the period; this was incurred entirely on existing bars and pubs, comprising refurbishments and the conversion of one Revolution bar to a Playhouse, as well as sustainability, and IT projects and other key investments. Refurbishments were paused in January 2023 for cash preservation, with plans to restart the refurbishment programme as soon as reasonably possible.

In the prior year, capital expenditure related to 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.

DIVIDEND

As notified previously, the Board has suspended payments of dividends. A condition of taking on the CLBILS facility was that the Company was unable to pay a dividend whilst the CLBILS remains outstanding; the CLBILS loans were repaid during the year, and therefore is no longer a condition. As a result of the CVA, the Company's subsidiary entity, Revolution Bars Limited, was unable to pay a dividend until cessation of the CVA period, which occurred in December 2022, so is therefore also no longer a condition. 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 a minimum liquidity covenant. The Directors have modelled both a management base case forecast scenario and a severe but plausible downside case scenario; please see note 1 for further details on the key assumptions. No forecast breach of the banking covenant arises under either forecast scenario, but under the severe but plausible downside case certain points of the year operate at a very tight headroom

The constantly changing economic environment, including the cost-of-living crisis, increasing costs, and impacts on guest confidence, coupled with forecasting difficulties as a result of constantly changing economic impacts means that the Group cannot be assured that it will not breach the covenant, and that there is therefore a material uncertainty over the going concern of the Group and the Company. This uncertainty exists because of the unpredictability of the duration and extent of the current economic, 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.

An amendment to borrowings was agreed in October 2023 which waived all profitability-related covenants and amended the minimum liquidity covenant to link it to the management severe but plausible downside case forecast. 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 Group has a strong relationship with its banking partner, and monitors covenant compliance closely.

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 circumstances noted above indicate 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
16 October 2023

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

CONSUMER DEMAND AND COST-OF-LIVING

CHANGE TO RESIDUAL RISK: ^

UNDERLYING CAUSE OF RISK

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. Suppliers across all industries are facing unprecedented inflationary pressures under the cost-of-living crisis which impacts on profitability of the business.

RESPONSE AND MITIGATION

- Ability to tailor offerings in response to macroeconomic influences, including quick adjustments to promotional activity reflective of changes in trends like working from home
- Group's proposition is not based solely on selling price; a more affluent demographic is targeted
- New Summer Specials menu in Revolution bars priced at £2.99 launched at the end of FY23 to draw guests in
- New energy contract signed in April 2023, with active mitigation of usage in venues

COMMENTARY

Recent economic impacts have increased macroeconomic uncertainty and consumer demand. Management continue to monitor the situation carefully, and adapt pricing strategies as necessary on a strategic basis to counter growing costs.

KEY: LOWER SAME HIGHER

COVID-19

CHANGE TO RESIDUAL RISK: LOWER

UNDERLYING CAUSE OF RISK

The Group's operating environment faces continuing uncertainty and risk of ongoing extensive local or national lockdowns, guest or corporate caution, and potential operating restrictions.

RESPONSE AND MITIGATION

- Operational procedures implemented to ensure safeguarding of our teams and guests
- Investment to ensure COVID-safe venues
- Regular Board reviews and action planning to monitor restrictions

COMMENTARY

The Group continues to carefully monitor the ongoing situation and will react quickly to further restrictions for hospitality businesses.

CLIMATE CHANGE AND SUSTAINABILITY

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

Climate change and a growing requirement to operate a sustainable business pose a risk to the business' ability to source appropriate food and drink, as well as cost management. It also has the potential to cause reputational damage with our guests if we don't act as they expect us to.

Increased legislation in Hospitality adds cost pressures at an already difficult time.

RESPONSE AND MITIGATION

- Dedicated management and team members focused on driving sustainability agenda
- Collaborating with Net Zero partners to monitor progress and provide accurate reporting
- Net zero target assessed and approved by the Science Based Targets initiative
- Compliance team works closely with local licensing agents

COMMENTARY

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.

Legislation, such as the Deposit Return Scheme, is closely monitored and planned to reduce the cost impact.

REFURBISHMENT AND ACQUISITION OF BARS AND PUBS

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

The Group's long-term strategy is based on growth through the acquisition of new bars and pubs, and sales generation from refurbishments. 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.

RESPONSE AND MITIGATION

- The property team and agents have sufficient resources to ensure the investigation of new site opportunities
- 5/6-year investment cycle
- Refurbished sites have proven track record of improvement in sales
- Operational management focus on economically significant bars and pubs

COMMENTARY

Following the recent enhanced refurbishment programme, the Group has reduced capital expenditure to protect the cash position during recent economic events. Plans are to restart refurbishments as soon as possible.

SUPPLIER CONCENTRATION AND INFLATIONARY COST RISES

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

The drinks distribution market is dominated by one significant business, Matthew Clark, which is the Group's principal supplier as it operates nationwide. If Matthew Clark were to face further business difficulties, alter pricing or face more cyber-attacks, it could disrupt the Group's operations.

RESPONSE AND MITIGATION

- Product offerings can be easily adapted and switched to alternative suppliers and ingredients
- 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

COMMENTARY

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.

RISK REPORT CONTINUED

KEY: LOWER SAME HIGHER

CONSUMER TRENDS AND PR

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

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, as well as increased risk of cyber-attacks on the business.

There is a growing trend for consumer-led digital campaigns against sectors or brands that they believe require change.

RESPONSE AND MITIGATION

- Increased focus on guest experience and feedback
- Community management team to monitor and respond across our social channels
- Crisis PR agency to support in any high-risk issues that may occur
- Careful IT management of cyber-attack developments

COMMENTARY

All bars and pubs are tasked with reviewing feedback and addressing it.

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

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

The Group's bars and pubs are open to the public and the Group has a duty of care to look after its colleagues and 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 operational teams are trained in managing guest safety.

RESPONSE AND MITIGATION

- 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

COMMENTARY

Independent audits of Health & Safety continue across all bars to ensure a high quality of safety.

Introduction of accommodation revenues through Peach and team houses mean HMO impacts have been closely monitored.

Executive team sit on industry bodies to ensure we are up to date on any issues.

NATIONAL MINIMUM/LIVING WAGE

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

A significant proportion of bar and pub-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, with the added pressure of the cost-of-living crisis on our colleagues.

RESPONSE AND MITIGATION

- Technology is utilised to deploy our people more effectively and to streamline processes that will help mitigate wage increases
- Increase in sales price of goods may be required to counter the growing costs
- In FY22 we became, and remain, an above-minimum wage employer to ensure retention of our best people

COMMENTARY

Better adoption and refinements of the labour scheduling system have allowed improvements in efficiency of staff rostering.

FUNDING AND INTEREST RATES

CHANGE TO RESIDUAL RISK: HIGHER

UNDERLYING CAUSE OF RISK

NatWest provides funding to the Group by way of a Revolving Credit Facility. As interest rates increase this has the potential to put increased pressure on the Group's banking facilities.

RESPONSE AND MITIGATION

- 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
- Active management of facility to protect from rising interest rates

COMMENTARY

The Group maintains regular forecasting and holds a strong relationship with its banking partner. Active management of discretionary Capex and expenditure has been closely monitored. Please refer to the Going Concern section in note 1 for further information.

> **"THE GROUP'S LONG-TERM STRATEGY IS BASED ON GROWTH THROUGH THE ACQUISITION OF NEW BARS AND PUBS, AND SALES GENERATION FROM REFURBISHMENTS.**

RESPONSIBLE BUSINESS

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

CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT

PEOPLE

At Revolution Bars Group, we have maintained a distinct strategic focus on the employer proposition of the Group and the experiences of our teams, enabling the integration of the similarly culturally aligned Peach business. Our now synchronised focus on people and sustainability allows for harmony in our shared values, activities, and ambitions for our 3,500+ collective workforce.

Throughout the financial period we continued to make headway in becoming the outstanding late-night operator in the spaces of Diversity and Inclusion, with our external partnerships extending to Women in Hospitality Travel and Leisure, Be Inclusive, The Drinks Trust, Plan B, So Let's Talk and Springboard. In March 2023, the Group initiated its second comprehensive Diversity & Inclusion Survey which provided invaluable insight, in which 85% of respondents cited that they understood Diversity and Inclusion to be important to Revolution Bars Group.

The Group has now seen 157 internal graduates of MHFA and has introduced a "Mental Health Matters" module to help managers support their teams. We remain committed to prioritising colleague wellbeing and have aligned ourselves with the "It Stops With Me" campaign and have become a supporting member of WiTHL's Diversity in Hospitality Charter.

These engagements and initiatives of our #inclusionrevolution have brought about positive impacts in the areas of recruitment, employee engagement, learning and development, and most importantly our understanding to propel us further on our journey in growing an inclusive environment for all.

"Rev U", our internal brand for all of our learning and development programmes, has worked with colleagues across the business to develop and implement the crucial new role of Head Bartender ("HBT"). The HBTs are part of an extensive rolling training programme to improve the guest experience within a specialised career path with upskilling in the "art of hospitality" at its core. Rev U hosted RBG's first annual national bartender championship across the estate to encourage individual innovation, best-in-class serves, and demonstration of flair and HBT skill across several heats, which saw great engagement amongst our talented teams, allowing them to showcase their skills.

The recent migration of our expansive career path content to a more streamlined impactful learning platform has helped to expedite excellence and colleague development. This summer saw the graduation of the first High Potential ("HiPo") GM programme with excellent reviews, feedback and retention in this key colleague group. We continue to maintain high levels of internal succession into management roles across all parts of the business, demonstrably with one HiPo graduate already promoted to Area Manager and one to GM of a flagship bar.

The success of the HiPo course has allowed for a further intake commencing in September 2023.

This year we have again achieved incredible results in our independently administrated key employee voice measurements. Our "Quality of Life" engagement survey has improved on our previously referenced highest ENPS score, with an achievement of 48.4 with participation of 89% of our total population. We are delighted that we have been able to strengthen this key people metric by continuing to enhance the quality of employee experience. Labour turnover has declined month on month over the last 12 months, with much improved retention across all populations.

As our guests continue to navigate rising interest rates, cost-of-living pressures, and other inflationary headwinds, so too have our teams. As a Group, we remain proud that we opted to eradicate National Minimum Wage rates entirely from our pay matrices back in November 2021. In April 2023's annual pay award we challenged ourselves again with a view to protect and enhance the pay of our hourly-paid colleagues as far as possible, conscious of the relative and often disproportionate impact that the rising level of prices of everyday items has on them.

All considered, and in spite of an externally challenging trading environment we remain focused on the attraction and retention of talented individuals and affirming our place as an industry-leading employer. We have entered FY24 with confidence 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".

75%

OF COLLEAGUES VOTED FOR CALM TO BE OUR CORPORATE CHARITY PARTNER THIS YEAR

49%

OF OUR WORKFORCE ARE FEMALE, AS WE CONTINUE ON OUR "INCLUSION REVOLUTION"

24/7

GP ACCESS FOR ALL STAFF

"AS A GROUP, WE CHALLENGE OURSELVES TO PROGRESS OUR INCLUSIVE CULTURE DAILY AND THIS STARTS WITH EDUCATING OURSELVES.

RESPONSIBLE BUSINESS CONTINUED

LISTENING TO OUR AMAZING TEAMS IS PIVOTAL TO UNDERSTANDING THE QUALITY OF THEIR EXPERIENCE WITH US.

RESPONSIBLE DRINKS RETAILING

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

FOOD INFORMATION AND QUALITY

The Group continuously aims to improve the quality of its food offering and provide 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. The acquisition of Peach provides significant steps forward, with a significant proportion of the menu being plant-based. Peach aims to trade ethically including removing dredged scallops from menus, providing 100% British cheese on cheese boards, using zero clingfilm, and always aiming to work with British farmers and producers who share Peach's values.

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 pandemic, 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.

As at year-end, the Group has raised a total of £59k for CALM in FY23 through the sale of products and local fundraising initiatives.

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.

Each year the Bigger Peach team choose key charitable areas to focus on, fundraising through donations of certain menu items, pub events and wider projects. Peach reaches out to support both local and wider charities, including supporting homelessness, food donations, local youth football and rugby clubs, and nationwide charities. Peach's pubs are the centre of the community, and if they look after them right, they support the pubs too.

PEACH

WON THE PUBLICAN AWARD FOR BEST SUSTAINABLE PUB COMPANY

3.3%

OUT-OF-HOURS ENERGY USAGE

168

MENTAL HEALTH FIRST AIDERS TRAINED IN YEAR

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

Please refer to the Task Force on Climate-related Financial Disclosures ("TCFD") Report which 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 36–53 for further information.

KINDNESS IN OUR TEAMS

Alongside fundraising through sales of products in our bars and pubs, we couldn't be prouder of the charitable nature of our fantastic teams. With a commitment from the Group to match amounts earned by our lovely people, we have seen some very exciting challenges in the year including the Three Peaks challenge, push-up challenges, marathons, and firewalking. We were immensely proud of a group from our head office who walked Mam Tor and Peak Cavern to raise money for CALM in memory of brilliant friends and colleagues lost. Our bars and pubs have taken every opportunity to drum up donations for their favourite charities too, including substantial donations from Blackpool's Young Farmers event.

CASE STUDY

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

"Last year, as part of our commitment to environmental best practice as a central pillar of our long-term business strategy, we made our first disclosure under TCFD on a voluntary basis. This year we have made improvements to our disclosure, which demonstrates the action we are taking on reducing our impact on the Planet.

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.

We are pleased to be able to share as part of this that our targets for Net Zero have been validated and approved by the Science Based Targets initiative."

ROB PITCHER
Chief Executive Officer

SCIENCE BASED TARGET

Revolution Bars Group plc is pleased to announce that its commitment to reach net zero greenhouse gas ("GHG") emissions across its operations and supply chain has been assessed and approved by the Science Based Targets initiative ("SBTi").

Revolution Bars Group is the first bar operator in the UK and among the first 50 businesses to have its net zero target approved and aligned to the 1.5-degree pathway ambition through the SBTi's Net Zero Corporate Standard, the world's first framework for corporate net zero target setting in line with climate science.

In the near term, Revolution Bars Group will reduce absolute scope 1 and 2 (market-based) GHG emissions by 99.6% by 2030, from a 2019 base year. In addition, absolute scope 3 GHG emissions will be reduced by 30% within the same timeframe. Both commitments are consistent with the latest climate science and after careful review by the SBTi, they met all criteria in terms of timeframe, emissions coverage, and ambition. Longer term, Revolution Bars Group also commits to reduce absolute scope 3 GHG emissions by 90% by 2040 from a 2019 base year as part of meeting the overall 2040 target.

Alongside and independently of our science-based target, which is our commitment to reduce emissions, we still intend to mitigate our residual emissions from 2030 by investing in offsetting projects.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

This table outlines how we have reported in line with the recommendations of TCFD and where we will continually improve over time. The order of the table reflects the order in which we report on the recommendations of TCFD. The requirements of the Non-Financial and Sustainability Information Statement have been complied with.

NUMBER		ALIGNMENT	PAGE
GOVERNANCE			
1	Describe the Board oversight of climate-related risks and opportunities	✓	39
2	Describe management's role in assessing and managing climate-related risks		39
STRATEGY			
3	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	✓	40
4	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning		40
5	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including 2°C or lower scenario		41
RISK MANAGEMENT			
6	Describe the organisation's processes for identifying and assessing climate-related risks	✓	42
7	Describe the organisation's processes for managing climate-related risks		42
8	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management		42
METRICS AND TARGETS			
9	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes	✓	48
10	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks		49-52
11	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		53

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

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:

01
GOVERNANCE
PG 39

02
STRATEGY
PG 40

03
RISK MANAGEMENT
PG 42

04
METRICS & TARGETS
PG 48

The four overarching recommendations are supported by 11 specific recommended disclosures focusing 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.

01 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.

The Board receives a quarterly summary report on climate change, covering key aspects of the Strategy, and highlighting any identified key risks/opportunities. These are then reviewed within the respective business decision making processes to integrate into wider decision-making, or where relevant, decisions made within the Climate Change and Business Strategy working group.

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 period.

Climate-related financial issues fall in 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. The planning process is also designed to ensure that the Strategy/Risk Management ensures that the approach taken will deliver the value for the business from the opportunities that climate change presents (see later summary of opportunity/risk related to decarbonisation).

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.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

02 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.

We have identified a material list of significant risks and opportunities which have been reviewed, and the analysis from these has informed our business strategy, and our climate change risk management approach.

Those identified are:

Outcomes have been assessed internally on the basis of the average probable loss or gain and maximum probable loss or gain to quantify the risks/opportunities and support the Company in prioritising actions related to these areas.

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 impacting more significantly in the years ahead will be reviewed. In addition, we will play an active part in the Hospitality sector in developing approaches to more sustainable food/drink options.

RISKS	OPPORTUNITIES
The cost of decarbonisation	The benefits of decarbonisation
Potential brand damage from inaction	Opportunity to increase market share with consumers with preference for sustainable products/services
Impacts on resilience of supply chain	
Economic impact on the consumer of Net Zero	

EMISSIONS REDUCTION STRATEGY

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

01 Make sustainability central to everything we do by adopting a sustainability mindset throughout the business

02 Take proactive action by implementing changes to our business to reduce our impact on the environment

03 Engage with and report to our key stakeholders (our people, shareholders, suppliers, guests, industry)

04 Become efficient by design (including buildings, refurbishments and menus)

05 Renew our approach/technology where required to address the sustainability challenge

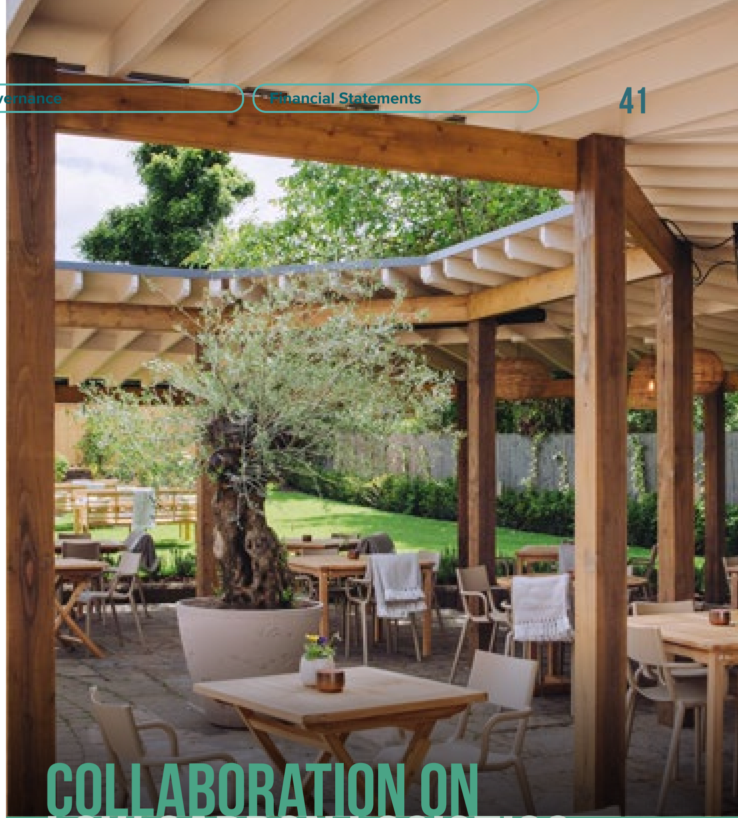
06 Rebalance our impact where the other actions taken do not address it sufficiently

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

01 To achieve carbon neutral status by the end of the decade and to maintain our Science Based Target

02 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.



COLLABORATION ON LOW CARBON LOGISTICS

Decarbonising logistics/heavy goods vehicles is a key challenge for the UK in delivering Net Zero. The travel hierarchy (a well-established way of assessing opportunities related to transport) outlines the approach of Avoid (avoid travel where possible) – Shift (change the method to lower carbon options) – Improve (improve the performance of the transport/vehicle). We used this approach working with supplier Matthew Clark to reduce truck movements by c. 40% by collaborating on number of drops, storage in sites and an updated commercial contract. The outcome of this collaboration significantly reduces our carbon intensity of transportation and distribution and lowers the carbon footprint of the drinks we serve. The carbon footprint impact of this project is 355 tCO_2e per year.

CASE STUDY

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

03 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 RISKS AND OPPORTUNITIES

Risks and Opportunities are managed through:

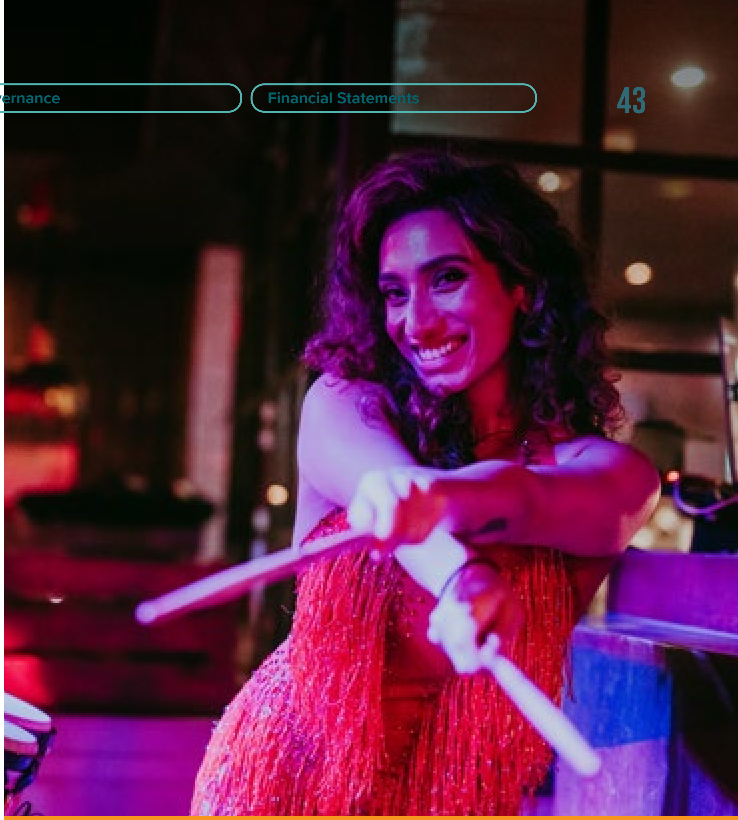
- Where not material to the entire business, the relevant Net Zero/Sustainability working group, which meets at least quarterly
- Where material, through the Risk Committee

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 risk 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 organisations' 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 AND ASSESSMENT

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

LEVELS

- High – likely to be disruptive/create material risk/provide material opportunities to the organisation
- Medium-high – probable to be disruptive/create material risk/provide material opportunities to the organisation
- Medium – could be disruptive/create material risk/provide material opportunities to the organisation
- Low-medium – might be disruptive/create material risk/provide material opportunities to the organisation
- Low – unlikely to be disruptive/create material risk/provide material opportunities to the organisation

MATERIALITY HORIZON

- Short term = less than 5 years
- Medium term = between 5 and 15 years
- Long term = greater than 15 years

Where material risks have been identified, further information is detailed later in this report.

“WE HAVE CONTINUED TO DELIVER ON OUR COMMITMENTS AND TARGETS SINCE OUR ADOPTION OF OUR STRATEGY.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

03 RISK MANAGEMENT

RISK AREA	PHYSICAL/TRANSITION	CATEGORY	RISK	OPPORTUNITY	MATERIALITY TIME HORIZON		
					SHORT	MEDIUM	LONG
Reputation	Transition	Reputation	MH	MH	●	●	●
Customer Demand	Transition	Customer Demand	MH	MH	●	●	●
Renewable Energy Policy	Transition	Policy	MH	M	●	●	○
Air Pollution Limits	Transition	Policy	M	L	○	○	○
Environmental Policy	Transition	Policy	MH	L	○	○	○
Emissions Reporting Policy	Transition	Policy	MH	MH	○	○	○
Product Policy	Transition	Policy	H	H	●	●	●
Product Efficiency Policy	Transition	Policy	MH	L	○	○	○
Product Labelling Policy	Transition	Policy	MH	M	○	○	○
Cap and Trade	Transition	Policy	M	L	○	○	○
Fuel Taxes and Policy	Transition	Policy	MH	MH	○	○	○
Carbon Taxes	Transition	Policy	MH	L	○	○	○
International Agreements	Transition	Agreements	M	L	○	○	○
Voluntary Agreements	Transition	Agreements	MH	MH	●	●	●
Snow & Ice	Physical	Changing Climate	M	N/A	○	○	○
Changes in Rainfall	Physical	Changing Climate	M	N/A	○	○	○
Increasing Temperatures	Physical	Changing Climate	M	N/A	○	○	○
Extreme Temperatures	Physical	Changing Climate	M	N/A	○	○	○

RISK

L Low M Medium MH Medium-high H High

OPPORTUNITY

L Low M Medium MH Medium-high H High

RISK AREA	PHYSICAL/TRANSITION	CATEGORY	RISK	OPPORTUNITY	MATERIALITY TIME HORIZON		
					SHORT	MEDIUM	LONG
Change in Rainfall Patterns	Physical	Changing Climate	M	N/A	●	●	●
Droughts or Heavy Rainfall	Physical	Changing Climate	M	N/A	●	●	●
Impact on Natural Resources	Physical	Natural Resources	MH	N/A	●	●	●
Community Impact	Physical	Social Impacts	MH	N/A	●	●	●
Disaster Relief	Physical	Social Impacts	MH	N/A	●	●	●
Economic Impact on Consumer	Physical	Social Impacts	MH	N/A	●	●	●

RISK

L Low M Medium MH Medium-high H High

OPPORTUNITY

L Low M Medium MH Medium-high H High

RESILIENCE ASSESSMENT

RISK/OPPORTUNITY DESCRIPTION	METHODOLOGY OF ASSESSMENT	ASSESSED OUTCOME	MITIGATION/ACTION	PROGRESS
The cost of decarbonisation (risk) (including Renewable Energy Policy & Voluntary Agreements) The benefits of decarbonisation (opportunity)	We have modelled the cost of our Net Zero strategy and have a year to year understanding of the total costs and benefits.	The overall programme is net beneficial to the business to the order of c. £6.0 million over its full lifecycle on the basis of the modelling. The risk and opportunity are presented together because they are interlinked, but the risk level can change independently. As an example, this year the cost of the strategy has increased because of higher-than-average inflation on construction materials, but the benefits outweigh this because the costs of energy/fuel have increased to an even greater extent.	The Net Zero strategy has been developed with an efficiency-first approach including supply chain initiatives. Whilst it is clear that measures such as reducing energy save money, we have also introduced measures within our supply chain by changing products (for example our cocktail menu design) or working with suppliers on logistics improvements, which have been financially beneficial to the Company as well as positive for our sustainability.	We have implemented c. 20% of the collection of measures planned in our Net Zero strategy over the first two years. As detailed in the Metrics and Targets section, this means we are on track to hit our strategy targets at this time. This approach, and our alignment to Science Based Targets, means we believe that any risk/opportunity presented by Voluntary Agreements is resolved/supported as we are aligned to industry best practice.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

03 RISK MANAGEMENT

RISK/OPPORTUNITY DESCRIPTION	METHODOLOGY OF ASSESSMENT	ASSESSED OUTCOME	MITIGATION/ACTION	PROGRESS
Opportunity to increase market share with consumers with preference for sustainable products/ services (opportunity)	We've assessed research in this area to review what is important to our customers.	We believe that it is important that we act as a responsible operator within our sector and take a continual improvement approach to reducing the impact of our business and improving the sustainability of our offering to our customers.	We intend to deliver significant sustainability changes, and as part of this intend to uphold a strategy of supporting sustainability activities which can support the customer in making a more sustainable choice without materially affecting their ability to enjoy the experiences we provide for them.	We've made successes in this area by working on back of house projects (see logistics case study) and by changing things so the customer doesn't have to, for example our successful removal of the passionfruit from our Pornstar Martini cocktails in 2021 which created a 100 tCO_2e emissions reduction and reduced food waste by 40 tonnes.
Potential brand damage from inaction (risk)	We have assessed our performance/strategy compared to our industry and comparative action from other industries.	After having conducted this assessment, we believe our approach, and our alignment to Science Based Targets, means we believe that any risk/ opportunity presented by potential brand damage from inaction is mitigated so long as we continue to deliver on our commitments.	Approved Science Based Target, ongoing disclosure and continued delivery on our commitments.	As can be seen in the Metrics and Targets section, we have continued to deliver on our commitments and targets since our adoption of our strategy.
Impacts on resilience of supply chain (risk)	Research studies and supply chain engagement surveys.	There are ongoing resilience challenges in our supply chain which we will need to continue to monitor to ensure we can support our supply chain in being resilient to both the physical and transition risks.	We have an extensive supply chain engagement programme which we are expanding over time, and we will use this to further expand our understanding of climate risk and increase resilience over time.	We have engaged with 42% of our supply chain in the last twelve months and expect to increase the level and depth of engagement over time to address these issues.
Economic impact on the consumer of Net Zero (risk)	Review of policy projections/research on Net Zero and associated economics.	From our assessment, Net Zero will have an inflationary impact on our customers (impacting the cost of living and over time their spending power).	We will continue to monitor and develop mitigation approaches to this risk, as much as we are able to, over time. We believe our efficiency-first mindset to our Net Zero strategy supports this.	See our "efficiency-first" successes detailed above.

THE COST OF DECARBONISATION (RISK) AND THE BENEFITS OF DECARBONISATION (OPPORTUNITY), INCLUDING THE RENEWABLE ENERGY POLICY OUTLINED ABOVE

- We have modelled the cost of our Net Zero strategy and have a year-to-year understanding of the total costs and benefits. The overall programme is net beneficial to the business to the order of c. £6.0 million over its full lifecycle on the basis of the modelling.
- This approach, and our alignment to Science Based Targets, means we believe that any risk/opportunity presented by Voluntary Agreements is resolved/supported as we are aligned to industry best practice.

OPPORTUNITY TO INCREASE MARKET SHARE WITH SUSTAINABLE CONSUMERS (OPPORTUNITY)

- We believe that it is important that we act as a responsible operator within our sector and take a continual improvement approach to reducing the impact of our business and improving the sustainability of our offering to our customers. We know from research that this is important to our customers, and we will continue to support sustainability activities which can support the customer in making a more sustainable choice without materially affecting their ability to enjoy the experiences we provide for them. We've made successes in this area by working on back of house projects and by changing things so the customer doesn't have to.

POTENTIAL BRAND DAMAGE FROM INACTION (RISK)

- We have assessed our performance/strategy compared to our industry and comparative action from other industries. After conducting this assessment, we believe our approach, and our alignment to Science Based Targets, means we believe that any risk/opportunity presented by potential brand damage from inaction is mitigated so long as we continue to deliver on our commitments. As can be seen in the Metrics and Targets section, we have continued to deliver on our commitments and targets since our adoption of our strategy.

IMPACTS ON RESILIENCE OF SUPPLY CHAIN (RISK)

- There are ongoing resilience challenges in our supply chain, due to a number of external factors affecting our main drinks suppliers, which we will need to continue to monitor to ensure we can support our supply chain in being resilient to both the physical and transition risks. We have an extensive supply chain engagement programme which we are expanding over time, and we will use this to further expand our understanding of climate risk and increase resilience over time.

ECONOMIC IMPACT ON THE CONSUMER OF NET ZERO (RISK)

- From our assessment, Net Zero will have an inflationary impact on our customers, which we will continue to monitor and develop mitigation approaches to, as much as we are able to, over time.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

04 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 driving our supply chain's engagement in our actions in this area.

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

METRIC PERFORMANCE

Our metric performance is as follows:

METRIC	TARGET	ACTUAL	STATUS
Greenhouse Gas Emissions (relative) measured in tCO_2e	5.00% reduction	5.95% reduction	✓
Greenhouse Gas Emissions (absolute) measured in tCO_2e	5.00% reduction	7.49% reduction	✓
Performance against our Carbon Budget (set as part of our strategy)	1,865 tCO_2e reduction	2,219 tCO_2e reduction	✓
Supply chain engagement/targets (% of suppliers engaged (of total spend)) to measure the engagement of our supply chain in managing our climate change risks/opportunities	50.00%	42.60%	✗
Energy efficiency (like-for-like kWh usage) to measure the effectiveness of our energy conservation	5.00% year-on-year saving	10.44% year-on-year saving	✓
Renewables/Power Purchase Agreements (% renewables) to measure our transition to renewable energy	100% inc. landlord supplied sites	99.2% inc. landlord supplied sites	✓
Waste targets (% recycled) to measure the effectiveness of our approach to waste management	63.00% (FY23)	65.30% (FY23)	✓
Waste targets (% landfill avoidance) to measure the effectiveness of our approach to waste management	95.00% (FY23)	97.00% (FY23)	✓

STATUS: ✓ ACHIEVED ✗ NOT ACHIEVED

GREENHOUSE GAS EMISSIONS

During the 2022-23 reporting period we acquired Peach Pubs. Accordingly, our emissions statement below is presented detailing:

a) Revolution emissions for the financial period

b) Peach Pubs emissions for the most recent year available

c) The Group's emissions for the financial period

Emissions data in respect of the 2022-23 reporting period, based on Operational Control, are disclosed as follows. For Revolution, comparison data for Purchased Goods and Services & Upstream Transportation and Distribution is shown aggregated whereas it is split in FY23 because of a change in methodology allowing us to present the values independently. They were previously combined within the Purchased Goods and Services category.

Peach Pubs reporting does not show a comparison year, as reporting is not available for a representative prior period. Peach Pubs does have baseline data available which largely aligns with the Revolution Bars Group plc baseline period and therefore the Group reporting is compiled using this dataset.

REVOLUTION		FY23		FY22	BASELINE	COMPARISON
Scope	Category	tCO_2e (Location)	tCO_2e (Market)	Previous Year (Location)	Baseline Year (Location)	Variance (%) Prev year
Scope 1	Combustion	652	652	1,193	1,580	-45.35%
Scope 1	Operation of Facility	485	485			
Scope 1	**TOTAL**	**1,137**	**1,137**	**1,193**	**1,580**	**-4.69%**
Scope 2	Electricity/heat/steam/cooling	3,247	0	4,160	4,912	-21.95%
Scope 2	**TOTAL**	**3,247**	**0**	**4,160**	**4,912**	**-21.95%**
Scope 3	Business travel	199	199	174	94	14.37%
Scope 3	Employee commuting	1,654	1,654	1,360	1,360	21.62%
Scope 3	Fuel and energy-related activities	1,261	1,261	1,384	1,160	-8.89%
Scope 3	Purchased goods and services	18,108	18,108	20,401	27,088	-5.79%
Scope 3	Upstream transportation and distribution	1,111	1,111			
Scope 3	Capital goods	1,324	1,324	1,715	716	-22.80%
Scope 3	Waste generated in operations	159	169	218	944	-27.06%
Scope 3	Upstream leased assets	111	111			
Scope 3	**TOTAL**	**23,927**	**23,937**	**25,252**	**31,362**	**-5.24%**
All	TOTAL	**28,312**	**25,075**	**30,605**	**37,854**	**-7.49%**

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

04 METRICS & TARGETS

PEACH

Scope	Category	FY23 tCO_2e (Location)	tCO_2e (Market)
Scope 1	Combustion	961	961
Scope 1	Operation of Facility	48	48
Scope 1	**TOTAL**	**1,009**	**1,009**
Scope 2	Electricity/heat/steam/cooling	609	0
Scope 2	**TOTAL**	**609**	**0**
Scope 3	Business travel	82	82
Scope 3	Employee commuting	182	182
Scope 3	Fuel and energy-related activities	391	391
Scope 3	Purchased goods and services	6,555	6,555
Scope 3	Upstream transportation and distribution	223	223
Scope 3	Capital goods	605	605
Scope 3	Waste generated in operations	69	69
Scope 3	**TOTAL**	**8,107**	**8,107**
All	**TOTAL**	**9,725**	**9,116**

GROUP (INC. PEACH SINCE ACQUISITION ONLY)		FY23		BASELINE	
Scope	Category	tCO_2e (Location)	tCO_2e (Market)	Baseline Year (Location)	Variance (tCO_2e) Baseline
Scope 1	Combustion	1,321	1,321	2,254	-933
Scope 1	Operation of Facility	518	518		
Scope 1	**TOTAL**	**1,839**	**1,839**	**2,254**	**-933**
Scope 2	Electricity/heat/steam/cooling	3,671	0	5,471	-1,800
Scope 2	**TOTAL**	**3,671**	**0**	**5,471**	**-1,800**
Scope 3	Business travel	256	256	94	162
Scope 3	Employee commuting	1,781	1,781	1,514	267
Scope 3	Fuel and energy-related activities	1,534	1,534	1,208	326
Scope 3	Purchased goods and services	22,670	22,670	32,345	-8,409
Scope 3	Upstream transportation and distribution	1,266	1,266		
Scope 3	Capital goods	1,745	1,745	716	1,029
Scope 3	Waste generated in operations	208	217	981	-773
Scope 3	Upstream leased assets	111	111		
Scope 3	**TOTAL**	**29,571**	**29,580**	**36,858**	**-7,399**
All	**TOTAL**	**35,080**	**31,419**	**44,583**	**-10,133**

(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.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") CONTINUED

04 METRICS & TARGETS

ENERGY USE STATEMENT:

This table contains kWh statement for 12 months for Revolutions Bars and Peach Pubs, rather than the consumption within the financial period, to allow comparison year reporting.

Scope	Category	Current kWh	Previous kWh
Scope 1	Combustion	8,630,132	11,198,978
Scope 1	**TOTAL**	**8,630,132**	**11,198,978**
Scope 2	Electricity/heat/steam/cooling	19,942,128	22,959,826
Scope 2	**TOTAL**	**19,942,128**	**22,959,826**
Scope 3	Business travel	128,278	290,624
Scope 3	**TOTAL**	**128,278**	**290,624**
All	**TOTAL**	**28,700,538**	**34,449,428**

GREENHOUSE GAS EMISSIONS INTENSITY RATIO:

FINANCIAL PERIOD – TOTAL FOOTPRINT (SCOPE 1, SCOPE 2 AND SCOPE 3) – CO_2E TONNES	Previous Year (2021-22)	Current Year (2022-23)	Year-on-Year Variance
Turnover (£)	140.8m	**152.6m**	8.3%
Intensity Ratio (tCO_2e/£100,000)	21.737	**22.996**	5.8%

PERFORMANCE COMPARISON – TOTAL FOOTPRINT (SCOPE 1, SCOPE 2 AND SCOPE 3) – CO_2E TONNES	Previous Periods	Current Period (2022-23)	Year-on-Year Variance
Intensity Ratio (tCO_2e/£100,000)	24.450	**22.996**	-5.9%

The first table of intensity ratio reporting shows Revolution as the previous financial period, compared to this financial period. The variance is expected as Peach Pubs is a more carbon intensive business than Revolution due to its higher proportion of food sales. The second table shows an adjusted comparison using baseline data for Peach Pubs.

EMISSION REPORTING NOTES

- Our methodology has been based on the principles of the Greenhouse Gas Protocol, taking account of the 2015 amendment which sets out a "dual reporting" methodology for the reporting of Scope 2 emissions. In the "Total Footprint" summary above, purchased electricity is reported on a location-based method.
- We have reported on all the measured emissions sources required under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 except where stated.
- The period of our report is 01/07/2022 – 30/06/2023.
- This report includes emissions under Scope 1 and 2, except where stated, and includes emissions from Scope 3 sources relating to business travel, purchased goods and services, capital goods, employee commuting, fuel- and energy-related activities, upstream transportation and distribution, and 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 2022.
- Conversion factors for UK electricity (market-based methodology) are published on the fuel mix disclosures on each supplier's website.

ENERGY EFFICIENCY ACTION

In this year we have:

- Largely completed our LED rollout to our Revolution estate.
- Implemented innovative Cellar Cooling technology to reduce our energy usage for serving at our bars.
- Continued to deliver exceptional results through our Zero Heroes programme, with a continued reduction in overnight usage waste.
- Continued to implement our standards (including our minimum standard specification for our sites to define what equipment is required in refurbishment/installations).
- 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:

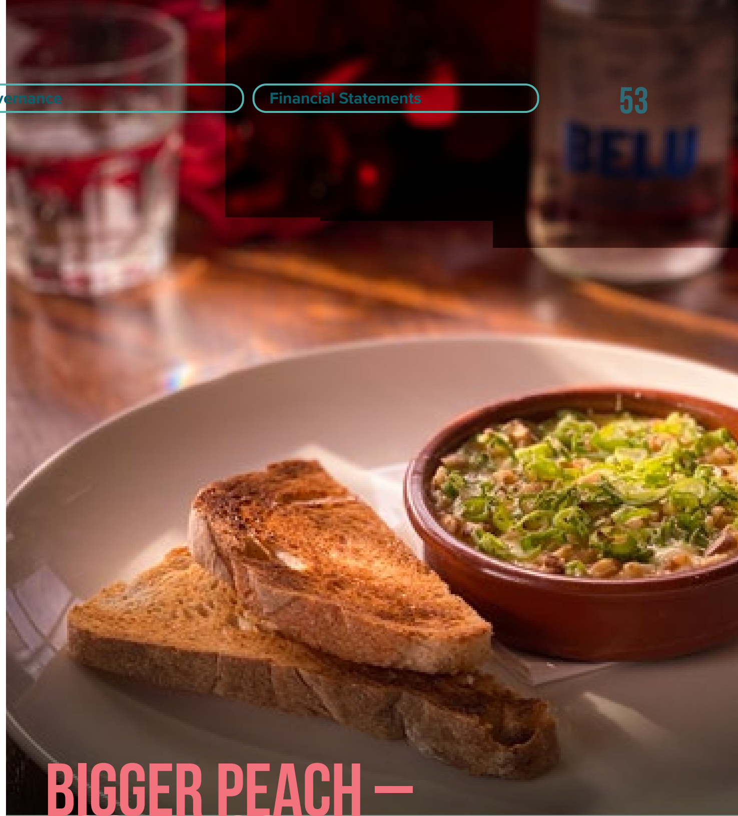
TARGET	BASELINE	PROGRESS
To achieve carbon neutral status by the end of the decade and commit to a Science Based Target as soon as practicable	FY20	On target
To reduce our carbon intensity by 40% by 2030		On target
To achieve a further 20% energy efficiency improvement by 2025		On target
To commit to working towards and maintaining thereafter 100% renewable electricity supply		On target
To achieve a 30% reduction in water consumption by 2030		On target
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

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 and our approved Science Based Target.

By order of the Board

Danielle Davies
Company Secretary
16 October 2023



BIGGER PEACH – LOCAL FOOD = LOWER CARBON

In Peach Pubs, local sourcing of food, and buying British, is a key part of the Bigger Peach initiative. From sweet Cornish lobster when it's at its prime, to English asparagus and strawberries, Peach sources the best of British. The menu is changed with the seasons, working with whatever is best and in abundance from our fields and shores – and with the best farmers, fishermen and producers who share our sustainable, quality ethics. From the earliest and best English asparagus in Spring, to wild game in Autumn, Cornish lamb when it is at its best and native lobsters in August. Our specials change daily, and we talk to our suppliers constantly to create blackboards full of interesting dishes. From exciting healthy plant-based options to indulgent treats, we'll help guests find the right balance. Local food is lower carbon and supports the delivery of our Sustainability strategy.

CASE STUDY

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

A R N

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.

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.

WILLIAM TUFFY

A R N

Independent Non-Executive Director

Date appointed to Board
26 November 2018

Relevant past experience
William 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 multinationals 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 the audit and remuneration committees.

Other appointments
William is also a Director of Miromore Limited and Structadene Limited.

Ⓐ Audit Committee
Ⓡ Remuneration Committee
Ⓝ Nomination Committee
● Committee Chair

ROB PITCHER

N

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.

JEMIMA BIRD

A R N

Senior Independent Non-Executive Director

Date appointed to Board
19 December 2016

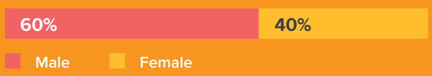
Relevant past experience
Jemima brings three decades of retail experience across multiple consumer sectors including food, fashion and leisure. She formed Hello Finch, a strategic brand consultancy, in 2013. Specialising in early-stage businesses, Hello Finch supports raising seed finance for entrepreneurs.

Other appointments
Jemima is a Director of Hello Finch Limited, a Non-Executive Director and chair of the Remuneration Committee for both Headlam Group plc and Pendragon plc, and a Board Trustee for the Football Foundation, the UK's largest sports charity. She became a Non-Executive Director of Pendragon plc on 10 July 2023.

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	●	●				●

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 held several roles within the People Development team, then was 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 completing her Level 7 CIPD qualification in Human Resource Management.

ANDY DYSON

Business Development Director

Andy joined the business in 1998; he has performed several operational roles within the Group. 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 subsequently promoted 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. She is a qualified Chef with an enormous passion for food.

MARIA HAMILTON

Head of Brand & Digital Marketing - Bars

Maria joined the Group in 2022 as Head of Growth & Digital, with her remit expanding at the start of 2023 to head up the Brand and Digital teams across the bars. With over 17 years' experience in Hospitality marketing, Maria has held senior marketing roles across a number of pub, bar and restaurant groups including Living Ventures, Premium Bars & Restaurants, The Orchid Group, and most recently Fuller's, gaining her CIM Professional qualifications.

REBEKHA WILKINS

Marketing Director - Peach Pubs

Rebekha originally joined Peach Pubs as a Deputy Manager in 2013, and since then her passion for both the industry and guest-focused approach led her to being named the first Peach Marketing Director in 2020, the same year she completed her Chartered Institute of Marketing Diploma. She has been in Hospitality for over 20 years and has experience both client and agency side, working with, or for, brands such as Premium Country Dining Pubs in Mitchells & Butlers, Jamie's Italian, Gordon Ramsay Restaurants and Searcy's.

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.

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.

CHRIS STAGG

Brand Operations Director – Peach Pubs

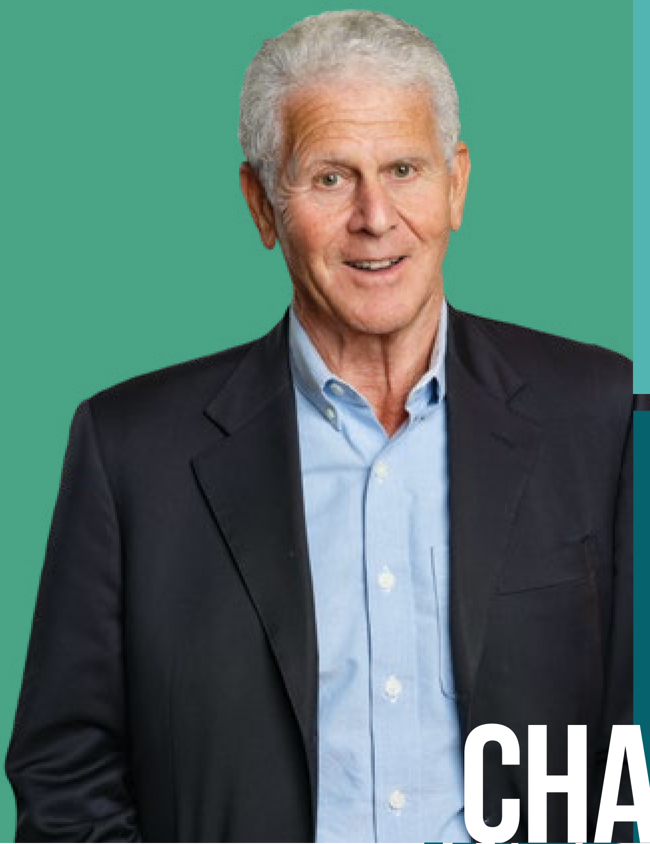
After 20 years behind the bar and in the kitchen, working for Whitbread, Chef & Brewer, and Hall & Woodhouse, Chris studied for his MBA. After ten years with Hall & Woodhouse, moving from General Manager to Head of Operations, Chris moved to Brunning & Price as Deputy Managing Director for two years. He joined Peach Pubs as Operations Director and partner, overseeing growth from 17 to 21 pubs, implementing standard operating procedures and rebuilding the team.

WILL STELLING

Property Director

Will, a chartered Project Manager (CIOB) and a qualified Quantity Surveyor (GradDipQS), 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 five 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.

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



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

Chairman
William Tuffy
Jemima Bird
Keith Edelman

REMUNERATION COMMITTEE

Chairman
Jemima Bird
Keith Edelman
William Tuffy

NOMINATION COMMITTEE

Chairman
Keith Edelman
Jemima Bird
Rob Pitcher
William Tuffy

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

INTRODUCTION FROM THE CHAIRMAN

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, guests, 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 period ending 1 July 2023 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 this 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
16 October 2023

GOVERNANCE SECTION

QUOTED COMPANIES ALLIANCE CODE COMPLIANCE

The following sets out the ten 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 12 to 15. A further review of the business model can also be found on pages 10 to 11, and further information on our strategic framework on pages 16 to 21.

Our five key strategic pillars are:

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

The Group acquired Peach Pubs in the year, providing a diverse and exciting new brand. Peach has performed well since acquisition, and providers a new, more affluent guest base to the Group which helps drive performance under circumstances that the bars don't thrive in. For example, the pubs have beautiful outside spaces where guests flock to in the ever-hotter summers. The locations of the pubs are also typically in market towns in the heart of England, meaning we see our lovely guests joining us on Fridays and at times where our bar guests might be working from home.

The long-term aim of the Group is continued expansion and refurbishments to drive sales, and we continue to monitor a strong pipeline of properties for when the time is right. We continue to deleverage the business following the acquisition, where possible, managing cash carefully, allowing us to deliver our strategies.

We continue to focus on our team, becoming an above-minimum wage employer in the previous year as well as focusing on a portfolio of other staff benefits to ensure we retain our position as an employer of choice. 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 investment in the guest digital journey.

The key risks we face as a business are discussed in section 4 below but can also be found on pages 28 to 30.

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 FY22 and FY23 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. FY23 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.

The voting record at the Company's General Meetings is monitored, and we are pleased that all resolutions were passed by shareholders at the 2022 AGM. The 2023 AGM will be held on 30 November 2023.

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 22 to 23.

In addition, Revolution Bars Group prides itself on being a market leader with its sustainability agenda. We were very proud to announce in June that our commitment to reach net zero greenhouse gas emissions across supply chain and operations has been assessed and approved by the Science Based Targets initiative. We continue to strive forwards in our sustainability initiatives, seeing energy consumption down 35% since 2017 due to increased roll-outs of LEDs and the active efforts of our Zero Heroes in the bars.

The cultural alignment at Peach means our new exciting brand is also very much committed to reducing its input on emissions, whilst working towards initiatives and fundraises to support local communities. More information can be found on pages 36 to 53.

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 out in the Risk Report on pages 28 to 30 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
- 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 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 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	**17***	**2**	**6**	**–**
Keith Edelman	15	2	6	–
Rob Pitcher	17	2	6	–
Danielle Davies	17	2	6	–
Jemima Bird	13	2	6	–
William Tuffy	13	2	6	–

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

GOVERNANCE SECTION CONTINUED

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 54 to 55.

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 advisers and consultants. The Directors receive regular updates from external advisers on legal requirements and regulations, remuneration matters and corporate governance best practice.

Further details of Board experience can be found on pages 54 to 55.

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 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 (beating 2022 which was previously our highest ever!), 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 auditors, reviewing the impact of any upcoming changes in accounting treatment as a result of new or modified IFRS, and considering matters the external auditors 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. 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 63. 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, with 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
16 October 2023

BOARD ACTIVITY

BUSINESS REVIEW & 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 work streams, new concepts, and business plans in pursuance of strategy
- Reviewed and monitored progress on the Group's sustainability agenda
- Reviewed and debated portfolio strategy
- Agreed Board agenda programme for the year
- Review refurbishment performance to ensure in line with payback targets
- Approved the acquisition of The Peach Pub Company (Holdings) Limited

FINANCIAL

- Received regular financial performance updates from the Chief Financial Officer
- Approved 2022 Annual Report and Accounts and Annual General Meeting ("AGM") business
- Approved 2023 interim report and trading updates
- Reviewed and approved 2023 Forecast updates and the annual budget
- Reviewed and approved three-year financial model update
- Approved revised authorisation policy and authorisation limits
- Review and approve new banking facilities and the covenants connected with it, including downside scenarios

INTERNAL CONTROL & 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 2023 renewal
- Reviewed effectiveness of Board and Board Committees

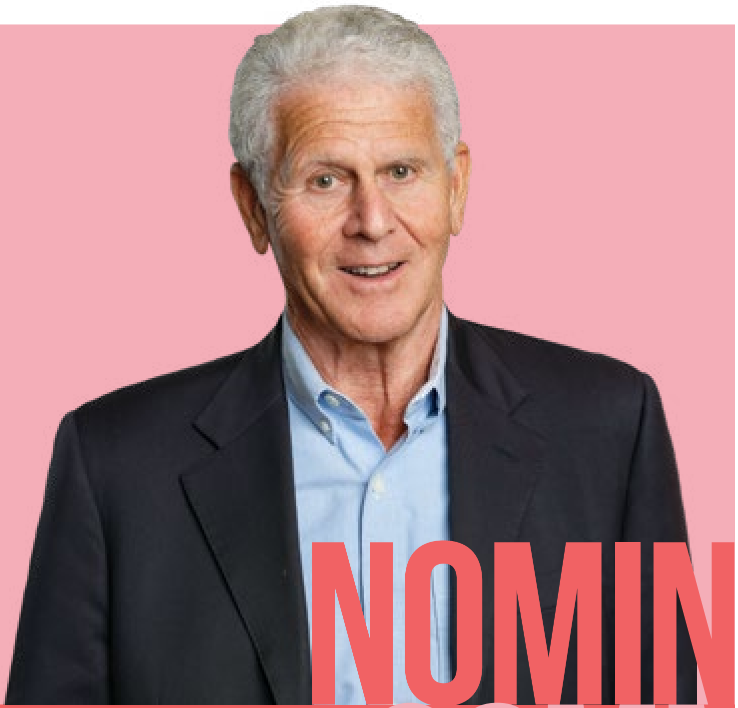
GOVERNANCE & SHAREHOLDERS

- Executive Director virtual meetings with individual institutional shareholders following publication of FY22 results and FY23 interim results
- Reviewed feedback from institutional shareholders following Executive Director meetings
- Quarterly review of shareholder register
- Approved 2022 Modern Slavery Statement
- Received regular updates on health and safety
- Reviewed and approved several market updates on trading and measures to improve liquidity and access to funding

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 National Minimum Wage and Cost of Living 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
- Approved process for settlement of 2020 Restricted Share Awards

NOMINATIONS COMMITTEE REPORT



04

COMMITTEE MEMBERS

NO MEETINGS IN 2023

DEAR SHAREHOLDER

I am pleased to introduce the report of the Nomination Committee for the 52 weeks to 1 July 2023.

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 1 July 2023, the Nomination Committee did not meet as there were no arising events giving reason for discussion. 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.

COMMITTEE MEMBERSHIP

Keith Edelman
Non-Executive Chairman (Committee Chair)

Rob Pitcher
Chief Executive Officer

Jemima Bird
Senior Independent Non-Executive Director

William Tuffy
Independent Non-Executive Director

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 54 to 55.

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. Despite some changes in the Executive Management team, following the Peach acquisition, the Group has maintained a female majority, and as at the end of the reporting period, 50% (2022: 50%) 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 3,591 employees, females represented approximately 49% of the workforce in the 52 weeks to 1 July 2023 (2 July 2022: 48%), 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 Diversity & Inclusion strategy, focused solely on driving the right behaviours and actions across every part of the business. We have created a D&I Board represented by individuals across the workforce to bring a voice to our colleagues and 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 2022 Gender Pay Gap analysis in early 2023. The Group was pleased to see further improvements and is committed to closing the gap further. 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 30 November 2023.

Keith Edelman
Chairman of the Nomination Committee
16 October 2023

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE

03
COMMITTEE MEMBERS

02
MEETINGS IN 2023

COMMITTEE MEMBERSHIP

William Tuffy
Independent Non-Executive Director (Committee Chair)

Keith Edelman
Non-Executive Chairman

Jemima Bird
Senior Independent Non-Executive Director

DEAR SHAREHOLDER

I am pleased to introduce the report of the Audit Committee for the 52 weeks ended 1 July 2023.

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 complementary 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 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 sixth 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 2023 Annual General Meeting ("AGM"). The PwC senior statutory auditor responsible for the Group is Jonathan Studholme, who became the Group's senior statutory auditor 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 the acquisition of Peach Pubs;
- 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 30 November 2023, 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.

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 auditors. 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 senior statutory auditors, the level of fees paid by the Company compared to the overall fee income of the firm, office, partner and other related requirements.

See page 84 for more

AUDIT COMMITTEE REPORT CONTINUED

ROLE & RESPONSIBILITIES CONTINUED

EXTERNAL AUDIT

- **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 auditors wish 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.

FINANCIAL STATEMENTS

- **Integrity of financial statement**s: 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 financial statements 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 1 July 2023, the Audit Committee met formally on two occasions, with all members attending. At all of the meetings, the Committee had access to the external auditors without management present.

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

- reviewing the annual financial statements for 2022 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 2022, 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;
- reviewing compliance with and explaining any exceptions from the QCA Code;
- reviewing the independence and objectivity of PwC as external auditor, together with its effectiveness, following the 2022 audit and recommending its appointment to shareholders at the Annual General Meeting in December 2022;
- reviewing the auditor's comments during FY23 planning;
- reviewing and approving the external audit plan for the 52 weeks ended 1 July 2023;
- approving the appointment of PwC as external auditors of the newly acquired Peach Pubs companies;
- 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.

The Group employs third-party consultants to obtain accurate stock valuations on all of its licensed premises. A central loss prevention team assessed the information and provides targeted reporting to mitigate loss. 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 when 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.

Upon acquisition, Peach had similar processes in place to the above. The central team are in the process of ensuring consistent processes across all brands in the Group to provide a high-quality function as well as synergies.

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' licences;
- 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.

AUDIT COMMITTEE REPORT CONTINUED

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 2023:

- **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. 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.
- **Exceptional items:** Exceptional items of £20.2 million (2022: £0.6 million) represent a material item in the profit and loss account, and have seen a significant increase in the year following the acquisition of Peach Pubs and the associated costs, as well as significant impairments arising. 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
16 October 2023

DIRECTORS' REMUNERATION REPORT

DIRECTORS'
REMUNERATION

ANNUAL STATEMENT

DEAR SHAREHOLDER

I am pleased to present, on behalf of the Board, the Directors' Remuneration Report of the Remuneration Committee.

03
COMMITTEE MEMBERS

06
MEETINGS IN 2023

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.

As such, this report is divided into three sections, being:

- This **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in FY23 and how the Remuneration Policy will be operated for FY24;
- The **Remuneration Policy Report**, which summarises the current Company's Remuneration Policy, which remains unchanged from last year; and
- The **Annual Report on Remuneration**, which details how the Remuneration Policy was implemented in FY23 and how the Policy will operate for FY24.

COMMITTEE MEMBERSHIP

Jemima Bird
Senior Independent Non-Executive Director (Committee Chair)

Keith Edelman
Non-Executive Chairman

William Tuffy
Independent Non-Executive Director

DIRECTORS' REMUNERATION REPORT CONTINUED

PERFORMANCE AND REWARD IN RELATION TO THE 52 WEEKS ENDED 1 JULY 2023

After strong trading in FY22, Hospitality has faced further unprecedented challenges under the cost-of-living crisis on both trade and cost pressures. Management have significantly focused on careful cost management and mitigation through internal processes and review of supplier contracts in order to protect profits.

The acquisition of Peach Pubs in October 2022 helps mitigate the impacts on our previously predominantly young guest base, bringing a new range of diverse and more affluent guests to our pubs and bars. This also aids when the weather is hot and sunny which the United Kingdom has experienced in recent years.

We are pleased with early signs of cost pressures returning to more normal levels, such as energy costings, but continue to monitor ongoing events carefully.

IMPLEMENTATION OF THE POLICY IN FY23

No annual bonus awards were made to the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") in respect of the year ended 1 July 2023 and no share awards vested in respect of the three-year performance period ended 1 July 2023.

IMPLEMENTATION OF THE POLICY IN FY24

In respect of operating the Remuneration Policy in FY24:

- no changes, aside from a cost-of-living increase, are planned for 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 FY24 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 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 2023 are set out in the Annual Report on Remuneration:

- shareholding guidelines will continue to operate at 200% of salary; and
- no changes were made to the fees for the Chairman and Non-Executive Directors for FY24.

COMMITTEE ACTIVITIES IN FY23

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 FY23 and share schemes operated for the Executive Directors and other members of the Executive Committee, including the proposed process for settlement of the 2020 Restricted Share Awards;
- oversee and approve interim payment of the FY22 bonus scheme and continue review of final payment; 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
16 October 2023

DIRECTORS' REMUNERATION POLICY

This section sets out a summary of the Directors' Remuneration Policy (the "Policy") which applies to the Chairman, Executive Directors and Non-Executive Directors and which remains unchanged from last year.

REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

ELEMENT	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
BASE SALARY			
To attract and retain key individuals. To reflect the relevant skills and experience in the role.	Salaries will normally be reviewed annually taking into account performance, experience, responsibilities, relevant market information and the level of workforce pay increases.	Annual increases will usually be commensurate with those of the wider workforce. Further increases may be considered if there are significant changes in responsibility or scope of the role, sustained increase in the size of the business, or if there are significant movements in market rates. New joiners, where pay is initially set below market levels, may benefit from larger increases as their salary is progressed towards the market rate based on their development in the role.	A broad-based assessment of individual and Group performance is considered as part of any salary review.
PENSION			
To provide cost-effective, yet market-competitive, retirement benefits.	Contribution to a personal pension arrangement or cash in lieu of pension by way of a salary supplement.	Set at market-competitive levels for Executive Directors. The maximum contribution will be up to 15% of salary. Only basic annual salary is pensionable.	Not applicable.
BENEFITS			
To provide benefits that assist Directors in the performance of their roles and are designed to be competitive and cost effective.	Car and fuel allowance for Executive Directors, private health insurance and life insurance cover. Other benefits may be offered (e.g. relocation) where considered appropriate.	Not applicable.	Not applicable.
ANNUAL BONUS PLAN			
To motivate Executive Directors and incentivise the achievement of key financial and strategic goals and targets over the financial period.	Based on the achievement of performance metrics measured at Group level. Bonus is paid wholly in cash. Malus and clawback provisions operate.	Maximum bonus potential is 100% of salary for the Executive Directors. The Remuneration Committee retains discretion to withhold or reduce a bonus even if the objectives have been met.	Stretching performance conditions based on financial performance of the Group and personal strategic objectives which reflect key business drivers. The majority (if not all) of any bonus will be determined by financial measures with only a minority being paid for achieving threshold performance levels.

DIRECTORS' REMUNERATION POLICY CONTINUED

ELEMENT	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
RESTRICTED SHARE AWARDS ("RSA")			
To encourage a long-term focus and aligns the interests of Executive Directors with shareholders.	Awards will normally vest after three years from grant and, once vested, its vested shares may not normally be sold until at least five years from the grant date (other than to pay relevant taxes). Dividends equivalents may accrue over the vesting period and any holding period but only to the extent awards vest. Malus and clawback provisions operate.	Up to 100% of salary.	Vesting will be subject to: (i) continued employment; (ii) satisfactory personal performance during the relevant vesting periods; and (iii) a positive assessment of performance against an underpin. In addition, the Remuneration Committee may reduce the extent to which an award vests if it believes this better reflects the underlying performance of the Company over the relevant period.
EXECUTIVE SHARE OWNERSHIP			
To align Executive Directors' and shareholders' interests.	Whilst employed, all Executive Directors are expected to hold an investment of at least 200% of base salary in the Company using 50% of net share awards which vest under the Company's share plans. The post-employment shareholding policy is described below.	200% of salary.	Not applicable.

POST-EMPLOYMENT SHAREHOLDING POLICY

The Remuneration Committee's post-employment shareholding policy for Executive Directors is as follows:

- Unvested share awards will be treated in line with the good leaver/bad leaver provisions as per the prevailing Remuneration Policy;
- Any share awards which vested pre-cessation of employment, but which are still subject to a two-year holding period will need to be retained by the individual (either on a post-tax basis or as unexercised awards), post cessation of employment, until the relevant two-year holding period has expired; and
- No restrictions will apply in respect of own shares held, irrespective of whether those shares are held as part of the shareholding guideline or not.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

EXECUTIVE SHARE OWNERSHIP			
To attract and retain high-calibre Non-Executive Directors. To set remuneration by reference to the responsibilities and time commitment undertaken by each Non-Executive Director.	Fee levels are reviewed on a periodic basis and are set based on expected time commitments and responsibilities and in the context of the fee levels in companies of a comparable size and complexity. The Remuneration Committee sets the fee for the Non-Executive Chairman, whereas fees for the Non-Executive Directors are set by the members of the Board, excluding the Non-Executive Directors.	Any increase in fees may be above those of the wider workforce (in percentage terms) in any particular year, reflecting the periodic nature of any review and/or changes to time commitments and/or responsibilities. In exceptional circumstances, if there is a temporary yet material increase in the time commitment for Non-Executive Directors, the Board may opt to pay additional fees to recognise the additional workload.	Not applicable.

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 1 JULY 2023 (UNAUDITED)

BASE ANNUAL SALARY

Current Executive Director salary levels are as follows:

Role	Director	From 1 April 2023	From 1 April 2022	% Increase
Chief Executive Officer	Rob Pitcher	**£369,210**	£367,710	0.4%
Chief Financial Officer	Danielle Davies	**£237,885**	£236,385	0.6%

Consistent with the cost-of-living base salary increases awarded to the general workforce, Executive Directors received a £1,500 increase from 26 March 2023.

ANNUAL BONUS

Annual bonus provision for FY24 will continue to 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 2023 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

The Chairman and Non-Executive Directors received the same cost-of-living increase of £1,500 awards to the general workforce from 26 March 2023. No other changes were made to Chairman and Non-Executive Director fees.

ANNUAL REPORT ON REMUNERATION CONTINUED

DIRECTORS' REMUNERATION FOR THE 52 WEEKS ENDED 1 JULY 2023 (AUDITED)

		Fees/Salary	Taxable Benefits[1]	Pension[2]	Total Fixed Benefits	Annual Bonus[3]	Long-term Incentives[4]	Total Variable Benefits	Total
Executive Directors									
Rob Pitcher	**2023**	**368**	**18**	**49**	**435**	**–**	**175**	**175**	**610**
	2022	358	18	49	425	221	334	555	980
Danielle Davies	**2023**	**237**	**13**	**7**	**257**	**–**	**90**	**90**	**347**
	2022	230	16	7	253	142	172	314	567
Non-Executive Directors									
Keith Edelman	**2023**	**93**	**–**	**–**	**93**	**–**	**–**	**–**	**93**
	2022	91	–	–	91	–	–	–	91
Jemima Bird	**2023**	**42**	**–**	**–**	**42**	**–**	**–**	**–**	**42**
	2022	39	–	–	39	–	–	–	39
William Tuffy	**2023**	**42**	**–**	**–**	**42**	**–**	**–**	**–**	**42**
	2022	39	–	–	39	–	–	–	39
Aggregate emoluments	**2023**	**782**	**31**	**56**	**869**	**–**	**265**	**265**	**1,134**
	2022	757	34	56	847	363	506	869	1,716

1 Taxable benefits comprise medical insurance policies and car allowances.

2 Rob Pitcher and Danielle Davies received a pension provision/salary supplement of 15% and 3% of salary respectively.

3 Details of the annual bonus awards for FY23 are set out below. As set out in last year's Directors' Remuneration Report, bonuses equating to 95% of salary were awarded to Executive Directors in FY23 in respect of the 52 weeks ended 2 July 2022. 60% of this has been paid to date, shown in the 2022 rows above, with the remaining amount still due to be paid.

4 Based on the five-day average prior to issue face value of Restricted Share Awards granted to Executive Directors on 25 October 2022 in respect of 2023 (see below) and 23 November 2021 in respect of 2022.

ANNUAL BONUS (AUDITED) FOR FY23

As a result of performance in the year, annual bonus awards of 0% of salary were awarded to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

SHARE AWARDS GRANTED IN FY23 (AUDITED)

The following share awards were granted to Executive Directors in the 52 weeks to 1 July 2023:

Executive	Type of Award	Exercise Price (p)	Number of Awards Granted	Basis of Award	Face Value[1]
Rob Pitcher	RSA	0.1	1,798,621	50% of salary	£175,078
Danielle Davies	RSA	0.1	925,005	40% of salary	£90,040

1 Based on a share price of 9.7 pence being the five-day average prior to the grant date.

The awards, which were granted on 25 October 2022, will vest and become exercisable on the later of: (i) three years from the date of grant, being 25 October 2025; and (ii) the preliminary announcement of the results for FY25. 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).

OUTSTANDING EXECUTIVE SHARE AWARDS (AUDITED)

Executive Director	Scheme	Grant Date	Exercise Price (p)	No. of Shares at 2 July 2022	Granted during the year Number	Vested during the year Number	Lapsed during the year Number	No. of Shares at 1 July 2023	Vesting Date
Rob Pitcher	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
	RSA	25.10.22	0.1	–	1,798,621	–	–	1,798,621	25.10.25
				2,526,177	**1,798,621**	**–**	**(531,269)**	**3,793,529**	
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
	RSA	25.10.22	0.1	–	925,005	–	–	925,005	25.10.25
				1,025,953	**925,005**	**–**	**–**	**1,950,958**	
Total				**3,552,130**	**2,723,626**	**–**	**(531,269)**	**5,744,487**	

ANNUAL REPORT ON REMUNERATION CONTINUED

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 1 July 2023 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 1 July 2023	Prospective Shareholding* as a % of Base Salary at 1 July 2023
Rob Pitcher	**1,500,000**	3,793,529	–	5,293,529	**25%**	**55%**
Danielle Davies	**305,993**	1,950,958	–	2,256,951	**8%**	**32%**
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 200% 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 1 July 2023.

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
16 October 2023

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 1 July 2023. 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 53 sets out a review of the Group's business during the 52 weeks ended 1 July 2023 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 period and an indication of likely future developments in the business;
- the Corporate Governance Statement on pages 57 to 62; and
- related party transactions as set out in note 26 to the consolidated financial statements.

This Directors' Report together with the Strategic Report set out on pages 2 to 53 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 90. The Directors are not recommending a final dividend in respect of the 52 weeks ended 1 July 2023 (2022: nil pence per share issued). There was no interim dividend during the period (2022: nil pence per share), and thus the total dividend for the 52 weeks ended 1 July 2023 is nil pence per share (2022: 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. 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 2023.

At 1 July 2023, 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 77. As at the financial period end on 1 July 2023 and up to the date of this report, 3,793,529 share options have been granted to the Company's Chief Executive Officer, Rob Pitcher, and 1,950,958 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 54 to 55. Their interests in the Ordinary Shares of the Company are shown in the Directors' Remuneration Report on page 78.

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 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 26 to the consolidated financial statements. There were no material transactions with related parties during the 52 weeks ended 1 July 2023.

DIRECTORS' REPORT CONTINUED

CHANGE OF CONTROL

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

AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION

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

POLITICAL DONATIONS

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

GOING CONCERN

GOING CONCERN

The Directors have adopted the going concern basis in preparing these financial statements after careful assessment of identified principal risks and, in particular, the possible adverse impact on financial performance, specifically on revenue and cash flows, as a result of ongoing inflationary cost rises, and associated impact on consumer confidence. The going concern status of the Company and subsidiaries is intrinsically linked to that of the Group.

LIQUIDITY

At the end of the reporting period, the Group had net bank debt of £21.6 million (2022: net cash of £4.1 million). At the start of FY23, the Group held a £16.3 million Revolving Credit Facility ("RCF") which was fully unutilised, with £14.8 million total outstanding in CLBILS term loans which continued to amortise. 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 the acquisition of Peach Pubs. All outstanding CLBILS term loans were repaid on 13 October 2022, with just the RCF making up total facilities going forwards.

In March 2023, an amendment was made to the facility to hold a £1.35 million Energy Guarantee for the purposes of signing a new energy contract. A further amendment was made in October 2023 such that all originally agreed reductions in total facility level be deferred to 30th June 2025, meaning at that date the £30.0 million facility will reduce by £5.0 million to a £25.0 million facility. All profitability-based covenants were waived until June 2025, and the minimum liquidity covenant was amended to link to management severe but plausible downside case forecasts. The requirement for a signed covenant certificate by the auditors was also waived for FY23 and FY24.

In accordance with the updated amendments, the Group will therefore have committed funding facilities available during the going concern assessment period as shown in the table below.

	Energy Guarantee £m	RCF £m	Total Facility £m
30 June 2023	1.35	28.65	30.0
31 December 2023	1.35	28.65	30.0
30 June 2024	1.35	28.65	30.0
31 December 2024	1.35	28.65	30.0

CURRENT NET DEBT AND AVAILABLE LIQUIDITY

As at 15 October 2023, the Group's net bank debt position was £23.2 million and therefore the Group has available liquidity of £5.4 million.

COVENANTS

The facility's profitability-based covenants were waived in the year, with only a minimum liquidity covenant remaining that was amended to link to management severe but plausible downside case forecasts. The minimum liquidity covenant is built into long-term forecasting to allow Management to review and manage covenant compliance.

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-pandemic levels due to the impact of increased cost-of-living, with some price increases assumed to mitigate the earnings impact of these challenges.

The level of sales that the Group generates drives EBITDA and cash generation, which in turn drives compliance with the minimum liquidity covenant test. In reaching their assessment that the financing arrangements are expected to be sufficient for the business, the Directors have reviewed a base case forecast scenario which assumes a continued impact of the cost-of-living crisis on the business, with rises in sales following a particularly tough FY23 impacted by ongoing cost pressures, mitigated by delivery of synergies post-acquisition. Under the base case forecast, liquidity is sufficient and there is no forecast breach of the minimum liquidity covenant.

SEVERE BUT PLAUSIBLE DOWNSIDE SCENARIO

The Directors have also reviewed a severe but plausible downside case which takes the base case and assumes a sales decline from FY23 actual performance, with a small improvement at Christmas accounting for some rail strikes should they continue. Pub performance is assumed at a reduction, equivalent to no further synergies being delivered. Softer trading is then continued into FY25. No further Government assistance is assumed, and Capex is further reduced compared to the original Board-approved budget prepared May-June 2023. The severe but plausible downside case shows sufficient liquidity and no forecast breach of the minimum liquidity covenant, but at certain points of the year operates at a very tight headroom.

The material uncertainty caused by ongoing inflationary cost rises, the associated impact on consumer confidence, and forecasting difficulties as a result of the constantly changing economic environment means that the Group cannot be assured that it will not breach the minimum liquidity covenant. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of non-current borrowings to current borrowings. The Group has a strong relationship with its banking partner, and monitors covenant compliance closely.

GOING CONCERN STATEMENT

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 30 November 2023. 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 24. The Group's risk management policies and procedures and principal risks and mitigations can be found on pages 28 to 30.

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 30 November 2023.

By order of the Board

Danielle Davies
Company Secretary
16 October 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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
16 October 2023

Danielle Davies
Chief Financial Officer

"I AM CONFIDENT THAT THE STRONG LEADERSHIP, COST FOCUS, AND DELIVERY OF SYNERGIES WILL CONTINUE TO DRIVE PERFORMANCE AND NAVIGATE US THROUGH THE CONTINUED CHALLENGING ENVIRONMENT.

KEITH EDELMAN
Non-Executive Chairman

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 1 July 2023 and of the group's loss 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 as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 1 July 2023; 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. There is uncertainty due to ongoing inflationary cost rises and the associated cost of living crisis, which is impacting on consumer confidence particularly in the hospitality industry. This, 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 the covenant, due to the very tight headroom on this covenant at certain points of the forecast period in the severe but plausible downside scenario. 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. 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 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 2023 management accounts. We also agreed the gross debt and cash per the August 2023 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

- Our audit scope includes four components to support the group and company audit report. 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 97 percent of revenue and 98 percent of loss before tax.

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)
- Fair value of assets and liabilities recognised on the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach") (group)Recognition of supplier rebates (group)
- Impairment of investments and intercompany receivables (company)

Materiality

- Overall group materiality: £1,144,000 (2022: £263,000) based on 0.75% of revenue (2022: 2.5% of Adjusted EBITDA, on an IFRS 16 basis less lease payments).
- Overall company materiality: £430,000 (2022: £237,000) based on 1% of total assets (2022: 1% of total assets, capped at approximately 90% of the overall materiality for the group).
- Performance materiality: £858,000 (2022: £197,250) (group) and £322,500 (2022: £177,750) (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.

Fair value of assets and liabilities recognised on the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach") is a new key audit matter this year. Recognition of supplier rebates and the Impact of COVID-19, which were key audit matters last year, are no longer included because of the reduction of supplier rebates as a proportion of overall materiality and the reduced impact of COVID-19 in the year. Otherwise, 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 70 of the Audit Committee Report and notes 1 and 12 of the Notes to the consolidated financial information. The property, plant and equipment balance of £36,161k and right-of-use asset balance of £67,706k 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 venue. The impairment tests performed, which are based on a value in use calculation, identified an impairment charge of £18,738k, of which £6,096k relates to property, plant and equipment and £12,642k 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, using internal experts, 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 1 July 2023 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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Fair value of assets and liabilities recognised on the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach") (group)	
Refer to notes 1 and 11 of the Notes to the consolidated financial information. During the period ended 1 July 2023, the group has acquired 100% of the share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"). The group has recognised fair value adjustments totalling £7,051k, which generates £17,491k of goodwill on the acquisition. We have focused on these adjustments as there is estimation uncertainty in relation to the valuation of the assets and liabilities acquired and the resulting goodwill, as well as judgement in relation to the completeness of the adjustments included within the calculation.	To review the fair value adjustments prepared by management we performed the following: • we understood and evaluated management's controls over acquisition accounting and performed walkthroughs to evaluate the design and operating effectiveness of these controls; • we verified the existence of assets and liabilities included in the goodwill calculation; • we tested the completeness of the adjustments applied and ensured they are in line with the group's accounting policies; • we considered management's identification of intangible assets and assessed this for completeness; and • we assessed management's significant judgements and estimates in relation to the fair value adjustments recognised. Based on our work performed, we concluded that the fair value adjustments are appropriate and that appropriate disclosures have been made in the financial statements.
Impairment of investments and intercompany receivables (company)	
Refer to notes 1 and 5 of Notes to the Company financial information. The company holds an investment balance on the Company statement of financial position of £15,650k. 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 impairment test performed, identified an impairment charge of £14,000k, which has been recognised as an exceptional item during the period. Additionally the company holds £27,419k of amounts owed from subsidiary undertakings which is net of an expected credit loss ("ECL") of £6,855k. We focused on these areas as both the assessments are judgemental and require the use of estimates.	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, using internal experts, of what we would consider to be an appropriate range; • we assessed carrying value against the level of the market capitalisation of the group; and • we assessed management's ECL calculation and provision. Based on our work performed, we concluded that the recoverable amount supports the carrying value of the investment and intercompany receivables as at 1 July 2023 and 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.

Our audit scope includes four components to support the group and company audit report. 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 97 percent of revenue and 98 percent of loss before tax.

THE IMPACT OF CLIMATE RISK ON OUR AUDIT

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

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	£1,144,000 (2022: £263,000).	£430,000 (2022: £237,000).
How we determined it	0.75% of revenue (2022: 2.5% of Adjusted EBITDA, on an IFRS 16 basis less lease payments)	1% of total assets (2022: 1% of total assets, capped at approximately 90% of the overall materiality for the group)
Rationale for benchmark applied	Revenue is a 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. Due to the large volatility seen in adjusted EBITDA over recent years, and continued pressure on margins as a result of the ongoing cost of living crisis and rising inflation, we have determined that revenue is more reflective of the trading volumes of the newly enlarged group.	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.

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 £427,000 and £1,030,000. 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% (2022: 75%) of overall materiality, amounting to £858,000 (2022: £197,250) for the group financial statements and £322,500 (2022: £177,750) 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 in the middle 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 £57,000 (group audit) (2022: £13,000) and £21,500 (company audit) (2022: £11,850) 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

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 1 July 2023 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 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.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT CONTINUED

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS CONTINUED

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, 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 manipulate EBITDA, 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;
- reviewing relevant meeting minutes, including those of the Board of Directors;
- auditing the tax computations to ensure compliance with tax legislation
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the fair value adjustments recognised on the acquisition of Peach and the recoverability of property, plant and equipment, right-of-use asset, investments and intercompany receivables (see related key audit matters);
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations to increase revenue or manipulate EBITDA; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

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

USE OF THIS REPORT

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

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

Jonathan Studholme (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Manchester

16 October 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 1 JULY 2023

	Note	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Revenue	2	**152,551**	140,821
Cost of sales		**(35,419)**	(30,695)
Gross profit		**117,132**	110,126
Operating (expenses)/income:			
– operating expenses, excluding exceptional items	3	**(112,039)**	(102,721)
– exceptional items	3	**(20,244)**	(561)
– grant income	4	**–**	568
Total operating expenses		**(132,283)**	(102,714)
Operating profit/(loss)	5	**(15,151)**	7,412
Finance expense	8	**(7,056)**	(5,280)
(Loss)/profit before taxation		**(22,207)**	2,132
Income tax	9	**(27)**	–
(Loss)/profit and total comprehensive (expense)/income for the period		**(22,234)**	2,132
(Loss)/earnings per share:			
– basic (pence)	10	**(9.7)**	0.9
– diluted (pence)	10	**(9.3)**	0.9
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 1 JULY 2023

	Note	1 July 2023 £'000	2 July 2022 £'000
Assets			
Non-current assets			
Property, plant and equipment	*12*	**36,161**	36,375
Right-of-use assets	*12*	**67,706**	62,744
Intangible assets	*13*	**30**	28
Goodwill	*11*	**17,419**	–
		121,316	99,147
Current assets			
Inventories	*14*	**3,405**	3,487
Trade and other receivables	*15*	**11,448**	8,777
Cash and cash equivalents	*16*	**3,367**	18,815
		18,220	31,079
Total assets		**139,536**	130,226
Liabilities			
Current liabilities			
Trade and other payables	*17*	**(31,720)**	(30,618)
Lease liabilities	*18*	**(7,087)**	(5,437)
Provisions	*20*	**(871)**	(1,314)
Tax payable	*17*	**(27)**	–
		(39,705)	(37,369)
Net current liabilities		**(21,485)**	(6,290)
Non-current liabilities			
Lease liabilities	*18*	**(118,236)**	(99,545)
Interest-bearing loans and borrowings	*19*	**(25,000)**	(14,751)
Provisions	*20*	**(1,967)**	(1,582)
		(145,203)	(115,878)
Total liabilities		**(184,908)**	(153,247)
Net liabilities		**(45,372)**	(23,021)
Equity attributable to equity holders of the parent			
Share capital	*22*	**230**	230
Share premium		**33,794**	33,794
Merger reserve		**11,645**	11,645
Accumulated losses		**(91,041)**	(68,690)
Total equity		**(45,372)**	(23,021)

The financial statements on pages 90 to 119 were approved by the Board of Directors on 16 October 2023 and signed on its behalf by

Danielle Davies
Director

Registered number: 08838504

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 1 JULY 2023

			Reserves		
	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Accumulated Losses £'000	Total Equity £'000
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 23)	–	–	–	77	77
At 2 July 2022	230	33,794	11,645	(68,690)	(23,021)
Loss and total comprehensive expense for the period	–	–	–	(22,234)	(22,234)
Credit arising from long-term incentive plans (note 23)	–	–	–	(117)	(117)
At 1 July 2023	**230**	**33,794**	**11,645**	**(91,041)**	**(45,372)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 1 JULY 2023

	Note	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Cash flow from operating activities			
(Loss)/profit before tax		**(22,207)**	2,132
Adjustments for:			
Finance expense	*8*	**7,056**	5,280
Depreciation of property, plant and equipment	*12*	**6,634**	5,630
Depreciation of right-of-use assets	*12*	**5,423**	5,437
Impairment of property, plant and equipment	*3*	**6,096**	261
Impairment of right-of-use assets	*3*	**12,642**	376
Lease modification	*3*	**(50)**	(76)
Acquisition costs	*3*	**1,499**	–
Amortisation of intangibles	*12*	**5**	3
Taxation charge	*9*	**27**	–
(Credit)/charges arising from long-term incentive plans	*23*	**(117)**	77
Operating cash flows before movement in working capital		**17,008**	19,120
Decrease/(increase) in inventories		**584**	(532)
Increase in trade and other receivables		**(543)**	(3,559)
(Decrease)/increase in trade and other payables		**(6,936)**	10,170
(Decrease)/increase in provisions		**(443)**	650
Net cash flow generated from operating activities		**9,670**	25,849
Cash flow from investing activities			
Cost of acquisition of subsidiaries, net of cash acquired	*11*	**(10,689)**	–
Purchase of intangible assets	*13*	**(7)**	(7)
Purchase of property, plant and equipment	*12*	**(5,533)**	(8,321)
Net cash flow used in investing activities		**(16,229)**	(8,328)
Cash flow from financing activities			
Interest paid	*8*	**(1,895)**	(917)
Principal element of lease payments	*18*	**(6,432)**	(4,544)
Interest element of lease payments	*18*	**(4,885)**	(4,363)
Repayment of subsidiary borrowings		**(5,926)**	–
Repayment of borrowings		**(25,751)**	(1,000)
Drawdown of borrowings		**36,000**	–
Net cash outflow used in financing activities		**(8,889)**	(10,824)
Net (decrease)/increase in cash and cash equivalents		**(15,448)**	6,697
Opening cash and cash equivalents		**18,815**	12,118
Closing cash and cash equivalents	*16*	**3,367**	18,815

Reconciliation of net bank (debt)/cash		
Net (decrease)/increase in cash and cash equivalents	**(15,448)**	6,697
Cash inflow from increase in borrowings	**(36,000)**	–
Cash outflow from repayment of borrowings	**25,751**	1,000
Opening net bank cash/(debt)	**4,064**	(3,633)
Closing net bank (debt)/cash	**(21,633)**	4,064

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE 52 WEEKS ENDED 1 JULY 2023

1. GENERAL INFORMATION

CORPORATE INFORMATION

The consolidated financial statements of Revolution Bars Group plc for the 52 weeks ended 1 July 2023 were authorised for issue by the Board of Directors on 16 October 2023. 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 ("IAS") 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 1 July 2023 (prior period 52 weeks ended 2 July 2022).

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 1 July 2023 is a 52-week period; the period ended 2 July 2022 was a 52-week period.

The consolidated financial statements have been prepared under the historical cost convention in accordance with those parts of the Companies Act 2006 applicable to companies reporting under International Financial Reporting Standards ("IFRS"). References to 2023 or FY23 relate to the 52-week period ended 1 July 2023 and references to 2022 or FY22 relate to the 52-week period ended 2 July 2022 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, and associated impact on consumer confidence. The going concern status of the Company and subsidiaries is intrinsically linked to that of the Group.

Liquidity

At the end of the reporting period, the Group had net bank debt of £21.6 million (2022: net cash of £4.1 million). At the start of FY23, the Group held a £16.3 million Revolving Credit Facility ("RCF") which was fully unutilised, with £14.8 million total outstanding in CLBILS term loans which continued to amortise. 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 the acquisition of Peach Pubs. All outstanding CLBILS term loans were repaid on 13 October 2022, with just the RCF making up total facilities going forwards.

1. GENERAL INFORMATION CONTINUED

GOING CONCERN CONTINUED

Liquidity continued

In March 2023, an amendment was made to the facility to hold a £1.35 million Energy Guarantee for the purposes of signing a new energy contract. A further amendment was made in October 2023 such that all originally agreed reductions in total facility level be deferred to 30th June 2025, meaning at that date the £30.0 million facility will reduce by £5.0 million to a £25.0 million facility. All profitability-based covenants were waived until June 2025, and the minimum liquidity covenant was amended to link to management severe but plausible downside case forecasts. The requirement for a signed covenant certificate by the auditors was also waived for FY23 and FY24.

In accordance with the updated amendments, the Group will therefore have committed funding facilities available during the going concern assessment period as shown in the table below

	Energy Guarantee £m	RCF £m	Total Facility £m
30 June 2023	1.35	28.65	30.0
31 December 2023	1.35	28.65	30.0
30 June 2024	1.35	28.65	30.0
31 December 2024	1.35	28.65	30.0

Current Net debt and available liquidity

As at 15 October 2023, the Group's net bank debt position was £23.2 million and therefore the Group has available liquidity of £5.4 million.

Covenants

The facility's profitability-based covenants were waived in the year, with only a minimum liquidity covenant remaining that was amended to link to management severe but plausible downside case forecasts. The minimum liquidity covenant is built into long-term forecasting to allow Management to review and manage covenant compliance.

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-pandemic levels due to the impact of increased cost-of-living, with some price increases assumed to mitigate the earnings impact of these challenges.

The level of sales that the Group generates drives EBITDA and cash generation, which in turn drives compliance with the minimum liquidity covenant test. In reaching their assessment that the financing arrangements are expected to be sufficient for the business, the Directors have reviewed a base case forecast scenario which assumes a continued impact of the cost-of-living crisis on the business, with rises in sales following a particularly tough FY23 impacted by ongoing cost pressures, mitigated by delivery of synergies post-acquisition. Under the base case forecast, liquidity is sufficient and there is no forecast breach of the minimum liquidity covenant.

Severe but plausible downside scenario

The Directors have also reviewed a severe but plausible downside case which takes the base case and assumes a sales decline from FY23 actual performance, with a small improvement at Christmas accounting for some rail strikes should they continue. Pub performance is assumed at a reduction, equivalent to no further synergies being delivered. Softer trading is then continued into FY25. No further Government assistance is assumed, and Capex is further reduced compared to the original Board-approved budget prepared May-June 2023. The severe but plausible downside case shows sufficient liquidity and no forecast breach of the minimum liquidity covenant, but at certain points of the year operates at a very tight headroom.

The material uncertainty caused by ongoing inflationary cost rises, the associated impact on consumer confidence, and forecasting difficulties as a result of the constantly changing economic environment means that the Group cannot be assured that it will not breach the minimum liquidity covenant. A breach of covenant would require the bank to grant a waiver or for the Group to renegotiate its banking facilities or raise funds from other sources, none of which is entirely within the Group's control. A breach of the covenant would also result in the reclassification of non-current borrowings to current borrowings. The Group has a strong relationship with its banking partner, and monitors covenant compliance closely.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

1. GENERAL INFORMATION CONTINUED

GOING CONCERN CONTINUED

Going concern statement

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, accommodation sales, rental and gaming income which is also recognised at the point of delivery of product or service to the customer.

Party deposits are held as deferred revenue until the date of event, at which point it is recognised as revenue. A provision is held for the Peach loyalty scheme based on expected future usage of non-expired points.

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.

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.

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

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). Information is presented to the CODM on a group basis as all brands materially offer the same services through hospitality. This information can be broken to a more granular level as required, but is otherwise considered one segment due to the nature of the business.

Share-based payments

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

Exceptional items

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

Bar opening costs

Bar opening costs refer to 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

1. GENERAL INFORMATION CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and any equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated income statement as incurred.

When the consideration transferred by the Group in a business combination includes contingent consideration, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Goodwill

Goodwill arising on acquisition is capitalised and represents the excess of the fair value of consideration over the value of the Group's interest in the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is not amortised but reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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.

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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 1 JULY 2023

1. GENERAL INFORMATION CONTINUED

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

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

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

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

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

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

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

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

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

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

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

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

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

Fair value adjustments made on acquisition

The Group acquired Peach Pubs in the year and reviewed the acquired balance sheet for appropriate fair value adjustments to reflect the true value of assets/liabilities acquired. An element of judgement is applied here as to the Group's valuation of these balances, and included adjustments such as write-down of assets, provisions and alignment of accounting policies.

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 12) and goodwill (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. Similarly, an annual impairment assessment on goodwill is conducted as under IFRS this balance is not amortised.

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 12.

1. GENERAL INFORMATION CONTINUED

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

The key assumptions in the value in use calculation are the applicable post-tax discount rate of 11.6 per cent (2022: 11.0 per cent) and long-term revenue and cost base growth rates of 1 per cent (2022: 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 3 July 2022.

(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 1 July 2023 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)

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 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Revenue	**152,551**	140,821
Cost of sales	**(35,419)**	(30,695)
Gross profit	**117,132**	110,126
Operating (expenses)/income:		
– operating expenses excluding exceptional items	**(112,039)**	(102,721)
– exceptional items	**(20,244)**	(561)
– grant income	**–**	568
Total operating expenses	**(132,283)**	(102,714)
Operating (loss)/profit	**(15,151)**	7,412

Depreciation is disclosed in note 5.

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

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Bar & Pub Revenue	**149,742**	139,581
Other Revenue	**2,809**	1,240
Revenue	**152,551**	140,821

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

3. OPERATING (EXPENSES)/INCOME

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Sales and distribution	**119,682**	91,696
Administrative expenses	**12,601**	11,586
Grant income	**–**	(568)
Total operating expenses	**132,283**	102,714

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 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Administrative expenses/(income):		
– impairment of right-of-use assets	**12,642**	376
– impairment of property, plant and equipment	**6,096**	261
– lease modification	**(50)**	(76)
– acquisition costs	**1,499**	–
– business restructure	**157**	–
Total exceptional items	**20,244**	561

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 35 of the Group's bars and pubs (2022: nine) was written down, including right-of-use asset write-downs at 30 bars and pubs (2022: two).

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.

Acquisition costs relate to the acquisition of Peach Pubs, and the business restructure predominantly relates to costs involved with the closure of bars and finalisation of the 2020 CVA.

Bar opening costs relate to costs incurred in getting new bars fully operational and primarily include costs incurred before the opening and preparing for launch, even if the bars do not open in the period. In the 52-week period ended 1 July 2023 no new bars were opened (2022: two new bars opened).

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Bar opening costs	**–**	306

4. GRANT INCOME

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Local authority grants	**–**	568

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.

5. OPERATING (LOSS)/PROFIT

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

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Depreciation of property, plant and equipment	**6,634**	5,630
Depreciation of right-of-use assets	**5,423**	5,437
Impairment of property, plant and equipment	**6,096**	261
Impairment of right-of-use assets	**12,642**	376
Amortisation of intangibles	**5**	3
Auditors' remuneration:		
– audit fees payable to the Company's auditors for the audit of these financial statements	**167**	160
Fees payable to the Company's auditors for:		
– audit of financial statements of subsidiary companies	**233**	103

There were no non-audit fees in the year (2022: none).

6. STAFF NUMBERS AND COSTS

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

	52 weeks ended 1 July 2023 Number	52 weeks ended 2 July 2022 Number
Administrative	**136**	109
Operational	**3,455**	2,718
	3,591	2,827

The aggregate payroll costs were as follows:

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Wages and salaries	**50,911**	47,598
Social security costs	**3,761**	2,993
Other pension costs	**1,037**	728
Share-based payment (credit)/charge (note 23)	**(117)**	77
	55,592	51,396

Aggregate payroll costs include £0.3 million (2022: £0.3 million) capitalised as property, plant and equipment.

7. DIRECTORS' REMUNERATION

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Aggregate emoluments	**1,078**	1,297
Pension contributions to money purchase schemes[1]	**56**	56
	1,134	1,353
Emoluments in respect of the highest paid Director		
Aggregate emoluments	**561**	710
Pension contributions to money purchase schemes[1]	**49**	49
	610	759

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

Two Directors (2022: two) were enrolled in a defined contribution pension scheme in the period. In addition to the above, £167k (2022: £334k) of long-term incentive share options were awarded to the highest paid Director in the period.

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FOR THE 52 WEEKS ENDED 1 JULY 2023

8. FINANCE EXPENSE

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Interest payable on bank loans and overdrafts	**1,895**	917
Interest on lease liabilities	**5,161**	4,363
Interest payable	**7,056**	5,280

9. INCOME TAX

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

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Analysis of credit in the period		
Current tax		
UK corporation tax on the (loss)/profit for the period	**27**	–
	27	–
Deferred tax – Profit and loss account		
Origination and reversal of timing differences	**–**	–
	–	–
Total deferred tax	**–**	–
Total tax charge	**27**	–
Factors affecting current tax credit for the period		
(Loss)/profit before taxation	**(22,207)**	2,132
(Loss)/profit at standard rate of UK corporation tax (2023: 20.5%; 2022: 19.0%)	**(4,552)**	405
Effects of:		
– expenses not deductible for tax and other permanent differences	**987**	54
– adjustment in respect of prior periods	**27**	–
– changes in expected tax rates on deferred tax balances	**–**	145
– deferred tax not recognised	**3,565**	(604)
Total tax charge/(credit) for the period	**27**	–

At 2 July 2023, the Group has carried forward tax losses of £70.7 million (2022: £45.5 million) available to offset against future profits for which no deferred tax asset has been recognised (2022: 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. (LOSS)/EARNINGS PER SHARE

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

	52 weeks ended 1 July 2023	52 weeks ended 2 July 2022
(Loss)/profit for the period (£'000)	**(22,234)**	2,132
Weighted average number of shares – basic ('000)	**230,049**	230,049
Basic (loss)/earnings per Ordinary Share (pence)	**(9.7)**	0.9
Weighted average number of shares – diluted ('000)	**239,838**	235,139
Diluted (loss)/earnings per Ordinary Share (pence)	**(9.7)**	0.9

Diluted shares are calculated making an assumption of outstanding options expected to be awards. The associated diluted (loss)/earnings per Ordinary Share cannot be anti-dilutive and therefore is capped at the same value as basic (loss)/earnings per Ordinary Share. (Loss)/profit for the period was impacted by one-off exceptional costs. A calculation of adjusted earnings per Ordinary Share is set out below.

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Adjusted earnings per share		
(Loss)/profit on ordinary activities before taxation	**(22,207)**	2,132
Exceptional items, share-based payments and bar opening costs	**20,244**	944
Adjusted (loss)/profit on ordinary activities before taxation	**(1,963)**	3,076
Taxation (charge)/credit on ordinary activities	**(27)**	–
Taxation on exceptional items and bar opening costs	**3,584**	(150)
Adjusted profit on ordinary activities after taxation	**1,594**	2,926
Basic number of shares ('000)	**230,049**	230,049
Adjusted basic earnings per share (pence)	**0.7**	1.3
Diluted number of shares ('000)	**239,838**	235,139
Adjusted diluted earnings per share (pence)	**0.7**	1.2

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

11. BUSINESS COMBINATIONS

In the 52-week period ended 1 July 2023, the Group has acquired 100% of the share capital of 12 companies, between them holding 21 pubs, which form The Peach Pub Company (Holdings) Limited group ("Peach"). Acquisition of these shares has led to the control and consolidation of these companies as of the date of acquisition, being 18 October 2022, leading to control from the date of acquisition. £1.5 million of acquisition costs were incurred which have been recognised as an expense in exceptional items.

As the acquisition occurred mid-accounting period, the Group has taken advantage of the IFRS 3 "Convenience Date", noting that no material changes in amounts were recognised between the date of acquisition and date of consolidation, being 30 October 2022 (the first date of the next period after acquisition).

Since acquisition to FY23-end, Peach has generated revenue of £22.6 million and a loss before tax of £(0.1) million. It is not practical to provide a proforma as if the acquisition had taken place at the start of the year due to the following:

- Peach has previously operated a 52-week period on the calendar year, where Revolution Bars Group plc operates a 52-week period from the end of June. There would be additional complexity in analysing the information from these variety of dates as well as the acquisition date;
- The acquisition occurred approximately three months into FY23, and is therefore not a significant proportion of the full-year trade. It is not expected that providing analysis as if acquired at the start of the year would provide a quantitively or qualitatively material impact for the readers;
- Peach was previously accounted for under FRS 102 UK GAAP, and Management has completed the IFRS conversion as at acquisition. The additional work to convert the balance sheet as at the start of the year is not expected to provide significantly different information to that as at acquisition;
- Due to the differing accounting frameworks, as well as differing management of the business pre-acquisition, there have also been a large number of accounting policy amendments to bring Peach in line with the Group. Rolling this to the start of the year is also not expected to provide meaningful information; and
- It is not believed the level of analysis from Management to produce the above analysis would provide truly meaningful information for the readers of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 1 JULY 2023

11. BUSINESS COMBINATIONS CONTINUED

SUBSIDIARIES ACQUIRED IN THE 52-WEEK PERIOD ENDED 1 JULY 2023

	Principal activity	Date of acquisition	Total share capital acquired
The Peach Pub Company (Holdings) Limited	Management Company	18 October 2022	100%
The Peach Pub Company Limited	Pub Trading Company	18 October 2022	100%
The Peach Pub Properties Limited	Pub Trading Company	18 October 2022	100%
Pretty as Peach Limited	Pub Trading Company	18 October 2022	100%
Pure Peach Limited	Pub Trading Company	18 October 2022	100%
100% Peach Limited	Pub Trading Company	18 October 2022	100%
Peach Almanack Limited	Pub Trading Company	18 October 2022	100%
Giant Peach Pubs Limited	Pub Trading Company	18 October 2022	100%
Peach Paddy Club Limited	Pub Trading Company	18 October 2022	100%
Peach County Limited	Pub Trading Company	18 October 2022	100%
Peach Melba Limited	Pub Trading Company	18 October 2022	100%
Peach on the Water Limited	Pub Trading Company	18 October 2022	100%

ASSETS ACQUIRED AND LIABILITIES RECOGNISED AT THE DATE OF ACQUISITION

The amounts recognised in respect of identifiable assets and liabilities relating to the acquisition are as follows, as at the consolidation date of 30 October 2022. The acquisition disclosures have been combined as each acquisition is considered to be individually immaterial to the Group. Assets and liabilities have been valued at fair value on acquisition, with the 12-month period of review ending 17 October 2023.

	Book value of assets and liabilities acquired £'000	IFRS Conversion Adjustments £'000	Fair Value Adjustments on acquisition £'000	Fair value of assets and liabilities acquired £'000
Non-current assets				
Property, plant and equipment	9,145	–	(2,162)	6,983
Right-of-use assets	–	25,161	(3,342)	21,819
Goodwill	69	–	(69)	–
Current assets				
Inventories	368	–	189	557
Trade and other receivables	2,265	(5)	3,753	6,013
Cash and cash equivalents	4,738	–	–	4,738
Non-current liabilities				
Lease liabilities	–	(24,404)	–	(24,404)
Dilapidations provision	–	–	(372)	(372)
Current liabilities				
Trade and other payables	(6,693)	–	(4,966)	(11,659)
Loans	(5,755)	–	(82)	(5,837)
Lease liabilities	–	(1,048)	–	(1,048)
Tax payable	(280)	–	–	(280)
Net assets	**3,857**	**(296)**	**(7,051)**	**(3,490)**

The implementation of IFRS 16 gave rise to newly created right-of-use assets and lease liabilities; in line with IFRS 3, the right-of-use assets have been brought on at a value equal to lease liability, adjusted for any known market conditions. These leases relate to the standalone pub leases. Impairment reviews of both property, plant and equipment and right-of-use assets then gave rise to fair value adjustments to accordingly bring the values down. Trade and other receivables and Trade and other Payables above include £3.9 million of intercompany balances which net off.

GOODWILL ARISING ON ACQUISITION

The enterprise value of £16.5 million was adjusted by a number of balance sheet adjustments resulting in an equity value at completion of £13.4 million plus £0.5 million of contingent consideration based on performance that is expected to be fully achieved but not yet paid.

11. BUSINESS COMBINATIONS CONTINUED

The cashflow shows the £13.4 million payment, plus £0.5 million paid out in relation to another contingent consideration that is not expected to be realised and thus does not attribute to the investment figure, less cash received on acquisition of £4.7 million.

	Goodwill £'000
Consideration	13,929
Plus: Fair value of liabilities acquired	3,490
Goodwill arising on acquisition	**17,419**

The consideration shown within the table above relates to £13.4 million cash consideration for the purchase of the 100% share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries, and £0.5 million of contingent consideration due dependent on the future performance of Peach, which is expected to be achieved fully.

Under IFRS, goodwill is not amortised and accordingly an impairment review must be conducted annually. The review is compared to the discounted cash flows based on forecasts for the brand. A long-term growth rate has been applied from July 2023 at 1.0 per cent, and the post-tax discount rate used was 11.6%; both assumptions are in line with those used for other areas of impairment review in the Group. The value-in-use ("VIU") was then assessed against goodwill and other relevant assets associated with the company including property, plant and equipment and right-of-use assets; the VIU was greater than goodwill and investment value and accordingly no impairment has been recognised. If the post-tax discount rate was increased by 1% this would reduce the VIU by £4.3 million. If the growth rate was reduced by 1% this would reduce the VIU by £3.0 million. If both were changed by 1% this would reduce the VIU by £6.7 million. In all sensitivity cases, the VIU still exceeds the carrying value of goodwill.

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

PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £'000	Short leasehold premises £'000	Fixtures and fittings £'000	IT equipment and office furniture £'000	Total £'000
Cost					
At 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
Acquired at 30 October 2022	226	2,103	4,463	191	6,983
Additions	–	1,701	2,732	1,100	5,533
At 1 July 2023	**1,652**	**90,479**	**69,029**	**11,033**	**172,193**
Accumulated depreciation and impairment					
At 3 July 2021	(1,216)	(56,740)	(51,033)	(8,422)	(117,411)
Charge for 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)
Charge for the period	–	(3,001)	(2,938)	(695)	(6,634)
Impairment charges	–	(4,649)	(1,214)	(233)	(6,096)
At 1 July 2023	**(1,216)**	**(67,030)**	**(57,855)**	**(9,931)**	**(136,032)**
Net book value					
At 1 July 2023	**436**	**23,449**	**11,174**	**1,102**	**36,161**
At 2 July 2022	210	27,295	8,131	739	36,375
At 3 July 2021	210	27,148	5,854	733	33,945

* 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

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

RIGHT-OF-USE ASSETS

	Bars & Pubs £'000	Vehicles £'000	Total £'000
Cost			
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
Reassessment/modification of assets previously recognised	1,208	–	1,208
Additions	21,819	–	21,819
At 1 July 2023	**132,809**	**418**	**133,227**
Accumulated depreciation and impairment			
At 3 July 2021	(41,318)	(325)	(41,643)
Charge for the period	(5,348)	(89)	(5,437)
Impairment charges	(376)	–	(376)
At 2 July 2022	(47,042)	(414)	(47,456)
Charge for the period	(5,423)	–	(5,423)
Impairment charges	(12,638)	(4)	(12,642)
At 1 July 2023	**(65,103)**	**(418)**	**(65,521)**
Net book value			
At 1 July 2023	**67,706**	**–**	**67,706**
At 2 July 2022	62,740	4	62,744
At 3 July 2021	63,951	93	64,044

Please see note 18 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. As at year-end, there was no committed spend for projects.

The Group has determined that for the purposes of impairment testing, each bar and pub is a cash generating unit ("CGU"). The bars and pubs 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 1 July 2023, the Group impaired the property, plant and equipment of 35 CGUs (2022: nine CGUs) and the right-of-use assets of 30 CGUs (2022: two 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 a Board-approved forecast. 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 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 for bars based on historical refurbishment outcomes.

The Group has previously applied a lower annual earnings multiplier of seven to recognise the adverse trading impact of COVID-19. For the current reporting period the Group has applied an earnings multiplier of ten to reflect the reduced risk in the year.

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

IMPAIRMENT TESTING METHODOLOGY CONTINUED

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 FY24 is based on the last twelve months of 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 2023 at 1.0 per cent (2022: 1.0 per cent).
- Post-tax discount rate: 11.6 per cent (2022: 11.0 per cent) based on the Group's weighted average cost of capital.

Sensitivity analysis has been performed on each of the long-term growth rate and 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 £1.6 million. A 0.1 per cent decrease in the long-term growth rate would result in additional impairments of £1.0 million. Applying the most recent performance to the signing date, which includes the impact of continued challenging trade over the summer, results in an increase in the impairment charge of approximately £2.2 million.

13. INTANGIBLE ASSETS

	Total £'000
Cost	
At 2 July 2022	33
Additions	7
At 1 July 2023	**40**
Accumulated amortisation	
At 2 July 2022	(5)
Charge for the period	(5)
At 1 July 2023	**(10)**
Net book value	
At 1 July 2023	**30**
At 2 July 2022	28

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.

14. INVENTORIES

	1 July 2023 £'000	2 July 2022 £'000
Goods held for resale	**2,437**	2,321
Sundry stocks	**968**	1,166
	3,405	3,487

Sundry stocks include items such as glasses, packaging, uniform and drinks decorations. Inventory is net of provision of £0.16 million (2022: £0.23 million). £nil was written down in the year as an expense (2022: £0.11 million).

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

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Cost of inventories	**35,419**	30,359

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

15. TRADE AND OTHER RECEIVABLES

	1 July 2023 £'000	2 July 2022 £'000
Amounts falling due within one year		
Trade receivables	**4,429**	3,707
Accrued rebate income	**721**	501
Prepayments	**5,809**	4,427
Other debtors	**489**	142
	11,448	8,777

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

	1 July 2023 £'000	2 July 2022 £'000
Not past due	**4,183**	3,207
Past due 0-30 days	**234**	298
Past due 31-60 days	**8**	42
More than 60 days	**4**	160
	4,429	3,707

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 1 July 2023 (2022: none).

All receivables are GBP denominated. The Group trade and other receivables is net of provisions of £45k (2022: £124k). There were no write-offs in the year.

£2.6 million of Trade receivables relates to uncleared credit and debit card takings (2022: £2.3 million).

16. CASH AND CASH EQUIVALENTS

	1 July 2023 £'000	2 July 2022 £'000
Cash and cash equivalents	**3,367**	18,815

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.

17. TRADE AND OTHER PAYABLES

	1 July 2023 £'000	2 July 2022 £'000
Trade payables	**15,011**	11,801
Other payables	**1,339**	142
Accruals and deferred income	**11,261**	15,434
Other taxes and social security costs	**4,109**	3,241
	31,720	30,618

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 Group also has £27k of corporation tax payable due.

18. LEASE LIABILITIES

	Bars & Pubs £'000	Vehicles £'000	Total £'000
At 2 July 2022	104,976	6	104,982
Reassessment/modification of liabilities previously recognised	1,096	–	1,096
Modifications taken as a credit to administrative expenses (note 3)	(50)	–	(50)
Additions	25,451	–	25,451
Lease liability payments	(11,311)	(6)	(11,317)
Finance costs	5,161	–	5,161
At 1 July 2023	**125,323**	**–**	**125,323**

Cash payments in the period comprise interest of £4.9 million and principal of £6.4 million. Reassessment and modification of liabilities previously recognised predominantly relates to the re-gear of six bars and pubs (2022: five bars) where either the length of the lease has been extended or the rental charge has been increased.

The expense relating to short-term, low-value and variable lease payments not included in the measurement of lease liabilities is £0.1 million (2022: £0.1 million). A number of bars and pubs have options to break the lease at an earlier point. Management consider each of these based on likelihood for the purposes of IFRS 16 calculations.

Lease liabilities are comprised of the following balance sheet amounts:

	1 July 2023 £'000	2 July 2022 £'000
Amounts due within one year	**7,087**	5,437
Amounts due after more than one year	**118,236**	99,545
	125,323	104,982

The maturity analysis of the lease liabilities is as follows:

	1 July 2023 £'000	2 July 2022 £'000
Year 1	**12,458**	9,629
Year 2	**12,328**	9,781
Year 3	**12,011**	9,787
Year 4	**11,932**	9,601
Year 5	**11,119**	9,285
After 5 years	**142,355**	99,225
Effect of discounting	**(76,880)**	(42,326)
Carrying amount of liability	**125,323**	104,982

Please see note 12 for details of right-of-use assets.

19. INTEREST-BEARING LOANS AND BORROWINGS

	1 July 2023 £'000	2 July 2022 £'000
Revolving credit facility	**25,000**	–
Coronavirus Large Business Interruption Loan Scheme	**–**	14,751
	25,000	14,751

As at the date of the consolidated financial position, the Group had a revolving credit facility (the "Facility") of £30.0 million expiring June 2025, of which £25.0 million was drawn down. The facility is subject to interest charged at a margin plus SONIA, and a minimum liquidity covenant. Please see the going concern disclosure in note 1 for further information.

The Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loans were repaid in October 2022 as part of the 10 October 2022 refinancing.

19. INTEREST-BEARING LOANS AND BORROWINGS CONTINUED

The Facility is 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 the Peach Pub subsidiaries, 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 24.

20. 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 2 July 2022	1,314	1,582	2,896
Movement on provision	–	510	510
Release of provision	(443)	–	(443)
Utilisation of provision	–	(125)	(125)
At 1 July 2023	**871**	**1,967**	**2,838**

	1 July 2023 £'000	2 July 2022 £'000
Current	**871**	1,314
Non-current	**1,967**	1,582
	2,838	2,896

21. 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 3 July 2021	–	–	–	–
Charge to income	–	–	–	–
At 2 July 2022	–	–	–	–
Charge to income	–	–	–	–
At 1 July 2023	**–**	**–**	**–**	**–**

	1 July 2023 £'000	2 July 2022 £'000
Deferred tax assets	**–**	–
Deferred tax liabilities	**–**	–
Total	**–**	–

As at the reporting date, the Group had unused tax losses of £70.7 million (2022: £45.5 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.

22. SHARE CAPITAL

	1 July 2023 £'000	2 July 2022 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2022: 230,048,520 £0.001 Ordinary Shares)	**230**	230
	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.

23. SHARE-BASED PAYMENTS (EQUITY SETTLED)

The Group currently operates one share award plan, which is an equity settled scheme. The Group previously operated "The Revolution Bars Group Share Plan" which comprised a Nominal Cost Option and a linked, tax-favoured Company Share Option, which were established in 2015 and continued to run until expiry in 2022.

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 period after issue (inclusive of the year in which granted) or three years from the date of grant. 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. All shares were awarded at £0.001 cost.

The 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 credit for the period relating to employee share-based payment plans was £0.1 million (2022: £0.08 million charge), all of which related to equity-settled share-based payment transactions. A credit of £0.01 million (2022: credit of £0.01 million) was released in FY23 following the lapse of the previous LTIP award schemes.

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 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
2018 LTIP Award	–	(51)
2019 LTIP Award	**(99)**	(43)
2020 LTIP Award	**(67)**	20
2021 RSA Award	**(7)**	36
2022 RSA Award	**6**	115
2023 RSA Award	**50**	–
(Credit)/charge arising from long-term incentive plans	**(117)**	77

In the 52 weeks ended 1 July 2023, conditional awards of ordinary shares were granted as follows:

	Restricted Share Award scheme ("RSA")
25 October 2022	5,628,887
Total	**5,628,887**

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.

23. SHARE-BASED PAYMENTS (EQUITY SETTLED) CONTINUED

TOTAL SHARE-BASED PAYMENT PLANS CONTINUED

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

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	10,000	–	(10,000)	–	–
2020 LTIP	23-Oct-19	Jun-19	Jun-22	696,269	–	(696,269)	–	–
2021 RSA	24-Dec-20	n/a	n/a	1,217,854	–	–	(112,102)	1,105,752
2022 RSA	23-Nov-21	n/a	n/a	4,096,776	–	–	(417,784)	3,678,992
2023 RSA	25-Oct-22	n/a	n/a	–	5,628,887	–	(372,080)	5,256,807
				6,020,899	**5,628,887**	**(706,269)**	**(901,966)**	**10,041,551**

24. 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 profit or loss and other 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:

	1 July 2023 £'000	2 July 2022 £'000
Trade receivables	**4,429**	3,707
Cash and cash equivalents	**3,367**	18,815
	7,796	22,522

24. FINANCIAL INSTRUMENTS CONTINUED

CREDIT RISK CONTINUED

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

	1 July 2023 £'000	2 July 2022 £'000
Not past due	**4,183**	3,207
Past due 0-30 days	**234**	298
Past due 31-60 days	**8**	42
More than 60 days	**4**	160
	4,429	3,707

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 1 July 2023.

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 1 July 2023 and as at 2 July 2022 was determined as follows for both trade receivables and accrued rebate income:

	1 July 2023 £'000	2 July 2022 £'000
Expected loss rate	**2%**	2%
Trade and other receivables	**709**	1,168
Accrued rebate income	**721**	501
	28	28

The difference between trade receivables, as shown immediately above at £0.7 million (2022: £1.2 million), and the £4.1 million balance (2022: £3.7 million) earlier in this note relates to uncleared credit and debit card takings and other receivables, which have been determined as having no expected credit 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 2025 provided by Natwest, of which £25.0 million was drawn at 1 July 2023. See note 1 under sub-heading Going concern for further details of the Group's funding arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED

FOR THE 52 WEEKS ENDED 1 JULY 2023

24. FINANCIAL INSTRUMENTS CONTINUED

LIQUIDITY RISK CONTINUED

The Group's financial liabilities are as follows:

	1 July 2023 £'000	2 July 2022 £'000
Trade payables	**15,011**	11,801
Other payables	**1,339**	142
Accruals and deferred income	**11,261**	15,434
Revolving credit facility	**25,000**	–
CLBILS loans	**–**	14,751
	52,611	42,128

The maturity analysis of the financial liabilities is as follows:

As at 1 July 2023	< 1 year £'000	1–5 years £'000	> 5 years £'000	Total £'000
Trade and other payables	**16,350**	**–**	**–**	**16,350**
Revolving credit facility	**–**	**25,000**	**–**	**25,000**
CLBILS loans	**–**	**–**	**–**	**–**

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

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 1 July 2023, the Group's interest-bearing financial assets consisted solely of cash and cash equivalents (see note 16). The Group has interest-bearing financial liabilities as at 1 July 2023, comprising a drawn Revolving Credit Facility of £25.0 million (2022: CLBILS term loan of £14.8 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.

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.

24. FINANCIAL INSTRUMENTS CONTINUED

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.

25. DIVIDENDS

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the 52 weeks ended 1 July 2023 of nil per share (52 weeks ended 2 July 2022 of nil per share)	**–**	–
	–	–

26. RELATED PARTY TRANSACTIONS

(A) SUBSIDIARIES

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

(B) KEY MANAGEMENT PERSONNEL

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

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Key management emoluments including social security costs	**2,365**	1,459
Awards granted under long-term incentive plans	**403**	721
Pension contributions to money purchase schemes[1]	**90**	86
	2,858	2,266

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 52 to 54. Details of the Directors' remuneration is provided in the Directors' Remuneration Report. The Group did not enter into any form of loan arrangement with any Director during any of the reporting periods presented.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

27. POST BALANCE SHEET EVENTS

CHANGES TO COMMITTED BORROWING FACILITIES

As at the date of the consolidated financial position the Group had a revolving credit facility ("RCF") of £30.0 million expiring in June 2025. In October 2023, it was agreed with the bank that all previously agreed reductions in the facility would be deferred to 30 June 2025, meaning at that date a £5.0 million reduction is due. Furthermore, all profitability-based covenants were waived, and the minimum liquidity covenant was amended to link to management forecasts. Further details of the facility, their duration, amortisation profiles, future availability of committed funding and covenants are set out under the going concern section of note 1 to the financial statements.

CHANGES IN LEASES

Revolution Putney was closed in FY23 and the lease was exited shortly after year-end. Revolution Clapham High Street was closed at the start of FY24 and an exit of the lease is expected shortly. A new Peach Pub, The Three Horseshoes, opened in October 2023.

28. ALTERNATIVE PERFORMANCE MEASURES – ADJUSTED EBITDA – NON-IFRS 16 BASIS

The Board's preferred profit measures are Alternative Performance Measures ("APM") adjusted EBITDA and APM adjusted pre-tax loss, as shown in the tables below. The APM adjusted measures exclude exceptional items, bar opening costs and charges/credits arising from long term incentive plans. Non-GAAP measures are presented below which encompasses adjusted EBITDA on an IFRS 16 basis:

	Note	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Non-GAAP measures			
Revenue	*2*	**152,551**	140,821
Operating (loss)/profit	*5*	**(15,151)**	7,412
Exceptional items	*3*	**20,244**	561
(Credit)/charge arising from long-term incentive plans	*23*	**(117)**	77
Bar opening costs		**–**	306
Adjusted operating profit		**4,976**	8,356
Finance expense	*8*	**(7,056)**	(5,280)
Adjusted (loss)/profit before tax		**(2,080)**	3,076
Depreciation	*5*	**12,057**	11,067
Amortisation		**5**	3
Finance expense	*8*	**7,056**	5,280
Adjusted EBITDA		**17,038**	19,426

A comparison of statutory and APM exceptionals is provided below:

	52 weeks ended 1 July 2023 IFRS 16 £'000	52 weeks ended 1 July 2023 IAS 17 £'000
Administrative expenses/(income):		
– impairment of right-of-use assets	**12,642**	–
– impairment of property, plant and equipment	**6,096**	6,096
– lease modification	**(50)**	–
– acquisition costs	**1,499**	1,499
– business restructure	**57**	57
Total exceptional items	**20,244**	7,652

28. ALTERNATIVE PERFORMANCE MEASURES – ADJUSTED EBITDA – NON-IFRS 16 BASIS CONTINUED

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 1 July 2023 IFRS 16 £'000	Reduction in depreciation £'000	Reduction in interest £'000	Onerous lease provision interest £'000	Rent charge £'000	IFRS 16 Exceptionals £'000	52 weeks ended 1 July 2023 IAS 17 £'000
Operating loss	**(15,151)**	**6,022**	**–**	**–**	**(10,424)**	**12,592**	**(6,961)**
Exceptional items	**20,244**	**–**	**–**	**–**	**–**	**(12,592)**	**7,652**
Credit arising from long-term incentive plans	**(117)**	**–**	**–**	**–**	**–**	**–**	**(117)**
Adjusted operating profit	**4,976**	**6,022**	**–**	**–**	**(10,424)**	**–**	**574**
Finance income	**–**	**–**	**16**	**–**	**–**	**–**	**16**
Finance expense	**(7,056)**	**–**	**5,145**	**(211)**	**–**	**–**	**(2,122)**
Adjusted loss before tax	**(2,080)**	**6,022**	**5,161**	**(211)**	**(10,424)**	**–**	**(1,532)**
Depreciation	**12,057**	**(6,022)**	**–**	**–**	**–**	**–**	**6,035**
Amortisation	**5**	**–**	**–**	**–**	**–**	**–**	**5**
Finance income	**–**	**–**	**(16)**	**–**	**–**	**–**	**(16)**
Finance expense	**7,056**	**–**	**(5,145)**	**211**	**–**	**–**	**2,122**
Adjusted EBITDA	**17,038**	**–**	**–**	**–**	**(10,424)**	**–**	**6,614**

	52 weeks ended 2 July 2022 IFRS 16 £'000	Reduction in depreciation £'000	Reduction in interest £'000	Onerous lease provision interest £'000	Rent charge £'000	IFRS 16 Exceptionals £'000	52 weeks ended 2 July 2022 IAS 17 £'000
Operating profit	7,412	6,218	–	–	(9,189)	328	4,769
Exceptional items	561	–	–	–	–	(328)	233
Charge arising from long-term incentive plans	77	–	–	–	–	–	77
Bar opening costs	306	–	–	–	–	–	306
Adjusted operating profit	8,356	6,218	–	–	(9,189)	–	5,385
Finance expense	(5,280)	–	4,393	(30)	–	–	(917)
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

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 significantly 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 1 JULY 2023

	Note	1 July 2023 £'000	2 July 2022 £'000
Assets			
Non-current assets			
Investments	*5*	**15,650**	29,650
Trade and other receivables	*6*	**27,419**	–
Current assets			
Trade and other receivables	*6*	–	33,589
Total assets		**43,069**	63,239
Liabilities			
Current liabilities			
Trade and other payables		**–**	–
Total liabilities		**–**	–
Net assets		**43,069**	63,239
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		**(2,600)**	17,570
Total equity		**43,069**	63,239

The Company made a £2.1 million loss after tax in the 52 weeks ended 1 July 2023 (52 weeks ended 2 July 2022: £1,000 loss). The financial statements on pages 120 to 125 were approved by the Board of Directors on 16 October 2023 and signed on its behalf by

Danielle Davies
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 1 JULY 2023

	Share capital £'000	Share premium £'000	Reserves: Merger reserve £'000	Reserves: Retained earnings £'000	Total equity £'000
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
Loss and total comprehensive expense for the period	–	–	–	(20,053)	(20,053)
Credit arising from long-term incentive plans	–	–	–	(117)	(117)
At 1 July 2023	**230**	**33,794**	**11,645**	**(2,600)**	**43,069**

COMPANY STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 1 JULY 2023

	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
Cash flow from operating activities		
Loss before tax	**(20,053)**	(1)
Adjustments for:		
Investment impairment	**14,000**	–
Dividends received	**–**	–
Decrease/(increase) in trade and other receivables	**6,170**	(76)
(Credit)/charge arising from share-based payments	**(117)**	77
Net cash flow used in operating activities	**–**	–
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	**–**	–
Net cash flow generated from financing activities	**–**	–
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 UK-adopted International Accounting Standards ("IAS") 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 Company for the 52 weeks ended 1 July 2023 (prior period 52 weeks ended 2 July 2022).

BASIS OF PREPARATION

The Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IAS") 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 in note 1 of the consolidated financial statements, 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.

1. ACCOUNTING POLICIES CONTINUED

(A) ACCOUNTING POLICIES CONTINUED

Dividends

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

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

Taxation

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

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

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

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

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

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

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

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

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

Recoverable amount of investments (note 5) and intercompany receivables (note 6)

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 FY24 (based on the Board-approved budget), a post-tax discount rate of 11.6% (2022:11.0%) and a long-term growth rate of 1% (2022: 1%). If the post-tax discount rate was increased by 1% this would reduce the VIU by £2.2 million. If the growth rate was reduced by 1% this would reduce the VIU by £1.7 million. If both were changed by 1% this would reduce the VIU by £3.6 million.

Intercompany receivables were reclassified to non-current in the year following an assessment on payback period. The balance was also subject to an increased 20% (2022: 2%) expected credit loss provision.

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.

NOTES TO THE COMPANY FINANCIAL INFORMATION CONTINUED
FOR THE 52 WEEKS ENDED 1 JULY 2023

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 £20.1 million (2022: £1,000 loss), arising from impairment in investments, an increase in expected credit loss provision, and the share-based payment recharge, and prior year from the expected credit loss only.

3. AUDITORS' REMUNERATION

Auditors' remuneration in respect of the Company audit was £3,000 (2022: £2,000).

4. DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

Details of Directors remuneration in respect of services delivered to the Group are contained in the Directors' Remuneration Report on pages 71 to 78. The remuneration received by the Directors in respect of directly attributable services to this company is inconsequential in the context of the remuneration figure. The Company has no employees other than the Directors and the Directors are not remunerated through this Company other than by issues of share-based payments as described in note 1 to the Company financial statements. The Directors are considered to be the Key Management Personnel of the Company.

5. INVESTMENTS

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

At cost and net book value:	52 weeks ended 1 July 2023 £'000	52 weeks ended 2 July 2022 £'000
At the beginning of the period	**29,650**	29,650
Investment in subsidiary	**–**	–
Impairment charge	**(14,000)**	–
At the end of the period	**15,650**	29,650

As at 1 July 2023 and at 2 July 2022, 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++
The Peach Pub Company (Holdings) Limited[1]	United Kingdom	Ordinary	100%	Trading++
The Peach Pub Properties Limited[1]	United Kingdom	Ordinary	100%	Trading++
The Peach Pub Company Limited[1]	United Kingdom	Ordinary	100%	Trading++
100% Peach Limited[1]	United Kingdom	Ordinary	100%	Trading++
Pretty As Peach Limited[1]	United Kingdom	Ordinary	100%	Trading++
Pure Peach Limited[1]	United Kingdom	Ordinary	100%	Trading++
Peach Almanack Limited[1]	United Kingdom	Ordinary	100%	Trading++
Giant Peach Pubs Limited[1]	United Kingdom	Ordinary	100%	Trading++
Peach Paddy Club Limited[1]	United Kingdom	Ordinary	100%	Trading++
Peach County Limited[1]	United Kingdom	Ordinary	100%	Trading++
Peach Melba Limited[1]	United Kingdom	Ordinary	100%	Trading++
Peach On The Water Limited[1]	United Kingdom	Ordinary	100%	Trading++

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

	1 July 2023 £'000	2 July 2022 £'000
Amounts owed from subsidiary undertakings falling due within one year	–	33,589
	–	33,589

	1 July 2023 £'000	2 July 2022 £'000
Amounts owed from subsidiary undertakings falling due after more than one year	**27,419**	–
	27,419	–

Amounts owed from subsidiary undertakings are unsecured, interest free and repayable on demand. The balance has been reclassified to non-current receivables in the current reporting period following an assessment of the payback period which was based on repayment expectations. The amounts owed from subsidiary undertakings is net of an expected credit loss provision from IFRS 9 of £6.855 million (2022: £0.685 million).

7. SHARE CAPITAL

	1 July 2023 £'000	2 July 2022 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2022: 230,048,520 £0.001 Ordinary Shares)	**230**	230
	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.

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
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 28 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
FY22	The financial reporting period ended 2 July 2022
FY23	The financial reporting period ended 1 July 2023
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 and pubs. 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

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