22 October 2024

The Revel Collective plc (LSE: TRC)
Preliminary results for the 52 weeks ended 29 June 2024

Restructuring Plan and Fundraise completed, 2024 results met expectations, recent improved trading, now looking to the future

The Revel Collective plc ("the Group"), a leading UK operator of 43 premium bars and 22 gastro pubs, trading predominantly under the Revolution, Revolución de Cuba and Peach Pubs brands, today announces its preliminary results for the 52 weeks ended 29 June 2024.

Following the successful completion of the Restructuring Plan and Fundraise, with gross receipts of £12.5 million received in September 2024, the Group is well positioned for future growth. New Non-Executive Chairman, Luke Johnson, and two new experienced Non-Executive Directors, bring a wealth of experience in the industry to drive the business forwards.

Results to 29 June 2024

	FY24 *(IFRS 16)* £m	**FY23 *(IFRS 16)* £m**	**FY24 *(IAS 17)* £m**	**FY23 *(IAS 17)* £m**
Total Sales	149.5	152.6	149.5	152.6
Operating Loss	(28.4)	(15.2)	(19.7)	(7.0)
Adjusted[1] EBITDA	13.4	17.0	3.0	6.6
Loss Before Tax	(36.7)	(22.2)	(22.5)	(9.1)
Net Bank Debt	(24.4)	(21.6)	(24.4)	(21.6)

Key points

In April, the Group announced the Restructuring Plan (the "Plan") and Fundraise which was successfully sanctioned in August 2024 and the £12.5 million gross proceeds raised were received in September 2024. Consequently, the portfolio has been reshaped and resized for current industry conditions.

Despite market conditions, total revenue for the year was down just £3.1 million to £149.5 million, reflecting the closure of 13 bars in FY24 offset by the annualisation and strong performance of Peach. The uncertainty surrounding the Plan, coupled with continued cost-of-living impacts on our younger guests, resulted in like-for-like[2] ("LFL") sales of -4.3% in the full year FY24.

Peach Pubs, in its first full year in the Group, enjoyed strong trade throughout FY24. Peach delivered its best ever Christmas trading period with three consecutive record weeks during December, achieving weekly sales of over £1 million for the first time. It also ended FY24 with positive LFL[2] sales of +1.1%. We opened the first Peach Pub post-acquisition, and 22nd pub in total, The Three Horseshoes, in November 2023. The Group continues to review expansion opportunities for this brand.

Revolución de Cuba brand performed well and ahead of other bar brands, and enjoyed positive LFL[2] sales of +3.2% in the first half of FY24, with the second half impacted by internal distractions. Corporate bookings, as we look forward to festive trading later this year, are strong and we anticipate a positive festive trading period.

Revolution concluded its Restructuring Plan in August 2024, and we now look forward to driving performance of the brand with the resized estate.

Founders & Co. enjoyed very strong trade, achieving LFL[2] sales of +19.6% in FY24 as the site goes from strength to strength. New events continue to be held, and the traders are regularly refreshed, ensuring there is always something new for guests. There is an excellent opportunity to expand this brand when funding allows.

Current trading has been impacted by the Restructuring Plan and its execution extending into FY25 together with a particularly wet summer. More recently, the return of students and positive early bookings for the festive trading period means the Group are pleased to begin seeing improved performance. Net bank debt is currently at £12.1 million following the Fundraise and £4.0 million write-off of gross borrowings.

[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 and prior year
[3] APM refers to Alternative Performance Measure being measures reported on an IAS 17 basis

Rob Pitcher, Chief Executive Officer, said:

"Despite the distractions to the bars side of the business, particularly Revolution bars, I am very pleased to have seen strong trade elsewhere in the Group.

Peach Pubs continues to trade very strongly post-acquisition and enjoyed its best ever festive trading this year. The pubs have seen a strong start to FY25, and we see the pubs and Founders & Co. as the key areas for future expansion in the Group. I am confident with the distraction the Restructuring Plan behind us, we will drive growth across all brands.

A well-diversified offering through the bars and pubs brands positions us well for the future. In reflection of our more balanced portfolio,, we were excited to also announce the renaming of the Group to The Revel Collective plc.

We look to the Government as an engine for growth for the UK hospitality industry, with urgent reforms needed to business rates and the apprenticeship levy, as well as recognition of ongoing challenges through minimum wage legislation, which should be supported through reduced VAT for the industry which is undoubtedly over-taxed.

Our colleagues have faced continued unprecedented challenges and uncertainty in the last year. The attitude and efforts by both those who have left the Group in the last year, as well as our remaining brilliant teams, is unparalleled. I am very excited to see where the new reshaped, resized business can take us."

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

Chairman's Statement

Despite achieving the best festive period since 2019, the business has experienced an extremely challenging year. Ongoing constraints on consumer demand, rising costs, and a permanent shift in trends led to the business announcing a Restructuring Plan in April 2024.

A Fundraise and Formal Sale Process, to assess the best options for the business, were launched simultaneously. The Fundraise successfully raised £12.5 million, with net cash proceeds of £11.9 million received by 3 September 2024 following the sanction of the Restructuring Plan by the Courts in August 2024. Despite offers for parts of the business, the Formal Sale Process did not provide a better alternative to the Restructuring Plan.

With the release from certain leases and arrears associated with loss-making sites in Revolution Bars Limited, the Group is well positioned to recover. We expect to return to a typical refurbishment cycle, whilst identifying site acquisition opportunities, particularly for Peach Pubs and Founders & Co., from FY26. The restructured business allows Management to focus on its key profitable sites, with a more streamlined and cost-effective head office function.

Our business

At the end of the reporting period the Group operated 77 venues (2023: 89) consisting of the following brands: Revolution (38 bars), focused on young adults; Revolución de Cuba (15 bars), which attracts a broader age range; Peach Pubs (22 pubs), focused on attracting a more affluent guest base; Playhouse (one bar), a competitive socialising offering; and Founders & Co. (one site), an artisanal market place experience.

Two sites were closed in FY24 H1, and one new pub opened, then in January 2024 we took the difficult decision to close eight unprofitable bars across the Revolution, Revolución de Cuba and Playhouse brands. A further three Revolution bars were subsequently closed prior to FY24 end due to underperformance and availability of staffing following the announcement of the Restructuring Plan. After year-end, we closed a further 12 bars, being 11 Revolution and one Playhouse, in accordance with the Restructuring Plan and a further three Revolution bars will close in November 2024 as a consequence of the Plan. Thereafter, the estate will comprise 62 sites, comprising 22 Peach Pubs, 15 Revolución de Cuba bars, 24 Revolution bars, and one Founders & Co. site.

Our results

Sales of £149.5 million (2023: £152.6 million) were 2.0% lower than the previous year. Despite strong festive trading and the annualisation of the acquisition of Peach Pubs, the closure of 13 loss-making bars and softer performance in the Revolution brand affected sales. Corporate guests returned during the festive period, but we see room for further growth.

Our statutory loss before tax was £36.7 million (2023: loss of £22.2 million), mainly due to non-cash exceptional impairment charges from the Restructuring Plan. IAS 17 Alternative Performance Measures[3] ("APM") adjusted[1] EBITDA profit of £3.0 million (2023: £6.6 million) fell due to increased costs, challenging sales, and uncertainty from the Group's situation.

Our Board

I was appointed as Non-Executive Chairman on 6 September 2024, following the retirement of Keith Edelman who had been Chairman since 16 February 2015. I believe that I bring a depth of experience within the Hospitality industry and look forward to getting to understand the business better. The Board and I would like to thank Keith for his service.

I am also pleased to welcome Gavin George and Charlie McVeigh to the Board from 14 October 2024 as Non-Executive Directors. Both have created and led successful licensed bar businesses. The Board will gain much from their experience.

Our people

It has been a very demanding year for our incredible teams, and I would like to take this opportunity to thank them for their real resilience and enthusiasm in overcoming and navigating our way through the challenges. Our teams create amazing experiences in all our bars and pubs by delivering excellent service to our guests. Thank you also to our experienced and committed Management teams who continue to support the wider business.

Current trading

With the delay on the Restructuring Plan timeline, which was only completed mid-September 2024, and the continued uncertainty for our teams and guests, trading has continued to be challenging. There remains much work to be done. I have invested £3.0 million into the business and will take no salary; I will do my best to revive the Group in a very tough market.

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.

Luke Johnson
Non-Executive Chairman

21 October 2024

[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 and prior year.
[3] APM refers to Alternative Performance Measures being measures reported on an IAS 17 basis.

Chief Executive Officer's Statement

Business review
Having acquired our pubs portfolio and diversified our business in October 2022, we are pleased to see the pubs market maintain resilience in the face of the wider economic pressures. Our Peach Pubs brand has demonstrated a continued strong performance as a result of the more affluent socio-economic status of its guests, and we were pleased to open our first new Peach Pub in October 2023.

The bars market remains challenging, with the sector seeing fluctuations in trade on a monthly basis from flat to minus 15% year-on-year over the last 12 months, outside of Christmas, and has seen a sustained downturn for the last two years, since the cost-of-living crisis hit. The cost-of-living crisis has had a disproportionate impact on young people's disposable income, of which our Revolution brand's young guest base is most impacted. Pleasingly, Revolución de Cuba has largely outperformed the market, helped by an older guest base and a focus on corporate bookings.

Given the permanent, structural changes to the bars market, the Board took decisive action to reshape and resize the business to create a more balanced business to deliver growth opportunities for the future. We closed eight bars in January 2024, and a further three before year-end. The Restructuring Plan was announced in April 2024, relating to Revolution Bars Limited, which benefits the business through the removal of certain loss-making bars and rent reductions on other bars for three years to allow for market recovery. Furthermore, the Group's external borrowings were restructured, providing an overall reduction in the debt profile including a £4.0 million write-off of debt, an interest payment holiday for 2024, and other supportive measures.

In tandem, an equity fundraise was launched at the same time as the Restructuring Plan, securing £12.5 million gross proceeds that were subject to (amongst other things) the successful court sanctioning of the Plan. Following sanction on 8 August 2024, net proceeds of £11.9 million were remitted to the Group by 3 September 2024. A Formal Sales Process ("FSP") was also launched to assess whether it would provide a better alternative for stakeholders compared to the Restructuring Plan; despite receiving offers for parts of the Group, evaluation of proposals did not provide a better option for stakeholders.

Clearly, the multiple processes and the disruption they have caused to the business has been extremely distracting and unsettling for the entire Group team. This distraction has compounded an already difficult trading environment with Management focused on getting these processes completed alongside trying to retain of our best talent.

A trading highlight of the year was the important Festive period which saw strong trading across all brands, delivering +9.0% like-for-like sales across the four key trading weeks, being the best festive period since 2019. When there is a reason to come out and celebrate, we are pleased to see guests choose our venues. Bars saw the return of corporate Christmas parties, with Revolución de Cuba in particular experiencing pre-booked party revenue over the festive period grow significantly by 26% versus the prior year. Likewise, pubs traded very strongly benefiting from the return of large family festive celebrations.

We were pleased to see industrial action start to relent in the final quarter, as well as seeing inflationary cost pressures easing outside of those controlled by the Government, which have remained well above inflation. The National Living Wage blended 11% increase adds £2.7 million of additional costs year-on-year, which, though welcomed for our teams and many of our guests, does create an additional cost burden. Business rates also saw an inflation busting increase of 6.7% for the 2024-25 year, and we would welcome any reform of business rates from the new Government that rebalances the tax burden away from the hospitality sector, as indicated in their manifesto.

Our brand family

Revolution's 38 bars, as at year-end, reduced to 27 post-Restructuring Plan, with three more set to close in November 2024 under the Plan. Targeting 18-30-year-olds, the brand focuses on value-for-money offers like £2.99 main meals, 2-4-1 cocktails, and entertainment such as day parties, brunches, and party bingo to attract footfall as this demographic recovers from the cost-of-living crisis. The brand performs well on key dates when spending rises.

Revolución de Cuba's 15 bars are aimed at a slightly older target market who are further into their careers and have more disposable income and are therefore more protected from the cost-of-living crisis. Guests continue to demonstrate resilience, with the return of corporate guests during the festive period resulting in very strong trade. Our focus on fresh Latin food, authentic Cuban kindness service, live music and entertainment offering engages our guests.

Peach Pubs' 22 characterful gastropubs have continued to perform well, with integration into the business largely complete. Festive trading was especially strong, with record-breaking weeks. The brand continues to perform well

with its more affluent guests remaining resilient to external challenges. Our focus remains on serving the "Good Stuff" with our seasonal menus showcasing the best of British produce served by our wonderful team who are encouraged to "host it like their home". We were excited to open our first new Peach Pub, since acquisition, in FY24 H1.

Founders & Co., our market hall concept in Swansea, has performed well over the last 12 months, building an exceptional reputation in its local market. Our focus on creativity, community, and collaboration has helped us to enhance our offering with new founders joining our lineup to showcase the very best south Wales has to offer. We are very excited by the brand and see this concept as primed for future expansion.

Playhouse, our competitive socialising concept, saw the closure of two sites due to low footfall. Both locations faced challenges from road closures and insufficient footfall, making them unviable despite positive reviews.

Restructuring Plan

The main focus for Management since early Spring has been on the corporate restructuring process and conducting the Fundraise required to enable the implementation of the proposed Restructuring Plan to put the Group on a sounder financial footing.

- We launched a Restructuring Plan that was sanctioned in August 2024, which enables significant improvements to annual adjusted EBITDA, with £3.8 million benefit expected annualised through site rationalisation, rent reductions, and other tangible central cost savings;
- £12.5 million of gross proceeds were achieved through an Equity Fundraising, launched alongside the Restructuring Plan, which was subject to Court sanction. This supports the Restructuring Plan whilst also providing working capital and a return to refurbishments when appropriate;
- Central cost savings were also identified, with a rationalisation of Support Centre teams to reflect the new, smaller portfolio of sites; and
- As part of the 2024 refinancing, £4.0 million of existing debts were written off by the bank to support the business, alongside a 12-month interest payment holiday during 2024.

Group strategic priorities

We continue to focus on our five key strategic priorities, which we believe are key to driving performance and navigating the ongoing challenging environment.

- *Maximising Revenue & Profit*:
  - We opened our first new Peach Pub in FY24 H1, welcoming The Three Horseshoes to the brand portfolio;
  - Peach synergies are progressing well, with the Spirits tender and range rollout completed. The Draught Beer tender was also completed with the new range implemented in early 2024; and
  - A huge focus on pre-booked revenue has seen significant growth in weekly brunch events in both of our main bar brands. Key dates and Christmas performed extremely well, with growth in pre-booked revenue over the festive period of 15.8% across bars, and across the whole year of 12.9%.

- *Guest Experience*:
  - Revolución de Cuba brand proposition has been trained into all team members, with initial great feedback from guests. Key guest experience improvements have been trialled and successfully rolled out across the brand, with the focus on delivering a fiesta every day; and
  - Revolution brand proposition update was completed during FY24 and trials are now underway across all guest experience touchpoints. We plan on rolling out the successful trials in early 2025. The trials can be categorised into five main areas of focus:
    - Brand Identity – get noticed and stand out from the crowd
    - Food – ambition to increase overall food sales mix through a focus on quality
    - Drinks – to deliver drinks that have a Revolution twist and capture the imagination
    - Guest Experience – to create fun and memorable moments through the introduction of live music, gameplay, day parties, and dancing
    - Events and Collaborations – expand our reach through collaborating with local businesses and national brands

- *Cost Control*:
  - A reduction in energy consumption across our bars of 37% on the 2017 baseline has helped mitigate periods of heightened utilities costs. Pleasingly, wholesale prices continue to fall. Our dynamic purchasing agreement for forward buying is working well;
  - New technology continues to be trialed or rolled out across our sites including intelligent extract and heat recovery equipment to further reduce consumption;
  - Peach synergies of £1.4 million on an annualised basis have now been delivered through a reduction in people costs, food costs, other goods not for resale, and drink purchasing synergies now flowing through following the completion of the Spirits and Beer tenders;
  - An updated labour management system was rolled out to all bars brands, with projected annual efficiency savings of £0.8 million; and

- During Q1 FY25, the bars labour management system was rolled out across the pub estate to enable better productivity.

- *Diversification of Sales*:
  - The Revolution brand made its first successful appearance at the Grand National at Aintree in April 2024, and is already booked to return in 2025 as we look to further develop the brand relationship with horseracing and other events;
  - Brand collaboration with Barratt Sweets has been established for the sale of Barratt's branded Revolution Flavour vodka shots in our bars, and following a successful launch the Barratts flavours are now permanently listed in the bars and we will look to strengthen this relationship during FY25; and
  - Third Party and Agency sales have seen growth through investment into our relationships with companies such as Virgin Experience Days and Buyagift. We have seen these channels grow by 24.6% across FY24, and continued development in this area is expected to see these channels continue to grow during FY25.

- *Brand Awareness and ESG including Sustainability and EVP*:
  - We were pleased to have improved our Carbon Disclosure Project score from a B to an A- this year, moving the Group into the leadership band. Our score is now higher than the Europe regional average, and higher than the Bars, Hotels & Restaurants sector average;
  - As mentioned above, further reduction in energy usage across our bars estate of 37% on a like-for-like basis, compared to our 2017 baseline, through best practice initiatives including rolling out cellar cooling energy efficient tech to all bars;
  - Half-hourly meters are being rolled out to all Peach Pubs to enable the same energy reduction plan to take place in pubs as it has been in the bars. Peach waste collection has moved to Biffa, allowing better analysis of recycling rates. Our Planet Heroes in the pubs maintain a focus on these two key areas and other energy saving methods;
  - We are the first in the hospitality industry to have implemented Ripple, a safeguarding tool which automatically and discreetly intercepts content from harmful searches, strengthening our commitment to suicide prevention within the industry; and
  - Launched new employee benefits programme, Hospitality Rewards, to the entire Group at the start of FY25.

Our people

Reduced trading locations as a result of closures in January 2024 and throughout the Restructuring Plan imposed a requirement for a smaller central team to support the smaller estate. For the 12-month period from September 2023, this has seen a c. 25% reduction in the Support Centre team, delivered through a combination of not replacing natural attrition, and voluntary and compulsory redundancy programmes.

The challenges faced by our young guests are also reflective of what our younger team members are facing. We employ a significant number of students and other young people, and we are aware of their struggles on a daily basis and look to ways to support them. We welcome the National Living Wage increases for our teams to help them combat the cost-of-living crisis.

The FSP and Restructuring Processes have been highly distracting, disruptive and unsettling for the entire team at the Group, both in the centre and in the pubs and bars. This has impacted guest experience and particularly team morale, and we now look forward to refocussing on our teams and our guests to enable the delivery of our full brand experience across our portfolio of brands.

Market outlook

We look to the new Government to demonstrate their support for the hospitality industry and to enable us to become an engine for growth for the wider economy. This needs to happen via significant business rates reform to support the high street and specifically hospitality, whilst also looking to refresh the apprenticeship levy to allow for more training and development across the industry.

Longer term we need a competitive rate of VAT for hospitality in comparison to our European neighbours, who benefit from much lower rates, as this will allow us to drive even more economic growth for the country.

The new Government needs to recognise these challenges, which are not unique to our business, and reduce the burden of tax on the hospitality sector. For the sector to deliver economic growth and employment, further support should be offered to hospitality through reduced VAT and business rates support measures for companies of all sizes.

We are pleased to see that falling inflation rates are having a direct impact on input costs. Consumer indicators have been very positive throughout 2024; however, the young still haven't recovered from the depths of the cost-of-living crisis which we anticipate could take another 12-24 months. Less industrial action is anticipated in the coming year, which will help drive performance during key periods.

Current trading and outlook
Despite a particularly wet spring and summer, we are pleased to see Peach Pubs trade remain strong. Bars remain challenged, especially for younger Revolution guests. Following the completion of the Restructuring Plan, Management's energy is very much focused on driving sales performance and reigniting the business to allow it to flourish now that the Restructuring Plan is complete, with a return to normal refurbishment plans and estate expansion expected from FY26.

The performance across the brands remains broadly consistent with Peach performing better than the bar brands, though we are starting to see some positive signs of improvement in the Revolution brand as the distraction of the last six months is put behind us, and the benefit of some of the trials is starting to be seen.

Whilst we anticipate some economic improvement from which we will benefit, the markets in which we operate are expected to remain difficult in the near term.

The Restructuring Plan completely transforms our business with the removal of loss-making sites, reductions on other rents to allow the market to return to more normal levels, and reduction of our bank debt. The rebalancing of our trading estate across our major brands was very much needed to reflect the new patterns seen in hospitality, and we are pleased to see a return to more normal trading conditions.

Rob Pitcher
Chief Executive Officer
21 October 2024

Financial Review

Introduction

- The "FY24" accounting period represents trading for the 52 weeks to 29 June 2024 ("the period"). The comparative period "FY23" represents trading for the 52 weeks to 1 July 2023 ("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 FY24 IFRS 16 statutory numbers, followed by APM[3] of FY24 under IAS 17, and the equivalent comparison from FY23. A reconciliation between statutory and APM[3] figures is provided in note 20.

	FY24 *(IFRS 16)* **£m**	**FY23** *(IFRS 16)* **£m**	**FY24 APM[3]** *(IAS17)* **£m**	**FY23 APM[3]** *(IAS17)* **£m**
Total Sales	149.5	152.6	149.5	152.6
Adjusted[1] EBITDA	13.4	17.0	3.0	6.6
Operating Loss	(28.4)	(15.2)	(19.7)	(7.0)
Loss Before Tax	(36.7)	(22.2)	(22.5)	(9.1)
Non-cash Exceptionals	(28.4)	(18.6)	(14.2)	(6.1)
Cash Exceptionals	(2.7)	(1.6)	(2.7)	(1.6)
Net Bank Debt	(24.4)	(21.6)	(24.4)	(21.6)

Presentation of results

Consistent with previous reporting periods, the Group operates a weekly accounting calendar and as each accounting period refers only to complete accounting weeks, the period under review reflects the results of the 52 weeks to 29 June 2024. Prior year comparatives relate to the 52 weeks ended 1 July 2023. 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

Although the Group has seen a reduction in total sales, from £152.6 million to £149.5 million, this was expected due to the significant number of closures of loss-making bars predominantly in the second half of the year. Pleasingly, sales grew in the first half of the year representing a very strong festive trading period, as well as the impact of having Peach for the entirety of the year. The closures, and associated Restructuring Plan, support future and sustained profitability growth following a period of assessment for the Group after seeing changes in consumer trends following the cost-of-living crisis, and changes in work-from-home behaviour.

The underlying result, as measured by our preferred APM[3] adjusted[1] EBITDA (see note 20), was £3.6 million lower, at a profit of £3.0 million (2023: profit of £6.6 million) as a result of the ongoing challenges to the underlying cost base as well as softer sales. 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 £13.4 million (2023: profit of £17.0 million).

Margins: Gross profit in the year amounted to £113.9 million (2023: £117.1 million) which amounted to a gross margin of 76.2%, down from 76.8% in the prior year but still above margins seen pre-COVID-19, with 75.8% seen in FY19. The margin remains consistent with the previous year, with a small reduction showing the impact of price increases from suppliers which are managed through careful contract negotiation, or mitigated through sales price rises where necessary. Further, the annualisation of having Peach for the entire year provides a reduction in margin due to the higher participation of food in the Peach brand. 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 reduced from 3,591 in FY23 to 3,094 in FY24, whilst total payroll costs for the year increased to £58.0 million compared to £55.6 million in FY23, with £0.6 million of this increase relating to redundancy and other payroll costs associated with closures included within cash exceptionals. After an increase in headcount from Peach in the previous year, the Group saw an overall reduction in FY24 due to site closures and exits within year, the impact of announcing closures due in August 2024 within the year, and number of central redundancies. The increase in cost relates to annualisation of Peach Pubs, ongoing increases required under national minimum wage, offset by an increased focus on staffing levels within venues to mitigate the cost impacts. This is a payroll to turnover ratio of 38.8% in FY24, compared to 36.4% in FY23, which is disproportionately skewed from the impact of redundancies and announced closures.

The Group had an operating loss of £(28.4) million (2023: loss of £(15.2) million). This was after charging non-cash exceptional items of £28.4 million (2023: £18.6 million) and cash exceptionals of £2.7 million (2023: £1.6 million), which are detailed further below.

Underlying profitability

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

	52 weeks ended 29 June 2024 IFRS 16 £m	52 weeks ended 1 July 2023 IFRS 16 £m	52 weeks ended 29 June 2024 APM[3] IAS 17 £m	52 weeks ended 1 July 2023 APM[3] IAS 17 £m
Pre-tax Loss	**(36.7)**	**(22.2)**	**(22.5)**	**(9.1)**
Add back Exceptional items	**31.1**	20.2	**16.9**	7.7
Add back Credit arising from long-term incentive plans	**(0.1)**	(0.1)	**(0.1)**	(0.1)
Adjusted[1] pre-tax Loss	**(5.7)**	**(2.1)**	**(5.7)**	**(1.5)**
Add back Depreciation	**10.7**	12.0	**5.9**	6.0
Add back Amortisation	**0.0**	0.0	**0.0**	0.0
Add back Finance costs	**8.4**	7.1	**2.8**	2.1
Adjusted[1] EBITDA	**13.4**	**17.0**	**3.0**	6.6

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 £31.1 million is £14.2 million higher than the APM[3] exceptionals of £16.9 million predominantly due to impairment charges under IFRS 16 on right-of-use assets.

The statutory exceptional charge of £31.1 million (2023: £20.2 million) comprises £28.4 million (2023: £18.6 million) of non-cash exceptionals relating to right-of-use impairment charges of £16.7 million, property, plant and equipment impairment charges of £9.0 million, goodwill impairment charges of £9.2 million, offset by exceptional net gains on disposal of £5.6 million. Cash exceptionals of £2.7 million predominantly relate to the associated expenditure with delivering the Restructuring Plan. The previous year cash exceptionals related to the acquisition of Peach Pubs. A full analysis of exceptional items is given in note 4 to the financial statements.

Credit relating to long-term incentive schemes resulted from equity-settled share-based payment transactions; this was a credit of £120k (2023: credit of £117k). The net result of a credit has arisen due to the significant reduction in share price offset by the ongoing build of charge as current and new schemes progress through the three-year vesting period. The prior year credit relates to the lapse of previous schemes. No awards vested in either the current period or prior period.

Finance costs

Finance costs of £8.4 million (2023: £7.1 million) comprised £2.7 million (2023: £1.9 million) of bank interest due on borrowings and £5.7 million (2023: £5.2 million) of lease interest. Bank interest relates to the committed fees relating to the Company's committed Revolving Credit Facility ("RCF") with NatWest. Until 31 December 2023 this was cash settled, but under the renegotiated RCF facility the Group is currently within an interest payment holiday during calendar year 2024, where the interest continues to accrue. An increase is seen in bank interest due to full utilisation of the RCF coupled with continued high interest rates.

Liquidity

At the end of the reporting period, the Group had net bank debt of £24.4 million (2023: £21.6 million). Subsequent to year-end, the facility was refinanced on 21 August 2024, through which a number of new amendments were

agreed which are outlined below. Accordingly, the Group now holds a £26.0 million Revolving Credit Facility ("RCF") of which £1.1 million is separately held as an energy guarantee. The energy guarantee was reduced from £1.35 million on 29 November 2023 as a result of lower global energy prices. Key terms of the refinancing are:

- £4.0 million write-off of existing facilities to reduce leverage, in exchange for warrant shares subject to certain exercise conditions
- 12-month interest holiday for the calendar year 2024, to be converted into payment-in-kind arrangement
- Retention of c. £0.7 million of proceeds relating to the sale of the Group head office, which was previously going to be netted off the gross facility
- All profitability-based covenants remain waived until 1 July 2026 to provide the Group with significant flexibility, and the minimum liquidity covenant was relaxed until April 2025
- Deferment of amortisation of £5.0 million, now structured as a £4.0 million reduction in facilities on 1 July 2026, and then a further £2.0 million each subsequent year
- Extension of the facilities from 10 October 2025 to 10 October 2028

The refinancing supports the purpose of the Restructuring Plan, whilst also allowing support of general working capital requirements and the ability to return to refurbishments and acquisitions at an appropriate time.

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 2024	1.1	28.9	30.0
31 December 2024	1.1	24.9	26.0
30 June 2025	1.1	24.9	26.0
31 December 2025	1.1	24.9	26.0

Following completion of the Restructuring Plan launched by Revolution Bars Limited in August 2024, the refinancing of the Group's facilities and the receipt of funds associated with the equity raise, the Group's net bank position as at 21 October 2024 was £12.1 million and therefore the Group has available liquidity of £12.8 million.

Taxation
There is no tax payable in respect of the current period due to brought-forward losses (2023: same).

(Loss)/Earnings per share
Basic loss per share for the period was (16.0) pence (2023: loss (9.7) pence). Adjusting for exceptional items, non-recurring bar opening costs and credits arising from long-term incentive plans resulted in a basic adjusted[1] earnings per share for the period of 0.9 pence (2023: earnings 0.6 pence).

Operating cash flow and net bank debt
The Group generated net cash flow from operating activities in the period of £11.6 million (2023: £9.7 million) as a direct result of cash generation from sales in the year and careful working capital management.

After positive cash flow from operating activities, capital expenditure payments of £2.3 million, bank loan interest of £1.4 million, loan repayments of £6.8 million offset by drawdowns of £10.7 million, contributed to a net cash inflow in the period of £1.2 million. This, offset by a net drawdown of borrowings, took net bank debt of £(21.6) million as at 1 July 2023 to net bank debt of £(24.4) million as at 29 June 2024.

This is in comparison to 2023, where cash generated from trade was offset with 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 net of costs to acquire of £10.7 million, and £5.9 million of repayment of subsidiary borrowings which all contributed to a net cash outflow in the period of £15.4 million, resulting in net bank debt of £(21.6) million as at 1 July 2023.

Capital expenditure
The Group made capital investments of £2.3 million (2023: £5.5 million) during the period; this was incurred entirely on existing bars and pubs, comprising minor required refurbishment work and ongoing reinvestment in bars and pubs, as well as equipment replacement and IT investment. Refurbishments have remained paused for cash preservation, with plans to restart the refurbishment programme as soon as reasonably possible following receipt of the Fundraise funds.

Dividend

As notified previously, the Board has suspended payments of dividends. A condition of the new RCF facility is that the Company is unable to pay a dividend until July 2027 and then only with lender consent. There was no dividend paid or declared in either the current or prior period.

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 the uncertainty from ongoing inflationary cost rises, and associated impact on consumer confidence. Accordingly, a material uncertainty remains in place.

The continued cost-of-living pressures 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 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
21 October 2024

[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 and prior year.
[3] APM refers to Alternative Performance Measures being measures reported on an IAS 17 basis.

The Revel Collective plc (formerly Revolution Bars Group plc)
Consolidated Statement of Profit or Loss and other Comprehensive Income
for the 52 weeks ended 29 June 2024

	Note	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Revenue	3	**149,544**	152,551
Cost of sales		**(35,600)**	(35,419)
Gross profit		**113,944**	117,132
Operating expenses:			
– operating expenses, excluding exceptional items	4	**(111,194)**	(112,039)
– exceptional items	4	**(31,119)**	(20,244)
Total operating expenses		**(142,313)**	(132,283)
Operating loss	5	**(28,369)**	(15,151)
Finance expense	6	**(8,363)**	(7,056)
Finance income	6	**14**	-
Loss before taxation		**(36,723)**	(22,207)
Income tax	7	**-**	(27)
Loss and total comprehensive expense for the period		**(36,723)**	(22,234)
Loss per share:			
– basic (pence)	8	**(16.0)**	(9.7)
– diluted (pence) (restated* - see note 8)	8	**(16.0)**	(9.3)
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.

The Revel Collective plc (formerly Revolution Bars Group plc)
Consolidated Statement of Financial Position
at 29 June 2024

	Note	29 June 2024 £'000	1 July 2023 £'000
Assets			
Non-current assets			
Property, plant and equipment	9	**22,501**	36,161
Right-of-use assets	9	**43,423**	67,706
Intangible assets		**27**	30
Goodwill	10	**8,471**	17,419
Other non-current assets		**709**	-
		75,131	121,316
Current assets			
Inventories	11	**3,007**	3,405
Trade and other receivables	12	**8,686**	11,448
Cash and cash equivalents	13	**4,535**	3,367
		16,228	18,220
Total assets		**91,359**	139,536
Liabilities			
Current liabilities			
Trade and other payables	14	**(30,969)**	(31,720)
Lease liabilities	15	**(6,883)**	(7,087)
Provisions	17	**(882)**	(871)
Tax payable	14	**-**	(27)
		(38,734)	(39,705)
Net current liabilities		**(22,506)**	(21,485)
Non-current liabilities			
Lease liabilities	15	**(103,902)**	(118,236)
Interest-bearing loans and borrowings	16	**(28,900)**	(25,000)
Provisions	17	**(1,953)**	(1,967)
		(134,755)	(145,203)
Total liabilities		**(173,489)**	(184,908)
Net liabilities		**(82,130)**	(45,372)
Equity attributable to equity holders of the parent			
Share capital		**230**	230
Share premium		**33,794**	33,794
Merger reserve		**11,645**	11,645
Accumulated losses		**(127,799)**	(91,041)
Total equity		**(82,130)**	(45,372)

The Revel Collective plc (formerly Revolution Bars Group plc)
Consolidated Statement of Changes in Equity
for the 52 weeks ended 29 June 2024

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Accumulated losses £'000	Total equity £'000
At 3 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	-	-	-	(117)	(117)
At 1 July 2023	**230**	**33,794**	**11,645**	**(91,041)**	**(45,372)**
Loss and total comprehensive expense for the period	-	-	-	(36,723)	(36,723)
Acquisition consolidation adjustment*	-	-	-	85	85
Credit arising from long-term incentive plans	-	-	-	(120)	(120)
At 29 June 2024	**230**	**33,794**	**11,645**	**(127,799)**	**(82,130)**

* The acquisition consolidation adjustment relates to the timing difference relating to certain accounting adjustments from the consolidation of The Peach Pub Company (Holdings) Limited and its subsidiaries in the prior year for a period of only seven months

The Revel Collective plc (formerly Revolution Bars Group plc)
Consolidated Statement of Cash Flow
at 29 June 2024

	Note	52 weeks ended 1 July 2023 £'000	52 weeks ended 1 July 2023 £'000
Cash flow from operating activities			
Loss before tax		**(36,723)**	(22,207)
Adjustments for:			
Finance expense	6	**8,368**	7,056
Finance income	6	**(14)**	-
Depreciation of property, plant and equipment	9	**6,122**	6,634
Depreciation of right-of-use assets	9	**4,613**	5,423
Impairment of property, plant and equipment	9	**9,002**	6,096
Impairment of right-of-use assets	9	**16,705**	12,642
Impairment of goodwill	10	**9,159**	-
Lease modification	4	**(816)**	(50)
Gain on disposal	4	**(5,638)**	-
Other non-cash exceptionals		**(210)**	-
Acquisition costs	4	**-**	1,499
Amortisation of intangibles		**4**	5
Taxation charge	7	**-**	27
Credit arising from long-term incentive plans		**(120)**	(117)
Operating cash flows before movement in working capital		**10,452**	17,008
Decrease in inventories		**398**	584
Decrease/(increase) in trade and other receivables		**1,946**	(543)
Decrease in trade and other payables		**(1,314)**	(6,936)
Decrease in provisions		**(3)**	(443)
Tax received		**122**	-
Net cash flow generated from operating activities		**11,601**	9,670
Cash flow from investing activities			
Cost of acquisition of subsidiaries, net of cash acquired		**(500)**	(10,689)
Purchase of intangible assets		**(1)**	(7)
Purchase of property, plant and equipment	9	**(2,318)**	(5,533)
Net cash flow used in investing activities		**(2,819)**	(16,229)
Cash flow from financing activities			
Interest paid	6	**(1,386)**	(1,895)
Net lease surrender premiums received	4	**1,099**	-
Principal element of lease payments	15	**(5,465)**	(6,432)
Interest element of lease payments	15	**(5,762)**	(4,885)
Repayment of subsidiary borrowings		**-**	(5,926)
Repayment of borrowings		**(6,800)**	(25,751)
Drawdown of borrowings		**10,700**	36,000
Net cash outflow used in financing activities		**(7,614)**	(8,889)
Net (decrease)/increase in cash and cash equivalents		**1,168**	(15,448)
Opening cash and cash equivalents		**3,367**	18,815
Closing cash and cash equivalents	13	**4,535**	3,367

Reconciliation of net bank (debt)/cash		
Net (decrease)/increase in cash and cash equivalents	**1,168**	(15,448)
Cash inflow from increase in borrowings	**(10,700)**	(36,000)
Cash outflow from repayment of borrowings	**6,800**	25,751
Opening net bank cash/(debt)	**(21,633)**	4,064
Closing net bank (debt)/cash	**(24,365)**	(21,633)

Notes to the consolidated financial information

for the 52 weeks ended 29 June 2024

1. General information

(a) General Information

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 29 June 2024 is a 52-week period; the period ended 1 July 2023 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 2024 or FY24 relate to the 52-week period ended 29 June 2024 and references to 2023 or FY23 relate to the 52-week period ended 1 July 2023 unless otherwise stated. The consolidated financial statements are presented in Pounds Sterling with values rounded to the nearest thousand, except where otherwise indicated. These policies have been applied consistently unless otherwise stated.

(b) Going Concern

Going concern

Following a period of softer trading, which we have seen directly impact and reduce headroom on the Group's facilities, the Board has had to consider all strategic options available to it. The Group has already deployed several strategies to combat the ongoing significant external challenges including optimising staffing levels, amending opening hours and introducing temporary closures during quieter periods. There have been a number of redundancies and reductions to overhead costs, as well as reducing capital expenditure. The Group has also performed site rationalisations via consensual landlord negotiations where possible.

As a result, despite challenging conditions, performance has been encouraging, particularly across Revolución de Cuba and Peach Pubs. However, the Board concluded that it was in the best interest of the Group to announce in April 2024 a Restructuring Plan for Revolution Bars Limited, alongside a number of additional measures to be implemented across the Group to re-shape its business, as well as exploring, in parallel, a Formal Sale Process, in order to deliver the best outcome for stakeholders. Advisers were appointed to support the Group through this process. The Formal Sale Process ceased in May 2024, with the Restructuring Plan being determined as the best outcome for the Group. The plan was sanctioned by the Courts on 8 August 2024.

In order to fund a potential Restructuring Plan, and provide additional working capital for the Group, the Board concluded, having undertaken a detailed review of the Group's financial forecasts and expected trading performance, that the Company needed to raise additional equity capital from new and existing investors, being the Fundraising. Gross proceeds of £12.5 million were achieved, with net proceeds of £11.9 million supporting the Group from September 2024.

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 the continued cost-of-living pressures and economic effects including the 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 £24.4 million (2023: £21.6 million). Subsequent to year-end, the facility was refinanced on 21 August 2024, through which a number of new amendments were agreed which are outlined below. Accordingly, the Group now holds a £26.0 million Revolving Credit Facility ("RCF") of which £1.1 million is separately held as an energy guarantee. The energy guarantee was reduced from £1.35 million on 29 November 2023 as a result of lower global energy prices. Key terms of the refinancing are:

- £4.0 million write-off of existing facilities to reduce leverage, in exchange for warrant shares subject to certain exercise conditions
- 12-month interest holiday for the calendar year 2024, to be converted into payment-in-kind arrangement
- Retention of c. £0.7 million of proceeds relating to the sale of the Group head office, which was previously going to be netted off the gross facility
- All profitability-based covenants remain waived until 1 July 2026 to provide the Group with significant flexibility, and the minimum liquidity covenant was relaxed until April 2025
- Deferment of amortisation of £5.0 million, now structured as a £4.0 million reduction in facilities on 1 July 2026, and then a further £2.0 million each subsequent year
- Extension of the facilities from 10 October 2025 to 10 October 2028

The refinancing supports the purpose of the Restructuring Plan, whilst also allowing support of general working capital requirements and the ability to return to refurbishments and acquisitions at an appropriate time.

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 2024	1.1	28.9	30.0
31 December 2024	1.1	24.9	26.0
30 June 2025	1.1	24.9	26.0
31 December 2025	1.1	24.9	26.0

Current net debt and available liquidity

Following completion of the Restructuring Plan launched by Revolution Bars Limited in August 2024, the refinancing of the Group's facilities and the receipt of funds associated with the equity raise, the Group's net bank position as at 21 October 2024 was £12.1 million and therefore the Group has available liquidity of £12.8 million.

Significant judgements and base case

The financing arrangements referred to in this going concern section, as well as results of the Restructuring Plan, 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 continued softened guest confidence, higher inflationary cost rises, and continued increases to national minimum wage, 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 reflects the new Group portfolio of sites, post-Restructuring Plan, and the added benefits to sales and cost platforms that arise from the new, streamlined Group. Cost pressures are mitigated by continued identification of synergies, as well as a reduced head office function that represents the new Group size. 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 FY24 budget, with a small improvement at Christmas and Q4 recognising Management's distraction in early FY25 regarding the Restructuring Plan. Softer trading with small volume increases is continued into FY26. Capex is further reduced compared to the original Board-approved budget prepared June 2024 assuming only essential spend would be taken forwards should sales be challenged. 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 tight headroom.

The material uncertainty caused by the continued cost-of-living pressures and economic effects including the impact on consumer confidence 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 pressures 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.

2. Significant accounting policies

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.

Items impacting Alternative Performance Measures

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 and credits 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.

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.

Bar and pub opening costs

Bar and pub 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.

Key Risks

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

- Consumer demand and Cost-of-living
- Climate change and Sustainability
- Refurbishment and acquisition of bars
- Supplier concentration and inflationary cost rises
- Funding and interest rates
- Consumer demand and PR
- Health and Safety
- National minimum/living wage
- COVID-19

3. Segmental reporting

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 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Revenue	**149,544**	152,551
Cost of sales	**(35,600)**	(35,419)
Gross profit	**113,944**	117,132
Operating expenses:		
– operating expenses excluding exceptional items	**(111,194)**	(112,039)
– exceptional items	**(31,119)**	(20,244)
Total operating expenses	**(142,313)**	(132,283)
Operating loss	**(28,369)**	(15,151)

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 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Bar & Pub Revenue	**145,515**	139,581
Other Revenue	**4,029**	1,240
Revenue	**149,544**	140,821

4. Operating expenses

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Sales and distribution	**98,962**	119,682
Administrative expenses	**43,351**	12,601
Total operating expenses	**142,313**	132,283

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 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Administrative expenses/(income):		
– impairment of right-of-use assets	**16,705**	12,642
– impairment of property, plant and equipment	**9,002**	6,096
– impairment of goodwill	**9,159**	-
– lease modification	**(816)**	(50)
– net gain on disposal	**(5,638)**	-
– acquisition costs	**-**	1,499
– business restructure	**2,707**	157
Total exceptional charge	**31,119**	20,244

Following implementation of IFRS 16, impairment reviews now also include right-of-use assets relating to leases. The net book value at 41 of the Group's bars and pubs (2023: 35) was written down. Goodwill was also assessed for impairment.

Business restructuring costs were recognised in in the current period for legal and consulting expenditure associated with implementing the Restructuring Plan. In the prior year, the business restructure costs were associated with closing out the 2020 Company Voluntary Arrangement.

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.

Exceptional gains on disposal were also recognised on the exit of six leases through extinguishing IFRS 16 lease liabilities and is net of any surrender premiums paid or payable to, or received or receivable from, landlords, other relevant exit costs, and impairment on the exited leases.

5. Operating loss

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

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Depreciation of property, plant and equipment	**6,122**	6,634
Depreciation of right-of-use assets	**4,613**	5,423
Impairment of property, plant and equipment	**9,002**	6,096
Impairment of right-of-use assets	**16,705**	12,642
Impairment of goodwill	**9,159**	-
Amortisation of intangibles	**4**	5
Auditors' remuneration:		
– audit fees payable to the Company's auditors for the audit of these financial statements	**182**	167
Fees payable to the Company's auditors for:		
– audit of financial statements of subsidiary companies	**268**	233

6. Finance expense

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Interest payable on bank loans and overdrafts	**2,674**	1,895
Interest on lease liabilities	**5,694**	5,161
Interest payable	**8,368**	7,056

7. Income Tax

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

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Analysis of credit in the period		
Current tax		
UK corporation tax on the loss 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 before taxation	**(36,723)**	(22,207)
Loss at standard rate of UK corporation tax (2023: 20.5%; 2022: 19.0%)	**(9,181)**	(4,552)
Effects of:		
– expenses not deductible for tax and other permanent differences	**3,132**	987
– fixed asset differences	**703**	-
– income not deductible for tax purposes	**(30)**	-
– adjustment in respect of prior periods	**-**	27
– other differences	**(5)**	-
– deferred tax not recognised	**5,381**	3,565
Total tax charge for the period	**-**	27

At 29 June 2024, the Group has carried forward tax losses of 90.8 million (2023: £70.7 million) available to offset against future profits for which no deferred tax asset has been recognised (2023: no deferred tax asset recognised).

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%.

8. Loss/Earnings per share

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

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Loss for the period (£'000)	**(36,723)**	(22,234)
Weighted average number of shares – basic ('000)	**230,049**	230,049
Basic loss per Ordinary Share (pence)	**(16.0)**	(9.7)
Weighted average number of shares –diluted ('000)	**241,228**	239,838
Diluted loss per Ordinary Share (pence)	**(16.0)**	(9.7)

Diluted shares are calculated making an assumption of outstanding options expected to be awards. The associated diluted loss per Ordinary Share cannot be anti-dilutive and therefore is capped at the same value as basic earnings/(loss) per Ordinary Share. The diluted loss per Ordinary Share was capped for the 52 weeks ended 1 July 2023, as it was anti-dilutive; however, this update wasn't rectified on the face of the Consolidated Statement

of profit or loss and other comprehensive income which incorrectly showed (9.3p) rather than (9.7p). This has now been restated.

Loss for the period was impacted by one-off exceptional costs. A calculation of adjusted earnings per Ordinary Share is set out below

Adjusted earnings per share	**52 weeks ended 29 June 2024 £'000**	**52 weeks ended 1 July 2023 £'000**
Loss on ordinary activities before taxation	**(36,723)**	(22,207)
Exceptional items, share-based payments and bar and pub opening costs (restated*)	**30,999**	20,127*
Adjusted loss on ordinary activities before taxation (restated*)	**(5,724)**	(2,080)*
Taxation charge on ordinary activities	**-**	(27)
Taxation on exceptional items and bar and pub opening costs (restated*)	**7,780**	3,561*
Adjusted profit on ordinary activities after taxation (restated*)	**2,056**	1,454*
Basic number of shares ('000)	**230,049**	230,049
Adjusted basic earnings per share (pence) (restated*)	**0.9**	0.6*
Diluted number of shares ('000)	**241,228**	239,838
Adjusted diluted earnings per share (pence) (restated*)	**0.9**	0.6*

Exceptional items, share-based payments and bar and pub opening costs did not include share-based payments in the Annual Report and Accounts for the 52 weeks ended 1 July 2023, and accordingly have been restated above to include so. By doing so, the adjusted basic and diluted earnings per share is reduced to 0.6p. Taxation on exceptional items and bar and pub opening costs is calculated by applying the standard corporation tax rate of 25% against only taxable exceptional items.

9. 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 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
Additions	-	941	1,025	352	2,318
Disposals	(1,426)	(24,043)	(37,040)	(5,662)	(68,171)
At 29 June 2024	**226**	**67,377**	**33,014**	**5,723**	**106,340**
Accumulated depreciation and impairment					
At 3 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)
Charge for the period	-	(3,262)	(2,395)	(465)	(6,122)
Impairment charges	-	(6,321)	(2,405)	(276)	(9,002)
Disposals	1,216	23,695	36,763	5,643	67,317
At 29 June 2024	**-**	**(52,918)**	**(25,892)**	**(5,029)**	**(83,839)**
Net book value					
At 29 June 2024	**226**	**14,459**	**7,122**	**694**	**22.501**
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

Right-of-use assets	Bars & Pubs £'000	Vehicles £'000	Total £'000
Cost			
At 3 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

Reassessment/modification of assets previously recognised	(3,485)	-	**(3,485)**
Additions	695	-	**695**
Disposals	(9,796)	(418)	**(10,214)**
At 29 June 2024	120,223	**-**	**120,223**
Accumulated depreciation and impairment			
At 3 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)
Charge for the period	(4,613)	-	**(4,613)**
Impairment charges	(16,705)	-	**(16,705)**
Disposals	9,621	418	**10,039**
At 29 June 2024	(76,800)	-	**(76,800)**
Net book value			
At 29 June 2024	**43,423**	**-**	**43,423**
At 1 July 2023	67,706	-	67,706
At 2 July 2022	62,740	4	62,744

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.

Following review of historic cost and accumulated depreciation balances, it was determined that a prior year error arose whereby certain remaining balances relating to exited or surrendered sites and leases should have been disposed of in previous years and the current year. It is impractical to determine how much relates to previous and current year and thus the entire balance is corrected in the current year to reflect previously disposed sites.

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 29 June 2024, the Group impaired the property, plant and equipment of 41 CGUs (2023: 35 CGUs) and the right-of-use assets of 27 CGUs (2023: 30 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 five-year refurbishment cycle, with an increase in revenue factored after refurbishments for bars based on historical refurbishment outcomes.

The key assumptions in the value in use calculations are typically the cash flows contained within the Group's trading forecasts, the long-term growth rate and the risk-adjusted post-tax discount. The Budget for FY25 is based on the last 12 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 2024 at 1.0 per cent (2023: 1.0 per cent).
- Post-tax discount rate: 13.0 per cent (2023: 11.6 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 £0.8 million. A 0.1 per cent decrease in the long-term growth rate would result in additional impairments of £0.7 million. Applying the most recent performance to the signing date results in an increase in the impairment charge of approximately £2.5 million.

10. Goodwill

	Total £'000
Cost	
At 2 **July 2023**	17,419
Additions	211
At 29 June 2024	**17,630**
Accumulated impairment losses	
At 2 July 2023	-
Impairment losses for the period	**(9,159)**
At 29 June 2024	**(9,159)**
Net book value	
At 29 June 2024	**8,471**
At 1 July 2023	17,419

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Impairment is recognised in operating expenses in the consolidated statement of profit or loss and other comprehensive income.

Goodwill entirely relates to the CGU associated with the acquisition of Peach Pubs and its subsidiaries in October 2022. The business has continued to operate on a satisfactory basis. £211k of contingent consideration, not already included in investments in 2023, was paid in consideration in the year and therefore added to goodwill.

When assessing goodwill for impairment, the recoverable value is considered as the higher of fair value less costs to sell ("FVLCTS") and value in use ("VIU"). Both calculations are based on a Board-approved forecast, with FVLCTS taking a sensible assumption on costs expected to sell the brand, and with VIU compared against directly associated CGU assets. 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. FVLCTS was determined as the higher.

The key assumptions in the calculations are typically the cash flows contained within the Group's trading forecasts for the brand, the long-term growth rate and the risk-adjusted post-tax discount. A long-term growth rate has been applied from July 2024 at 1.0 per cent (2023: 1.0 per cent), and the post-tax discount rate used was 13.0 per cent (2023: 11.6 per cent); both assumptions are in line with those used for other areas of impairment review for the Group.

The FVLCTS was then assessed against goodwill and other relevant assets associated with the Company including property, plant and equipment and right-of-use assets; the FVLCTS was greater and accordingly no impairment has been recognised. If the post-tax discount rate was increased by 1% this would reduce the FVLCTS by £2.4 million. If the growth rate was reduced by 1% this would reduce the FVLCTS by £2.3 million. If both were changed by 1% this would reduce the FVLCTS by £4.3 million. Applying the most recent performance to the signing date results in an increase in the impairment charge of approximately £4.8 million though it should be noted the first quarter of FY25 was disproportionately affected by the extension of the Restructuring Plan distractions.

11. Inventories

	29 June 2024 £'000	**1 July 2023 £'000**
Goods held for resale	**1,999**	2,437
Sundry stocks	**1,008**	968
	3,007	3,405

Sundry stocks include items such as glasses, packaging, uniform and drinks decorations. Inventory is net of provision of £0.11 million (2023: £0.16 million). £nil was written down in the year as an expense (2023: £nil).

The amount of inventories recognised as an expense in the year was £35.6 million (2023: £35.4 million) and is charged to cost of sales in the consolidated statement of profit or loss and other comprehensive income.

12. Trade and other receivables

	29 June 2024 £'000	1 July 2023 £'000
Amounts falling due within one year		
Trade receivables	**2,570**	4,429
Accrued rebate income	**365**	721
Prepayments	**5,751**	5,809
Other debtors	**-**	489
	8,686	11,448

13. Cash and cash equivalents

	29 June 2024 £'000	1 July 2023 £'000
Cash and cash equivalents	**4,535**	3,367

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.

14. Trade and other payables

	29 June 2024 £'000	1 July 2023 £'000
Trade payables	**13,000**	15,011
Other payables	**389**	1,339
Accruals and deferred income	**10,740**	11,261
Other taxes and social security costs	**6,840**	4,109
	30,969	31,720

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 has £nil (2023: £27k) of corporation tax payable due.

15. Lease liabilities

	Bars & Pubs £'000
At 2 July 2023	125,323
Reassessment/modification of liabilities previously recognised	(3,321)
Modifications taken as a credit to administrative expenses (note 4)	(816)
Surrender of leases	(5,563)
Additions	695
Lease liability payments	(11,227)
Finance costs	5,694
At 29 June 2024	**110,785**

Cash payments in the period comprise interest of £5.8 million and principal of £5.5 million (2023: 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 16 bars and pubs (2023: six bars and pubs) where either the length or rent of the lease has been amended.

The expense relating to short-term, low-value and variable lease payments not included in the measurement of lease liabilities is £0.2 million (2023: £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:

	29 June 2024 £'000	1July 2023 £'000
Amounts due within one year	**6,883**	7,087
Amounts due after more than one year	**103,902**	118,236
	110,785	125,323

16. Interest-bearing loans and borrowings

	29 June 2024 £'000	1July 2023 £'000
Revolving credit facility	**28,900**	25,000

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 £28.9 million was drawn down and £1.1 million was held as a separate energy guarantee. The Facility is subject to interest charged at a margin plus SONIA, and a minimum liquidity covenant. This Facility was refinanced after year-end, please see note 19. Please see the going concern disclosure in note 1 for further information.

The Facility is secured and supported by debentures over the assets of The Revel Collective plc (formerly Revolution Bars Group plc), Revolución de Cuba Limited, Revolution Bars Limited, Revolution Bars (Number Two) Limited, Inventive Service Company Limited, 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.

17. 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 payroll and grant related items which remain under constant review, and 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 2023	871	1,967	2,838
Movement on provision	400	180	580
Reduction in provision	(389)	-	(389)
Utilisation of provision	-	(194)	(194)
At 29 June 2024	**882**	**1,953**	**2,835**

	29 June 2024 £'000	1 July 2023 £'000
Current	**882**	871
Non-current	**1,953**	1,967
	2,835	2,838

18. Dividends

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the 52 weeks ended 29 June 2024 of nil per share (52 weeks ended 1 July 2023 of nil per share)	**-**	-
	-	-

19. Post balance sheet events

Successful sanction of Restructuring Plan and exciting changes to the Group

On 8 August 2024 the Restructuring Plan was presented to Court and successful sanction was achieved. On 11 August 2024 the remaining 12 bars, who were part of the Restructuring Plan, closed. Communications continue with the impacted creditors of the Restructuring Plan, ensuring an appropriate outcome for each side and adherence to the Restructuring Plan. As at the date of issue of these Financial Statements, the Group now operates from 27 branded Revolution bars, 15 Revolución de Cuba bars, 22 Peach Pubs, and one Founders & Co. site.

Following successful sanction of the Restructuring Plan, the gross £12.5 million Fundraise was received by the Group by 3 September 2024 and total shares issued by the Group are now 1,497,817,225. A significant refinancing was also signed in August 2024 which supports the business post-Plan, including the £4.0 million write-off of facilities, meaning total gross facilities are currently £26.0 million.

Luke Johnson became Non-Executive Chairman on 6 September 2024, as Keith Edelman retired from the role. Two new Non-Executive Directors were also appointed on 14 October 2024.

The Group changed its name from Revolution Bars Group plc to The Revel Collective plc on 10 October 2024, better representing the diverse portfolio of brands it now holds.

20. 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 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Non-GAAP measures			
Revenue	3	**149,544**	152,551
Operating loss	5	**(28,369)**	(15,151)
Exceptional items	4	**31,119**	20,244
Credit arising from long-term incentive plans		**(120)**	(117)
Adjusted operating profit		**2,630**	4,976)
Finance expense	6	**(8,368)**	(7,056)
Finance income	6	**14**	-
Adjusted loss before tax		**(5,724)**	(2,080)
Depreciation	5	**10,735**	12,057
Amortisation	5	**4**	5
Finance expense	6	**8,368**	7,056
Finance income	6	**(14)**	-
Adjusted EBITDA		**13,369**	17,038

A comparison of statutory and APM exceptionals is provided below:

	52 weeks ended 29 June 2024 IFRS 16 £'000	52 weeks ended 29 June 2024 IAS 17 £'000
Administrative expenses/(income):		
– impairment of right-of-use assets	**16,705**	**-**
– impairment of property, plant and equipment	**9,002**	**8,350**
– impairment of goodwill	**9,159**	**9,159**
– lease modification	**(816)**	**-**
– net (gain)/loss on disposal	**(5,638)**	**(890)**
– movement on onerous lease provision	**-**	**(2,386)**
– business restructure	**2,707**	**2,707**
Total exceptional items	**31,119**	**16,940**

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 29 June 2024 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 29 June 2024 IAS 17 £'000
Operating loss	**(28,369)**	**4,832**	**-**	**-**	**(10,365)**	**14,179**	**(19,723)**
Exceptional items	**31,119**	-	-	-	-	**(14,179)**	**16,940**
Credit arising from long-term incentive plans	**(120)**	-	-	-	-	-	**(120)**
Adjusted operating profit/(loss)	**2,630**	**4,832**	**-**	**-**	**(10,365)**	**-**	**(2,903)**
Finance expense	**(8,368)**	-	**5,694**	**(136)**	-	-	**(2,810)**
Finance income	**14**	-	**-**	**-**	-	-	**14**
Adjusted loss before tax	**(5,724)**	**4,832**	**5,694**	**(136)**	**(10,365)**	**-**	**(5,699)**
Depreciation	**10,735**	**(4,832)**	-	-	-	-	**5,903**
Amortisation	**4**	-	-	-	-	-	**4**
Finance expense	**8,368**	-	**(5,694)**	**136**	-	-	**2,810**
Finance income	**(14)**	-	**-**	**-**	-	-	**(14)**
Adjusted EBITDA	**13,369**	**-**	**-**	**-**	**(10,365)**	**-**	**3,004**

	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**

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.