THE Revel COLLECTIVE

(FORMERLY REVOLUTION BARS GROUP PLC)

FOR PUB LUNCHES CATCH-UPS LATE NIGHTS EVERYONE

ANNUAL REPORT & ACCOUNTS 2024

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

OUR PURPOSE IS TO CREATE FUN AND MEMORABLE EXPERIENCES WITH OUR TEAMS AND GUESTS.

WE DO THIS THROUGH OUR DIVERSE PORTFOLIO OF VENUES.

CREATING

PLACES EVERYONE WANTS TO BE

HIGHLIGHTS

The Board are pleased to announce that the Group's name has changed to The Revel Collective plc (formerly Revolution Bars Group plc) in recognition of the diverse offering of brands within the Group.

FINANCIALS

REVENUE

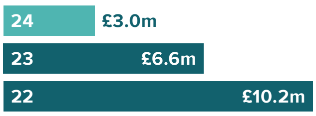
£149.5M

GROSS PROFIT

£113.9M

APM ADJUSTED EBITDA*

£3.0M



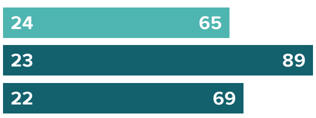
(LOSS)/PROFIT BEFORE TAX

£(36.7)M

OPERATIONAL

VENUES**

65

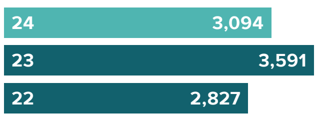


ENERGY CONSUMPTION REDUCTION***

37%

COLLEAGUES

3,094



STRATEGIC REPORT

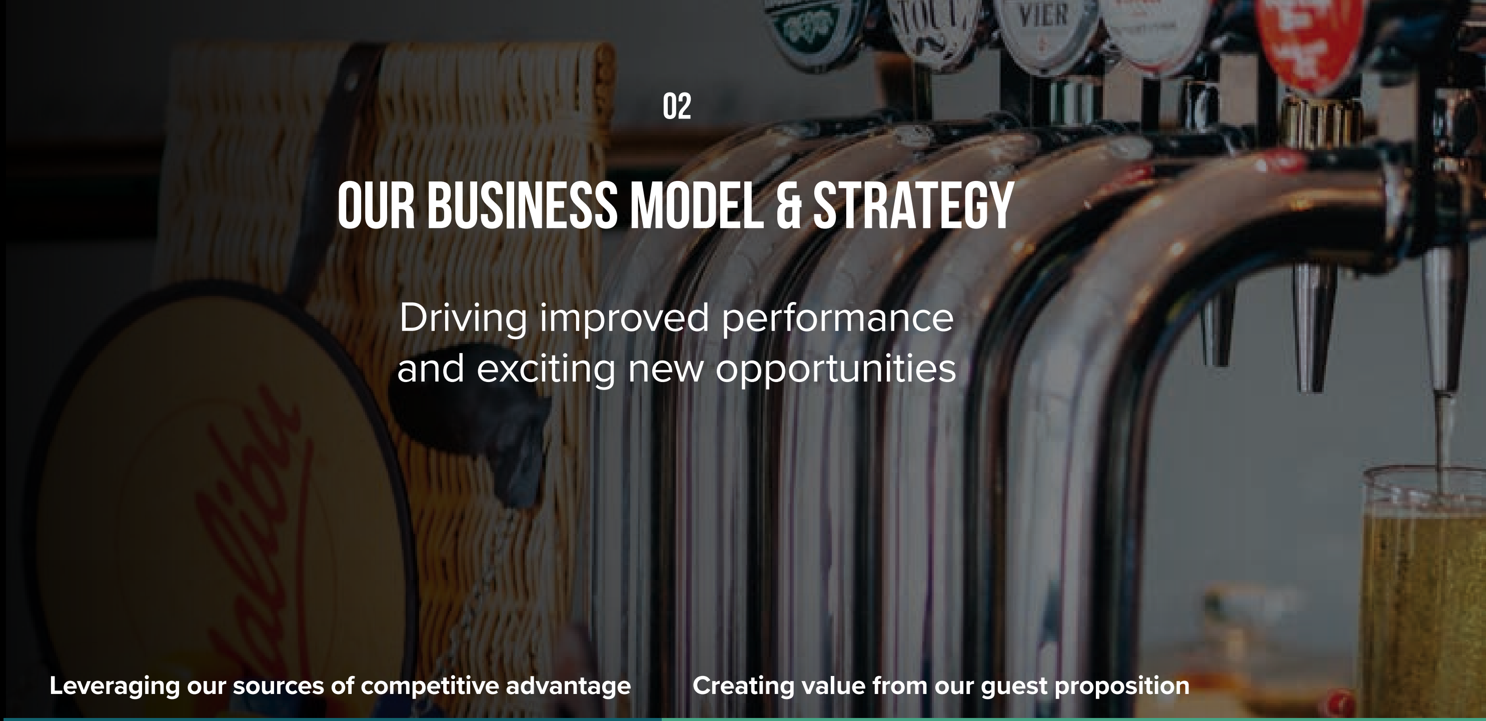
GOVERNANCE REPORT

FINANCIAL STATEMENTS

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

** As at date of issue.

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



OUR BUSINESS MODEL & STRATEGY

Driving improved performance and exciting new opportunities

Leveraging our sources of competitive advantage

ALWAYS PUTTING PEOPLE FIRST

- Experienced Executive and Management teams empowered by the Board to maximise performance
- Purpose, Vision and Values embedded throughout the business
- Culturally aligned brands, ensuring our teams are always doing the right thing
- Engaging our 3,094-strong passionate team
- Attracting new talent and ensuring we are the employer of choice

PASSIONATE TEAM MEMBERS

3,094

FINANCIALLY WELL-SUPPORTED

- Cash generative model with £11.6 million cash generated from operating activities (2023: £9.7 million)
- Debt target to below one times APM (IAS 17) adjusted EBITDA (2023: same)
- Net debt at the end of FY24 of £24.4 million (2023: £21.6 million)
- £12.5 million gross Fundraise received in September 2024

CASH GENERATED FROM OPERATING ACTIVITIES

£11.6M

Creating value from our guest proposition

THE PLACE WHERE EVERYONE WANTS TO BE

FOR DANCING & PARTYING

REVOLUTION

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

Revolución de Cuba
RUM BAR • CANTINA

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

VENUES ACROSS THE UK

27	**15**

At the date of issue

AMAZING VENUES FOR EVERYONE

Creating fun and memorable experiences with our teams and guests through our diverse portfolio of venues

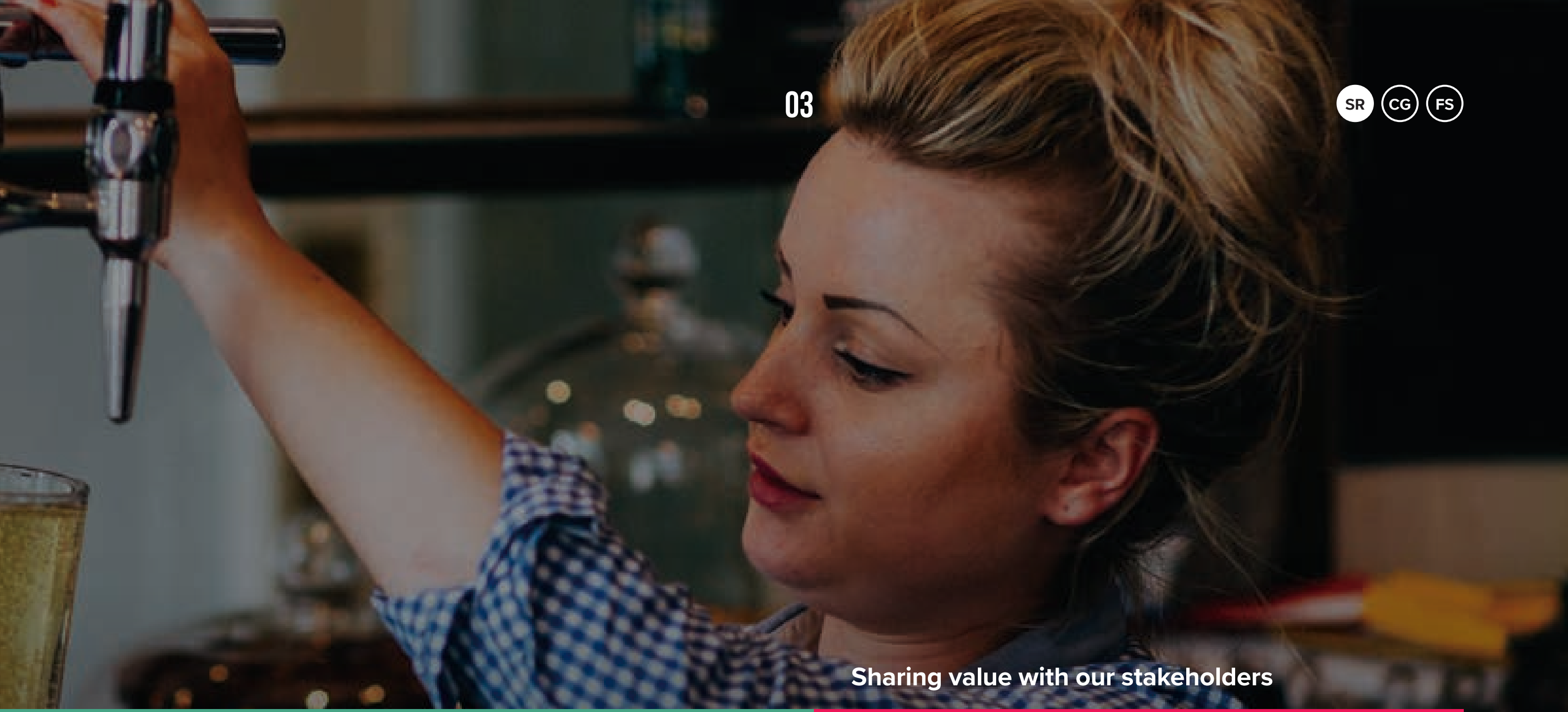
ENTERTAINMENT AND ENERGY

Live music, DJs and entertainers

OUR STRATEGY

MAXIMISING REVENUE AND PROFIT

BRAND AWARENESS AND ESG



Sharing value with our stakeholders

FOR RELAXING & MEETING

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.

22

FOUNDERS & CO.

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

01

PREMIUM DRINKS

Local and global high-quality spirits, beers and wines

AMAZING FOOD FOR EVERY MOOD

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

FOR OUR...

GUESTS

- Fun night out for our young guest base at our late-night venues
- Warm and welcoming pubs for our foody guests

SHAREHOLDERS

- Delivering value for shareholders through growth strategies for the business

COLLEAGUES

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

COMMUNITIES

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

INCREASE IN PRE-BOOKED REVENUE IN FY24

+12.9%

DRINK SALES IN BARS RELATED TO SPIRITS

75%

AVERAGE FEEDBACK SCORE

88

TOTAL VENUES ACROSS THE UK

65

GUEST EXPERIENCE

COST CONTROL

DIVERSIFICATION OF SALES

CHAIRMAN'S STATEMENT

ONGOING CONSTRAINTS ON CONSUMER DEMAND, RISING COSTS, AND A PERMANENT SHIFT IN TRENDS

Luke Johnson

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

GIVEN THE PERMANENT AND STRUCTURAL CHANGES TO THE BARS MARKET, THE BOARD HAS TAKEN ACTION TO RESHAPE AND RESIZE THE BUSINESS TO CREATE A MORE BALANCED BUSINESS WITH MORE GROWTH OPPORTUNITIES FOR THE FUTURE.

Rob Pitcher

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.

CHIEF EXECUTIVE OFFICER'S STATEMENT CONT.

SUPPORTING OUR AMAZING PEOPLE THROUGH INITIATIVES SUCH AS RIPPLE

CASE STUDY

The Group was honoured to become the first organisation within the hospitality industry to install Ripple across all our internal computer networks, strengthening our commitment to suicide prevention. This tool will automatically and discreetly intercept content from harmful searches relating to self-harm and suicide, and users will instead be presented with Ripple's simple and calming screen where they will be signposted to support and mental health resources. In partnering with Ripple, we were also thrilled to be finalists for "Wellness Initiative of the Year" at the British HR Awards in recognition of the Ripple Wi-Fi safeguarding rollout.

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.

FOOD MADE GOOD SUSTAINABILITY AWARD

CASE STUDY

We were thrilled to see Peach achieve three stars under the Food Made Good Sustainability Award from the Sustainable Restaurant Association, scoring highly across Sourcing, Society and Environment. Peach scored exceptionally well under the Environment pillar, reflecting its commitment to reducing energy use, food waste, and non-organic waste. A particular standout was Peach's work on conducting carbon footprint analysis and sharing the carbon footprint of menu items with its guests. We look forward to continuing our excellent progress in this area.

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

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 FY24. This list is not intended to be an exhaustive list of all stakeholder priorities and engagement activity, but to provide a summary that illustrates the importance stakeholder groups play in the Board's decision making. We thank all our stakeholders for their unwavering support throughout the Restructuring Plan and challenges in the year.

COLLEAGUES

Why we engage

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.

How we engage

Technology is utilised to provide digital and hybrid working options, meaning our workforce, who are positioned across the UK, can maintain regular communications.

The Chief Executive Officer regularly provides digital updates via the "Chat RBG" call, with other Management welcome to present major updates to the business.

The Board considers the twice-yearly Quality of Life survey undertaken across the whole of the Group's workforce to be the most effective way of measuring employee engagement, motivation, affiliation and commitment to the business.

Material topics

- Providing a safe, inclusive, and diverse working environment
- The Group is determined that it remains a responsible employer
- Regular updates on the Restructuring Plan

SUPPLIERS

Why we engage

Accessing good value but premium products and venues is a key element of keeping the Group's offering vibrant, refreshed and interesting, whilst generating the best value for our guests.

Keeping suppliers abreast of key business changes including the Restructuring Plan.

How we engage

All major contracts and leases are reviewed and approved by the Board when they are first entered into and at renewal.

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.

For significant events, such as the Restructuring Plan, senior management have been readily available through all communication methods to liaise with key suppliers including landlords.

Material topics

- 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 active mitigation of cost increases
- Restructuring Plan engagement and progress

GUESTS

Why we engage

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.

How we engage

Social media and guest review platforms are internally and externally reviewed, with high response rates from guests to understand their experiences with our bars and pubs.

A warm and welcome environment is offered to guests across all brands, allowing a comfortable environment in which to enjoy themselves or celebrate, whilst monitoring guest behaviour for safety.

Material topics

- 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

INVESTORS

Why we engage

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.

How we engage

The Group provides regular engagement and consultation with investors, with regular trading updates. Executive Directors are 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.

Material topics

- Twice-yearly roadshows to discuss interim and annual performance and plans
- Long-term strategies to provide growth opportunities for investors
- Restructuring Plan and Fundraise updates

COMMUNITY

Why we engage

The Group is dedicated to acting responsibly in its business practice, which is beneficial to the environment and community.

How we engage

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 menu items as well as sponsored activities.

Material topics

- Active engagement through social media platforms with communities
- Continued support of nationwide and local charities across our bars and pubs, as well as central teams

RESPONSIBLE BUSINESS

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

CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT

PEOPLE

We remain focused on the attraction and retention of talented individuals and refining our Employer Value Proposition to best serve our Group values and ambitions. Throughout the financial period we continued to make significant headway with synergies in people systems – recognising the importance of leveraging technology and data to drive meaningful and sustainable transformation.

We have worked extensively with selectively trusted partners and our in-house developers to configure and implement best-in-class tools, including but not limited to a proprietary HR system and a third-party reward provision solely for hospitality workers. We remain committed to prioritising colleague wellbeing and have introduced 24/7 GP access for team member households alongside up to eight face-to-face counselling support sessions across the entire workforce as part of the suite of changes introduced. Further, we were delighted to become the first hospitality partner of Ripple Suicide Prevention Charity this year, which is a tool designed to discreetly intercept harmful online searches and content related to self-harm and suicide on our internal network. We continue to pioneer and call for action for universal adoption within the sector, which is disproportionately impacted by mental ill-health.

Our guests and our teams deserve a safe environment where they are valued for who they are. We are both cognisant and proud of the diversity within our workforce and we strive to create places where everyone can express their authentic selves, realise their potential, and seize the many development opportunities.

We are dedicated to providing meaningful employment, by developing our talent with on-the-job skills training through our expansive career path content. We are ever advancing our culture of opportunity via "Rev U", our internal brand for learning and development programmes where we support the discovery of career ambitions and encourage our colleagues to continuously learn and grow both professionally and personally.

We believe that our actions, behaviours, policies and culture compound to bring about the manifestation of our vision – "we are the place where everyone wants to be". We continue to engage in active dialogue with our teams via multiple channels and formats in order to respond to our colleagues' concerns, opinions, and evolving needs to ultimately propel our journey of nurturing an inclusive environment for all.

All considered, and in spite of a challenging business environment the People Team's engagements and initiatives have brought about positive impacts in the areas of recruitment, engagement, well-being and learning and development to support our strategic aim of affirming our place as an industry-leading employer.

WE BELIEVE THAT OUR ACTIONS, BEHAVIOURS, POLICIES AND CULTURE COMPOUND TO BRING ABOUT THE MANIFESTATION OF OUR VISION.

RESPONSIBLE RETAILING

The Group's Management team work closely with UKHospitality, participate in several working groups, and contribute to relevant policies on responsible drinks retailing. The Group supports practices that promote responsible drinking and has established its own "Responsible Alcohol Retailing Policy," backed by staff training and monitoring. The Group's pricing models are designed to avoid heavy discounts on products.

Events are promoted responsibly and are accompanied by individual risk assessments. Management routinely attend Pub Watch meetings to promote a safe and secure environment. Test purchasing exercises are organised through Serve Legal to ensure that staff apply their training effectively regarding 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.

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 was 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.

In FY24, the Group raised a total of £32k for CALM in the year 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.

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 18–25 for further information.

FINANCIAL REVIEW

A REDUCTION IN TOTAL SALES DUE TO SIGNIFICANT NUMBER OF CLOSURES OF LOSS-MAKING BARS.

Danielle Davies

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 28.

IFRS 16 ADJUSTED EBITDA (APM)

£13.4M

GROSS MARGIN

76.2%

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 28), 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.

	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)

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

FINANCIAL REVIEW CONT.

SALES GREW IN THE FIRST HALF OF THE YEAR REPRESENTING A VERY STRONG FESTIVE TRADING PERIOD.

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 (2023: £20.2 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 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 3 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.

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 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.

Underlying cause of risk	Response and mitigation	Change to residual risk
CONSUMER CONFIDENCE The Group's performance is dependent on custom in its venues and level of spend. Younger people drinking less, and 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.	• Ability to tailor offerings in response to macroeconomic influences, including quick adjustments to promotional activity reflective of changes in trends • Diversification of Group's proposition in both bars and pubs, with a more affluent demographic targeted • Impact monitored closely by Board and Management, with bars closed where not hitting minimum profit requirements • Restructuring Plan to realign Group portfolio with trends seen in cities and towns	NO CHANGE
CLIMATE CHANGE AND SUSTAINABILITY Climate change and a growing requirement to operate a sustainable business pose a risk to the business' ability to source appropriate food and drink, 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.	• 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 • Future legislation carefully monitored	NO CHANGE
REFURBISHMENT AND ACQUISITION OF BARS AND PUBS 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.	• The property team and agents have sufficient resources to ensure the investigation of new site opportunities • Refurbished sites have proven track record of improvement in sales • Refurbishment and acquisition programme currently halted whilst Restructuring Plan takes effect	NO CHANGE
SUPPLIER CONCENTRATION 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.	• 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 • Introduced new drinks supplier, LWC, establishing a relationship with another supplier who could support distribution should there be a catastrophic failure at Matthew Clark	NO CHANGE

Underlying cause of risk	Response and mitigation	Change to residual risk
CONSUMER TRENDS AND PR In an increasingly digital world, guests are quick to voice opinions on social media rather than providing feedback, which can have reputational impacts. There is also increased risk of cyber-attacks on the business.	• Increased focus on guest experience and feedback • Crisis PR agency to support in any high-risk issues that may occur • Careful IT management of cyber-attack developments	NO CHANGE
HEALTH AND SAFETY 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, with security and operational teams trained in managing guest safety. Allergens are a 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 Group's policies and procedures manual covers all aspects of operations • Detailed ongoing training for all staff • Incidents are thoroughly investigated, and any lessons learned communicated throughout the business • Independent audits of Health & Safety conducted across sites	NO CHANGE
NATIONAL MINIMUM/LIVING WAGE 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.	• 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	HIGHER
FUNDING AND INTEREST RATES 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.	• 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 • Significant refinancing conducted alongside Restructuring Plan	NO CHANGE

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

Climate-related risk
There is a growing consensus that climate-related risks are among the most material risks affecting the world economy this century. Disclosure of the actual and potential impacts of climate-related risks and opportunities on an organisation, and the associated risk management processes, is fundamental to understanding the resiliency of the business.

Climate-related issues can affect multiple important aspects of an organisation's financial performance and position, both now and in the future.

Mandatory climate-related financial disclosures by publicly quoted companies, large private companies and LLPs
The Climate-related Financial Disclosures ("CFD") regulations are a Companies Act requirement, based upon the recommendations of the Task Force on Climate-Related Financial Disclosures. The Task Force provides recommendations for climate-related financial disclosures structured around four thematic areas.

These four overarching recommendations are supported by 11 specific recommended disclosures. This framework has been adapted slightly and condensed into eight required disclosures under the UK's CFD regulation.

CFD disclosure
The Group recognises the importance of CFD-aligned disclosures to ensure high-quality and decision-useful information that enable users to understand the impact of climate change on the organisation; we have complied with all eight required CFD disclosures.

GOVERNANCE

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

(A)

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 ("CFO") (Danielle Davies) are members. The Board receives a quarterly summary report on climate change, covering key aspects of the Strategy, and highlighting any newly identified risks/opportunities, or existing risks/opportunities that have shifted in terms of likelihood or impact assessment. Climate-related financial issues, where material, fall in scope of the Risk Committee, which will review and take action as required on risk management policies and business planning. The Risk Committee consists of relevant Executive and Heads of Management including the Head of Risk and Compliance, and the CFO. This group meets quarterly and reviews all material risks and opportunities.

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 terms of addressing climate-related risk, and capitalising on climate-related opportunities. 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.

RISK MANAGEMENT (B/C)

The Group identifies climate-related risks and opportunities and defines materiality based on 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, are divided into acute risks (such as specific extreme weather events) and chronic risks (such as the impact of sea level rise or long-term changes in precipitation patterns).
- Transition risks, which relate to the transition to a low-carbon economy, are classified according to the following categories: Policy & Legal, Technology, Market, and Reputation.

Risks and opportunities are assessed according to both their likelihood and their impact, each on a five-point qualitative scale as described below. The overall materiality of a risk or opportunity is described by the product of these two ratings.

Score	Likelihood		Impact	
1	VERY UNLIKELY	Historical data or expert opinion suggest that this event is highly improbable	Insignificant	Any consequences resulting from this event would be easily manageable or absorbed without significant disruption
2	UNLIKELY	Historical data or expert opinion indicate that occurrences of this event are rare but not unheard of	Minor	The consequences of this event can be addressed with minimal effort or resources and are unlikely to impact organisational aims
3	POSSIBLE	There is a reasonable chance that this event might happen under certain circumstances	Moderate	This event has the potential to cause noticeable, but manageable, disruptions or delays to objectives and operations
4	LIKELY	While not certain, the occurrence of this event is expected or anticipated given the current conditions or trends	Significant	This event has the potential to significantly impact objectives, resources, or outcomes, resulting in considerable disruptions, delays, or additional costs
5	VERY LIKELY	The chances of this event happening are almost certain	Critical	Immediate and decisive action is required to mitigate the consequences of this event and prevent or minimise its effects on the organisation

We consider our climate change risk between now and 2050 as a timeframe, and our risk and opportunity registers are reviewed on an annual basis to ensure comprehensive coverage of all potentially material emerging risks and opportunities.

Risks and opportunities are managed in two ways:

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

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 TCFD guidance and our own research/analysis
- **Assess** the risks/opportunities and any required action in the near term (<2 years)
- **Model** through scenario analysis (where relevant) the potential impacts of the risks / opportunities across three climate change scenarios
- **Manage** by developing and implementing internal risk controls
- **Monitor** on an ongoing basis and improve risk management controls

The Risk Committee assesses financial materiality consistently across all risk types and manages all risks found to be material via the same general processes, regardless of whether they relate to climate change or not. All risks found to be material to the business as a whole are managed via the same processes.

STRATEGY

We acknowledge that climate-related risks and opportunities will continue to have a significant impact on our business. We are therefore implementing a clear strategy to respond to that.

(D/E)

Our focus is on:

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

We have identified a material list of significant risks and opportunities which have been reviewed and analysed. 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 Group in prioritising actions related to these areas.

Risk		Description	Mitigating Factors / Control in Place
POTENTIAL BRAND DAMAGE FROM INACTION P (Moderate)	**Transition:** Reputation **Timeframe:** Near to medium term	Having set ambitious climate and related targets, there is a risk of brand damage if we cannot meet them. In the event of stalled progress or backsliding, our messaging around sustainability may be perceived as greenwashing, with potential impacts on our valuation or on consumer demand for our products.	We have assessed our performance/strategy against peers in our industry and believe that our sustainability position compares favourably. As one of the few organisations in our field to have an SBTi approved Net Zero target, we believe the risk of brand damage from inaction in the climate space is unlikely if we continue to make progress towards this goal. Business considerations have slightly slowed the pace of our investment in decarbonisation this year, so this risk is deemed to have moderately increased compared to last year.
EXTREME WEATHER EVENTS IMPACT ON THE SUPPLY CHAIN L (Minor)	**Physical:** Acute **Timeframe:** Long term	As climate change progresses, the incidence and severity of extreme weather events is expected to increase in many parts of the world. The Group relies heavily on agricultural commodities. Those that are used for beverages are often sourced internationally – many from regions considered to be more vulnerable to climate change than the UK.	We continue to engage our supply chain on an annual basis. This year we engaged 60.5% of our suppliers of products and services. Our outreach elicits, among other things, information on suppliers' disaster preparedness. We will continue to monitor the vulnerability of our supply chain to physical threats over time as climatic conditions evolve.
ECONOMIC DOWNTURNS RESULTING IN DECLINING DEMAND FOR PRODUCTS L (Significant)	**Transition:** Market **Timeframe:** Long term	Over time, chronic physical changes and acute physical events have the potential to result in economic stagnation, turbulence, or recessions. Similarly, mitigation efforts such as restrictive regulation or carbon taxation may lead to inflation or similar economic impacts. The Group relies on clientele with sufficient discretionary income to enjoy our product offering. Economic decline may therefore reduce spending on entertainment and nights out.	Our efficiency-first approach to tackling environmental impacts will help to ensure that we can keep costs low and offer competitive prices. We believe this will help to ensure some continued demand for our products and services despite ambient economic conditions.
THE COST OF DECARBONISATION P (Minor)	**Transition:** Reputation **Timeframe:** Policy & Legal	Making continual progress in decarbonisation will necessitate ongoing investment. This may be motivated by our voluntary commitments or be required by an increasingly stringent regulatory apparatus aimed at reducing emissions.	We have assessed the costs of delivering our Net Zero strategy, and while significant, the savings provided by our strategy are found to be larger. Given our intended pace of decarbonisation, we believe it is unlikely that our voluntary trajectory is outpaced by disruptive regulation.

Likelihood P Possible L Likely VL Very likely **Impact** Minor Moderate Significant

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

LET'S PLANTS SOME TREES!

CASE STUDY

Partnering with Absolut and Pernod Ricard over the festive period, we were thrilled to see every Absolut Liquid Gold Tree and Absolute Pornstar Martini paddle contribute to a tree planted for the Plant a Tree campaign with Ecologi. Our Liquid Gold Trees funded 313 trees, and Pornstar Martini Paddles funded 570 trees. That's 813 trees in total to be planted, all thanks to our amazing guests!

What's more, members of the Group team, alongside Absolut and Pernod Ricard, took action to cement this partnership by planting the "Revolution Bars Group Forest". Each tree symbolises a member of our incredible team.

Opportunity		Description
COST SAVINGS ASSOCIATED WITH CARBON REDUCTION MEASURES VL	**Category:** Efficiency **Timeframe:** Near to medium term	Economic analyses suggest that delivering our net zero strategy is net beneficial to the business over its lifecycle due to resource and energy efficiencies resulting in cost savings. We will continue to invest in decarbonisation initiatives over the coming years and expect this to continue to promote reductions in expenditure.
INCREASED MARKET SHARE AMONG CONSUMERS WITH PREFERENCE FOR SUSTAINABLE PRODUCTS/SERVICES VL	**Category:** Markets **Timeframe:** Near term	As consumer preferences evolve to place an increasing emphasis on the sustainability of the products they consume, the Group, as an organisation with a leading sustainability position, stands to benefit from increased demand. We monitor the carbon impacts of our products to ensure that we can offer customers food and drink with less embodied carbon wherever possible. We have an array of ambitious sustainability targets and publicise our progress in these areas, which increases the likelihood that the Group can increasingly be seen as a preferred purveyor of demonstrably sustainable products.

Likelihood P Possible L Likely VL Very likely **Impact** Minor Moderate Significant

We have defined the time horizons of our analysis as follows:

Near term	Less than 2 years
Medium term	Between 2 and 5 years
Long term	Greater than 5 years

These definitions relate to our usual business cycles and the time horizons that longer-term strategic thinking tends to happen on. The fast-evolving nature of our sector means that our attention is often focused on the near term, although medium and long-term considerations do impact some decision making.

Impacts on business model/strategy

An awareness of the risks and opportunities described above has contributed to several of our strategic priorities. Understanding the risk of reputational damage and the opportunity presented by reputational gains in the realm of sustainability have contributed to decisions such as pursuing an SBTi validated net zero target and aiming to achieve carbon neutral status by 2030.

Appreciation for the fact that a number of our more material risks are those that impact our supply chain has led us to institute a programme of frequent supply chain engagement, with successful information gathering from over 60% of our suppliers (by expenditure) in the past 12 months.

STRATEGY

(F)

Given the uncertainties around the future evolution of mitigation efforts and emissions trajectories, we have conducted scenario analysis to better understand the potential ways our risk and opportunity exposure may develop over time.

Our three chosen scenarios are detailed in the table below.

Description	Overview	Assumptions
SMOOTH TRANSITION TO <2°C	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.	There is early and decisive action to reduce global emissions in a gradual way, with clearly signposted government policies implemented relatively smoothly.
DISRUPTIVE TRANSITION TO <2°C	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.	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.
NO ACCELERATION OF ACTION >3°C	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.	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.

These scenarios were chosen to encompass a broad swath of potential futures. The Early Transition can be seen as the most optimistic eventuality, while the High Emissions scenario represents the most pessimistic eventuality. These are considered to represent the upper and lower boundaries of plausible outcomes and permit for an analysis of our exposure to both significant transition risks (Early Transition) and physical risks (High Emissions scenario). The Late Transition scenario is plausible as well, but allows us to assess the impact of a less predictable and more disruptive transition compared with the Early scenario.

This analysis has yielded the following high-level insights:

- Reputational risks and benefits are both highest in the Early Transition. This is due to an assumed higher level of public interest/ scrutiny in sustainability performance. This could open up significant markets for low-carbon products or result in declines in demand if our performance is perceived to be insufficient.
- A High Emissions scenario results, unsurprisingly, in the highest risk of acute extreme weather events disrupting our supply chains. In this scenario it would also be very difficult for the Group to meet its climate targets due to a value chain failing to make adequate progress, however, the potential brand damage would be mitigated by the likelihood of many comparable organisations facing the same challenges/missed targets.
- The chances of economic turbulence and recessions is likely highest in the Late Transition scenario, where a variety of disruptive measures, e.g. a very high carbon tax, have significant impacts on the economy.
- The risks and opportunities related to the costs and savings of decarbonisation initiatives are highest in the Early and Late Transition scenarios. These scenarios assume the imposition of a significant carbon taxation regime (increasing the savings associated with energy efficiency and electrification initiatives) and more potential for innovations to further reduce the costs of renewable energy generation and more sustainable assets.

METRICS & TARGETS (G/H)

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 the ongoing productive engagement of our supply chain.

These key metrics are listed in the table below, with an associated annual target.

Targets and status in the reporting year

Metric	Target	Actual	RAG Rating
GHG Emissions intensity relative to revenue (Revolution Bars) (Location-Based) (tCO_2e / £m)	40% reduction from base year (FY20) by 2030	-33.3% reduction	
Absolute GHG emissions (Scopes 1 & 2) (Revolution Bars) (Market-Based) (%)	-99.6% reduction from base year (FY20) by 2030	+96.8% increase	
Absolute GHG emissions (Scope 3) (Revolution Bars) (Market-Based) (%)	-90% reduction from base year (FY20) by 2040	-3.4% reduction	
Absolute GHG emissions (Scopes 1 & 2) (Group) (Location-Based) (%)	-5% reduction from previous year	-7.6% reduction	
Supply chain engagement/targets (% of suppliers engaged (of total spend) per year)	≥50%	60.5%	
Energy efficiency (like-for-like kWh usage)	5% year-on-year savings	6.05% year-on-year savings	
Renewables/Power Purchase Agreements (% renewables)	100%	1.4%	
Waste targets (% recycled)	63%	59.9%	
Waste targets (% landfill avoidance)	95%	97.6%	

Our overall carbon footprint has increased since FY23. This is largely due to methodological reasons, including: the fact that FY24 is the first year for which we have 12 months of actual data for Peach Pubs (previously 10 months of footprint data were estimated); adjustments to emissions factors published by the DESNZ; and a change in data availability in regard to our Business Travel emissions. Business considerations have also led to a pause in our procurement of renewably backed electricity.

For this reason, our Scope 1 & 2 reduction progress is highly misaligned from our target (from a market-based accounting perspective) this year. However, given the fact that from a location-based perspective our Scope 1 & 2 emissions actually declined considerably, we remain confident in our ability to meet these targets and will renew our procurement of renewably backed electricity in the near term. We are committed to achieving all of our targets in the long term, and look forward to increasing our investments in decarbonisation as soon as possible.

FROM CUBA WITH GLOVE

CASE STUDY

Across the winter period, we were warmed to operate the "From Cuba with GLove" initiative. Our fabulous guests were encouraged to tackle that new year clear out, and turn their spare hats, scarves and winter clothing into a free cocktail. As we faced the coldest months of the year, Revolución de Cuba was all about spreading some Cuban kindness by donating the clothes to local charities across the UK. And our guests could then warm themselves with a free Banana Manaña cocktail in exchange for their kind deed.

Relevance of targets to the Group's operations

Our GHG and renewables related metrics allow us to assess our decarbonisation progress, which helps inform our assessment of risks and opportunities related to reputation, as well as potential exposure to carbon taxation. Energy efficiency metrics also contribute to our understanding in these areas, with additional implications for the magnitude of our cost saving opportunities.

Our waste targets are relevant to our decarbonisation and wider sustainability goals. Our performance in these areas have implications for our reputational risks and opportunities.

The target associated with supply chain engagement arises from an acknowledged need for continual visibility on the carbon performance, environmental policies, and risk management processes of our key suppliers. Failing to engage a sufficient number may result in an inadequate picture of our risk and opportunity landscape.

We will continue to monitor our performance in these areas on a no less than annual basis, and assess the potential for incorporating further metrics and targets over time.

Appendix

Thematic area	Recommendation	Page reference
GOVERNANCE	a) A description of the governance arrangements of the company or LLP in relation to assessing and managing climate-related risks and opportunities.	19
RISK MANAGEMENT	b) A description of how the company or LLP identifies, assesses, and manages climate-related risks and opportunities.	20
	c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company or LLP.	20
STRATEGY	d) A description of – (i) the principal climate-related risks and opportunities arising in connection with the operations of the company or LLP; and (ii) the time periods by reference to which those risks and opportunities are assessed.	21–22
	e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company or LLP.	21–22
	f) An analysis of the resilience of the business model and strategy of the company or LLP, taking into consideration different climate-related scenarios.	23
METRICS & TARGETS	g) A description of the targets used by the company or LLP to manage climate-related risks and to realise climate-related opportunities and of performance against those targets.	24–25
	h) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	24–25

By order of the Board

Danielle Davies
Company Secretary
21 October 2024

BOARD OF DIRECTORS & SENIOR MANAGEMENT

LUKE JOHNSON
NON-EXECUTIVE CHAIRMAN

Appointment date
6 September 2024

Relevant past experience
Luke Johnson, a prominent entrepreneur and investor, is known for his major impact on the hospitality sector. He was Chairman of PizzaExpress in the 1990s, and Chairman of Giraffe Restaurants. He also served as Chairman of Gail's Bakeries for 11 years, and remains a Director and shareholder.

Other appointments
Luke has various Directorships and Partnerships across a wide range of companies, predominantly focused on the Hospitality sector. This includes the private equity firm Risk Capital Partners, The Brighton Pier Group plc, and various Limited businesses.

ROB PITCHER
CHIEF EXECUTIVE OFFICER

Appointment date
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.

DANIELLE DAVIES
CHIEF FINANCIAL OFFICER

Appointment date
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.

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.

Maria Hamilton
Marketing Director
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, and to Marketing Director of the entire Group in March 2023. With over 17 years' experience in Hospitality marketing, Maria has held senior marketing roles across a number of pub, bar and restaurant groups, gaining her CIM Professional qualifications during that time.

Fiona Hall
Commercial Director
Having worked with the business previously on pricing and margin optimisation, Fiona joined the Group permanently in December 2020, 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.

A R N

JEMIMA BIRD

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment date
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 Pinewood Technologies Group plc. She was a Board Trustee for the Football Foundation until March 2024. Jemima is also a Non-Executive Director of Scarborough Cricket Club, a Non-Executive Director of Pinter, a privately held company, and Trustee at ParkPlay, a UK community-based charity.

A R N

WILLIAM TUFFY

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointment date
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, including various subsidiaries within those groups.

CHANGES TO BOARD OF DIRECTORS

Following the retirement of Keith Edelman, on 6 September 2024 Luke Johnson joined the Board of Directors as Non-Executive Chairman. Luke brings a wealth of experience from the hospitality industry, and we welcome his expertise. We would like to take this opportunity to thank Keith for his nearly 10 years of service to the business.

Charlie McVeigh and Gavin George were also appointed as Non-Executive Directors on 14 October 2024 and bring much operational hospitality experience that the Board will benefit from. Due to length of service they are not included in the ratios below.

Length of service

20% 80%

2–4 years 4+ years

Gender analysis

60% 40%

Male Female

Executive/Non-Executive analysis

40% 60%

Executive Non-Executive

Committee Key

A Audit Committee

R Remuneration Committee

N Nomination Committee

Committee Chair

Alex McMillan
Brand Operations Director – Bars
Alex joined the team as Brand Operations Director in March 2022, originally being responsible for the Revolución de Cuba brand, and extending her remit to the entire bars side of the business at the start of 2024. 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.

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 pub growth, 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 & 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.

GOVERNANCE SECTION

Luke Johnson

Introduction from the Chairman

The Board of Directors (the "Board") of The Revel Collective plc (formerly 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 29 June 2024 are 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.

Quoted Companies Alliance Code Compliance

The following sets out the ten QCA Code principles and either how the Company 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 Officer's Statement on pages 5 to 7.

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 launched a Restructuring Plan in the year, specifically relating to Revolution Bars Limited, with the purpose of realigning the Group estate to reflect the new trading conditions seen post-pandemic. This focuses on a reduction of loss-making Revolution bars, freeing up capital and Management time to focus on the more profitable areas of the business. Long-term, this will allow acquisition in key areas like Peach Pubs and Founders & Co. which are both performing very well.

The key risks we face as a business are discussed in section 4 below but can also be found on pages 16 to 17.

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. With the recent Fundraising launched in April 2024, and ongoing Restructuring Plan communications, senior management have remained available and in frequent contact with key investors during the year. FY24 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 Financial Statements 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: https://www.therevelcollective.com.

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.

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 8 to 9.

In addition, the Company prides itself on being a market leader with its sustainability agenda. Management focus has had to shift to the Restructuring Plan in the year but we very much remain committed to enhancing our sustainability progress, and further information can be found in our Task Force on Climate-Related Financial Disclosures Report on pages 18 to 25.

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 16 to 17 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 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. Attendance of Executive Directors to Remuneration and Audit Committee meetings are by invitation only.

In FY24, there has been an exceptional requirement for increased meetings due to the pace and complexity involved with the Restructuring Plan. The attendance record of each of the Directors at full Board and the Sub-Committees of the Board is set out below:

	Scheduled Monthly meetings	Other meetings and sub committees*	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
Number of meetings	**7**	**25**	**2**	**4**	**0**
Keith Edelman Non-Executive Chairman and Chair of Nomination Committee	7	22	2	4	0
Rob Pitcher Chief Executive Officer	7	25	2	4	0
Danielle Davies Chief Financial Officer	7	23	2	4	0
Jemima Bird Senior Independent Non-Executive Director and Chair of the Remuneration Committee	7	18	2	4	0
William Tuffy Independent Non-Executive Director and Chair of the Audit Committee	7	19	2	4	0

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

Further details on the composition and experience of the Board can be found on pages 26 to 27.

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.

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.

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.

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

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.

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.

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 Luke Johnson as of 6 September 2024, but was Keith Edelman during FY24. 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.

Further details on key activities of the Board can be viewed on page 31. 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. Twice-yearly roadshows are also held after release of interim and full-year results, where the results are communicated to markets and shareholders by the Chief Executive Officer and Chief Financial Officer. 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.

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.

Luke Johnson
Non-Executive Chairman
21 October 2024

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
- Approved acquisition of The Three Horseshoes by The Peach Pub Company Limited
- Thorough exploration of all strategic options for the Group including Restructuring Plan for Revolution Bars Limited in parallel with a Formal Sales Process
- Approved launch of Equity Fundraising for £12.5 million in the form of a Firm Placing, Subscription and Placing and Open Offer to raise additional equity capital from new and existing investors
- Agreed Board agenda programme for the year
- Reviewed refurbishment performance to ensure in line with payback targets

FINANCIAL

- Received regular financial performance and net debt updates from the Chief Financial Officer
- Approved 2023 Annual Report and Accounts and Annual General Meeting ("AGM") business
- Approved 2024 Interim Report and trading updates
- Reviewed and approved 2024 Forecast updates and the annual budget
- Approved revised Group and bank authorisation policy and authorisation limits
- Reviewed and approved 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 2024 renewal
- Reviewed effectiveness of Board and Board Committees

GOVERNANCE & SHAREHOLDERS

- Executive Director meetings with individual institutional shareholders following publication of FY23 results and FY24 Interim Report
- Reviewed feedback from institutional shareholders following Executive Director meetings
- Review of shareholder register (quarterly)
- Approved 2024 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

NOMINATION COMMITTEE REPORT

COMMITTEE MEMBERSHIP

Luke Johnson
Non-Executive Chairman (Committee Chair)

Jemima Bird
Senior Independent Non-Executive Director

Rob Pitcher
Chief Executive Officer

William Tuffy
Independent Non-Executive Director

DEAR SHAREHOLDER

I am pleased to introduce the report of the Nomination Committee for the 52 weeks to 29 June 2024.

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 29 June 2024, 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.

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 26 to 27.

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. We are pleased to see progress in our Gender Pay Gap results, which remains a key focus.

I hope to be able to take any questions from shareholders on the work of the Nomination Committee at the Annual General Meeting on 28 November 2024.

Luke Johnson
Chairman of the Nomination Committee
21 October 2024

AUDIT COMMITTEE REPORT

COMMITTEE MEMBERSHIP

William Tuffy
Independent Non-Executive Director (Committee Chair)

Luke Johnson
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 29 June 2024.

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 myself 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.

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.

PwC was appointed as the Group's external auditors on 29 January 2018; the period under review represents their seventh 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 2024 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.

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 Restructuring Plan;
- 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 3 December 2024 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.

AUDIT COMMITTEE REPORT CONT.

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.

The principal areas of focus for the Committee are as follows:

- Confirming appointment, reappointment or dismissal of auditors, including overseeing a tender for external audit services as required. Reviewing remuneration of the auditor for appropriateness, including terms of engagement, and satisfying itself with the independence and objectivity of the external auditor.
- Assessing effectiveness of the external audit process, and meeting with the external auditors to review the audit plan, timetables, findings and results, and any major issues arising during the audit. Assessing the key audit matters and risks.
- Reviewing and approving the annual and interim financial statements, including challenging for integrity. Reviewing any other statements containing financial information, ensuring appropriate Board approval.
- Considering new accounting standards, their implications for the Group, and alignment to the audit process. Receiving and reviewing regular technical accounting updates as required. Assessing any key management assumptions or judgements, significantly financial reporting issues, or critical judgements for reasonableness and their disclosure in financial statements.
- Coordination with internal audit activities, including the constant improvement of internal processes and controls.
- Ongoing review of Corporate Governance, ensuring provisions are met 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.
- 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.
- 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.

Meetings and attendance

During the 52 weeks ended 29 June 2024, 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 2023 and recommending to the Board its adoption as fair, balanced and understandable;
- 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 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 2023 audit and recommending its appointment to shareholders at the Annual General Meeting in December 2023;
- reviewing the auditor's comments during FY24 planning;
- reviewing and approving the external audit plan for the 52 weeks ended 29 June 2024;
- 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.

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.therevelcollective.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
- review the wider impacts of the Restructuring Plan on the business.

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 Financial Statements for 2024:

- **Recoverable amount of property, plant and equipment and right-of-use assets (Group), and investments (Company), goodwill (Group) and intercompany receivables (Company):** 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. 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.
- **Exceptional items:** Exceptional items can fluctuate significantly depending on activities of the business. These have been significant in the current and previous years due to the Restructuring Plan in the current year, and costs associated with the acquisition of Peach Pubs in the previous year. The Committee considered the appropriateness of presenting these items as exceptional.
- **Going concern:** The Committee recognises that with the degree of uncertainty caused by ongoing inflationary cost rises, the associated impact on consumer confidence, and forecasting difficulties, 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 base case and severe but plausible 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
21 October 2024

DIRECTORS' REMUNERATION REPORT

COMMITTEE MEMBERSHIP

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

Luke Johnson
Non-Executive Chairman

William Tuffy
Independent Non-Executive Director

ANNUAL STATEMENT

DEAR SHAREHOLDER

I am pleased to present, on behalf of the Board, the Directors' Remuneration Report of the Remuneration Committee. This report is divided into three sections, being:

- This **Annual Statement**, which summarises the remuneration outcomes in FY24 and how the Remuneration Policy will be operated for FY25;
- 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 FY24.

Implementation of the policy in FY24

No annual bonus awards were made to the Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") in respect of the 52 weeks ended 29 June 2024.

Implementation of the policy in FY25

In respect of operating the Remuneration Policy in FY25:

- Current Executive Director salary levels are as follows:

Role	Director	From 1 April 2024	From 1 April 2023	% Increase
CEO	Rob Pitcher	**£369,210**	£369,210	0%
CFO	Danielle Davies	**£237,885**	£237,885	0%

- a salary deferral is in place for the Board, running from April 2024 to September 2024, with Rob Pitcher having 50% of his salary deferred, Danielle Davies having 25% of her salary deferred, and the Non-Executive Directors having 100% of their salaries deferred during this time;
- no changes are planned for pension provisions. Any new executive Board appointments would receive a workforce-aligned pension provision;
- annual bonus provision for FY25 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 targets are currently commercially sensitive, details of the targets and performance against them will be disclosed in next year's DRR. The targets, which were based on achievement of budgeted EBITDA, were not met in relation to FY24;
- the Committee intends to grant Restricted Share Awards ("RSAs") in line with the Remuneration Policy with vesting three years from the grant date, subject to continued employment, satisfactory individual performance and a positive assessment against a performance underpin to be assessed by the Committee at the point of vesting. A two-year post vest holding period will operate.
- 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 FY25.

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

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 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.	Up to 100% of salary.	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.
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.

DIRECTORS' REMUNERATION REPORT CONT.

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

Element	Operation	Opportunity	Performance metrics
FEES AND REMUNERATION 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), Luke Johnson and William Tuffy. Keith Edelman was a member of the Committee for the duration of FY24. 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.

Directors' remuneration for the 52 weeks ended 29 June 2024 (audited)

		Fees/Salary[1] £'000	Taxable Benefits[2] £'000	Pension[3] £'000	Total Fixed £'000	Annual Bonus[4] £'000	Long-term Incentives[5] £'000	Total Variable £'000	Total £'000
Executive Directors									
Rob Pitcher	**2024**	**369**	**17**	**46**	**432**	**–**	**22**	**22**	**454**
	2023	368	18	49	435	–	175	175	610
Danielle Davies	**2024**	**238**	**13**	**7**	**258**	**–**	**12**	**12**	**270**
	2023	237	13	7	257	–	90	90	347
Non-Executive Directors									
Keith Edelman	**2024**	**94**	**–**	**–**	**94**	**–**	**–**	**–**	**94**
	2023	93	–	–	93	–	–	–	93
Jemima Bird	**2024**	**43**	**–**	**–**	**43**	**–**	**–**	**–**	**43**
	2023	42	–	–	42	–	–	–	42
William Tuffy	**2024**	**43**	**–**	**–**	**43**	**–**	**–**	**–**	**43**
	2023	42	–	–	42	–	–	–	42
Aggregate emoluments									
	2024	**787**	**30**	**53**	**870**	**–**	**34**	**34**	**904**
	2023	782	31	56	869	–	265	265	1,134

1 The Executive and Non-Executive Directors took a pay deferral, totalling £81k, from April 2024 to assist cashflows in the business, which was repaid in September 2024 upon receipts of the Fundraise.

2 Taxable benefits comprise medical insurance policies and car allowances.

3 Rob Pitcher received a 15% salary supplement, split 50:50 between cash and pension. Danielle Davies received a 3% salary supplement entirely as cash allowance.

4 Details of the annual bonus awards for FY24 are set out below. Any bonuses due but not paid, relating to FY22, have been cancelled

5 Based on the five-day average prior to issue face value of Restricted Share Awards granted to Executive Directors on 26 October 2023 in respect of 2024 (see below) and 25 October 2022 in respect of 2023.

Annual bonus (audited) for FY24

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

Share awards granted in FY24 (audited)

The RSAs granted in December 2020 to the CEO and CFO (475,759 and 244,676 shares respectively) vested in December 2023 and have not been exercised at the date of this report.

The following share awards were granted to Executive Directors in the 52 weeks to 29 June 2024:

Executive	Type of Award	Exercise Price (p)	Number of Awards Granted	Basis of Award	Face Value[1]
Rob Pitcher	RSA	0.1	886,104	12.0% of salary	£22,348
Danielle Davies	RSA	0.1	456,739	9.6% of salary	£11,519

1 Based on a share price of 2.5 pence being the five-day average prior to the grant date.

DIRECTORS' REMUNERATION REPORT CONT.

The awards, which were granted on 26 October 2023, will vest and become exercisable on the later of: (i) three years from the date of grant; and (ii) the preliminary announcement of the results for FY26. 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 1 July 2023	Granted during the year Number	Vested during the year Number	Lapsed during the year Number	No. of Shares at 29 June 2024	Vesting Date
Rob Pitcher	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
	RSA	26.10.23	0.1	–	886,104	–	–	**886,104**	26.10.26
				3,793,529	886,104	(475,759)	–	**4,203,874**	
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
	RSA	26.10.23	0.1	–	456,739	–	–	**456,739**	26.10.26
				1,950,958	456,739	(244,676)	**–**	**2,163,021**	
Total				5,744,487	1,342,843	(720,435)	**–**	**6,366,895**	

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. Luke Johnson, who became Non-Executive Chairman on 6 September 2024, participated in the 2024 Fundraise and now holds 300,000,000 shares. At the same time, Keith Edelman ceased to be a Director.

Director	Beneficially owned at 29 June 2024 Number	Outstanding Share Awards Number	Vested Share Awards yet to be Exercised	Total Interest in Shares Number	Shareholding* as a % of Base Salary at 29 June 2024	Prospective Shareholding** as a % of Base Salary at 29 June 2024
Rob Pitcher	**1,500,000**	4,203,874	475,759	6,179,633	**5%**	**13%**
Danielle Davies	**305,993**	2,163,021	244,676	2,713,690	**2%**	**8%**
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 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.

** 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.

Approval

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

Jemima Bird
Chair of the Remuneration Committee
21 October 2024

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 29 June 2024. 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 the Strategic Report on pages 2 to 25 and Corporate Governance Statement.

Change of Group and Company name
Revolution Bars Group plc changed its name to The Revel Collective plc on 10 October 2024. Following diversification of brands in recent years, with the inclusion of Peach Pubs and Founders & Co., it was appropriate to change name to better reflect the wider portfolio of brand offerings.

Results and dividend
The Group's results for the year are shown in the consolidated statement of profit or loss and other comprehensive income. The Directors are not recommending a final dividend in respect of the 52 weeks ended 29 June 2024 (2023: nil pence per share issued). There was no interim dividend during the period (2023: nil pence per share), and thus the total dividend for the 52 weeks ended 29 June 2024 is nil pence per share (2023: 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.therevelcollective.com. The Ordinary Shares are listed on the official list and are traded on AIM as at the date of this report.

At 29 June 2024, the issued share capital of the Company was 230,048,520 Ordinary Shares of £0.001 each.

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).

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.

Directors
The Directors of the Company and their biographies are set out on pages 26 to 27. Their interests in the Ordinary Shares of the Company are shown in the Directors' Remuneration Report on page 40.

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 29 June 2024.

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
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 have been 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

DIRECTORS' REPORT CONT.

- 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.

Employment policy

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.

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.

Annual General Meeting

The Annual General Meeting ("AGM") of the Company will take place on 3 December 2024. 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 16 to 17.

Independent auditors and disclosure of information to auditors

PricewaterhouseCoopers LLP ("PwC") have expressed their willingness to be reappointed as independent auditors of the Company.

By order of the Board

Danielle Davies
Company Secretary
21 October 2024

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 parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

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 parent 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 IFRSs as issued by the International Accounting Standards Board (IASB) 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 parent company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent 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 parent 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 parent 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 parent company's auditors are aware of that information.

Rob Pitcher
Chief Executive Officer
21 October 2024

Danielle Davies
Chief Financial Officer

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, The Revel Collective plc (formerly 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 29 June 2024 and of the group's loss and the group's cash flows for the 52 month 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 & Accounts (the "Annual Report"), which comprise: Consolidated and Company statements of financial position as at 29 June 2024; the Consolidated statement of profit or loss and other comprehensive income, the Consolidated and Company statements of changes in equity; and the Consolidated statement of cash flows 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 continued cost-of-living pressures and economic effects including the impact on consumer confidence. 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 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. 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 pressures;
- 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 over the going concern 12 month period;
- we agreed the opening position of the group's cash flow forecasts to the August 2024 management accounts. We also agreed the gross debt and cash per the August 2024 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 audit report, and one component to support the parent 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 89 percent of loss before tax.

Key audit matters

- Material uncertainty related to going concern
- Impairment of property, plant and equipment and right-of-use assets (group)
- Impairment of goodwill (group)
- Impairment of investments and intercompany receivables (parent)

Materiality

- Overall group materiality: £1,495,000 (2023: £1,144,000) based on 1% of revenue (2023: 0.75% of revenue).
- Overall company materiality: £858,000 (2023: £430,000) based on 2% of loss before tax (2023: 1% total assets).
- Performance materiality: £972,037 (2023: £858,000) (group) and £557,700 (2023: £322,500) (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.

Impairment of goodwill is a new key audit matter this year. Fair value of assets and liabilities recognised on the acquisition of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"), which was a key audit matter last year, is no longer included because of it being a one off in relation to the acquisition accounting of Peach. 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 notes 1 and 11 of the Notes to the consolidated financial information. The property, plant and equipment balance of £22,501k and right-of use asset balance of £43,423k 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 £25,707k, of which £9,002k relates to property, plant and equipment and £16,705k 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 29 June 2024 and that appropriate disclosures have been made in the financial statements.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill (group)	
Refer to notes 1 and 13 of the Notes to the consolidated financial information. During the prior period ended 1 July 2023, the group acquired 100% of the share capital of The Peach Pub Company (Holdings) Limited and its subsidiaries ("Peach"). The £17,630k of goodwill has been tested for impairment, based on Peach's value in use calculation, and an impairment charge of £9,159k has been recognised as an exceptional item during the period. We focused on this area as the assessment of impairment of goodwill 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 Peach'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 Peach; • 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 goodwill has been appropriately reduced to its recoverable amount as at 29 June 2024 and that appropriate disclosures have been made in the financial statements.
Impairment of investments and intercompany receivables (parent)	
Refer to notes 1 and 5 of the Notes to the Company financial information. The company held an investment balance on the Company statement of financial position of £15,650k. This investment was in the trading subsidiaries of the group. Management has performed a fair value less costs to sell assessment, to calculate the recoverable amount of the investment. The impairment test performed, identified a full impairment charge of £15,650k, which has been recognised as an exceptional item during the period. Additionally the company held £27,419k of amounts owed from subsidiary undertakings which was net of an expected credit loss ("ECL") of £6,855k. This has also been assessed for recoverability by management and it has been determined that the ECL should be increased to 100% of the amounts owed, giving an additional exceptional charge of £27,419k. In total, an exceptional charge of £43,069k has been recognised in the company.	To review the impairment assessment performed by the Directors', based on a fair value less costs to sell 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 does not support the carrying value of the investment and amounts owed from subsidiary undertakings as at 29 June 2024 and that management's decision to fully impair the investment and fully provide against the amounts owed from subsidiary undertakings is appropriate, and that associated 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 audit report, and one component to support the parent 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 89 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	£1,495,000 (2023: £1,144,000).	£858,000 (2023: £430,000).
How we determined it	1% of revenue (2023: 0.75% of revenue)	2% of loss before tax (2023: 1% total assets)
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.	The benchmark has changed compared to 2023 as the company assets have been impaired to nil. As a result, a loss before tax benchmark has been used.

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 £501,000 and £1,345,000. 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 65% (2023: 75%) of overall materiality, amounting to £972,037 (2023: £858,000) for the group financial statements and £557,700 (2023: £322,500) for the company financial statements.

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

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £74,000 (group audit) (2023: £57,000) and £42,900 (company audit) (2023: £21,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

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. 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.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 29 June 2024 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.

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 recoverability of goodwill, property, plant and equipment, right-of-use assets, 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
21 October 2024

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	2	**149,544**	152,551
Cost of sales		**(35,600)**	(35,419)
Gross profit		**113,944**	117,132
Operating expenses:			
– operating expenses, excluding exceptional items	3	**(111,194)**	(112,039)
– exceptional items	3	**(31,119)**	(20,244)
Total operating expenses		**(142,313)**	(132,283)
Operating loss	4	**(28,369)**	(15,151)
Finance expense	7	**(8,368)**	(7,056)
Finance income	7	**14**	–
Loss before taxation		**(36,723)**	(22,207)
Income tax	8	**–**	(27)
Loss and total comprehensive expense for the period		**(36,723)**	(22,234)
Loss per share:			
– basic (pence)	9	**(16.0)**	(9.7)
– diluted (pence) (restated* – see note 9)	9	**(16.0)**	(9.7)*
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 29 JUNE 2024

	Note	29 June 2024 £'000	1 July 2023 £'000
Assets			
Non-current assets			
Property, plant and equipment	11	**22,501**	36,161
Right-of-use assets	11	**43,423**	67,706
Intangible assets	12	**27**	30
Goodwill	13	**8,471**	17,419
Other non-current assets	15	**709**	–
		75,131	121,316
Current assets			
Inventories	14	**3,007**	3,405
Trade and other receivables	15	**8,686**	11,448
Cash and cash equivalents	16	**4,535**	3,367
		16,228	18,220
Total assets		**91,359**	139,536
Liabilities			
Current liabilities			
Trade and other payables	17	**(30,969)**	(31,720)
Lease liabilities	18	**(6,883)**	(7,087)
Provisions	20	**(882)**	(871)
Tax payable	17	**–**	(27)
		(38,734)	(39,705)
Net current liabilities		**(22,506)**	(21,485)
Non-current liabilities			
Lease liabilities	18	**(103,902)**	(118,236)
Interest-bearing loans and borrowings	19	**(28,900)**	(25,000)
Provisions	20	**(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	22	**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 financial statements on pages 50 to 79 were approved by the Board of Directors on 21 October 2024 and signed on its behalf by

Danielle Davies
Director

Registered number: 08838504

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 (note 23)	–	–	–	(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 (note 23)	–	–	–	(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.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 29 JUNE 2024

	Note	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Cash flow from operating activities			
Loss before tax		**(36,723)**	(22,207)
Adjustments for:			
Finance expense	7	**8,368**	7,056
Finance income	7	**(14)**	–
Depreciation of property, plant and equipment	11	**6,122**	6,634
Depreciation of right-of-use assets	11	**4,613**	5,423
Impairment of property, plant and equipment	11	**9,002**	6,096
Impairment of right-of-use assets	11	**16,705**	12,642
Impairment of goodwill	13	**9,159**	–
Lease modification	3	**(816)**	(50)
Gain on disposal	3	**(5,638)**	–
Other non-cash exceptionals		**(210)**	–
Acquisition costs	3	**–**	1,499
Amortisation of intangibles	12	**4**	5
Taxation charge	8	**–**	27
Credit arising from long-term incentive plans	23	**(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	12	**(1)**	(7)
Purchase of property, plant and equipment	11	**(2,318)**	(5,533)
Net cash flow used in investing activities		**(2,819)**	(16,229)
Cash flow from financing activities			
Interest paid	7	**(1,386)**	(1,895)
Net lease surrender premiums received	3	**1,099**	–
Principal element of lease payments	18	**(5,465)**	(6,432)
Interest element of lease payments	18	**(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 increase/(decrease) in cash and cash equivalents		**1,168**	(15,448)
Opening cash and cash equivalents		**3,367**	18,815
Closing cash and cash equivalents	16	**4,535**	3,367

Reconciliation of net bank debt		
Net increase/(decrease) 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 (debt)/cash	**(21,633)**	4,064
Closing net bank debt	**(24,365)**	(21,633)

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

FOR THE 52 WEEKS ENDED 29 JUNE 2024

1. General information

Corporate information

The consolidated financial statements of The Revel Collective plc (formerly Revolution Bars Group plc) for the 52 weeks ended 29 June 2024 were authorised for issue by the Board of Directors on 21 October 2024. The Revel Collective plc (formerly 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 domiciled and 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, 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 29 June 2024 (prior period 52 weeks ended 1 July 2023).

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 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of The Revel Collective plc (formerly 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

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 have been 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 £11.9 million were achieved, with net proceeds of £12.2 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.

1. General information continued

Going concern continued

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.

(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.

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 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.

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.

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.

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.

1. General information continued

(a) Accounting policies continued

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. Assets are disposed of when a lease either ends or is exited.

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.

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 average cost method 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 ongoing basis and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the revision takes place and in any future periods affected.

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

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

Exceptional items, bar and pub 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 and pub opening costs and share-based payments;
- adjusted profit before tax before exceptional items, bar and pub opening costs and share-based payments;
- adjusted earnings before interest, tax, depreciation and amortisation before exceptional items, bar and pub 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 and pub 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 and pub 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.

Note 28 provides a reconciliation of the adjusted profitability measures, excluding exceptional and other non-underlying items to the equivalent unadjusted IFRS measures.

Bar and pub opening costs comprise non-recurring bar and pub 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.

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION CONT.

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 and pub opening costs and share-based payments: adjusted profitability measures continued

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

Items considered to be exceptional or bar and pub 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;
- impairment charges on investments and goodwill; and
- impairment charges in respect of tangible assets and IFRS 16 right-of-use 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.

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

Recoverable amount of property, plant and equipment and right-of-use assets (note 11) and goodwill (note 13)

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 notes 11 and 13.

The key assumptions in the value in use calculation are the applicable post-tax discount rate of 13.0 per cent (2023: 11.6 per cent) and long-term revenue and cost base growth rates of 1 per cent (2023: 1 per cent).

(c) New and amended standards adopted by the Group

The following standards and interpretations have been adopted by the Group in these consolidated financial statements for the first time, with no impact.

- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018–2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

(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 29 June 2024 and have not been early adopted by the Group. These are not expected to have a material impact upon implementation.

- IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 – Climate-related Disclosures

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 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)

Depreciation is disclosed in note 4.

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**	149,742
Other Revenue	**4,029**	2,809
Revenue	**149,544**	152,551

3. 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

3. Operating expenses continued

Exceptional items

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

	52 weeks ended 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**	57
Total exceptional charge	**31,119**	20,244

The net book value of property, plant, and equipment at 41 of the Group's bars and pubs (2023: 35) was written down.

Business restructuring costs in the current period covered legal and consulting fees for the Restructuring Plan, while prior-year costs were related to the 2020 Company Voluntary Arrangement.

A credit for lease modification was recognised due to reduced rent or lease term, with gains offset against right-of-use assets or credited to exceptional administrative expenses.

Exceptional gains on disposal arose from exiting six leases, net of surrender premiums, exit costs, and impairment.

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Gross gain on disposal	**(4,539)**	–
Surrender premiums received in period	**(1,307)**	–
Related surrender costs paid in period	**208**	–
Net gain on disposal	**(5,638)**	–

In the prior year, exceptional items predominantly related to acquisition costs associated with the acquisition of Peach Pubs, and impairment on right-of-use assets and property, plant and equipment.

4. Operating loss

Group operating loss 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

There were no non-audit fees in the year (2023: none).

5. Staff numbers and costs

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

	52 weeks ended 29 June 2024 Number	52 weeks ended 1 July 2023 Number
Administrative	**130**	136
Operational	**2,964**	3,455
	3,094	3,591

The aggregate payroll costs were as follows:

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Wages and salaries	**53,223**	50,911
Social security costs	**3,987**	3,761
Other pension costs	**920**	1,037
Share-based payment credit (note 23)	**(120)**	(117)
	58,010	55,592

Aggregate payroll costs include £0.2 million (2023: £0.3 million) capitalised as property, plant and equipment.

6. Directors' remuneration

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Remuneration	**817**	813
Long-term incentives	**34**	265
Pension contributions to money purchase schemes[1]	**53**	56
	904	1,134
Emoluments in respect of the highest paid Director		
Remuneration	**386**	386
Long-term incentives	**22**	175
Pension contributions to money purchase schemes[1]	**46**	49
	454	610

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

Two Directors (2023: two) were enrolled in a defined contribution pension scheme in the period. 72,435 options, relating to the Executive Directors, vested in FY24 but are yet to be exercised. The highest paid Director did not exercise any options in the year.

7. 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

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Interest receivable	**14**	–
Interest receivable	**14**	–

8. Income tax

The major components of the Group's tax charge 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 or 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 (2024: 25%; 2023: 20.5%)	**(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%.

9. 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	52 weeks ended 1 July 2023
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.

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Adjusted earnings per share		
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)**	(2,079)*
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.

10. 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 formed The Peach Pub Company (Holdings) Limited group ("Peach"). Acquisition of these shares led to the control and consolidation of these companies as of the date of acquisition, being 18 October 2022.

As the acquisition occurred mid-accounting period, the Group took 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).

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 were combined as each acquisition is considered to be individually immaterial to the Group. Assets and liabilities were valued at fair value on acquisition, with the 12-month period of review ending 17 October 2023.

10. Business combinations (continued)

	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.

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 was expected to be fully achieved, and was subsequently paid during FY24 (see note 13).

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**

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

Property, plant and equipment

	Freehold land and buildings £'000	Short leasehold premises £'000	Fixtures and fittings £'000	IT equipment and office furniture £'000	Total £'000
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

11. 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 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

Please see note 17 for details of lease liabilities. Depreciation and impairment of property, plant and equipment and right-of-use assets are recognised in operating expenses in the consolidated statement of profit or loss and other comprehensive income. 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.

12. Intangible assets

	Total £'000
Cost	
At 2 July 2023	40
Additions	1
At 29 June 2024	**41**
Accumulated amortisation	
At 2 July 2023	(10)
Charge for the period	(4)
At 29 June 2024	**(14)**
Net book value	
At 29 June 2024	**27**
At 1 July 2023	30

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

13. 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.

13. Goodwill continued

When assessing goodwill for impairment, the recoverable value is considered against value in use ("VIU"), which is based on a Board-approved forecast 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.

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 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 and accordingly no impairment has been recognised. If the post-tax discount rate was increased by 1% this would reduce the VIU by £2.4 million. If the growth rate was reduced by 1% this would reduce the VIU by £2.3 million. If both were changed by 1% this would reduce the VIU by £4.3 million. Applying the most recent performance to the signing date results in an increase in the impairment charge of approximately £0.6 million though it should be noted the first quarter of FY25 was disproportionately affected by the extension of the Restructuring Plan distractions.

14. 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.

15. 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

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

	29 June 2024 £'000	1 July 2023 £'000
Not past due	**2,292**	4,183
Past due 0–30 days	**108**	234
Past due 31–60 days	**136**	8
More than 60 days	**34**	4
	2,570	4,429

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 29 June 2024 (2023: none).

All receivables are GBP denominated. The Group trade and other receivables is net of provisions of £19k (2023: £45k). There were no write-offs in the year. £1.8 million of trade receivables relates to uncleared credit and debit card takings (2023: £2.3 million).

The Group also holds £0.7 million of non-current receivables relating to lease deposits due under lease agreements, predominantly relating to pubs. These were held within current receivables in the previous year under management judgement at the time, and following further reviews are now held as non-current where the lease is not due to expire within one year.

16. 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.

17. 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.

18. 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 3)	(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 regear 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	1 July 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

18. Lease liabilities continued

The maturity analysis of the lease liabilities is as follows:

	29 June 2024 £'000	1 July 2023 £'000
Year 1	**12,184**	12,458
Year 2	**11,791**	12,328
Year 3	**11,708**	12,011
Year 4	**10,892**	11,932
Year 5	**10,525**	11,119
After 5 years	**134,838**	142,355
Effect of discounting	**(81,153)**	(76,880)
Carrying amount of liability	**110,785**	125,323

Please see note 10 for details of right-of-use assets.

19. Interest-bearing loans and borrowings

	29 June 2024 £'000	1 July 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 27. 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. 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 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 1 July 2023	871	1,967	2,838
Movement on provision	400	180	580
Release of 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

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 2022	–	–	–	–
Charge to income	–	–	–	–
At 1 July 2023	–	–	–	–
Charge to income	–	–	–	–
At 29 June 2024	**–**	**–**	**–**	**–**

	29 June 2024 £'000	1 July 2023 £'000
Deferred tax assets	**–**	–
Deferred tax liabilities	**–**	–
Total	**–**	–

As at the reporting date, the Group had unused tax losses of £90.8 million (2023: £70.7 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

	29 June 2024 £'000	1 July 2023 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2023: 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 Revolution Bars Group plc Performance Share Plan (the "Plan") is the Company's discretionary share-based incentive arrangement for the Company's Executive Directors and other selected management. Following amendment in December 2020, the Plan has been operating as a Restricted Share Award ("RSA") scheme.

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; the conditions required to achieve it are satisfactory personal and Company performance, and continued employment over the three-year vesting period.

23. Share-based payments (equity settled) continued

Total share-based payment plans

The total credit for the period relating to employee share-based payment plans was £0.1 million (2023: £0.1 million credit), all of which related to equity-settled share-based payment transactions.

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

	52 weeks ended 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
2019 LTIP Award	–	(99)
2020 LTIP Award	–	(67)
RSA Awards	**(120)**	49
Credit arising from long-term incentive plans	**(120)**	(117)

In the 52 weeks ended 29 June 2024, conditional awards of Ordinary Shares were granted as follows:

	Restricted Share Award scheme ("RSA")
26 October 2023	2,961,954
Total	**2,961,954**

The RSA is dependent upon satisfactory personal and Company performance, and continued employment over the three-year vesting period; the shares can be vested on the later of the relevant preliminary announcement or three years from initial grant.

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

		Movement in period				
Award	**Grant Date**	**At start**	**Granted**	**Vested**	**Forfeited**	**At end**
2021 RSA	24-Dec-20	1,105,752	–	(993,650)	(112,102)	–
2022 RSA	23-Nov-21	3,678,992	–	–	(359,270)	3,319,722
2023 RSA	25-Oct-22	5,256,807	–	–	(443,459)	4,813,348
2024 RSA	26-Oct-23	–	2,961,954	–	(373,365)	2,588,589
		10,041,551	**2,961,954**	**(993,650)**	**(1,288,196)**	**10,721,659**

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:

	29 June 2024 £'000	1 July 2023 £'000
Trade receivables	**2,570**	4,429
Cash and cash equivalents	**4,535**	3,367
	7,105	7,796

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

	29 June 2024 £'000	1 July 2023 £'000
Not past due	**2,292**	4,183
Past due 0–30 days	**108**	234
Past due 31–60 days	**136**	8
More than 60 days	**34**	4
	2,570	4,429

The Directors are not aware of any factors affecting the recoverability of outstanding balances as at 29 June 2024.

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 29 June 2024 and as at 1 July 2023 was determined as follows for both trade receivables and accrued rebate income:

	29 June 2024 £'000	1 July 2023 £'000
Expected loss rate	**2%**	2%
Trade and other receivables	**357**	709
Accrued rebate income	**–**	721
	7	28

The difference between trade receivables, as shown immediately above at £0.4 million (2023: £0.7 million), and the £2.3 million balance (2023: £4.1 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.

24. Financial instruments continued

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 a revolving credit facility due to expire October 2028 provided by NatWest, which was fully drawn at 29 June 2024. See note 1 under sub-heading Going concern for further details of the Group's funding arrangements.

The Group's financial liabilities are as follows:

	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
Revolving credit facility	**28,900**	25,000
	53,029	52,611

The maturity analysis of the financial liabilities is as follows:

As at 29 June 2024	< 1 year £'000	1–5 years £'000	> 5 years £'000	Total £'000
Trade and other payables	**24,129**	–	–	**24,129**
Revolving credit facility	–	**28,900**	–	**28,900**

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

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 29 June 2024, 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 29 June 2024, comprising a drawn Revolving Credit Facility of £28.9 million (2023: drawn Revolving Credit Facility of £25.0 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.

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 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)	**–**	–
	–	–

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 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
Key management emoluments including social security costs	**1,863**	2,365
Awards granted under long-term incentive plans	**58**	403
Pension contributions	**85**	90
	2,006	2,858

The Group's key management are the Directors of the Company and Senior Management as detailed on pages 26 to 27. 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.

27. Post balance sheet events

Successful sanction of Restructuring Plan

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 (see pages 26 to 27).

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.

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 and pub 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	2	**149,544**	152,551
Operating loss	4	**(28,369)**	(15,151)
Exceptional items	3	**31,119**	20,244
Credit arising from long-term incentive plans	23	**(120)**	(117)
Adjusted operating profit		**2,630**	4,976
Finance expense	7	**(8,368)**	(7,056)
Finance income	7	**14**	–
Adjusted loss before tax		**(5,724)**	(2,080)
Depreciation	4	**10,735**	12,057
Amortisation		**4**	5
Finance expense	7	**8,368**	7,056
Finance income	7	**(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.

COMPANY STATEMENT OF FINANCIAL POSITION

AT 29 JUNE 2024

	Note	29 June 2024 £'000	1 July 2023 £'000
Assets			
Non-current assets			
Investments	5	–	15,650
Trade and other receivables	6	–	27,419
Total assets		–	43,069
Liabilities			
Current liabilities			
Trade and other payables		–	–
Total liabilities		–	–
Net assets		–	43,069
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
Accumulated losses		**(45,669)**	(2,600)
Total equity		–	43,069

The Company made a £42.9 million loss after tax in the 52 weeks ended 29 June 2024 (52 weeks ended 1 July 2023: £20.1 million loss after tax). The financial statements on pages 80 to 85 were approved by the Board of Directors on 21 October 2024 and signed on its behalf by

Danielle Davies
Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 29 JUNE 2024

			Reserves		
	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings / Accumulated losses £'000	Total equity £'000
At 3 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
Loss and total comprehensive expense for the period	–	–	–	(42,949)	(42,949)
Credit arising from long-term incentive plans	–	–	–	(120)	(120)
At 29 June 2024	**230**	**33,794**	**11,645**	**(45,669)**	–

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 29 June 2024 (prior period 52 weeks ended 1 July 2023).

Basis of preparation

The Company financial statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101. They are presented in Pounds Sterling, with values rounded to the nearest 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.

As the Company is a parent included in consolidated financial statements, which are publicly available and prepared in compliance with IFRS, the exemption under IAS 7 to present a cash flow statement and related notes and disclosures has been applied.

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.

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 ongoing 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 and intercompany receivables was carried out, using the higher of a value in use ("VIU") or fair value less costs to sell ("FVLCTS") with free cash flows starting in FY25 (based on the Board-approved budget), a post-tax discount rate of 13.0% (2023: 11.6%) and a long-term growth rate of 1% (2023: 1%). In all instances, the full value of Investment was impaired to nil.

Intercompany receivables are classified as non-current. The balance was subject to a 100% (2023: 20%) expected credit loss provision following the assessment for impairment.

The Directors do not consider there to be any principal judgements.

(c) New and amended standards adopted by the Group

There are no relevant new standards and interpretations adopted or not yet adopted.

2. Result for the period

No profit or loss account is presented for the Company as permitted by section 408 of the Companies Act 2006. The loss after tax for the period was £42.9 million (2023: £20.1 million), arising from impairment of investments and increased expected credit loss provision.

3. Auditors' remuneration

Auditors' remuneration in respect of the Company audit was £3,000 (2023: £3,000).

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 36 to 40. The remuneration received by the Directors in respect of directly attributable services to this Company is inconsequential in the context of the remuneration figure. The Company has no employees other than the Directors and the Directors are not remunerated through this Company other than by issues of share-based payments as described in note 1 to the Company financial statements. The Directors are considered to be the Key Management Personnel of the Company.

NOTES TO THE COMPANY FINANCIAL INFORMATION CONT.

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 29 June 2024 £'000	52 weeks ended 1 July 2023 £'000
At the beginning of the period	**15,650**	29,650
Investment in subsidiary	–	–
Impairment charge	**(15,650)**	(14,000)
At the end of the period	–	15,650

As at 29 June 2024 and at 1 July 2023, 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

	29 June 2024 £'000	1 July 2023 £'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 is classified as non-current receivables following an assessment of the payback period which was based on repayment expectations and intentions. The amounts owed from subsidiary undertakings is net of an expected credit loss provision from IFRS 9 of £27.4 million (2023: £6.855 million).

7. Share capital

	29 June 2024 £'000	1 July 2023 £'000
Allotted, called up and fully paid		
230,048,520 £0.001 Ordinary Shares (2023: 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 and pub 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 27 for an understanding of how this metric has been affected by the implementation of IFRS 16
ENPS	Employee Net Promoter Score
EPS	Earnings per share
EVP	Employee Value Proposition
Exceptional items	Items that by virtue of their unusual nature or size warrant separate additional disclosure in the financial statements in order to fully understand the performance of the Group
FY23	The financial reporting period ended 1 July 2023
FY24	The financial reporting period ended 29 June 2024
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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THE Revel COLLECTIVE

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