Everyman Media Group PLC

Registered number 08684079

Annual report and financial statements

Year ended

29 December 2022

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Company information

Directors	Function
Adam Kaye	Executive Director
Alexander Scrimgeour	Chief Executive Officer
Charles Dorfman	Non-Executive Director
Elizabeth Lake (resigned 28 March 2022)	Chief Financial Officer
Maggie Todd	Non-Executive Director
Michael Rosehill FCA	Non-Executive Director
Paul Wise (resigned 28 February 2023)	Executive Chairman
Philip Jacobson FCA	Non-Executive Chairman
Ruby McGregor-Smith FCA (appointed 20 September 2022)	Non-Executive Director
William Worsdell ACA (appointed 28 June 2022)	Finance Director

Company secretary
One Advisory Limited

Registered office address of the Company
Studio 4
2 Downshire Hill
London
NW3 1NR

Company registration number
08684079 (registered in England & Wales)

Nominated adviser and broker
Canaccord Genuity Ltd
88 Wood Street
London
EC2V 7QR

Auditor to the Company
BDO LLP
Level 12
Thames Tower
Station Road
Reading
RG1 1LX

Solicitor to the Company
Howard Kennedy
No. 1 London Bridge
London
SE1 9BG

Registrar to the Company
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Chairman's statement

I am pleased to report that 2022 was a positive year for the business, with financial performance ahead of management's initial expectations. Audiences returned to Everyman in encouraging numbers, and we delivered solid increases in revenue and adjusted EBITDA.

With an improving number of year-on-year releases, continued commitment to the theatrical window from distributors and an exciting pipeline of new venues, we look ahead with cautious optimism.

Having served as a Non-Executive Director since 2013, I have come to know Everyman, its culture and what it stands for and I am delighted to have taken up the mantle as Chairman in 2023.

Review of the business

The Group's key performance indicators all saw healthy increases on 2021. Admissions saw significant improvement and we successfully delivered increases in average ticket price and spend per head.

We were pleased to open two new cinemas in the period, taking us to a total of 130 screens across 38 venues. A further six venues are confirmed to open in the coming months and, with landlords increasingly keen to work with Everyman, an exciting pipeline of opportunities exists for 2024 and 2025.

During the year, we continued to innovate and optimise our operations. From a technology perspective, our app has gone from strength to strength and, post year end, we launched a new website. Both will play important roles in helping us to grow admissions and spend per head through taking an increasingly data-driven approach to marketing.

The teams in our venues and head office continue to be our greatest asset, again demonstrating an exemplary commitment to customer satisfaction. Without them, this year's performance would not have been possible, and I would like to extend my thanks to them all.

I would also like to express my gratitude to Paul Wise, who retired as Chairman in 2023, for his immense contribution to Everyman during his time with the business.

Outlook

We look to the future with increasing confidence, bolstered by a robust pipeline of upcoming releases and ongoing admissions momentum. Our focus for 2023 will be to continue to deliver the high standards of service, atmosphere, food and drink and of course film that Everyman is known for, and to continue our expansion plans at a measured pace.



Philip Jacobson
Non-Executive Chairman
11 April 2023

Chief Executive's Statement

Business Model

Everyman brings together great service, atmosphere, food and drink and of course film to create an exceptional cinema experience for our customers. In addition, Everyman delivers a more premium price point and a greater number of revenue-generating activities than the traditional cinema model.

Emerging from the pandemic, our growth strategy has returned to the following:

- Expanding our geographical footprint by establishing new venues in order to reach new customers.
- Continually evolving the quality of experience and breadth of choice we offer at our venues.
- Engaging in effective marketing activity.

As an affordable treat, cinema and Everyman specifically has historically remained resilient to economic downturn. Not only is this reflected in Everyman's year-on-year admissions below, but also by the fact the our customers are spending more with us than they were in 2021. We remain convinced that appetite for film remains undiminished, and that the Everyman offer remains more relevant in a post-pandemic environment.

Financial Overview

The Group delivered solid full year financial results, demonstrating a return to business as usual. Despite a decreased number of wide releases due to pandemic-related production delays, revenue for the period was £78.8m, a 61% increase on the prior year (2021: £49.0m).

The Group achieved an operating profit of £402,000 (2021: £2.2m operating loss). The improvement is particularly pleasing given that the prior year operating loss included £3.8m of Covid-related government support a £2.5m reversal of previously-recognised impairment.

As we accelerate our programme of organic expansion, the cash outflow for the year included £18.9m on the acquisition of Property, Plant & Equipment (2021: £7.4m), driven by payments for venues opened during the year and new venues in Durham, Northallerton, Salisbury, Plymouth and Marlow, which are currently under construction and due to be opened in 2023.

The Group was able to finance much of this expansion with £11.8m of cash generated from operating activities (2021: £12.2m) as well as capital contributions of £5.0m from landlords (2021: £0.5m), demonstrating the ongoing appetite of landlords to work with Everyman. A further proportion was financed through a £9.5m draw on the Group's banking facilities (2021: £6.0m). As a result, net banking debt at the balance sheet date was £18.5m (2021: £8.4m). The Company retains £18m headroom on its £40m debt facilities.

The Directors believe that the Group balance sheet remains well capitalised, with sufficient working capital to service ongoing requirements and to support our growth going forward.

The Group's financial performance is given in detail in the Finance Director's statement below.

KPIs

The Group uses the following key performance indicators, in addition to total revenues, to monitor the progress of the Group's activities:

	Year ended 29 December 2022 (52 weeks)	Year ended 30 December 2021 (52 weeks)
Admissions	**3,418,599**	2,023,390
Paid for average ticket price*	**£11.29**	£11.00
Food and beverage spend per head**	**£9.34**	£9.07

Admissions were 69% ahead of last year on a non like-for-like basis. However, in 2021, the venues were closed from the beginning of the year to 17th May as a result of pandemic-related trading restrictions.

Chief Executive's Statement (cont.)

*Paid for average ticket price has been adjusted to remove the benefit of VAT reductions in both 2022 and 2021 in order to provide a like-for-like comparison. The directors believe that this metric, which excludes any complimentary tickets, is more representative of actual customer spend and will be used as a KPI moving forward.

**Food and beverage spend per head has been adjusted to remove the benefit of VAT reductions in both 2022 and 2021 in order to provide a like-for-like comparison. The prior year metric has been adjusted to include Deliveroo income, which had previously been excluded. This is consistent with the treatment for the current year.

Expansion of our geographical footprint

During 2022 we opened two new venues, in Edinburgh in April and in Egham in September, and both venues are trading in line with expectations.

We have a pipeline of six new openings in 2023, with new venues planned in Durham, Salisbury, Northallerton, Plymouth, Marlow and Bury St Edmunds. The outlook is promising for 2024 with Cambridge and Stratford (London) under contract, and – with landlords increasingly interested in working with Everyman - many further exciting opportunities to grow the estate. We expect to open a total of six new venues in both 2024 and 2025.

The Group currently has venues in the following locations:

Location	Number of Screens	Number of Seats
Altrincham	4	247
Birmingham	3	328
Bristol	4	476
Cardiff	5	253
Chelmsford	6	411
Clitheroe	4	255
Edinburgh	5	407
Egham	4	275
Esher	4	336
Gerrards Cross	3	257
Glasgow	3	201
Harrogate	5	410
Horsham	3	239
Leeds	5	611
Lincoln	4	291
Liverpool	4	288
London, 13 venues	37	3,136
Manchester	3	247
Newcastle	4	215
Oxted	3	212
Reigate	2	170
Stratford-Upon-Avon	4	384
Walton-On-Thames	2	158
Winchester	2	236
Wokingham	3	289
York	4	329
	130	10,661

Chief Executive's Statement (cont.)

Market developments

2022 marked the first full year of trade for cinemas since the pandemic, with total box office revenue across the UK & Ireland at £979m, an increase of 64% against 2021.

Whilst last year the market saw a reduction in blockbusters due to production delays, the signs of recovery are clear with audiences coming back to enjoy a broader range of titles. We expect the number of larger releases to return to near pre-pandemic levels in 2023.

The diversity of content was bolstered by streamers demonstrating a further commitment to cinema, moving away from day-and-date releases, and increasingly seeing the value in original content for theatrical release. Key examples of this were Netflix's "Knives Out: A Glass Onion Mystery" and Apple's "Spirited". We continue to benefit from working cooperatively and creatively with streaming partners.

With film production increasingly back up to full speed, the breadth and quality of the slate in 2023 places the market in a robust position, and the year should continue an upward growth trajectory.

Technology

In 2022, our website saw 9m users, up from 6.5m in 2021. The Everyman App ended the year with 116k users, up from 76k in 2021, representing increases of 54% and 53% respectively.

Post year end we launched a new website with improved user experience and a more flexible content management system. The technology that underpins this will improve our customer segmentation and targeted, personalised marketing. This is a key step in our digital transformation.

Food & Beverage

During the year we have continued to add exciting new dishes to our menu, including quarterly burger specials, most recent of which were the Halloumi Burger and the Korean Chicken Burger. In sharing plates, our top selling dish is the new Garlic and Parsley Doughballs. Our vegan range continues to grow, with the addition of the Vegan Hotdog, and we have also evolved the menu layout to make it clearer for the customer. Amending the dish placement on the menus has had a demonstrable impact on sales of hot food.

Innovation in our food and beverage offering is expected to continue to drive spend per head moving forward.

Partnerships and Events

During the year, we renewed our signature partnerships with Jaguar and Green & Black's. We added Land Rover Discovery as a new brand partner, deepening our relationship with the Jaguar group. In conjunction with Waitrose, we launched a nationwide membership activation with Green & Black's. In addition, we launched a collaboration with The Times, offering Times+ subscribers two-for-one tickets on Wednesdays as well as access to exclusive events, and our partnership with Apple goes from strength to strength.

Our open-air venues returned to the canal-side at Kings Cross and the luxurious grounds of The Grove Hotel, introducing the Everyman brand to thousands of people over the summer period. This year, we also began a partnership with This Bright Land, a new festival with a three-year residency at Somerset House.

2022 also saw show-stopping parties and exclusive events with our partners. Christmas came early for a November preview of the AppleTV+ film Spirited, we treated Times+ members to a sneak-peek of Steven Spielberg's The Fabelmans, and the great and good of the film and music business took to our stages for special events week after week, with every event exclusive to us.

People

We recognise the commitment our people have shown to Everyman, our guests and to each other. Our teams' passion is key to delivering our signature brand of hospitality across all our venues, both existing and new.

Our unique proposition has meant we have been able to attract and retain talented people, despite well-publicised challenges in hospitality sector recruitment. Our new careers website has also enabled a smoother, brand-focused recruitment process.

During the year we opened two new venues, and our existing teams supported our newest managers to deliver hospitality the Everyman way. Our commitment to development saw numerous management roles filled internally.

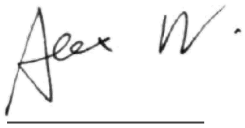
Chief Executive's Statement (cont.)

Outlook

We are pleased to report solid financial results despite the reduced number of blockbuster releases in 2022. However, with Top Gun: Maverick and Avatar: The Way of Water now the 12th and 3rd highest grossing films of all time respectively, it is clear that the consumer appetite for film remains undiminished. We remain an affordable treat for our customers, and with film production back up at pace and the number of larger releases returning to pre-pandemic levels, we are confident that customers will return to our venues in greater numbers.

2022 has been a year of progress for Everyman, as we continued to focus on evolving the quality of experience and breadth of choice we offer at our venues. We opened with two new cinemas opened in Edinburgh and Egham and – to ensure the conservation of high standards and differentiation – we refurbished our venues in Hampstead, Canary Wharf, Esher, Bristol and Birmingham.

We look to 2023 with cautious optimism. We continue with our expansion programme, with new venues due to open in Durham, Salisbury, Northallerton, Plymouth, Marlow and Bury St Edmunds, and several further exciting opportunities in the pipeline.



Alex Scrimgeour
CEO
11 April 2023

Strategic Report

The Directors present their strategic report for the Group for the year ended 29 December 2022 (comparative period: 52 weeks 30 December 2021).

Review of the business

The Group made a loss after tax of £3,504,000 (2022: £5,430,000).

The Finance Director's report contains a detailed financial review. Further details are also shown in the CEO's statement and consolidated statement of profit and loss and other comprehensive income, together with the related notes to the financial statements.

Principal risks and uncertainties

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management to forecasts. Project milestones and timelines are reviewed regularly.

1. **Film release schedule** - The level of the Group's box office revenues fluctuates throughout the course of any given year and are largely dependent on the timing of film releases, over which the Group has no control. The film release schedule remained adversely impacted by the pandemic in 2022, mainly as a result of production delays during 2020 and 2021. As the impact of this reduces and the volume of releases increases, the Board remains optimistic about the film slate going forward. The Group mitigates this risk by widening the sources for new content to include streaming platforms, TV and theatre, as well as focusing on creating a great overall experience at venues independent from the films themselves.

2. **COVID-19 pandemic** - Group revenues are entirely dependent on being open and able to show films, and to serve food and beverage. Although there were no Covid-related closures in 2022, the beginning of the period was negatively impacted by the spread of the Omicron variant. Whilst the situation has improved substantially, the Board remains vigilant to new developments and further impacts which may arise. In addition, the Group has processes and policies that can be brought back if needed, and has more flexible employment contracts allowing temporarily reduced working hours, if required. Everyman works closely with the UK Cinema Association and the Department for Culture, Media and Sport to ensure that the interests of the business are represented in all policy discussions.

3. **Consumer environment** – A reduction in consumer spending because of broader economic factors could impact the Group's revenues. During 2022, inflation and interest rates have increased due to the pandemic and geopolitical events. Historically, the cinema industry has been resilient to difficult macroeconomic conditions, with it remaining an affordable treat during such times for most consumers. Whilst the Board considers that the impact has been minimal in 2022, the Group continues to monitor long term trends and the broader leisure market.

4. **Alternative media channels** - The proliferation of alternative media channels, including streaming, has introduced new competitive forces for the film-going audience and this has been accelerated by the pandemic. To date this has proven to be a virtuous relationship, both increasing the investment in film production and further fuelling an overall interest in film with customers of all ages. The Board considers that the Everyman business model works well alongside other film channels. It remains an ever-present caution that to maintain this position we must continue to deliver an exceptional experience in order to deliver real added value for our customers who choose to see a film at our venues.

5. **Inflation** – Given the current economic and geopolitical situation there is a risk to the cost base from inflation. To mitigate this the Group enters into long term contracts and works very closely with suppliers to improve efficiencies and limit costs. The Group has a fixed rate agreement in place with one of the largest energy suppliers until the end of October 2023. Whilst the Board expects energy costs to increase from the current rate, forward prices for Gas and Electricity continue to fall. The Group is confident that any increases can be absorbed without material impact to unit economics. In addition, and thanks to its size, the Group can take advantage of lower price points for higher volumes. Furthermore, payroll costs are closely monitored and managed to the level of admissions. We remain cautious when passing on price increases to our customer base.

6. **Climate change** – The Group's business could suffer because of extreme or unseasonal weather conditions. Cinema admissions are affected by periods of abnormal, severe, or unseasonal weather conditions, such as exceptionally hot weather or heavy snowfall. Climate change is also high on the agenda for investors and increasingly institutional investors are looking closely at the actions being taken by business to reduce carbon emissions. The Group is working towards developing a net zero carbon emissions strategy to mitigate this risk.

Strategic Report (cont.)

7 **Data and cyber security** – The possibility of data breaches and system attacks would have a material impact on the business through potentially exposing the business to a reduction in service availability for customers, potentially significant levels of fines, and reputational damage. To mitigate this risk the IT infrastructure is upgraded to ensure the latest security patches are in place and that ongoing security processes are regularly updated. This is supported by regular pen testing and back-ups.

8 **Film piracy** - Film piracy, aided by technological advances, continues to be a real threat to the cinema industry generally. Any theft within our venues may result in distributors withholding content to the business. Everyman's typically smaller, more intimate auditoria, with much higher occupancy levels than the industry average, make our venues less appealing to film thieves. As we see the numbers returning to cinema coming close to pre-pandemic levels, we see this risk reducing to a pre-pandemic level.

9 **Reputation** - The strong positive reputation of the Everyman brand is a key benefit, helping to ensure the successful future performance and growth which also serves to mitigate many of the risks identified above. The Group consistently focuses on customer experience and monitors feedback from many different sources. A culture of partnership and respect for customers and our suppliers is fostered within the business at all levels. Since re-opening we have seen our market share increase and received positive customer feedback.

Financial risks

The Group has direct exposure to interest rate movements in relation to interest charges on bank borrowings, with a 1% increase in rates resulting in an increase in interest charges of £0.2m on current forecast borrowings over the next twelve months. The Board manages this risk by minimising bank borrowings and reviewing forecast borrowing positions.

The Group takes out suitable insurance against property and operational risks where considered material to the anticipated revenue of the Group.

Finance Director's Statement

Summary

- Group revenue of £78.8m (2021: £49.0m)
- Gross profit of £50.5m (2021: £30.9m)
- Non-GAAP adjusted EBITDA of £14.5m (2021: £8.3m)
- Operating profit of £0.4m (2021: £2.2m loss)
- Net banking debt £18.5m (2021: £8.4m), with significant headroom in facilities

Revenue and Operating Profit

Admissions for the 52 weeks ending 29 December 2022 totalled 3.4m, an increase of 69.0% on the prior year (2021: 2.0m). In 2021, venues were closed for the first 19 trading weeks of the year due to pandemic-related restrictions. 2022 was not impacted by any government-imposed closures and all venues traded through the year, aside from any temporary closures for refurbishments.

Whilst the film slate was impacted in 2022 by Covid-related production delays, it was clear from a number of titles that the consumer appetite for film remained undiminished. Chief amongst these were Top Gun: Maverick, released at the end of May, and Avatar: The Way of Water, released in December, which are now the 12th and 3rd highest-grossing films of all time, respectively. As a result, and due also to the new venues opened during the year, admissions were 4.5% ahead of 2019 on a non like-for-like basis.

Paid-for Average Ticket Price was £11.29, a 2.6% increase on the prior year (2021: £11.00), and Food & Beverage Spend per Head was £9.34, a 3.0% increase on the prior year (2021: £9.07). In order to enable like-for-like comparison, both of these metrics have been adjusted to remove the benefit from the temporarily reduced rate of VAT during 2021 and the first quarter of 2022. Given the challenging macroenvironment, the Group has remained conservative when passing on price increases to customers.

As a result of the above, revenue for the period was £78.8m, a 61% increase on the prior year (2021: £49.0m).

Reported Gross Margin was 64.0% (2021: 63.0%). The increase was driven by a greater proportion of Venue Hire, Advertising and Membership Income, which carries a higher margin.

Other operating income was £0.6m (2021: £3.8m). £0.2m of this related to the Omicron Hospitality and Leisure Grant, and £0.4m to other landlord compensation. In the prior year, the Group received £2.8m of support in relation to the Job Retention Scheme and a £1.0m Business Support Grant.

Administrative Expenses for the period were £50.7m, a 28.6% increase on the prior year (2021: £39.4m). This is commensurate with the increased levels of trading activity and admissions. The Group's people costs are inherently linked to changes in National Living Wage, which increased by 6.6% in April 2022. Beyond this, and despite the macroeconomic environment, the Directors believe that the impact to the cost base from inflation during the year has been minimal. This is, in part, due to the recruitment of a new Procurement Director and the resultant re-negotiation of a number of key contracts.

The Group's Utilities contracts are fixed until the end of October 2023. The Directors expect costs to rise, but note that forward prices for Gas and Electricity continue to fall and believe that increases can be absorbed without material impact to the Group's unit economics.

The Board carried out a full impairment review at the year end, based on a judgement of future cash flows by venue and concluded that, due to positive ongoing trading performance, no indicators of impairment existed. Within the prior year operating loss was a £2.5m reversal of impairment of right-of-use assets and property, plant and equipment.

The Directors are pleased to report an operating profit of £0.4m (2021: £2.2m operating loss), particularly given both the greater levels of government support and the gain from the reversal of impairment in the prior year.

Financial Expenses

Financial expenses were £3.9m (2021: £3.3m) and relate mainly to interest charges on the Group's banking facilities and on lease liabilities under IFRS 16. The increase was as a result of an increased draw down the Group's Revolving Credit Facility, increases to underlying interest rates and new leases entered into during the year.

Finance Director's Statement (cont.)

Non-GAAP adjusted EBITDA

In addition to performance measures directly observable in the financial statements, the following additional performance measures are used internally by management to assess performance:

- Non-GAAP Adjusted EBITDA
- Admissions
- Paid-for Average Ticket Price
- Food & Beverage Spend per Head

Management believes that these measures provide useful information to evaluate performance of the business as well as individual venues, to analyse trends in cash-based operating expenses, and to establish operational goals and allocate resources.

In prior years, Average Ticket Price has been used as an additional performance measure. The directors believe that Paid-for Average Ticket Price, which excludes any complimentary and unpaid tickets, is more representative of actual customer spend and will be used as an additional performance measure moving forward.

Non-GAAP adjusted EBITDA was £14.5m, compared with £8.3m in 2021.

Non-GAAP adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortisation, profit or loss on disposal of Property, Plant & Equipment, impairment, share based payments, pre-opening expenses and exceptional costs.

The reconciliation between operating loss and non-GAAP adjusted loss from operations is shown at the end of the consolidated statement of profit and loss.

Cash Flows

The Directors believe that the Group balance sheet remains well capitalised, with sufficient working capital to service ongoing requirements. Net cash generated in operating activities was £11.8m (2021: £12.2m) and the net cash outflow for the year was £0.5m (2021: £3.9m inflow).

The cash outflow for the year included £18.9m on the acquisition of Property, Plant & Equipment (2021: £7.4m). This was driven by payments for new venues in Edinburgh and Egham, which opened during the year, and for Borough Yards, which opened in December 2021. Additionally, payments were made towards new venues in Durham, Northallerton, Salisbury, Plymouth and Marlow, which are currently under construction and due to be opened in 2023.

The Group was able to finance much of its expansion during the year from operating cash flows as well as landlord contributions of £5.0m (2021: £0.5m), demonstrating the ongoing appetite of asset holders to work with Everyman. A further proportion was financed through a £9.5m draw on the Group's banking facilities (2021: £6.0m). As a result, net banking debt at the balance sheet date was £18.5m (2021: £8.4m).

Cash held at the end of the year was £3.7m (2021: £4.2m).

The Group has banking facilities totalling £40m in place at the year end. £25m is in a Revolving Credit Facility (RCF) and £15m is in a Government-backed Coronavirus Large Business Interruption Loan Scheme ("CLBILS") RCF. At the year end the Group had drawn down £22m (2021: £12.5m) of the available funds, and therefore £18m of the facility was undrawn (2021: £27.5m).

The Group returned to its original banking covenants, based on Adjusted Leverage and Fixed Cover Charge, in June 2022. Current forecasts demonstrate that the Group will remain within these covenants going forward.

The Revolving Credit Facility matures in April 2024, having been extended by 3 months in March 2023. The CLBILS, which cannot be extended, matures in January 2024, as per the previous maturity date. The Group is working with its banking partners to re-finance both facilities and expects to complete this process in due course.

Finance Director's Statement (cont.)

Pre-opening costs

Pre-opening costs, which have been expensed within administrative expenses, were £0.2m (2021: £0.1m). These costs include expenses which are necessarily incurred in the period prior to a new venue being opened but which are specific to the opening of that venue.

Exceptional costs

The Group incurred exceptional costs of £0.2m during the year (2021: £Nil), which related to restructuring costs within the Head Office team.

Annual general meeting

The annual general meeting of the Company will be held at 09:30am on 15 June 2023 at Everyman Cinema Hampstead, 5 Holly Bush Vale, London NW3 6TX.

Section 172 Statement

Our Board of Directors are bound by their duties under the Companies Act 2006 (the "Act") to promote the success of the company for the benefit of our members as a whole taking into account the factors listed in section 172 of the Act. In doing so, however, they must have regard for the interests of all of our stakeholders, to ensure the long-term sustainability of the Company. The Board is therefore responsible for ensuring that it fulfils its obligations to those impacted by our business, in its stakeholder consideration and engagement.

The ongoing sustainable success of Everyman is dependent on its relationship with a wide range of stakeholders, including consumers, employees, Governments & regulators, customers, suppliers, and investors. We are aware that each stakeholder group requires a tailored engagement approach in order to foster effective and mutually beneficial relationships. Our understanding of stakeholders is then factored into Board discussions, regarding the potential long-term impacts of our strategic decisions on each group, and how we might best address their needs and concerns. The Board understands that it is not always possible to provide positive outcomes for all stakeholders and therefore, sometimes, must make decisions based on the competing priorities of stakeholders. However, the Board acts in the best long-term interests of the Company and its stakeholders generally.

Throughout this Annual Report, we provide examples of how we:

- Take into account the likely consequences of long-term decisions;
- Consider the interests of the Company's employees;
- Consider the interests of the Company's shareholders;
- Foster the Company's business relationships with suppliers, customers and others;
- Understand our impact on our local community and the environment; and
- Maintain a reputation for high standards of business conduct; and

This section serves as our section 172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The principles underpinning section 172 are not only considered at Board level, the differing interests of stakeholders are taken into consideration by management when making wider business decisions. The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the Boardroom throughout the annual cycle through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The table below acts as our s172(1) statement by setting out the key stakeholder groups, their interests and how Everyman has engaged with them over the reporting period. However, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	Their interests	How we engage	2022 highlights
Our employees	• Training, development and career prospects. • Health and Safety • Working conditions • Diversity and Inclusion • Human Rights and modern slavery • Fair pay, employee benefits	• Workforce posters and communications • Ongoing training and development opportunities • Whistleblowing procedures • Publication of Modern Slavery Statement • Employee benefits packages • Employee questionnaires • Staff intranet	• Implementation of new careers website and applicant tracking system • Implementation of new Employee Assistance Programme • Implementation of new financial wellbeing platform

Companies Act s172 Statement (cont.)

Stakeholder	Their interests	How we engage	2022 highlights
Our customers	• Comfort and hospitality. • Good quality food and drink • High quality viewing environment • Ease of access • Safety • Data security	• Venue staff welcome every customer • Focus on in-theatre service • Regular review of menu quality • High specification auditoria • Customer support service • Marketing and communications	• Completed upgrades to kitchens and bars to provide faster, high-quality service • Refurbishment of several venues to maintain high standards • Menu development to improve breadth of choice
Our suppliers & landlords	• Workers' rights • Supplier engagement and management to prevent modern slavery • Fair trading and payment terms • Sustainability and environmental impact • Collaboration • Long-term partnerships	• Initial meetings and negotiations • KPIs and Feedback • Board approval on significant changes to suppliers • Direct engagement between suppliers and specified company contact	• Completed implementation of new ERP system to streamline processes from purchase to payment • Recruitment of a new Procurement Director
Our Investors	• Comprehensive review of financial performance of the business • Business sustainability • High standard of governance • Success of the business • Ethical behaviour • Awareness of long-term strategy and direction	• Regular reports and analysis on investors and shareholders • Investor roadshows • Annual Report • Company website • Shareholder circulars • AGM • Stock exchange announcements	• Bi-annual investor roadshows • Regular ad-hoc communication with shareholders
Our banking partners	• Business performance & forecast accuracy • Cash management and financial control • Compliance with laws and regulations • High standard of governance • Ethical behaviour • Data security	• Regular meetings & updates • Regular reports and analysis • Annual Report • Stock exchange announcements	• Regular meetings and communication with banking partners • Recruitment of a new Finance Director
Regulatory bodies	• Compliance with regulations • Worker pay and conditions • Gender Pay • Health and Safety • Treatment of Suppliers • Brand reputation • Waste and environment • Insurance	• Company website • Stock exchange announcements • Annual Report • Direct contact with regulators • Compliance updates at Board Meetings • Consistent risk review	• Full review of pay across all roles • NOMAD attended Board meeting to update on compliance
Community and Environment	• Sustainability • Human Rights • Energy usage • Recycling • Waste Management • Community outreach and CSR	• Philanthropy • Oversight of corporate responsibility plans • CSR initiatives • Workplace recycling policies and processes	• Supported employees' fundraising for various charities • Special screenings for local communities • Energy monitoring and reduction initiative

Companies Act s172 Statement (cont.)

Within the Corporate Governance Report on pages 17 to 20 we describe how the Board operates and the culture of the business including employee engagement.



Will Worsdell
Finance Director
11 April 2023

Corporate Governance

It is the responsibility of the Chairman of the Board of Directors of Everyman Media Group PLC to ensure that the Group has both sound corporate governance and an effective Board. This is managed by ensuring that the Group and the Board are acting in the best interests of shareholders, and by making sure that the Board discharges its responsibilities appropriately. This includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Group.

While seeking to build a strong governance framework, the Board is mindful to ensure that the Group takes a proportionate approach and that processes remain fit for purpose as well as embedded within the culture of the organisation. Good governance provides a framework that allows the right decisions to be taken by the right people at the right time.

QCA principles

A description of the Group's business model and strategy can be found in the Chairman's report along with key challenges in their execution and information in relation to the Group's risk management.

Board of Directors

Philip Jacobson FCA
Independent Non-Executive Chairman
Philip is a Fellow of the Institute of Chartered Accountants in England & Wales and was previously a partner at BDO LLP, where he was involved in a number of flotations in the leisure sector. Philip was appointed to the Board on 8 October 2013, and as Chairman on 28 February 2023. Since retiring from BDO LLP, Philip has acted as family office to a small number of families.

Alex Scrimgeour
Executive Director – Group Chief Executive Officer
Alex joined Everyman from Côte Brasserie, the UK's largest French restaurant Group. He joined Côte as a start-up business in 2008 and was appointed as joint Managing Director in 2011 and CEO in 2015. Alex has extensive experience in the hospitality sector, and was appointed to the Board on 18 January 2021.

Adam Kaye
Executive Director
Adam founded ASK Central plc with his brother Sam in 1993. Adam studied catering at Westminster College, London and subsequently worked at City Centre Restaurants, before opening the first ASK restaurant at Haverstock Hill in 1993. ASK Central plc was sold in 2004. Adam was appointed to the Board on 8 October 2013.

William (Will) Worsdell ACA
Executive Director – Group Finance Director
Will is a member of the Institute of Chartered Accountants in England & Wales and has held senior financial roles at several leisure and hospitality businesses, including Head of Commercial Finance at Côte Brasserie. Previously, Will worked in financial and operational planning at Heathrow for 3 years and started his career with Smith & Williamson (now Evelyn Partners), where he qualified as a Chartered Accountant in 2014. Will was appointed to the Board 28 June 2022.

Charles Dorfman
Non-Executive Director
Charles was co-founder of Esselco properties serviced office business (now known as The Office Group). He was involved in the financing of the development phase of the Oscar winning 'The King's Speech' with See Saw films and became the Executive Producer, following this success by producing titles such as 'Untouchable' and 'The Lost Daughter'. He is CEO of Dorfman Media Holdings, Chairman of Media Finance Capital and Chairs the Young Patrons of the National Theatre. Charles was appointed to the Board on 8 October 2013.

Corporate Governance (cont.)

Margaret (Maggie) Todd

Independent Non-Executive Director

Maggie joined Everyman from the Walt Disney Studios Motion Pictures European marketing leadership team, where she most recently held the role of Vice President of Communications for twelve years. Prior to Disney, Maggie worked at Twentieth Century Fox, in the music industry and has delivered campaigns for BAFTA, AMPAS (Academy of Motion Picture Arts & Sciences) Awards and world-renowned European film festivals.

Maggie was appointed to the Board on 14 July 2021. The Directors consider Ms Todd to be independent in line with the Quoted Companies Alliance Corporate Governance Code for small and mid-size quoted companies.

Michael Rosehill FCA

Non-Executive Director

Michael is a Fellow of the Institute of Chartered Accountants in England & Wales and has spent most of his career at the Lewis Trust Group (owners of the River Island group of companies) in both the finance and private equity divisions. Michael is a Director of Blue Coast Private Equity L.P. and therefore also has an interest in the shareholding of Blue Coast Private Equity L.P in the Ordinary Shares of the Company.

Baroness Ruby McGregor-Smith CBE

Independent Non-Executive Director

Ruby brings with her a wealth of business acumen, acquired over a career spanning more than three decades. One of the few women to have held the position of Chief Executive at a FTSE 250 company, she grew revenues at Mitie more than four-fold to £2.2 billion, establishing it as the largest business in its sector. She is highly decorated as an industry leader, winning the 'Leader of the Year' accolade at the 2011 National Business Awards, and in 2013 being recognised by the Financial Times as one of the top 50 female business leaders in the world. Ruby is a Fellow of the Institute of Chartered Accountants in England and Wales, and was appointed a member of the House of Lords in 2015.

Ruby was appointed to the Board on 20 September 2022. The Directors consider Ruby to be independent in line with the Quoted Companies Alliance Corporate Governance Code for small and mid-size quoted companies.

All Directors are encouraged to challenge and to bring independent judgement to bear on all matters, both strategic and operational. Biographical details of the Directors can be found on the Group's website.

All Non-Executive Directors are expected to dedicate at least one day per month to the Group. The Board is satisfied that each of the Directors are able to allocate sufficient time to the Group to discharge their responsibilities effectively. The number of meetings of the Board and its Committees are outlined below:

Attendance by Directors	Board	Audit	Remuneration	Nomination
Philip Jacobson	10	4	6	2
Paul Wise*	10	n/a	n/a	n/a
Alex Scrimgeour	11	n/a	n/a	n/a
Adam Kaye	10	n/a	n/a	n/a
Elizabeth Lake**	3	4	n/a	n/a
Will Worsdell***	5	-	n/a	n/a
Charles Dorfman	9	n/a	6	2
Maggie Todd	9	n/a	n/a	n/a
Michael Rosehill	11	4	6	2
Ruby McGregor-Smith****	4	-	2	-
Total meetings held	11	4	6	2

* Resigned 28 February 2023
** Resigned 28 April 2022
*** Appointed 28 June 2022
**** Appointed 20 September 2022

Corporate Governance (cont.)

The Directors have both a breadth and depth of skills and experience to fulfil their roles. The Company believes that the current balance of skills in the Board as a whole are appropriate and beneficial for all shareholders and stakeholders. Each Director has significant experience in building a successful business and offer key expertise that are beneficial to the Group as a whole.

To enable each Director to keep their skill-set up to date, individual training needs are identified as part of the annual Board evaluation process and training is provided as required. All Directors receive regular updates on legal, regulatory and governance issues. In addition, there are regular 'deep dives' from across the business at Board level to ensure the Directors' understanding of the operational aspects of the business are kept up to date.

Advisors

One Advisory acts as Group Secretary and support to ensure the necessary information is supplied to Directors on a timely basis and to enable them to discharge their duties effectively. All Directors have access to the advice of the Group's solicitors as well as access to independent professional advice, at the Group's expense, as and when required.

Neither the Board nor its Committees have sought external advice on a significant matter.

Board evaluation

The Board accepts that the Group does not fully comply with this aspect of the QCA code and has not implemented a Board evaluation. In the frequent Board meetings, Directors can discuss any areas where they feel a change would benefit the Group, and the independent Group Secretary and other Group advisers remain on hand to provide impartial advice.

Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the performance of the Group. Similarly, the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way employees behave. The Corporate Governance arrangements that the Board has adopted are designed to ensure that the Group delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Group in a manner that encourages open dialogue with the Board. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives.

A large part of the Group's activities are centred on an open and respectful dialogue with employees, customers and other stakeholders. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Directors consider that the Group has an open culture facilitating comprehensive dialogue and feedback that enables positive and constructive challenge.

The Board also recognises that as an operator of cinemas within local communities, it has responsibility to engage openly, transparently and effectively with community stakeholders, local planning and Government agencies.

The Group places considerable emphasis on maintaining good relations with all its employees. The Group places great importance on managers at each venue being well trained and capable of recruiting, training and developing a strong team and equips them with the necessary tools in order to provide a positive working environment. The Group regularly communicates important updates with employees and seeks engagement and consultation whenever making decisions that affect them or their interests. Employees are provided with regular on-the-job training, including a staff handbook and career development opportunities. The Group places a significant importance on developing from within.

The Group is an equal opportunities employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet the minimum selection criteria. The Group provides training and development for people with disabilities tailored, where appropriate, to ensure they have the opportunity to achieve their potential. If an employee becomes disabled while in our employment the Group will do its best to retain them, including consulting with them about their requirements, making reasonable and appropriate adjustments and providing alternative suitable employment where possible.

The Group has an anti-bribery and confidentiality policy in place to ensure the highest standards of personal and professional ethical behaviour are adhered to. The Company has adopted a code for Directors' and employees' dealings in securities in relation to its Ordinary Shares and related securities which is compliant with AIM as well as being in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016 and was transposed into British law following Brexit.

There is a system in place for financial reporting and the Board receives regular reports to enable it to carry out these functions in the most efficient manner. These procedures include the preparation of management accounts, forecast variance analysis and other ad-hoc reports. There are clearly defined authority limits throughout the Group, including those matters which are reserved specifically for the Board.

The Board has responsibility for the effectiveness of the internal financial control framework. Such a system can only provide reasonable

Corporate Governance (cont.)

and not absolute assurance against material misstatement. The Group does not currently have, nor considers there is currently a need for, an internal audit function. As the number of venues operated by the Group increases, the Board intends to regularly assess the ongoing need for strengthening internal financial controls.

The Board's financial risk management, objectives and policies together with the Board's policies in respect of credit risk, liquidity risk and cash flow risk are set out in the notes to the financial statements.

Audit Committee Report

The Audit Committee is chaired by Ruby McGregor-Smith FCA. Philip Jacobson FCA stepped down as Audit Committee Chairman on 1st January 2023. The Committee also includes Michael Rosehill FCA. Both Ruby and Michael have extensive experience as Chartered Accountants working both within audit practice and industry. The Audit Committee met four times during the year. The external auditors attended two of these meetings at the invitation of the Committee Chairman. The Committee also met with the external auditors without the presence of Executive Directors or management.

Objectives and Responsibilities

The Committee, operating under its Terms of Reference, discharged its responsibilities by, amongst other things, reviewing and monitoring:

- the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the parent Company and the Group.
- the methods used to account for significant or unusual transactions.
- whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditors.
- the effectiveness of the external auditors and considering and making recommendations on the reappointment of the external auditors.
- the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems.
- the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
- all material information presented with the financial statements, such as the operating and financial review including the audit and risk management statements within the corporate governance report.

Financial Reporting

The Committee concluded that the Annual Report and financial statements, taken as a whole, were fair, balanced, and understandable and provided the information necessary for shareholders to assess the Company's and the Group's financial position, performance, business model and strategy.

The Committee reviewed the 2022 full-year and half-year results announcements and considered matters raised by the external auditors identifying certain issues requiring its attention.

The Committee has continued its monitoring of the financial reporting process and its integrity, risk management systems and assurance.

External Audit

The Committee will meet with the auditor at least twice a year, once at the planning stage, where the nature and scope of the audit will be considered, and once post-audit at the reporting stage. The Committee is responsible for reviewing and approving the annual audit plan with the auditor and ensuring that it is consistent with the scope of the audit engagement and the effectiveness of the audit.

In addition, the Committee is responsible for reviewing the findings of the audit with the external auditor which shall include but not be limited to discussing any issues which arose during the audit, accounting and audit judgements, levels of errors identified and the effectiveness of the audit.

BDO LLP were appointed as external auditors in 2020 following an audit tender process carried out in 2020. The Company will look to rotate auditors through an external audit tender by 2029.

The Committee will engage in discussions with the auditor regarding fees, internal controls and such issues as compliance with accounting standards and any proposals which the external auditor has made regarding the Company's internal auditing standards.

Risk Management and Internal Controls

The Committee shall keep under review the adequacy and effectiveness of the Company's internal financial controls and risk management systems including monitoring the proper implementation of such controls and will review and approve the statements to be included in the annual report concerning internal controls and risk management. The Committee will also consider annually whether there is a need for an internal audit function and make a recommendation to the Board. At present, the function is not yet considered necessary as day-to-day control is sufficiently exercised by the Company's Executive Directors. Further details on the Company's risk management and internal controls can be found on pages 9 and 10.

Audit Committee Report (cont.)

The Committee also has a responsibility to review the adequacy of the Company's arrangements for its employees and contractors to confidentially raise any concerns about possible wrongdoings regarding financial reporting or other matters. The Audit Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action. In addition, the Committee shall review the Company's procedures for detecting fraud and the Company's systems and controls for the prevention of bribery and receive reports on non-compliance. The Committee will also monitor and ensure the Company's adherence to its AIM Rules compliance policy.

Significant issues considered by the Audit Committee during the year

During the year the Committee, Management and the external auditor considered and concluded what the significant risks and issues were in relation to the financial statements and how these would be addressed. In relation to the 2022 Group financial statements, significant risks have been identified which are outlined as follows:

- Management override of controls
- Fraud in revenue recognition
- Going concern
- Impairment of goodwill, property, plant and equipment and right of use assets

In addition to the above significant risks, the Committee, management and the external auditor considered the following elevated risks:

- Accounting for new property leases under IFRS 16
- Completeness of lease modifications and rent concessions
- System and data migration from SAGE to Microsoft Dynamics 365
- Revenue – Film, Food and Beverage

Auditor's Independence

The Committee approves the external auditor's terms of engagement, scope of work, the process for the interim review and the annual audit. It also reviews and discusses with the auditor the written reports submitted and the findings of their work. It has primary responsibility for making recommendations to the Board, for it to put to the shareholders for their approval at a general meeting, in relation to the appointment, re-appointment, and removal of the external auditor.

The Committee is also responsible for reviewing and monitoring external auditor's independence and objectivity as well as their qualifications, expertise and resources and the effectiveness of the audit process, taking into consideration relevant UK and other relevant professional and regulatory requirements. The Group have considered the auditor's independence and continues to believe that BDO is independent within the meaning of all UK regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff are not impaired.



Philip Jacobson
Chair
Audit Committee
11 April 2023

Remuneration Committee Report

The Remuneration Committee is chaired by Michael Rosehill (non-executive Director) and includes Charles Dorfman and Ruby McGregor-Smith. The Committee meets as required during the year and invites recommendations as to remuneration levels, incentive arrangements for senior executives and proposals regarding share option awards from the Chief Executive Officer.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation. The Remuneration Committee meets as and when necessary and met 6 times during 2022.

Bonus plans, share option awards and the Company's LTIP scheme are regularly reviewed by the Committee to ensure that they are appropriately incentivising key management.

Responsibilities

The Committee's principal responsibilities include:

- Determining and agreeing with the Board the framework or broad policy for the remuneration of Executive Management;
- Reviewing and having regard to pay and employment conditions across the Company when setting remuneration policy for Executive Management and especially when determining salary increases;
- Approving the design of and determining targets for any performance-related pay schemes operated by the Company;
- Overseeing the design and application of share options and any other such reward plan in conjunction with the Board; and
- Determining the policy for and scope of pension arrangements for Executive Management.

The Non-Executive Directors, whose remuneration is determined by the Board as a whole, receive fees in connection with their services provided to the Group, to the Board and to Board Committees.

Certain senior staff and Executive Directors receive basic salaries, annual bonuses according to performance against defined targets, and certain benefits in kind.

Basic salary

The base salary, benefits in kind and Company pension contributions are determined by the Committee with reference to the experience and responsibilities of each individual and having regard to prevailing market conditions.

Annual Bonus

In December 2022, the Committee recommended the Board approve a bonus to the Executive Chair, Chief Executive Officer, Finance Director and Executive Director based on performance targets that were met for the 2022 financial year.

Share Options

The Group's policy is that in addition to their salaries and bonuses, Executive Directors and senior management should be awarded share options in order that their interests may be more closely aligned with those of shareholders. The company operates a Long-Term Incentive Plan (LTIP) and the Committee recommended to the Board that share options were awarded and set the performance criteria (see note 31).

The Group also operates a non-approved share incentive plan, and believes that all the venue managers, head office staff, and the Executive and senior management team should have the opportunity to participate, alongside shareholders, in the long-term growth and success of the Group. During the year awards were recommended by the Committee (see note 31).

Remuneration Committee Report (cont.)

Directors' remuneration

For the year ended 29 December 2022

Director	Salary	Pension Contributions	Other benefits	Bonus	Share-based payments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Alex Scrimgeour	294	10	21	44	598	967
William Worsdell ACA	73	1	-	11	21	106
Elizabeth Lake FCA	51	3	1	-	-	55
Paul Wise	157	-	-	20	125	302
Adam Kaye	105	-	-	13	125	243
Philip Jacobson FCA	36	-	-	-	-	36
Charles Dorfman	18	-	-	-	-	18
Michael Rosehill FCA	18	-	-	-	-	18
Maggie Todd	40	-	-	-	-	40
Ruby McGregor-Smith FCA	15	-	-	-	-	15
	807	14	22	88	869	1,800

For the year ended 30 December 2021

Director	Salary	Pension Contributions	Other benefits	Bonus	Share-based payments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Alex Scrimgeour	244	9	15	40	750	1,058
Elizabeth Lake FCA	177	6	3	43	(142)	87
Paul Wise	158	-	-	19	56	233
Adam Kaye	100	-	-	13	56	169
Philip Jacobson FCA	30	-	-	-	-	30
Charles Dorfman	10	-	-	-	-	10
Michael Rosehill FCA	10	-	-	-	-	10
Maggie Todd	19	-	-	-	-	19
	748	15	18	115	720	1,616

Other benefits include interest in respect of an amount of uncalled share capital due in respect of the issue of performance shares in Everyman Media Holdings Limited, a subsidiary of the Company, to Alex Scrimgeour.

Share based payments are valued using the share price at the original grant date.

Remuneration policy for 2023 and future years

The Group remuneration policy is designed to support strategy and promote long-term sustainable success. It is committed to complying with the principles of good corporate governance in relation to the design of the Group's remuneration policy. As such, our policy takes account of the QCA Corporate Governance Code, against which the Company formally reports compliance. The Committee also considers other best practice guidance such as the QCA Remuneration Committee Guide and the Investment Association's Principles of Remuneration, as far as is appropriate to the Group's management structure, size and listing.

Future salary awards and increases will be set in line with relevant market levels, economic changes and to retain and attract high quality executives. Performance elements of remuneration will have clearly defined and challenging targets that link rewards to business performance in the short and medium-term. All variable elements of remuneration are subject to clawback or repayment in the event of serious financial misstatement or misconduct.

Remuneration Committee Report (cont.)

Consideration of Shareholder Views

The Remuneration Committee considers feedback received from Shareholders during any meetings or otherwise from time to time, when undertaking the Group's annual review of its Policy. In addition, the Chairman of the Remuneration Committee will seek to engage directly with institutional Shareholders and their representative bodies should any material changes be made to the Policy.

Consideration of employment conditions elsewhere in the Group

The Remuneration Committee considers any general basic salary increase for the broader employee population when determining the annual salary increases for the Executive Directors. The Remuneration Committee did not consult with other employees regarding remuneration of the Executive Directors.



Michael Rosehill
Chair
Remuneration Committee
11 April 2023

Director's report

The Directors present their annual report and audited financial statements for the Group for the year ended 29 December 2022 (comparative period: year ended 30 December 2021).

Results and dividends

The results of the Group are included in the strategic report. Further details are shown in the consolidated statement of profit and loss and other comprehensive income and the related notes to the financial statements. The Group generated a loss after tax for the year of £3.5m (2021: £5.4m loss). The Directors do not recommend the payment of a dividend (2021: £nil).

Principal activity

The Group is a leading independent cinema group in the UK. Further information is contained in the strategic report. The subsidiaries of the Group are set out in the related notes to the financial statements.

Financial risk management: objectives and policies

The financial and other risks to which the Group is exposed, together with the Group's objectives and policies in respect of these risks, are set out in the strategic report.

Energy and carbon

Everyman recognises that its operation has an environmental impact globally and is committed to monitoring and reducing its emissions. The Group is also aware of the reporting obligations under The Companies and Limited Liability Partnerships Regulations 2018. The table below summarises emissions and energy usage to increase the transparency with which the business communicates about the environmental impact to stakeholders. The increases on last year are due to venues being closed between 1st January and 17th May 2021.

Emissions Source	**2022**	**2021**
Natural Gas	904	875
Electricity	2,416	1,493
Fuel for transport (employees only)	12	19
Total tCO_2e	**3,332**	**2,387**
Total Energy Usage (kWh)	17,494,207	11,888,938
Energy Intensity – CO_2t per ft^2	0.083	0.062

The EMA methodology has been used to calculate the GhG emissions is in accordance with the relevant requirements of the following standards:

- GHG Reporting Protocol: Corporate Standard
- Internal Organisation for Standardisation, ISO (ISO 14064-1:2018)
- The Global Reporting Initiative Sustainability Reporting Guidelines

In the period covered by the report, the Group has undertaken the following emissions and energy reduction initiatives:

- New systems on real-time energy usage, measured at appliance level to help pinpoint where energy is being wasted
- Air conditioning controls enabling timing, temperature regulation and demand-controlled ventilation for Auditoria based on occupancy levels
- Installation of heat recovery reclaiming a portion of the energy used in heating, venting and air conditioning
- Installation of LED lamps and Passive Infrared Sensors in areas of infrequent occupancy to conserve electricity usage
- Use of energy saving catering electrical kitchen equipment

Capital structure

The number of Ordinary shares in issue at 29 December 2022 was 91.2m (2021: 91.2m). The Group also issued options over the share capital of the Company to members of the Board and to certain employees which amounted to 7.0m Ordinary shares (2021: 6.9m Ordinary shares) which, if exercised, would comprise 7.1% (2021: 7.1%) of the current issued share capital of the Company (see also Directors' interests below and the related notes). The shares of the Company are quoted on the London AIM market.

Director's report (cont.)

Going concern

Current trading is in line with management expectations. Given the increased number of wide releases year-on-year, commitment to the theatrical window from distributors and new investment from streamers in content for cinema, management expect admissions to continue to recover towards pre-pandemic levels. Paid for Average Ticket Price and Spend per Head have continued to grow steadily despite well-publicised concerns over consumer spends.

Banking

The Group's banking arrangements consist of a £25m Revolving Credit Facility ("RCF") and a £15m Coronavirus Large Business Interruption Loan Scheme ("CLBILS"). On the 14th March 2023 the RCF was extended by 3 months, to 17th April 2024. The CLBILS, which cannot be extended, will mature on the previous maturity date of 17th January 2024. The Group's forecasts demonstrate headroom without the CLBILS component of the facility.

The Group is actively engaged with its banking partners on a re-finance of both the RCF and the CLBILS and expects to complete this process in the coming months.

At the end of the year, the Group had drawn down £22.2m on its facilities and held £3.7m in cash; the undrawn facility was therefore £18m and net banking debt £18.5m.

The facility covenants were amended temporarily to provide liquidity through the pandemic, when the facility amendments were made in the first quarter of 2021. From June 2022, the covenants returned to the pre-pandemic tests based on leverage and fixed cover charge. The Group has operated within these covenants all year and expects to continue to do so going forward.

Sale of Crystal Palace Freehold

On 16 January 2023, the Group completed the sale and leaseback of its freehold property at 25 Church Road, London SE19 2TE. Proceeds from the sale, after associated fees and disbursements, were £3.8m. At the balance sheet date, the property was held for sale in ECPee Limited, with a carrying value of £3.2m.

This additional liquidity has reduced the Group's reliance on debt to finance its expansion programme during 2023.

Salisbury Freehold

During the year the Group acquired the freehold at Gala Clubs, Endless Street, Salisbury SP1 1DP, which will open as a new four-screen cinema during 2023. The Group's forecasts do not consider the sale of this freehold and subsequent leaseback within the next 12 months. However, should the need for additional liquidity arise, management are of the view that this could be brought forward, as required.

Base case Scenario

The period forecast is up to 30 June 2024.

The business has now traded for in excess of 18 months without Government-enforced closures due to the pandemic, and the Board approved budget and latest forecasts assume that this will continue indefinitely. The forecast assumes growth in like-for-like admissions vs. 2022, given the fuller film release schedule as the industry recovers from pandemic-related production delays, but remain below pre-pandemic levels. Increases in forecast costs reflect the current inflationary environment. New openings are forecast at 6 for 2023, with corresponding capital investment.

In this scenario the Group maintains significant headroom in its banking facilities.

Stress testing

The Board considers budget assumptions on admissions to be very conservative, given that they do not demonstrate a return to pre-pandemic levels until 2025.. A reduction in budgeted admissions of 8% each month from March 2023 has been modelled. This scenario would cause a breach in the Fixed Cover Charge covenant in May 2023.

Director's report (cont.)

If such a scenario were to occur, Management would be able to temporarily reduce administrative expenditure to increase EBITDA and avoid a breach, without material impact to the Group's operations and the quality of customer experience. In this scenario, the Group would remain compliant with the Adjusted Leverage covenant.

The Directors believe that the Group is well-placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements. The Board considers that an 8% reduction in budgeted admissions is plausible but unlikely, particularly in light of business performance in January and February 2023 and the increase in the number of wide releases expected over the remainder of the year. As a result, the Board does not believe this to represent a material uncertainty, and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Substantial shareholdings

As at 29 December 2022 the Company was aware of the following interests in 3% or more of the Company's Ordinary share capital as set out below.

Shareholder	% of issued share capital 2022	% of issued share capital 2021
Blue Coast Private Equity LP	19.58%	18.98%
BlackRock	9.34%	8.40%
Tellworth Investments	8.63%	9.03%
Canaccord Genuity Wealth Management	7.99%	8.72%
Charles Dorfman*	6.44%	6.44%
Adam Kaye	5.98%	5.87%
Samuel Kaye	5.51%	5.20%
Otus Capital Management	5.07%	5.02%
Gresham House Asset Management	3.96%	3.97%
Schroder Investment Management	3.80%	3.80%
Shore Capital	3.29%	3.29%
Paul Wise**	3.28%	3.24%

*Of the 5,870,027 Ordinary shares Charles Dorfman is interested in 3,213,876 (2021:3,213,876) Ordinary shares are held by the Lloyd Dorfman Children's Settlement. Charles Dorfman is one of the potential beneficiaries of the settlement.

**Of the 2,986,752 Ordinary shares Paul Wise is interested in, 2,260,052 (2021: 2,260,052) Ordinary shares are held by the Paul Wise Family Trust. Paul Wise is one of the potential beneficiaries of the Trust.

Directors

Biographical details of continuing Directors are set out on the Company's website: investors.everymancinema.com.

The Directors of the Company during the year were:

Directors	Function
Adam Kaye	Executive Director
Alex Scrimgeour	Chief Executive Officer
Charles Dorfman (R,N)	Non-Executive Director
Elizabeth Lake FCA (resigned 28 March 2022)	Chief Financial Officer
Maggie Todd	Independent Non-Executive Director
Michael Rosehill FCA (R,N,A)	Non-Executive Director
Paul Wise (resigned 28 February 2023)	Executive Chairman
Philip Jacobson FCA	Non-Executive Chairman
Ruby McGregor-Smith (R,N,A) (appointed 20 September 2022)	Independent Non-Executive Director
William Worsdell ACA (appointed 28 June 2022)	Finance Director

R = Member of the remuneration committee
N = Member of the nominations committee
A = Member of the audit committee

Philip Jacobson resigned from the Remuneration, Nomination and Audit Committees on 1 January 2023.

Director's report (cont.)

Directors' interests in the Company

The following Directors held shares in the Company at the year-end (there were no significant changes between the shareholdings at the year end and the date of this report):

Director	Number of Ordinary shares 2022	% of issued share capital 2022	Number of Ordinary shares 2021	% of issued share capital 2021
Charles Dorfman	5,870,027	6.44%	5,870,027	6.44%
Adam Kaye	5,449,956	5.98%	5,349,956	5.87%
Paul Wise	2,986,752	3.28%	2,956,752	3.24%
Alex Scrimgeour	250,974	0.28%	240,974	0.26%
Michael Rosehill FCA*	218,710	0.24%	218,710	0.24%
Philip Jacobson FCA	98,336	0.11%	98,336	0.11%

*Michael Rosehill is a Director of Blue Coast Private Equity and therefore has an interest in its shareholding.

As at the Balance Sheet date, the following options over Ordinary shares were held by the Directors (see also notes to the financial statements):

Director	Grant Date	Exercise Price Pence	30 December 2021 Number	Issued in the year Number	Lapsed in the year Number	Exercised in the year Number	29 December 2022 Number
Alex Scrimgeour	8 April 21	100	1,000,000	-	-	-	1,000,000
	30 July 21	10	120,430		(120.430)		-
	24 Oct 22	10	-	186,667	(186,667)	-	-
Paul Wise	12 Nov 20	94	800,000	-	-	-	800,000
Adam Kaye	12 Nov 20	94	800,000	-	-	-	800,000
Philip Jacobson	29 Oct 13	83	100,000	-	-	-	100,000
Charles Dorfman	29 Oct 13	83	50,000	-	-	-	50,000
Michael Rosehill	04 Nov 13	83	50,000	-	-	-	50,000
William Worsdell	05 May 22	130	-	100,000	-	-	100,000
	27 June 22	111	-	100,000	-	-	100,000
	24 Oct 22	10	-	46,561	(46,561)	-	-
Total			2,920,430	433,228	(353,658)	-	3,000,000

In addition to the options in the table above, Alex Scrimgeour holds Growth Shares in Everyman Media Holdings Limited which subject to certain performance conditions can be exchanged for new shares in Everyman Media Group PLC.

Director	Grant Date	Vesting Conditions	Exercise Price Pence	30 December 2021 Number	Issued in the year Number	Lapsed in the year Number	Exercised in the year Number	29 December 2022 Number
Alex Scrimgeour	10 June 21	19	10	1,000,000	-	-	-	1,000,000
	10 June 21	19	10	1,000,000	-	-	-	1,000,000
Total				2,000,000	-	-	-	2,000,000

Director's report (cont.)

Details of the option scheme vesting and performance conditions are set out at note 32 of the financial statements. No share options (2021: Nil) were exercised by Directors during the year.

Policy and practice on the payment of creditors

The policy of the Group is to settle supplier invoices within the terms and conditions of trade agreed with individual suppliers, unless other arrangements have been agreed.

Employees

Employee involvement

The Group places considerable emphasis on maintaining good relations with all its employees. The Group places great importance on managers at each venue being well trained and capable of recruiting, training and developing a strong team and the Group equips them with the necessary tools in order to provide a positive working atmosphere.

The year has again been challenging for all our employees, and the Group has maintained regularly communication throughout the year, particularly during periods of closure and furlough. The Group has continued to seek engagement and consultation whenever making decisions that affect them or their interests. Employees are provided with regular on-the-job training and career development opportunities and the Group places a significant importance on developing from within.

Employment of disabled persons

The Group is an equal opportunities employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet the minimum selection criteria. The Group provides training and development for people with disabilities tailored, where appropriate, to ensure they have the opportunity to achieve their potential. If a Group employee becomes disabled while in our employment the Group will do its best to retain them, including consulting with them about their requirements, making reasonable and appropriate adjustments and providing alternative suitable employment where possible.

Political and charitable donations

The Group made charitable donations in the year of £8,833 (2021: £Nil).

Post balance sheet events

Sale and leaseback of Crystal Palace venue

On 16 January 2023, the Group completed the sale and leaseback of its freehold property at 25 Church Road, London SE19 2TE. Proceeds from the sale, after associated fees and disbursements, were £3.8m. At the balance sheet date, the property was held for sale in ECPee Limited, with a carrying value of £3.2m.

As a result of the transaction, the Group will recognise a net profit on disposal of £0.6m in 52-week period ended 28 December 2023.

The leaseback element of the transaction is accounted for as a finance lease under IFRS 16. This will result in the recognition of a right of use asset and a lease liability in 2023.

Under the terms of the lease agreement, the Group has leased back the property for a period of 25 years at annual rent of £240,000. The rent is to be reviewed every five years. The first and second reviews are to be upwards only on an indexed basis by reference to increases in the Retail Prices All Items Indexed with a collar of 1% per annum and a cap of 4% per annum. The third and fourth reviews are on an upwards only basis to be the higher of the indexed rent (increased in accordance with the mechanism agreed for the first two reviews) and the open market rent pursuant to an open market rent review mechanism.

Extension of banking facilities

On 14th March 2023, the Group extended its £25m revolving credit facility ("RCF") by a period of 3 months, to 17 April 2024. The Group's residual £15m facility is a Coronavirus Large Business Interruption Loan Scheme ("CLBILS") and cannot be extended beyond its original maturity date of 17 January 2024.

The Group has begun a process to re-finance both the RCF and the CLBILS and expects to complete this in due course.

Director's report (cont.)

Disclosure of information to auditor

In the case of each person who was a Director at the time this report was approved:

- So far as that each Director was aware, there was no relevant available information of which the Company's auditor is unaware
- Each Director has taken all steps that they ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor was aware of that information.

Auditor

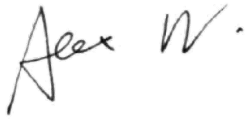
In accordance with s489 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditor of the Company is to be proposed at the forthcoming annual general meeting.

Internal financial control

The Group operates a system of internal financial controls commensurate with its current size and activities, which is designed to ensure that the possibility of misstatement or loss is kept to a minimum. There is a system in place for financial reporting and the Board receives regular reports to enable it to carry out these functions in the most efficient manner. These procedures include the preparation of management accounts, forecast variance analysis and other ad hoc reports. There are clearly defined authority limits throughout the Group, including those matters which are reserved specifically for the Board.

The Board has responsibility for the effectiveness of the internal financial control framework. Such a system can only provide reasonable and not absolute assurance against material misstatement. The Group does not currently have, nor considers there is currently a need for, an internal audit function. As the number of sites operated by the Group increases the Board intends to regularly assess the ongoing need for strengthening internal financial controls.

The Board's financial risk management, objectives and policies together with the Board's policies in respect of price risk, credit risk, liquidity risk and cash flow risk are set out in the notes to the financial statements.



On behalf of the Board
Alex Scrimgeour
CEO
Everyman Media Group PLC
Studio 4, 2 Downshire Hill
London
NW3 1NR
11 April 2023

Statement of Directors' responsibilities in respect of the annual report and financial statements

The Directors are responsible for preparing the annual report and the Group and parent Company financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted International Accounting Standards and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the 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 each of the Group and Parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant, reliable and prudent.
- For the Group financial statements, state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements.
- For the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditor's report to the members of Everyman Media Group PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 29 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Everyman Media Group PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 29 December 2022 which comprise the consolidated statement of profit and loss and other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, the company balance sheet and the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to 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 and the Parent Company's ability to continue to adopt the going concern basis of accounting is set out in the related key audit matter section of this report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

<table>
<tr><td>Coverage[1]</td><td>100% (2021: 100%) of Group revenue
100% (2021: 100%) of Loss before tax
100% (2021: 99%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td>
<table>
<tr><th></th><th>2022</th><th>2021</th></tr>
<tr><td>Impairment of goodwill, property, plant and equipment and right-of-use asset</td><td>✓</td><td>✓</td></tr>
<tr><td>Leases – Impact of rent concessions and modifications</td><td>x</td><td>✓</td></tr>
<tr><td>Going concern assessment and disclosure</td><td>✓</td><td>✓</td></tr>
</table>
The impact of rent concessions and modifications on leases is no longer a key audit matter as few variations to leases arrangements have arisen during the current year. Variation to lease terms was prevalent in the prior period in response to Covid-19. For these reasons, it was not considered to be a significant risk.
</td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£800,000 (2021: £460,000) based on 1% (2021: 0.9%) of revenue recorded for the year ended 29 December 2022</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We analysed the key financial metrics and risk factors of the Group's components to determine those we consider significant to the Group. We considered Everyman Media Group PLC, Everyman Media Holdings Limited, and Everyman Media Limited to be significant components. As such, these companies were subject to full scope audits to their respective component materiality performed by the Group engagement team.

In respect of non-significant components, we performed analytical procedures together with further limited procedures over certain balance sheet and expense items where these were material. We considered each key audit matter identified below in respect of the non-significant components to ensure that these risks were appropriately addressed through our work performed at a Group level.

The Group audit team obtained an understanding of the internal control environment related to the financial reporting process and assessed the appropriateness, completeness and accuracy of Group journals and other adjustments performed on consolidation.

[1] These are areas which have been subject to a full scope audit by the Group engagement team

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our 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) that we identified, 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 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of goodwill, property, plant and equipment and right-of-use asset See accounting policy in note 2, note 15 Property, plant and equipment, note 17 Leases, note 18 Goodwill, intangible assets and impairment. The Group has goodwill of £7,352,000 (2021: £7,352,000), property, plant and equipment of £90,067,000 (2021: £81,848,000) and right-of-use assets of £58,920,000 (2021: £58,593,000)	Goodwill and property, plant and equipment (PPE), including the right-of-use assets (ROU Assets) are significant balances. Cash Generating Units (CGU) are assessed for impairment on an individual theatre basis, which management believes is the lowest level for which there are identifiable cash flows. CGU's containing goodwill are subject to annual impairment reviews. The remaining CGU's have been subject to an impairment trigger analysis. Impairment reviews require use of assumptions, including discount rates, forecast admissions growth, average ticket price and spend per head. The assessment of any potential impairment of the carrying values are subject to management judgment and estimation uncertainty where there is a requirement to estimate the recoverable amount. Due to the high degree of estimation uncertainty included in impairment models we consider this to be a significant risk and key audit matter.	We have obtained management's impairment analysis and: • checked the mathematical accuracy of the cash flow forecasts and impairment models, checking consistency with the requirements of the applicable accounting standard; • agreed the budgeted performance data to board approved forecasts and evaluated the process by which management prepared its forecast, including whether it appropriately factored in the potential impacts of cost-of-living crisis, and any expected decline in consumer spending; • challenged the appropriateness of key estimates and assumptions used by management within the forecast model including admissions, average ticket price and spend per head, comparing these against prior periods, industry peers and external sources of data including industry outlook reports; • reviewed management's sensitivity analysis and considered whether a reasonable change in assumptions could indicate a potential impairment; and • with the assistance of our internal valuation experts, we assessed the appropriateness of the discount rate and impairment model used. We also critically reviewed completeness and accuracy of disclosures relating to assumptions used in management's model.
Key observations: We are satisfied that the judgements applied by management and disclosures within the financial statements are appropriate.		

Key audit matter		How the scope of our audit addressed the key audit matter
Going concern assessment and disclosure (Group and Parent Company) See accounting policy in note 2.	The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company. Trading has improved from the prior period driven by higher admissions, opening of two new venues, and no government-imposed closures for the Covid pandemic. All venues traded through the year, aside from temporary closures for refurbishments. Despite these improvements the macro - economic environment is challenging with high inflation and energy prices representing risk to consumer confidence and availability of discretionary income. The Group has a banking facility that has been partially drawn down, and has covenants to comply with. The risk for our audit is whether or not the above, or related matters, are such that they amount to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed, and therefore there is also a risk of the going concern disclosures not being sufficient.	We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds. Our procedures included: • obtaining an understanding of how the Directors undertook the going concern assessment process to determine if we considered it to be appropriate for the current economic circumstances. This included checking that it included an assessment of the impact of rising inflation, reduction in consumer disposable income; • obtaining the Directors' base case forecast and stress test scenarios underlying the going concern assessment and considering sensitivities over the level of financial resources indicated by the Group's financial forecasts. Key estimates and assumptions within the forecasts, included admissions, average ticket prices and spend per head, the reasonableness of which were considered with reference to historical levels achieved both pre-Covid-19 and following re-opening in May 2021; • confirming compliance with loan covenants is expected during the forecast period based on the above scenarios to identify the existence of breaches. • obtain loan facilities extensions agreements, and checking management have considered, the likelihood of higher interest cost. • comparing post year end trading performance against the forecasts to evaluate the achievability of the forecasts prepared; and • considering whether the going concern disclosures in note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern.
Key observations: As disclosed above in the Conclusions relating to going concern section, we found the going concern disclosure in note 2 without any material uncertainty to be acceptable (2021: acceptable).		

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Parent company financial statements	
	2022	2021	2022	2021
Materiality	£800,000	£460,000	£600,000	£220,000
Basis for determining materiality	1% of Group revenue	0.9% of Group revenue	0.6% of Company net assets	0.2% of Company net assets
Rationale for the benchmark applied	As the Group continues to expand through investment in new venues, advertising and promotion, we consider revenue to be the most stable measure on which to base materiality and provides users of the financial statements with the most appropriate benchmark to assess performance of the Group.		We have selected net assets as the appropriate benchmark as it most accurately reflects the Parent Company's status as a non- trading holding company.	
Performance materiality	£560,000	£322,000	£420,000	£154,000
Basis for determining performance materiality	70% of Group Materiality		70% of Parent company Materiality	
Rationale for the percentage applied for performance materiality	In setting the level of performance materiality, we have considered the level of specific risk associated with the audit, including the potential for aggregation and sampling risk across the Group.			

Component materiality
For the purposes of our Group audit opinion, we set materiality for each significant component of the Group , apart from the Parent Company whose materiality is set out above, based on a percentage of between 25% and 98% (2021: 31% and 98%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £200,000 to £780,000 (2021: £144,000 to £450,000). In the audit of each component, we further applied performance materiality levels of 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £32,000 (2021: £18,400). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

	• the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities in respect of the annual report and financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Parent 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud
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:

Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The significant laws and regulations we considered in this context included the UK Companies Act, the accounting frameworks, Alternative Investment Market (AIM) rules and relevant tax legislation.
- enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and

- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified the potential for fraud in the following areas:
    - management override of controls and revenue recognition, specifically in relation to recording of journal postings, and
    - where significant estimation uncertainty and judgements are required, such as impairment testing of goodwill, leases and property, plant and equipment as set out in the key audit matters section.

Audit response to risks identified
Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud in revenue and through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and assessing if there were any significant transactions that are unusual, and if so, evaluating the business rationale.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www frc org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Daniel Henwood
91215F1E623A457...

Daniel Henwood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK

11 April 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EVERYMAN

Consolidated statement of profit and loss and other comprehensive income for the year ended 29 December 2022

	Note	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Revenue	6	78,817	49,027
Cost of sales		(28,338)	(18,129)
Gross profit		**50,479**	**30,898**
Other Operating Income	11	622	3,800
Impairment reversal		-	2,504
Administrative expenses		(50,699)	(39,363)
Operating profit /(loss)		**402**	**(2,161)**
Financial expenses	12	(3,906)	(3,255)
Loss before tax		**(3,504)**	**(5,416)**
Tax charge	13	-	(14)
Loss for the year		**(3,504)**	**(5,430)**
Other comprehensive income for the year		-	69
Total comprehensive income for the year		**(3,504)**	**(5,361)**
Basic loss per share (pence)	14	(3.84)	(5.96)
Diluted loss per share (pence)	14	(3.84)	(5.96)

All amounts relate to continuing activities.

Non-GAAP measure: adjusted EBITDA		Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Adjusted EBITDA		14,527	8,281
Before:			
Depreciation and amortisation	15/17/18	(11,725)	(11,727)
Disposal of Property, Plant & Equipment	15	(434)	-
Impairment reversal		-	2,504
Pre-opening expenses		(195)	(147)
Exceptional		(234)	-
Share-based payment expense	31	(1,537)	(1,072)
Operating profit / (loss)		402	(2,161)

EVERYMAN

Consolidated balance sheet at 29 December 2022

Registered in England and Wales
Company number: 08684079

	Note	29 December 2022 £000	30 December 2021 £000
Assets			
Non-current assets			
Property, plant and equipment	15	90,067	81,848
Right-of-use assets	17	58,920	58,593
Intangible assets	18	9,312	8,906
Trade and other receivables	22	173	177
		158,472	149,524
Asset held for sale	16	3,219	-
		161,691	**149,524**
Current assets			
Inventories	20	690	711
Trade and other receivables	22	5,840	5,649
Cash and cash equivalents	21	3,701	4,240
		10,231	10,600
Total assets		**171,922**	**160, 124**
Liabilities			
Current liabilities			
Loans and borrowings	24	247	119
Other provisions	28	-	393
Trade and other payables	23	15,571	15,994
Lease liabilities	17	3,014	2,633
		18,832	**19,139**
Non-current liabilities			
Loans and borrowings	24	22,000	12,500
Other provisions	28	1,362	1,118
Lease liabilities	17	83,459	79,147
		106,821	**92,765**
Total liabilities		**125,653**	**111,904**
Net assets		**46,269**	**48,220**
Equity attributable to owners of the Company			
Share capital	30	9,118	9,117
Share premium	30	57,112	57,097
Merger reserve	30	11,152	11,152
Other reserve		83	83
Retained earnings		(31,196)	(29,229)
Total equity		**46,269**	**48,220**

These financial statements were approved by the Board of Directors and authorised for issue on 11 April 2023 and signed on its behalf by:



Will Worsdell
Finance Director

EVERYMAN

Consolidated statement of changes in equity for the year ended 29 December 2022

	Note	Share capital £000	Share premium £000	Merger reserve £000	Other reserve £000	Retained earnings £000	Total Equity £000
Balance at 31 December 2020		9,110	57,038	11,152	(6)	(24,871)	**52,423**
Loss for the year		-	-	-	-	(5,430)	**(5,430)**
Retranslation of foreign currency denominated subsidiaries		-	-	-	69	-	**69**
Total comprehensive income		-	-	-	69	(5,430)	**(5,361)**
Shares issued in the period	30	7	59	-	-	-	**66**
Share-based payments	31	-	-	-	-	1,072	**1,072**
Growth Shares		-	-	-	20	-	**20**
Total transactions with owners of the parent		7	59	-	20	1,072	**1,158**
Balance at 30 December 2021		**9,117**	**57,097**	**11,152**	**83**	**(29,229)**	**48,220**
Loss for the year		-	-	-	-	(3,504)	**(3,504)**
Total comprehensive income		-	-	-	-	(3,504)	**(3,504)**
Shares issued in the period	30	1	15	-	-	-	**16**
Share-based payments	31	-	-	-	-	1,537	**1,537**
Total transactions with owners of the parent		1	15	-	-	1,537	**1,553**
Balance at 29 December 2022		**9,118**	**57,112**	**11,152**	**83**	**(31,196)**	**46,269**

Consolidated cash flow statement for the year ended 29 December 2022

	Note	29 December 2022 £000	30 December 2021 £000
Cash flows from operating activities			
Loss for the year		(3,504)	(5,430)
Adjustments for:			
Financial expenses	12	3,906	3,255
Income tax expense	13	-	14
Operating profit/(loss)		402	(2,161)
Depreciation and amortisation	15,17,18	11,725	11,727
Impairment reversal		-	(2,504)
Loss on disposal of property, plant and equipment		434	488
Rent concessions		-	(701)
Gain on lease derecognition		(99)	-
Share-based payment expense	31	1,537	1,072
		13,999	7,921
Changes in working capital:			
Decrease/ (Increase) in inventories		21	(326)
Increase in trade and other receivables		(187)	(2,844)
(Decrease)/Increase in trade and other payables		(1,658)	7,067
(Decrease)/ Increase in provisions		(378)	384
Net cash generated from operating activities		11,797	12,202
Cash flows from investing activities			
Acquisition of property, plant and equipment		(18,884)	(7,391)
Acquisition of intangible assets		(1,058)	(422)
Net cash used in investing activities		(19,942)	(7,813)
Cash flows from financing activities			
Proceeds from the issuance of shares	30	16	86
Drawdown of bank borrowings	25	9,500	6,000
Repayment of bank borrowings	25	-	(2,500)
Lease payments – interest	17	(2,851)	(2,587)
Lease payments – capital	17	(3,210)	(1,526)
Landlord capital contributions received	17	5,005	500
Interest paid		(854)	(519)
Net cash generated from/ (used in) financing activities		7,606	(546)
Net (decrease)/ increase in cash and cash equivalents		(539)	3,843
Exchange loss on cash and cash equivalents		-	69
Cash and cash equivalents at the beginning of the year		4,240	328
Cash and cash equivalents at the end of the year		3,701	4,240

The Group had £18,000,000 of undrawn funds available (2021: £27,500,000) of the loan facility at the year end

Company balance sheet as at 29 December 2022

Registered in England and Wales
Company number: 08684079

	Note	29 December 2022 £000	30 December 2021 £000
Assets			
Non-current assets			
Trade and other receivables	22	89,767	76,772
Property, plant and equipment	15	-	43
Right-of-use assets	17	8,347	8,867
Investments	19	31,994	31,994
Deferred tax assets	29	188	150
		130,296	117,826
Current assets			
Trade and other receivables		-	176
Total assets		**130,296**	**118,002**
Liabilities			
Current liabilities			
Trade and other payables	23	524	48
Lease liabilities	17	352	679
Loans and borrowings	24	247	119
		1,123	846
Non-current liabilities			
Loans and borrowings	24	22,000	12,500
Lease liabilities	17	9,459	9,926
Other provisions	28	84	84
		31,543	22,510
Total liabilities		**32,666**	**23,356**
Net assets		**97,630**	**94,646**
Equity			
Equity attributable to owners of the Company			
Ordinary shares	30	9,118	9,117
Share premium	30	57,112	57,097
Merger reserve	30	20,336	20,336
Retained earnings		11,064	8,096
Total equity		**97,630**	**94,646**

The Company profit for the year was £2,029,000 (2021: £2,528,000).

These financial statements were approved by the Board of Directors and authorised for issue on 11 April 2023 and signed on its behalf by:

Will Worsdell
Finance Director

Company statement of changes in equity for the year ended 29 December 2022

	Note	Share capital £000	Share premium £000	Merger Reserve £000	Retained earnings £000	Total equity £000
Balance at 31 December 2020		**9,110**	**57,038**	**20,336**	**4,943**	**91,427**
Profit for the year		-	-	-	2,528	**2,528**
Total comprehensive income		-	-	-	2,528	**2,528**
Shares issued in the period	30	**7**	**59**	-	-	**66**
Share-based payment expense	32	-	-	-	625	**625**
Total transactions with owners of the parent		7	59	-	625	**691**
Balance at 30 December 2021		**9,117**	**57,097**	**20,336**	**8,096**	**94,646**
Profit for the year		-	-	-	2,029	**2,029**
Total comprehensive income		-	-	-	2,029	**2,029**
Shares issued in the period	30	**1**	**15**	-	-	**16**
Share-based payment expense	31	-	-	-	939	**939**
Total transactions with owners of the parent		1	15	-	939	**955**
Balance at 29 December 2022		**9,118**	**57,112**	**20,336**	**11,064**	**97,630**

Notes to the financial statements

1 General information

Everyman Media Group PLC and its subsidiaries (together, the Group) are engaged in the ownership and management of cinemas in the United Kingdom. Everyman Media Group PLC (the Company) is a public company limited by shares registered, domiciled and incorporated in England and Wales, in the United Kingdom (registered number 08684079). The address of its registered office is Studio 4, 2 Downshire Hill, London NW3 1NR. All trade takes place in the United Kingdom.

2 Basis of preparation and accounting policies

The consolidated financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standards. The Parent Company financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework.

The financial statements are prepared on the historical cost basis.

The preparation of financial statements in compliance with UK adopted International Accounting Standards requires the use of certain critical accounting estimates, it also requires Group management to exercise judgements and estimates in preparing the financial statements. Their effects are disclosed in the notes below.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements. The Group prepares its financial statements on a 52/53 week basis. The year end date is determined by the 52nd Thursday in the year. A 53rd week is reported where the year end date is no longer aligned with 7 days either side of 31st December. The year ended 29 December 2022 is a 52-week period as is the comparative year.

Amounts are rounded to the nearest thousand, unless otherwise stated.

Company basis of preparation

The Parent Company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In these financial statements, the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- A cash flow statement and related notes.
- Disclosures in respect of transactions with wholly-owned subsidiaries.
- Disclosures in respect of capital management.
- Disclosures in respect of the compensation of key management personnel.
- New but not yet effective IFRS.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures:

- IFRS2 Share Based Payments in respect of Group-settled share based payments.
- Certain disclosures required by IFRS13 Fair Value Measurement.
- Certain disclosures required by IFRS7 Financial Instruments.

Going concern

Current trading is in line with management expectations. Given the increased number of wide releases year-on-year, commitment to the theatrical window from distributors and new investment from streamers in content for cinema, management expect admissions to continue to recover towards pre-pandemic levels. Paid for Average Ticket Price and Spend per Head have continued to grow steadily despite well-publicised concerns over consumer spends.

Banking

The Group's banking arrangements consist of a £25m Revolving Credit Facility ("RCF") and a £15m Coronavirus Large Business Interruption Loan Scheme ("CLBILS"). On the 14th March 2023 the RCF was extended by 3 months, to 17th April 2024. The CLBILS, which cannot be extended, will mature on the previous maturity date of 17th January 2024. The Group's forecasts demonstrate headroom without the CLBILS component of the facility.

The Group is actively engaged with its banking partners on a re-finance of both the RCF and the CLBILS and expects to complete this process in the coming months.

At the end of the year, the Group had drawn down £22.2m on its facilities and held £3.7m in cash; the undrawn facility was therefore £18m and net banking debt £18.5m.

The facility covenants were amended temporarily to provide liquidity through the pandemic, when the facility amendments were made in the first quarter of 2021. From June 2022, the covenants returned to the pre-pandemic tests based on leverage and fixed cover charge. The Group has operated within these covenants all year and expects to continue to do so going forward.

Sale of Crystal Palace Freehold

On 16 January 2023, the Group completed the sale and leaseback of its freehold property at 25 Church Road, London SE19 2TE. Proceeds from the sale, after associated fees and disbursements, were £3.8m. At the balance sheet date, the property was held for sale in ECPee Limited, with a carrying value of £3.2m.

This additional liquidity has reduced the Group's reliance on debt to finance its expansion programme during 2023.

Salisbury Freehold

During the year the Group acquired the freehold at Gala Clubs, Endless Street, Salisbury SP1 1DP, which will open as a new four-screen cinema during 2023. The Group's forecasts do not consider the sale of this freehold and subsequent leaseback within the next 12 months. However, should the need for additional liquidity arise, management are of the view that this could be brought forward, as required.

Base case Scenario

The period forecast is up to 30 June 2024.

The business has now traded for in excess of 18 months without Government-enforced closures due to the pandemic, and the Board approved budget and latest forecasts assume that this will continue indefinitely. The forecast assumes growth in like-for-like admissions vs. 2022, given the fuller film release schedule as the industry recovers from pandemic-related production delays, but remain below pre-pandemic levels. Increases in forecast costs reflect the current inflationary environment. New openings are forecast at 6 for 2023, with corresponding capital investment.

In this scenario the Group maintains significant headroom in its banking facilities and complies with covenants.

Stress testing

The Board considers budget assumptions on admissions to be very conservative, given that they do not demonstrate a return to pre-pandemic levels until 2025. A reduction in budgeted admissions of 8% each month from March 2023 has been modelled. This scenario would cause a breach in the Fixed Cover Charge covenant in May 2023.

If such a scenario were to occur, Management would be able to temporarily reduce administrative expenditure to increase EBITDA and avoid a breach, without material impact to the Group's operations and the quality of customer experience. In this scenario, the Group would remain compliant with the Adjusted Leverage covenant.

The Directors believe that the Group is well-placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the approval of the financial statements. The Board considers that an 8% reduction in budgeted admissions is unlikely, particularly in light of business performance in January and February 2023 and the increase in the number of wide releases expected over the remainder of the year. As a result, the Board does not believe this to represent a material uncertainty, and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Use of non-GAAP profit and loss measures

The Group believes that along with operating profit, adjusted EBITDA provides additional guidance to the statutory measures of the performance of the business during the financial year. The reconciliation between operating profit and adjusted EBITDA is shown on page 41.

Adjusted EBITDA is calculated by adding back depreciation, amortisation, profit or loss on disposal of Property, Plant & Equipment, pre-opening expenses and certain non-recurring or non-cash items. Adjusted EBITDA is an internal measure used by management as they believe it better reflects the underlying performance of the Group beyond generally accepted accounting principles.

Exceptional items that have been added back when calculating adjusted EBITDA relate to restructuring costs within the Head Office team.

Basis of consolidation

Where the Group has power, either directly or indirectly so as to have the ability to affect the amount of the investor returns and has exposure or rights to variable returns from its involvement with the investee, it is classified as a subsidiary. The balance sheet at 29 December 2022 incorporates the results of all subsidiaries of the Group for all years and periods, as set out in the basis of preparation.

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date.

Merger reserve

On 29 October 2013 the Company became the new holding company for the Group. This was put into effect through a share-for-share exchange of 1 Ordinary share of 10 pence in Everyman Media Group PLC for 1 Ordinary share of 10 pence in Everyman Media Holdings Limited (previously, Everyman Media Group Limited), the previous holding company for the Group. The value of 1 share in the Company was equivalent to the value of 1 share in Everyman Media Holdings Limited.

The accounting treatment for group reorganisations is presented under the scope of IFRS3. The introduction of the new holding company was accounted for as a capital reorganisation using the principles of reverse acquisition accounting under IFRS3. Therefore, the consolidated financial statements are presented as if Everyman Media Group PLC has always been the holding company for the Group. The Company was incorporated on 10 September 2013.

The use of merger accounting principles has resulted in a balance in Group capital and reserves which has been classified as a merger reserve and included in the Group's shareholders' funds.

The Company recognised the value of its investment in Everyman Media Holdings Limited at fair value based on the initial share placing price on admission to AIM. As permitted by s612 of the Companies Act 2006, the amount attributable to share premium was transferred to the merger reserve.

Revenue recognition

Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue for services provided when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Most of the Group's revenue is derived from the sale of tickets for film admissions and the sale of food and beverage, and therefore the amount of revenue earned is determined by reference to the prices of those items. The Group's revenues from film and entertainment activities are recognised on completion of the showing of the relevant film. The Group's revenues for food and beverages are recognised at the point of sale as this is the time the performance obligations have been met.

Bookings, gift cards and similar income which are received in advance of the related performance are classified as deferred revenue and shown as a liability until completion of the performance obligation.

All contractual-based revenue from memberships is initially classified as deferred revenue and subsequently recognised on a straight-line basis over the year. Advertising revenue is recognised at the point the advertisement is shown in the cinemas.

Fees charged for advanced bookings of tickets is recognised at the point when the tickets are purchased.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. Goodwill represents the excess of the costs of a business combination over the total acquisition date fair values of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset. Costs incurred in a business combination are expensed as incurred with the exception that for business combinations completed prior to 1 January 2010, cost comprised the fair value of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU), this is usually an individual cinema venue. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit and loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit/group of units on a pro-rata basis. Once goodwill has been impaired, the impairment cannot be reversed in future periods.

Intangible assets

Software and website assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is provided on all software assets so as to write off their carrying value over the expected useful economic lives. The estimated useful lives are as follows:

Software assets	- 3 to 5 years

Amortisation on software in development does not commence until it is complete and available for use.

Property, plant and equipment

Items of property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses. As well as the purchase price, cost includes directly attributable costs.

Depreciation on assets under construction does not commence until they are complete and available for use. These assets represent fit-outs. Depreciation is provided on all other leasehold improvements and all other items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. The estimated useful lives are as follows:

Freehold properties	- 50 years
Leasehold improvements	- straight line on cost over the remaining life of the lease
Plant and machinery	- 5 years
Fixtures and fittings	- 8 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Land is not depreciated.

Impairment (excluding inventories)
Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment losses (including reversals of impairment losses or impairment gains) are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Non-current assets held for sale
Non-current assets are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets are not depreciated.

Inventories
Inventories are valued at the lower of cost and net realisable value. The cost incurred in bringing each product to its present location and condition is accounted for as follows:

Food and beverages	- purchase cost on a first-in, first-out basis
Projection stock	- purchase cost on a first-in, first-out basis

Net realisable value is the estimated selling price in the ordinary course of business.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Lease dilapidation provisions are recognised when entering into a lease where an obligation is created. This obligation may be to return the leasehold property to its original state at the end of the lease in accordance with the lease terms. Leasehold dilapidations are recognised at the net present value and discounted over the remaining lease period.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset (this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset). If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Leases (continued)
At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Leases in which the Group is a lessee
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises these lease payments as an expense on a straight-line basis over the lease term.

IFRS 16: Leases – Covid-19 Related Rent concessions amendment
The Group has adopted the amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to Covid-19 is a lease modification. Where the rent concession is a direct consequence of the Covid-19 pandemic, the revised consideration for the lease is substantially the same or less, the reduction affects only payments originally due on or before 30 June 2021, this was subsequently extended to 30 June 2022, and there were no other substantive changes to the lease then the concessions can be credited to the profit and loss in the period in which the event or condition that triggers the rent concession occurs, rather than as a lease modification.

Taxation
Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss 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 year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

Taxation (continued)

- The initial recognition of goodwill.
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit.
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group company; or
- Different company entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Operating segments

The Board, the chief operating decision maker, considers that the Group's primary activity constitutes one reporting segment, as defined under IFRS8.

The total profit measures are operating profit and profit for the year, both disclosed on the face of the consolidated profit and loss. No differences exist between the basis of preparation of the performance measures used by management and the figures used in the Group financial information.

All of the revenues generated relate to cinema tickets, sale of food and beverages and ancillary income, an analysis of which appears in the notes below. All revenues are wholly generated within the UK. Accordingly, there are no additional disclosures provided to the financial information.

Pre-opening expenses

Overhead expenses incurred prior to a new site opening are expensed to the profit and loss in the year that they are incurred. Similarly, the costs of training new staff during the pre-opening phase are expensed as incurred. These expenses are included within administrative expenses, right-of-use depreciation and financing expenses.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss in the periods during which services are rendered by employees.

Share-based payments

Certain employees (including Directors and senior executives) of the Group receive remuneration in the form of equity-settled share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions, through the Growth Share Scheme, Approved and Unapproved Options Schemes). The cost of share-based payments is recharged by the Company to subsidiary undertakings in proportion to the services recognised.

Equity-settled share based schemes are measured at fair value, excluding the effect of non-market based vesting conditions, at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Employee benefits (continued)
No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

3 Financial Instruments

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Liquidity Risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, it's objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments used by the Group, from which financial instrument risk arises are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Floating rate bank revolving credit facilities and lease liabilities

Financial assets
All the Group's financial assets are subsequently accounted for at amortised cost. These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated balance sheet.

Cash and cash equivalents comprise cash balances, call deposits and cash amounts in transit due from credit cards which are settled within seven days from the date of the reporting period. 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 Statement of Cash Flows.

Financial liabilities and equity
Financial instruments issued by the Group are treated as equity only to the extent that they meet the following conditions:

- They include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group
- Where the instruments may be settled in the Group's own equity instruments, they are either a non-derivative that include no obligation to deliver a variable number of the Group's own equity instruments or they are a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

3 Financial Instruments – Risk Management (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability and initially recognised at fair value net of any transaction costs directly attributable. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, to assess the credit risk of new customers before entering material contracts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 27.

Interest rate risk

The Group is exposed to cash flow interest rate risk from its revolving credit facility at variable rates. During 2022 and 2021, the Group's borrowings at variable rate were denominated in GBP.

The Group analyses the interest rate exposure on a monthly basis. A sensitivity analysis is performed by applying various reasonable expectations on rate changes to the expected facility drawdown.

Liquidity Risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances, through utilisation of its revolving credit facility.

4 Changes in accounting policies

New standards, interpretations and amendments adopted from 1 January 2022

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-Current Liabilities with Covenants)

The Group is currently assessing the impact of these new accounting standard and amendments.

The Group does not expect any other standards issued, but not yet effective, to have a material impact on the Group.

5 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill, right-of-use assets and property, plant and equipment

The Group determines whether the above are impaired when impairment indicators exist or based on the annual impairment assessment. The annual assessment requires an estimate of the value in use of the CGUs to which the intangible and tangible fixed assets are allocated, which is predominantly at the individual cinema site level.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from each cinema and discount these to their net present value at an appropriate discount rate. All venues are located in the UK and therefore a single discount rate has been used for all CGUs. The resulting calculation is sensitive to the assumptions in respect of future cash flows and the discount rate applied. The Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the CGUs and that the discount rates used are appropriate given the risks associated with the specific cash flows. A sensitivity analysis has been performed over the estimates (see Note 18).

Lease dilapidations

Future costs of repair and reinstatement obligations have been estimated by management using quotes or historical costs incurred for similar work and judgement based on experience and technical knowledge of employees with detailed knowledge of the premises and experience managing the estate. The costs are reviewed at least annually and updated based on physical inspections performed periodically.

6 Revenue

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Film and entertainment	39,764	25,150
Food and beverages	32,250	20,360
Venue Hire, Advertising and Membership Income	6,803	3,517
	78,817	49,027

All trade takes place in the United Kingdom.
The following provides information about opening and closing receivables, contract assets and liabilities from contracts with customers.

Contract balances	29 December 2022 £000	30 December 2021 £000
Trade and other receivables	3,308	3,847
Deferred income	4,143	4,284

Deferred income relates to advanced consideration received from customers in respect of memberships, gift cards and advanced screenings.

7 Loss before taxation

Loss before taxation is stated after charging:

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Depreciation of tangible assets	7,721	8,030
Amortisation of right-of-use assets	3,342	3,078
Amortisation of intangible assets	662	619
Impairment reversal on right-of-use asset and property plant and equipment	-	(2,504)
Loss on disposal of property, plant and equipment	434	533
Operating lease income	(57)	(87)
Share-based payment expense	1,537	1,072
Rent concession gains from practical expedient	-	(701)

8 Staff numbers and employment costs

The average number of employees (including Directors) during the year, analysed by category, was as follows:

	29 December 2022 Number	30 December 2021 Number
Management	222	186
Operations	1,032	731
	1,254	917

At the year end the number of employees (including Directors) was 1,380 (2021: 1,342)
Management staff represent all full-time employees in the Group.

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Wages and salaries	20,374	14,982
Social security costs	1,718	1,211
Pension costs	306	224
Share-based payment expense	1,537	1,072
Other staff benefits	31	5
	23,966	17,494

There were pension liabilities outstanding as at 29 December 2022 of £62,000 (30 December 2021: £66,000).

9 Directors' remuneration

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures:

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Salaries/fees	807	748
Bonuses	88	115
Other benefits	22	18
Pension contributions	14	15
	931	896
Share-based payment expense	869	720
	1,800	1,616

Information regarding the highest paid Director is as follows:

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Salaries/fees	294	244
Bonuses	44	40
Other benefits	21	15
Pension contributions	10	9
	369	308
Share-based payment expense	598	750
	967	1,058

Directors remuneration for each Director is disclosed in the Remuneration Committee report. The costs relating to the Directors remuneration are wholly incurred by Everyman Media Limited for the wider Group. No Directors exercised options over shares in the Company during the year (2021: None).

10 Auditor's remuneration

Fees payable to the Company's auditor for:	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Audit of the Company's financial statements	24	12
Audit of the subsidiary undertakings of the Company	159	77
Taxation services to the Group	-	20
	183	109

11 Other Operating Income

	Year ended 29 December 2022 £'000	Year ended 30 December 2021 £'000
Coronavirus Job Retention Scheme	-	2,801
Business Grants	155	999
Landlord compensation	467	-
	622	3,800

12 Financial expenses

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Interest on bank loans and overdrafts	983	595
Bank loan arrangement fees	60	85
Interest on lease liabilities	2,851	2,587
Interest on dilapidations provision	12	9
Reassessment of dilapidations NPV	-	(21)
	3,906	3,255

13 Taxation

	Year ended 29 December 2022 £000	Year ended 30 December 2021 £000
Tax expense		
Current tax	-	-
Adjustment in respect of prior years	-	-
Total current tax credit		
Deferred tax expense		
Origination and reversal of temporary differences	-	416
Adjustment in respect of prior years	-	(101)
Effect of tax rate change	-	(301)
Total tax (credit)/expense	-	14

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to the (loss)/ profit for the year are as follows:

13 Taxation (continued)

Reconciliation of effective tax rate	Year ended 29 December 2022	Year ended 30 December 2021
	£000	£000
Loss before tax	(3,504)	(5,416)
Tax at the UK corporation tax rate of 19.00%	(666)	(1,029)
Permanent differences (expenses not deductible for tax purposes)	840	750
Impact of difference in overseas tax rates	-	1
De-recognition of losses	32	605
Effect of change in expected future statutory rates on deferred tax	(206)	(217)
Impact of a drop in share-based payments intrinsic value	-	5
Adjustment in respect of previous periods	-	(101)
Other	-	-
Total tax (credit)/expense	-	14

A reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. In March 2020, it was announced that a rate of 19% would continue to apply with effect from 1 April 2020 and this change was substantively enacted from 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

14 Earnings per share

	Year ended 29 December 2022	Year ended 30 December 2021
	2021	2020
	£000	£000
Loss used in calculating basic and diluted earnings per share	(3,504)	(5,430)
Number of shares (000's)		
Weighted average number of shares for the purpose of basic earnings per share	91,178	91,129
Number of shares (000's)		
Weighted average number of shares for the purpose of diluted earnings per share	91,178	91,129
Basic loss per share (pence)	(3.84)	(5.96)
Diluted loss per share (pence)	(3.84)	(5.96)

14 Earnings per share (continued)

	29 December 2022 Weighted average no. 000's	30 December 2021 Weighted average no. 000's
Issued at beginning of the year	91,163	91,095
Share options exercised	15	34
Weighted average number of shares at end of the year	91,178	91,129
Weighted average number of shares for the purpose of diluted earnings per share		
Basic weighted average number of shares	91,178	91,129
Effect of share options in issue	-	-
Weighted average number of shares at end of the year	91,178	91,129

Basic earnings per share values are calculated by dividing net profit/(loss) for the year attributable to Ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year. The shares issued in the year in the above table reflect the weighted number of shares rather than the actual number of shares issued.

The Company has 7m potentially issuable Ordinary shares (2021: 7m) all of which relate to the potential dilution from share options issued to the Directors and certain employees and contractors, under the Group's incentive arrangements. In the current year these options are anti-dilutive as they would reduce the loss per share and so haven't been included in the diluted earnings per share.

The Company made a post-tax profit for the year of £2,028,000 (2021: £2,528,000).

15 Property, plant and equipment

(Group)

	Land & Buildings £000	Leasehold improvements £000	Plant & machinery £000	Fixtures & Fittings £000	Assets under construction £000	Total £000
Cost						
At 31 December 2020	6,529	75,623	15,998	9,940	1,624	109,714
Acquired in the year	-	1,648	954	395	4,394	7,391
Disposals	-	(1,189)	(4,382)	(1,156)	(59)	(6,786)
Transfer on completion	-	96	-	-	(96)	-
At 30 December 2021	6,529	76,178	12,570	9,179	5,863	110,319
Acquired in the year	1,278	977	830	406	16,102	19,593
Disposals	-	(648)	(284)	(425)	-	(1,357)
Transfer on completion	-	7,950	3,060	4,433	(15,443)	-
Re-classified to non-current assets held for sale	(3,398)	-	-	-	-	(3,398)
At 29 December 2022	4,409	84,457	16,176	13,593	6,522	125,157
Depreciation						
At 31 December 2020	159	14,415	9,173	4,402	-	28,149
Charge for the year	48	4,104	2,574	1,304	-	8,030
Impairment	-	(1,124)	(75)	(167)	-	(1,366)
On Disposals	-	(925)	(4,312)	(1,105)	-	(6,342)
At 30 December 2021	207	16,470	7,360	4,434	-	28,471
Charge for the year	42	3,850	2,536	1,293	-	7,721
On Disposals	-	(523)	(129)	(271)	-	(923)
Re-classified to non-current assets held for sale	(179)	-	-	-	-	(179)
At 29 December 2022	70	19,797	9,767	5,456	-	35,090
Net book value						
At 29 December 2022	4,339	64,660	6,409	8,137	6,522	90,067
At 30 December 2021	6,322	59,708	5,210	4,745	5,863	81,848
At 31 December 2020	6,433	61,143	6,825	5,538	1,626	81,565

15 Property, plant and equipment (continued)

For impairment considerations of tangible fixed assets this was considered using the value in use basis disclosed in Note 18.

(Company only)

	Plant & machinery £000	Fixtures & Fittings £000	Total £000
Cost			
At 31 December 2020	485	255	740
Acquired in the year	-	-	-
At 30 December 2021	485	255	740
Acquired in the year	-	-	-
At 29 December 2022	**485**	**255**	**740**
Depreciation			
At 31 December 2020	485	161	646
Charge for the year	-	51	51
At 30 December 2021	485	212	697
Charge for the year	-	**43**	**43**
At 29 December 2022	**485**	**255**	**740**
Net book value			
At 29 December 2022	-	-	-
At 30 December 2021	-	43	43
At 31 December 2020	-	94	94

16 Non-current assets held for sale

(Group)

General description:

In September 2022, the board announced its intention to sell the Freehold Investment property, 25 Church Road, London SE19 2TE to a suitable buyer. Therefore, as at 1 October 2022, the property was no longer depreciated and was re-classified as held for sale. The property is owned by ECPEE Limited, a subsidiary of the Group.

Subject to contract, ECPEE will sell the freehold interest in the property to the buyer, and the buyer will then grant the lease back to ECPEE. The sale was not completed as at 29 December 2022, and therefore the property has been classified as held for sale.

Disposal activities after reporting period not recognised:

The sale and leaseback of 25 Church Road, London SE19 2TE was concluded through exchange of contracts on 16 January 2023 with a suitable buyer.

16 Non-current assets held for sale (continued)

Assets and liabilities held for sale:

	29 December 2022 £'000	30 December 2021 £'000
Freehold property	3,219	-
Assets held for sale	**3,219**	**-**

The freehold property transferred from Property, plant and equipment to assets held for sale was valued immediately before the transfer, using a fair market value carried out by external qualified valuers. Fair value less cost to sell was higher than net book value and consequently no impairment charge is required.

17 Leases

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations – see note 28).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

If the Group revises its estimate of the term of any lease it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

17 Leases (continued)

Nature of leasing activities

The Group leases a number of properties in the towns and cities from which it operates. In some locations, depending on the lease contract signed, the lease payments may increase each year by inflation or and in others they are reset periodically to market rental rates. For some property leases the periodic rent is fixed over the lease term.

The Group also leases certain vehicles. Leases of vehicles comprise only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

During 2022 the Group entered into two property leases for new venues for a period of 20 and 25 years. The leases had not commenced by the year end and as a result, a lease liability and right-of-use asset has not been recognised at 29 December 2022. The aggregate future cash outflows to which the Group is exposed in respect of these contracts is fixed payments of £222,000 per year for the next 5 years, with upward only rent reviews every 5 years.

29 December 2022	Lease contract No.	Fixed payments %	Variable payments %	Sensitivity (+/-) £'000
Property leases with payments linked to inflation	21	-	50%	2,799
Property leases with periodic uplifts to market rentals	17	-	43%	1,316
Property leases with fixed payments	2	6%	-	-
Vehicle leases	3	1%	-	-
	43	7%	93%	4,115

The percentages in the table below reflect the proportions of lease payments that are either fixed or variable for the comparative period.

30 December 2021	Lease contract No.	Fixed payments %	Variable payments %	Sensitivity (+/-) £'000
Property leases with payments linked to inflation	19	-	51%	2,635
Property leases with periodic uplifts to market rentals	16	-	41%	1,255
Property leases with fixed payments	2	7%	-	-
Vehicle leases	3	1%	-	-
	40	8%	92%	3,890

Right-of-Use Assets
(Group)

	Land & Buildings £'000	Motor Vehicles £'000	Total £'000
As at 31 December 2020	**56,723**	**22**	**56,745**
Additions	4,357	30	4,387
Amortisation	(3,055)	(23)	(3,078)
Impairment reversal	1,133	-	1,133
Effect of modification to lease terms	(594)	-	(594)
At 30 December 2021	**58,564**	**29**	**58,593**
Additions	2,540	43	2,583
Amortisation	(3,325)	(17)	(3,342)
Effect of modification to lease terms	1,086	-	1,086
At 29 December 2022	**58,865**	**55**	**58,920**

17 Leases (continued)

Right-of-Use Assets
(Company only)

	Land & Buildings £'000
At 31 December 2020	9,566
Amortisation	(519)
Effect of modification to lease terms	(180)
At 30 December 2021	**8,867**
Amortisation	(520)
At 29 December 2022	**8,347**

Lease Liabilities
(Group)

	Land & Buildings £'000	Motor Vehicles £'000	Total £'000
At 31 December 2020	**79,050**	**18**	**79,068**
Additions	5,003	30	5,033
Interest expense	2,586	1	2,587
Effect of modification to lease terms	(594)	-	(594)
Rent concession gains	(701)	-	(701)
Lease payments	(4,088)	(25)	(4,113)
Landlord contributions	500	-	500
At 30 December 2021	**81,756**	**24**	**81,780**
Additions	2,465	43	2,508
Interest expense	2,850	1	2,851
Effect of modification to lease terms	845	-	845
Lease payments	(6,045)	(16)	(6,061)
Landlord contributions	4,550	-	4,550
At 29 December 2022	**86,421**	**52**	**86,473**

Landlord contributions received after lease commencement date are shown in the table above. A further contribution of £455,000 (2021: £nil) was received prior to lease commencement and therefore total cash received from landlords during the year, as presented in the cash flow statement, was £5,005,000 (2021: £500,000).

Lease liabilities	29 December 2022 £'000	30 December 2021 £'000
Current	3,014	2,633
Non-current	83,459	79,147
	86,473	**81,780**

Rent Concessions
During 2020 and 2021, the Group received numerous forms of rent concessions from lessors due to the Group being unable to operate for significant periods of time. These concessions included rent forgiveness and deferrals.

As discussed in note 2 in the annual financial statements for the year ended 30 December 2021, the Group has elected to apply the practical expedient introduced by the amendments to IFRS 16 to all rent concessions that satisfy the criteria. Substantially all the rent concessions entered into during 2021 satisfied the criteria to apply the practical expedient. For any of the modifications that did not meet the practical expedient requirements; the lease liability was remeasured using the discount rate applicable at the date of modification, with the right of use being adjusted by the same amount.

The application of the practical expedient in 2021 resulted in the reduction of total lease liabilities of £701,000. During the year ended 29 December 2022 no new rent concessions were agreed.

17 Leases (continued)

Maturity analysis of lease payments

	29 December 2022 £'000	30 December 2021 £'000
Contractual future cash outflows		
Land and buildings		
Less than one year	5,998	5,291
Between one and five years	24,916	22,794
Over five years	90,989	87,239
	121,903	**115,324**
Motor Vehicles		
Less than one year	24	13
Between one and five years	29	11
	53	**24**

Other lease disclosures

	29 December 2022 £'000	30 December 2021 £'000
Expenses relating to variable lease payments not included in the measurement of lease liabilities	113	38

Maturity analysis of lease receipts
(Receipts arising from the Group being a lessor)

	29 December 2022 £'000	30 December 2021 £'000
Contractual future cash inflows		
Land and buildings		
Less than one year	4	65
Between one and five years	-	16
	4	81

The reduction in future cash inflows at 29 December 2022 arises from a termination in the leasing arrangement for the property.

17 Leases (continued)

Lease Liabilities
(Company only)

	Land & buildings £'000
At 31 December 2020	10,976
Effect of modification to lease terms	(180)
Rent concession gains	(70)
Interest expense	344
Lease payments	(465)
At 30 December 2021	**10,605**
Interest expense	329
Lease payments	(1,123)
At 29 December 2022	**9,811**

	29 December 2022 £'000	30 December 2021 £'000
Lease liabilities		
Current	352	679
Non-current	9,459	9,926
	9,811	10,605

As a lessee

	29 December 2022 £'000	30 December 2021 £'000
Contractual future cash outflows		
Land and buildings		
Less than one year	780	1,009
Between one and five years	3,120	3,120
Over five years	9,281	10,061
	13,181	14,190

Lease payments for land and buildings are a combination of fixed and variable payments (including any scheduled increases). Remaining lease liabilities are reassessed following annual rent reviews based on an external index (such as the RPI). The weighted average lease length of the remaining lease portfolio is 18 years.

18 Goodwill, intangible assets and impairment

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

(Group)

	Goodwill £'000	Software £'000	Total £'000
Cost			
At 31 December 2020	8,951	2,991	11,942
Acquired in the year	-	423	423
Disposed in the year	-	(546)	(546)
At 30 December 2021	**8,951**	**2,868**	**11,819**
Acquired in the year	-	**1,068**	**1,068**
At 29 December 2022	**8,951**	**3,936**	**12,887**
Amortisation and impairment	-		
At 30 December 2020	1,599	1,203	2,802
Charge for the year	-	619	619
Disposed in the year	-	(503)	(503)
Impairment	-	(5)	(5)
At 30 December 2021	**1,599**	**1,314**	**2,913**
Charge for the year	-	**662**	**662**
At 29 December 2022	**1,599**	**1,976**	**3,575**
Net book value			
At 29 December 2022	**7,352**	**1,960**	**9,312**
At 30 December 2021	7,352	1,554	8,906
At 2 January 2020	7,352	1,788	9,140

Impairment Review

The Group evaluates assets for impairment annually or when indicators of impairment exist. As required by IAS 36, the Group assessed whether there was an indication that a previously recognised impairment no longer exists or may have decreased. A reversal of an impairment is only recognised if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

The annual impairment assessment requires an estimate of the value in use of each cash-generating unit (CGU) to which goodwill, property plant and equipment and right-of-use assets are allocated, which is the individual cinema level. The recoverable amount of a CGU is the higher of value in use and fair value less cost of disposal. The Group determines the recoverable amount with reference to its value in use.

18 Goodwill, Intangible assets and Impairment (continued)

Goodwill is allocated to the following CGUs:

	29 December 2022 £000	30 December 2021 £000
Baker Street	103	103
Barnet	1,309	1,309
Esher	2,804	2,804
Gerrards Cross	1,309	1,309
Islington	86	86
Muswell Hill	1,215	1,215
Oxted	102	102
Reigate	113	113
Walton-On-Thames	94	94
Winchester	217	217
	7,352	7,352

Estimating the value in use requires estimate of the expected future cash flows from each CGU and discount these to their net present value at a pre-tax discount rate. Forecast cash flows are derived from adjusted EBITDA generated by each CGU which is based on management's forecast performance. Cash flow forecasts have been prepared for each CGU by applying growth assumptions to key drivers of cash flows, including admissions, average ticket price, spend per head, direct and overhead costs.

The key assumptions of this calculation are shown below:

	29 December 2022	30 December 2021
Discount rate	15.3%	13.1%
Long term growth rate	2%	2%
Number of years projected	5 years	5 years

Adjusted EBITDA used for 2023 is based on the Board approved budget and represents managements best estimate of future cashflows, it has been used as the base assumption within the forecast. In the remaining five-year forecast the following assumptions have been applied:

- Admissions increase by 5.5% in 2024 representing continued recovery from impact of the pandemic. In 2024, forecast admissions remain 10% below pre- Covid19 levels.
- EBITDA growth from 2025 -2027 includes lower admission growth rate than 2024 and expectations about increases in average ticket prices and spend per head.
- For venues opened since 2019 that are early in their maturity curve, specific assumptions have been applied to the key drivers over the five- year forecast period.

Sensitivity analysis

Impairment reviews are sensitive to changes in key assumptions. Sensitivity analysis has been performed by considering incremental changes in assumptions of admission levels and discount rates. Goodwill cannot be written back once impaired. As a result, impairment of goodwill brought forward of £1,599,000 was excluded from the calculations.

18 Goodwill, Intangible assets and Impairment (continued)

Scenarios

The following sensitivity scenarios have been applied to the cash flow forecasts for stress testing purposes:

- Admissions levels were increased by 1% in the upside case and decreased by 1% in the downside case; and
- WACC was decreased by 1.5% in the upside case and increased by 1.5% in the downside case. WACC has been included in sensitivity analysis due to the increase in the cost of debt over the past financial year and relative uncertainty over the cost of debt going forward.

	Upside Case		Downside Case	
	Change	Reversal of Previous Impairment	Change	Additional Impairment
		£000		£000
Admissions	+1.0%	360	-1.0%	(699)
WACC	-1.5%	895	+1.5%	(1,514)

Reversal of previous impairment relates to two venues impaired in prior periods. Additional impairment relates to two venues impaired in prior periods and three further venues.

The impact on the total impairment charge of applying the different scenarios explained above relates to two venues that were impaired in previous years. An impairment charge would not be triggered on any other venues based on the changes in these assumptions.

The following cumulative impairment charges have been recognised in previous periods and have not been reversed. Bought forward impairment of right-of-use assets and property, plant and equipment relates to two venues.

	29 December 2022 £000	30 December 2021 £000
Goodwill	**1,599**	1,599
Right-of-use assets	**724**	724
Property, plant & equipment	**808**	808
Total	**3,131**	3,131

19 Investments

(Company only)

	Total £000
At 30 December 2021 and 29 December 2022	**31,994**

The Company also has intercompany receivable balances of £89.8m (2021:£76.8m). As part of the Group impairment review, the future cash flows from each of the venues were forecast and an NPV of these flows calculated. The total value of these were £265.8m (2021:£313.6m) which would indicate that sufficient profits and cash will be generated to repay the monies owed to the Company if required.

19 Investments (continued)

The subsidiaries of the Company are as follows (all of which are included on consolidation and all are registered at 2 Downshire Hill, London, NW3 INR):

Name	Principal Activity	Country of incorporation	Class of share held	Proportion of shares held
Everyman Media Holdings Limited	Cinema management and ownership	UK	Ordinary A ordinary shares Series 1, 2, 3, 4 and 5*	100% 94%
Everyman Media Limited**	Cinema management and ownership	UK	Ordinary	100%
CISAC Limited**	Dormant	UK	Ordinary	100%
Foxdon Limited**	Cinema management and ownership	ROI	Ordinary	100%
ECPee Limited***	Property management	UK	Ordinary	100%
Bloom Martin Limited***	Dormant	UK	Ordinary	100%
Bloom Theatres Limited****	Dormant	UK	Ordinary	100%
Mainline Pictures Limited****	Dormant	UK	Ordinary	100%

* 2m A ordinary shares series 4 and 5 are held by Alex Scrimgeour
** Shareholding is held by Everyman Media Holdings Ltd
*** Shareholding is held by Everyman Media Ltd
**** Shareholding is held by Bloom Martin Ltd

The A Ordinary shares have no rights to a dividend. Everyman Media Group PLC directly holds all the Ordinary shares (£27,015) and A Ordinary shares (£6,557) of Everyman Media Holdings Limited.

Everyman Media Limited has 285,000 Ordinary shares of £1.00 each in issue, all of which are held by Everyman Media Holdings Limited and therefore indirectly held by Everyman Media Group PLC. All other subsidiaries are also indirectly-held investments. Everyman Media Holdings Limited acquired 100 Ordinary shares, being the entire issued share capital of Foxdon Limited (a limited company established and resident in the Republic of Ireland and dormant at the date of acquisition) for €100 on 24 June 2019. With respect to the class and proportion of shares held in existing subsidiaries, the amounts remain the same for the year ended 29 December 2022 and the year ended 30 December 2021. Bloom Martin Limited, Bloom Theatres Limited and Mainline Pictures Limited are all dormant companies and exempt from the requirement for an audit for the year.

The class and proportion of shares held in all other subsidiaries remain the same for the year ended 29 December 2022 and the year ended 30 December 2021.

The registered office address of all investments incorporated in the UK is Studio 4, 2 Downshire Hill, London NW3 1NR. Foxdon Limited's registered office is 33 Sir John Rogerson's Quay, Dublin 2, D02 XK09. All companies listed above are included in the consolidated financial statements. All consolidated companies have the same financial year and apply the same accounting policies.

20 Inventories

	29 December 2022 £000	30 December 2021 £000
Food and beverages	656	638
Projection	34	73
	690	711

Finished goods recognised as cost of sales in the year amounted to £7,848,000 (2021: £5,054,000). The write-down of inventories to net realisable value amounted to £nil (2021: £nil).

21 Cash and cash equivalents

	29 December 2022 £000	30 December 2021 £000
Per balance sheet	3,701	4,240
Per cash flow statement	3,701	4,240

22 Trade and other receivables

(Group)

	29 December 2022 £000	30 December 2021 £000
Included in current assets	5,840	5,649
Included in non-current assets	173	177
	6,013	5,826
Trade receivables	3,308	3,847
Social security and other taxation	-	1
Other receivables	241	210
Prepayments and accrued income	2,464	1,768
	6,013	5,826

There were no receivables that were considered to be impaired. There is no significant difference between the fair value of the other receivables and the values stated above. Other debtors include deposits paid in respect of long-term leases and have been recognised as non-current assets.

Trade and other receivables

(Company only)

	29 December 2022 £000	30 December 2021 £000
Included in non-current assets	89,767	76,772
Amounts due from company undertakings	89,767	76,772

Interest is charged on inter-company loans at the same rate as that charged to the Group by its lenders, currently 3.3%. The loans are repayable on 15 January 2024.

23 Trade and other payables

(Group)

	29 December 2022 £000	30 December 2021 £000
Trade creditors	2,305	3,640
Social security and other taxation	1,819	1,051
Other creditors	589	10
Accrued expenses	6,344	7,009
Deferred income	4,514	4,284
	15,571	15,994

Trade and other payables

(Company only)

	29 December 2022 £000	30 December 2021 £000
Included in current liabilities	524	48

Amounts included in current liabilities relate to accrued rent.

24 Loans and borrowings

(Group and Company)

	29 December 2022 £000	30 December 2021 £000
Bank borrowings		
Current	247	119
Non-current	22,000	12,500
Total Bank Debt	22,247	12,619
Cash	(3,701)	(4,240)
Net Bank Debt	18,546	8,379

The Company agreed a £25 million RCF and £15m CLBILS loan facility with Barclays Bank PLC and Santander UK PLC in March 2021. Interest is charged at LIBOR/SONIA on the drawn-down balance on a 365/ACT D-basis (the nominal interest rate ranging between 1.65% and 2.65%). The capital sum of the RCF is repayable in full on or before 17 April 2024. The capital sum of the CLBILS is repayable in full on or before 17 January 2024.

Commitment fees are charged quarterly on any balances not drawn at 35% of the applicable rate of drawn funds. The face value is deemed to be the carrying value. The Group had drawn down £22 million of the £40 million debt facility as at 29 December 2022 (2021: £12.5 million).

25 Changes in liabilities from financing activities

	Non- current loans and borrowings	Current loans and borrowings	Lease liabilities	Total
	£000	£000	£000	£000
At 31 December 2021	12,500	119	81,780	94,399
Cash flows	9,500	-	(1,056)	8,444
Non- cash flows:				
Interest accruing in period	-	128	2,851	2,979
Lease additions	-	-	3,680	3,680
Effect of modifications to lease terms	-	-	(782)	(782)
At 29 December 2022	**22,000**	**247**	**86,473**	**108,720**
At 1 January 2021	9,000	43	79,068	88,111
Cash flows	3,500	-	(3,613)	(113)
Non- cash flows:				
Interest accruing in period	-	76	2,587	2,663
Lease additions	-	-	5,033	5,033
Effect of modifications to lease terms	-	-	(701)	(701)
Rent concessions	-	-	(594)	(594)
At 30 December 2021	**12,500**	**119**	**81,780**	**94,399**

26 Financial instruments

Investments, financial assets and financial liabilities, cash and cash equivalents and other interest-bearing loans and borrowings are measured at amortised cost and the Directors believe their present value is a reasonable approximation to their fair value.

	29 December 2022	30 December 2021
	£000	£000
Financial assets measured at amortised cost		
Cash and cash equivalents	3,704	4,240
Trade and other receivables	3,549	4,057
Accrued income	692	221
	7,945	8,518

	29 December 2022	30 December 2021
	£000	£000
Financial liabilities measured at amortised cost		
Bank borrowings	22,247	12,619
Trade Creditors	2,305	3,640
Leases	86,473	81,780
Other Creditors	589	8
Accrued expenses	6,344	7,009
	117,958	105,056

27 Financial risks

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 has not issued or used any financial instruments of a speculative nature and the Group does not contract derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments.

The Group is exposed to the following financial risks:
- Credit risk
- Liquidity risk
- Interest rate risk

To the extent financial instruments are not carried at fair value in the consolidated Balance Sheet, net book value approximates to fair value at 29 December 2022 and 30 December 2021.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and there have been no impairment losses recognised on these assets.

Cash and cash equivalents are held in sterling and placed on deposit in UK banks. Trade and other payables are measured at book value and held at amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

The Group is exposed to credit risk in respect of its receivables from its subsidiary companies. The recoverability of these balances is dependent upon the performance of these subsidiaries in future periods. The performance of the Company's subsidiaries is closely monitored by the Company's Board of Directors.

At 29 December 2022 the Group has trade receivables of £3,308,000 (2021: £4,243,000). Trade receivables arise mainly from advertising and sponsorship revenue. The Group is exposed to credit risk in respect of these balances such that, if one or more of the customers encounters financial difficulties, this could materially and adversely affect the Group's financial results. The Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering into contracts with customers with agreed credit terms. At 29 December 2022 the Directors have recognised expected credit losses of £Nil (2021: £109,000).

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	29 December 2022 £000	30 December 2021 £000
Ageing of receivables		
<30 days	2,224	3,927
31-60 days	914	84
61-120 days	63	232
>120 days	107	-
	3,308	4,243

In determining the recoverability of trade receivables the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Credit risk is limited due to the customer base being diverse and unrelated. There has not been any impairment other than existing provisions in respect of trade receivables during the year (2021: £nil). There were no material expected credit losses in the year.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet its expected cash requirements as determined by regular cash flow forecasts prepared by management.

The Group's forecasts show sufficient headroom in banking covenants for the next 12 months.

27 Financial risks (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts shown are gross, not discounted and include contractual interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
29 December 2022	Carrying amount	Less than one year	Between one and two years	Between three and five years	Over five years	Total
	£000	£000	£000	£000	£000	£000
Non-derivative financial liabilities						
Secured bank facility	22,247	247	22,000	-		22,247
Trade creditors	2,305	2,305	-	-	-	2,305
Leases	86,473	5,998	6,230	18,687	90,988	121,903
Other creditors	589	589	-	-	-	589
Accrued expenses	6,344	6,344	-	-	-	6,344
	117,958	15,483	28,230	18,687	90,988	153,388

		Contractual cash flows				
30 December 2021	Carrying amount	Less than one year	Between one and two years	Between three and five years	Over five years	Total
	£000	£000	£000	£000	£000	£000
Secured bank facility	12,619	2	496	13,992	-	14,490
Trade creditors	3,640	3,640	-	-	-	3,640
Leases	81,780	5,290	5,990	16,804	87,239	115,323
Other creditors	8	8	-	-	-	8
Accrued expenses	7,009	7,009	-	-	-	7,009
	105,056	15,949	6,486	30,796	87,239	140,470

Interest rate risk

Interest rate risk arose from the Group's holding of interest-bearing loans linked to LIBOR/SONIA. The Group is also exposed to interest rate risk in respect of its cash balances held pending investment in the growth of the Group's operations. The effect of interest rate changes in the Group's interest-bearing assets and liabilities is set out below.

27 Financial risks (continued)

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following indicates their effective interest rates at the end of the year and the periods in which they mature:

	Effective interest rate	Maturing within 1 year	Maturing between 1 to 2 years	Maturing between 2 to 5 years
	%	£000	£000	£000
At 30 December 2021				
Bank borrowings	2.72%	119	-	12,500
Bank current and deposit balances	0.01%	4,240	-	-
At 29 December 2022				
Bank borrowings	2.40%	247	22,000	-
Bank current and deposit balances	0.01%	3,701	-	-

The following table demonstrates the sensitivity to a reasonably plausible change in interest rates, with all other variables held constant, of the Group's profit and loss before tax through the impact on floating rate borrowings and bank deposits and cash flows:

	Change in rate	29 December 2022	30 December 2021
	%	£000	£000
Bank borrowings	0.5%	111	63
	1.0%	222	126
	1.5%	333	189
Bank current and deposit balances	0.5%	18	19
	1.0%	37	37
	1.5%	55	56

Capital management

The Group's capital is made up of share capital, share premium, merger reserve and retained earnings totalling £46.3m (2021 £48.2m).

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Group consists of shareholders equity as set out in the consolidated statement of changes in equity. All funding required to set-up new cinema sites and for working capital purposes are financed from existing cash resources where possible. Management will also consider future fundraising or bank finance where appropriate.

28 Provisions

(Group)

	Other provisions	Leasehold Dilapidations	Total
	£,000	£,000	**£,000**
As at 30 December 2021	393	1,118	**1,511**
Utilised in the year	(393)	-	**(393)**
Additions	-	**97**	**97**
Other increases	-	135	**135**
Unwinding of discount	-	12	**12**
As at 29 December 2022	-	1,362	**1,362**
Due within one year or less	-	-	**-**
Due within one to five years	-	44	**44**
Due after more than five years	-	1,318	**1,318**
	-	1,362	**1,362**

Provisions

(Company only)

	Leasehold Dilapidations
	£,000
As at 30 December 2021	84
As at 29 December 2022	84
Due within one to five years	84
	84

Leasehold dilapidations relate to the estimated cost of returning leasehold property to its original state at the end of the lease in accordance with lease terms. The cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease term, the average remaining lease term for leases held at 29 December 2022 was 18 years (2021:18 years).

29 Deferred tax

(Group)

	29 December 2022 £000	30 December 2021 £000
Deferred tax gross movements		
Opening balance deferred tax liability	-	(14)
Recognised in profit and loss		
Arising on loss carried forward	(1,455)	(426)
Net book value in excess of tax written down value	1,206	784
Movement on share option intrinsic value	245	(257)
Amortisation of IFRS accumulated restatement	49	(144)
Lease acquired	(62)	(29)
Other temporary differences	17	86
Credit/Charge to profit and loss	-	14
Deferred tax comprises:		
Temporary differences on property, plant and equipment	5,723	4,627
Temporary differences on IFRS 16 accumulated restatement	(598)	(646)
Temporary differences on leases acquired	-	62
Share-option scheme intrinsic value	(28)	(273)
Available losses	(5,376)	(4,030)
Other temporary and deductible differences	279	260
	-	-

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates that have been substantively enacted for future periods, being 25% from 1 April 2023. The deferred tax liability has arisen due to the timing difference on property, plant and equipment, the deferral of capital gains tax arising from the sale of a property and other temporary and deductible differences. Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that they will be recovered. The Group has unused tax losses of approximately £30.0m in relation to UK losses and an unprovided deferred tax asset of £2.1m.

29 Deferred tax (continued)

(Company only)

	29 December 2022 £000	30 December 2021 £000
Included in non-current assets	(188)	(150)
Opening balance	(150)	(78)
Recognised in profit and loss		
Net book value in excess of tax written down value	16	(21)
Leases acquired	(62)	(29)
Amortisation of IFRS 16 accumulated restatement	8	(22)
Credit to profit and loss	(38)	(72)

	29 December 2022 £000	30 December 2021 £000
The deferred tax asset comprises:		
Temporary differences on property, plant and equipment	(82)	(99)
Temporary differences on IFRS 16 accumulated restatement	(106)	(114)
Temporary differences on leases acquired	-	63
	(188)	(150)

The Company has a deferred tax liability due to the timing difference on property, plant and equipment. The Company has recognised unutilised tax allowances of £nil (2021: £nil) at expected tax rates in future periods.

30 Share capital and reserves

	Nominal value	29 December 2022 £000	30 December 2021 £000
Authorised, issued and fully paid Ordinary shares	£0.10		
At the start of the year		9,117	9,110
Issued in the year		1	7
At the end of the year		9,118	9,117

Number of shares	29 December 2022 Number	30 December 2021 Number
Authorised, issued and fully paid Ordinary shares		
At the start of the year	91,162,969	91,095,469
Issued in the year	15,000	67,500
At the end of the year	91,177,969	91,162,969

The holders of Ordinary shares are entitled to one vote per share. During the year the Company issued 15,000 Ordinary shares at a price of 109.5p (2021 67,500 Ordinary shares at prices ranging from 93.5p to 100p)..

Merger reserve
In accordance with s612 of the Companies Act, the premium on Ordinary shares issued in relation to acquisitions is recorded as a merger reserve.

Share premium
Share premium is stated net of share issue costs.

Dividends
No dividends were declared or paid during the period (2021: £nil)

31 Share-based payment arrangements

EMI, Non-Qualifying and LTIP Schemes

The Group operates three equity-settled share-based remuneration schemes for employees. The schemes combine a long term incentive scheme, an EMI scheme and an unapproved scheme for certain senior management, executive Directors, non-executive Directors and certain contractors.

31 Share-based payment arrangements (continued)

The terms and conditions of the grants are as follows:

Persons entitled	Grant date	Method of Settlement	Instruments outstanding 000's	Vesting Conditions*	Contractual life of options
Management employees, Directors and contractors	29.10.2013	Equity-settled	98	1	10 years
Management employees, Directors and contractors	29.10.2013	Equity-settled	150	2	10 years
Directors	04.11.2013	Equity-settled	50	2	10 years
Management employees, Directors and contractors	29.10.2015	Equity-settled	218	3	10 years
Management employees	15.12.2016	Equity-settled	80	4	10 years
Management employees	10.01.2017	Equity-settled	30	4	10 years
Directors	13.03.2017	Equity-settled	250	4	10 years
Management employees and contractors	11.10.2017	Equity-settled	425	4	10 years
Management employees and Directors	23.11.2017	Equity-settled	87	5	10 years
Management employees and Directors	23.04.2018	Equity-settled	30	6	10 years
Management employees and contractors	02.10.2018	Equity-settled	205	4	10 years
Management employees	03.10.2018	Equity-settled	15	7	10 years
Management employees	05.11.2018	Equity-settled	1	7	10 years
Management employees and Directors	24.09.2019	Equity-settled	698	4	10 years
Management employees and Directors	30.04.2020	Equity-settled	550	4	10 years
Management employees	30.09.2020	Equity-settled	250	4	10 years
Directors	12.11.2020	Equity-settled	1,600	4	10 years
Management employees and Directors	22.12.2020	Equity-settled	150	4	10 years
Directors	08.04.2021	Equity-settled	1,000	8	10 years
Management employees	22.11.2021	Equity-settled	75	4	10 years
Management employees	17.03.2022	Equity-settled	585	4	10 years
Management employees	30.04.2022	Equity-settled	5	4	10 years
Management employees and Directors	05.05.2022	Equity-settled	175	4	10 years
Management employees and Directors	27.06.2022	Equity-settled	125	4	10 years
Management employees and Directors	24.10.2022	Equity settled	123	9	10 years
			6,974		

*1 EMI options. These vest in equal tranches on the first, second and third anniversaries of the date of grant.
*2 Unapproved options. These vest in equal tranches on the first, second and third anniversaries of the date of grant.
*3 Unapproved options. These vest in equal tranches on the first, second and third anniversaries of the date of grant. Each tranche is exercisable if the Company share price exceeds £1.30, £1.50 and £1.80 respectively for 15 consecutive trading days.
*4 Unapproved options. These vest on the third anniversary of the date of grant.
*5 Unapproved options as part of the long-term incentive plan. These vest on the fifth anniversary of the date of grant. Half of the options are exercisable if the share price exceeds £2.10 for 2 consecutive trading days within 60 days following the announcement of the preliminary results for 2017. The other half of the options are exercisable based on internal Adjusted EBITDA targets.
*6 Unapproved options as part of the long-term incentive plan. These vest 4 years and 7 months from the date of grant. 45% of the options are exercisable if the share price exceeds £2.95 for 2 consecutive trading days within 60 days following the announcement of the preliminary results for 2018. The other 55% of the options are exercisable based on internal Adjusted EBITDA targets.

31 Share-based payment arrangements (continued)

*7 Unapproved options as part of the long-term incentive plan. These vest 4 years and 2 months from the date of grant. 45% of the options are exercisable if the share price exceeds £2.95 for 2 consecutive trading days within 60 days following the announcement of the preliminary results for 2018. The other 55% of the options are exercisable based on internal Adjusted EBITDA targets.
*8 Unapproved options. These vested on the 31st December 2021 and can be exercised subject to continued employment. The exercise price is £1.50.
*9 Unapproved options as part of the long-term incentive plan. These vest 3 years and 2 months from the date of grant. Between 40% and 100% of the options are exercisable based on internal Adjusted EBITDA targets.

All equity-settled share options are measured at fair value as determined through use of the Binomial technique, at the date of grant, aside from those with market-based performance conditions, which are valued using the Monte Carlo model. During the year, no equity-settled share options were issued with market-based performance conditions.

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 and Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The inputs into the Binomial model for the share options issued in the year were as follows:

Option scheme conditions for options issued in the year:	29 December 2022 Performance criteria	29 December 2022 No performance criteria
Weighted average share price at grant date (pence)	0.95	120.0
Weighted average option exercise prices (pence)	0.10	120.0
Expected volatility	40.0%	40.0%
Expected option life	4 years	3 years
Weighted average contractual life of outstanding share options	10 years	10 years
Risk-free interest rate	1.57%	1.57%
Expected dividend yield	0.0%	0.0%
Fair value of options granted in the year (pence)	0.85	0.54

Volatility has been calculated based on historical share price movements of the Company as at each grant date. Prospective volatility estimates have been adjusted to remove the impact of high volatility experienced in mid-March 2020, related to Covid-19.

31 Share-based payment arrangements (continued)

	Weighted average exercise price per share in the year ended			
	29 December 2022 Pence	30 December 2021 Pence	29 December 2022 Number	30 December 2021 Number
Options at the beginning of the year	142.00	109.50	6,925,003	6,559,818
Options issued in the year	0.75	0.72	1,518,543	1,860,888
Options exercised in the year	1.09	0.94	(15,000)	(67,500)
Option forfeited in the year	0.69	0.89	(1,454,713)	(1,428,203)
Options at the end of the year	**104.28**	**142.00**	**6,973,833**	**6,925,003**

No options lapsed beyond their contractual life in the year (Year ended 2021: nil).

Growth Shares

Under the A Growth Share Scheme, Alex Scrimgeour was issued with 2,000,000 A shares in Everyman Media Holdings Limited on 8 April 2021. The rights attaching to the A shares include a put option which, when exercised, enable the shareholder to convert the shares into ordinary shares of the Company. The Growth Shares in Everyman Media Holdings Ltd will vest subject to the achievement of share price targets. 1,000,000 Growth Shares in Everyman Media Holdings Ltd will vest if the Company has an average closing mid-market price of £2.25 or more over any 15 consecutive trading days ("Target 1"). The remaining 1,000,000 Growth Shares in Everyman Media Holdings Ltd will vest if the Company has an average closing mid-market price of £3.00 or more over any 15 consecutive trading days ("Target 2").

To the extent that the performance targets have been met, the Growth Shares in Everyman Media Holdings Limited will entitle Mr Scrimgeour to receive an amount equivalent to the market value of an ordinary share in the Company less £1. The vested Growth Shares shall be exchanged for ordinary shares in the Company on or after 31 December 2022 if Target 1 has been achieved and on or after 31 December 2023 if Target 2 has been achieved, provided that if a change of control of the Company occurs at any time, any vested Growth Shares which have not been exchanged by then, shall be exchanged on the change of control of the Company.

Details of the outstanding shares under the A Growth Share Scheme are as follows:

	29 December 2022	30 December 2021
Outstanding at beginning of year	2,000,000	-
Granted in year	-	2,000,000
Exercised in year	-	-
Outstanding at end of year	**2,000,000**	**2,000,000**

31 Share-based payment arrangements (continued)

The Monte Carlo model was used for fair valuing the A Growth Share awards at the date of grant. The inputs to the model were as follows:

	A Growth Share Scheme	
	Target 1	Target 2
Number of shares	1,000,000	1,000,000
Share price target	£2.25	£3.00
Expected volatility	45%	45%
Risk free interest rate	0.10%	0.10%
Option life (years)	5	5
Starting share price	£1.41	£1.41

Share-based payments charged to the profit and loss were as follows:

	29 December 2022 £000	30 December 2021 £000
Share options charge	939	625
Growth shares charge	598	447
Administrative costs	1,537	1,072

The charge for the Company was £nil (2021: £nil) after recharging subsidiary undertakings with a charge of £1,537,000 (2021: £1,072,000). The relevant charge is included within administrative costs.

There are 3,336,124 options exercisable at 29 December 2022 in respect of the current arrangements (2021: 1,488,103). 15,000 options were exercised in the year (2021: 67,500).

Volatility for options issued was determined by reference to movements in the share price over 5 years prior to the grant date. The market value conditions, where applicable, are reflected in the forfeited options following 60 days of the announcement of the annual results since the performance conditions are met/not met prior to the vesting period and as such no estimate of potential achievement of market values is required.

32 Commitments

There were capital commitments for tangible assets at 29 December 2022 of £15,878,000 (2021: £9,407,000). This amount is net of landlord contributions of £7,055,000 (2021: £7,820,000).

33 Events after the balance sheet date

Sale and Leaseback of Crystal Palace Venue

On 16 January 2023, the Group completed the sale and leaseback of its freehold property at 25 Church Road, London SE19 2TE. Proceeds from the sale, after associated fees and disbursements, were £3.8m. At the balance sheet date, the property was held for sale in ECPee Limited, with a carrying value of £3.2m.

As a result of the transaction, the Group will recognise a net profit on disposal of £0.6m in 52-week period ended 28 December 2023.

The leaseback element of the transaction is accounted for as a finance lease under IFRS 16. This will result in the recognition of a right of use asset and a lease liability in 2023.

Under the terms of the lease agreement, the Group has leased back the property for a period of 25 years at annual rent of £240,000. The rent is to be reviewed every five years. The first and second reviews are to be upwards only on an indexed basis by reference to increases in the Retail Prices All Items Indexed with a collar of 1% per annum and a cap of 4% per annum. The third and fourth reviews are on an upwards only basis to be the higher of the indexed rent (increased in accordance with the mechanism agreed for the first two reviews) and the open market rent pursuant to an open market rent review mechanism.

33 Events after the balance sheet date (continued)

Extension of Banking Facilities

On 14th March 2023, the Group extended its £25m revolving credit facility ("RCF") by a period of 3 months, to 17 April 2024. The Group's residual £15m facility is a Coronavirus Large Business Interruption Loan Scheme ("CLBILS") and cannot be extended beyond its original maturity date of 17 January 2024.

The Group has begun a process to re-finance both the RCF and the CLBILS and expects to complete this in due course.

34 Related party transactions

In the year to 29 December 2022 the Group engaged services from entities related to the Directors and key management personnel of £617,000 (2021: £566,000) comprising consultancy services of £31,000 (2021: £10,000), office rental of £100,000 (2021: £98,000) and venue rental for Bristol, Harrogate and Maida Vale of £486,000 (2021: £458,000). Due to the pandemic the Group received rent discounts on the related properties amounting to a saving in 2022 of £nil (2021: £123,000). There were no other related party transactions. There are no key management personnel other than the Directors.

The Group's commitment to leases is set out in the above notes. Within the total of £122,000,000 (2021:£116,000,000) is an amount of £550,000 (2021:£650,000) relating to office rental, £4,523,000 (2021:£4,800,000) relating to Stratford-Upon-Avon, £3,596,000 (2021:£2,100,000) relating to Bristol and £4,670,000 (2021:£4,900,000) relating to Harrogate. The landlords of the sites are entities related to the Directors of the Company.

35 Ultimate controlling party

The Company has a diverse shareholding and is not under the control of any one person or entity.