RNS Number : 8989V
Everyman Media Group PLC
12 April 2023

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Everyman Media Group PLC
("Everyman" the "Company" or the "Group")

Final Results to 29 December 2022

Everyman Media Group plc (AIM: EMAN) today announces its audited financial results for the year ended 29 December 2022.

Highlights

Strong operational and financial performance

- Admissions of 3.4m (2021: 2.0m).
- Revenue of £78.8m (2021: £49.0m).
- Adjusted EBITDA of £14.5m (2021: £8.3m).
- Paid for Average Ticket Price[1] of £11.29 (2021: £11.00).
- Food and Beverage Spend Per Head[2] of £9.34 (2021: £9.07).
- Market share maintained at 4.5%.
- Operating profit of £402,000 (2021: £2.2m operating loss).
- £3.7m of cash at year end (2021: £4.2m) and net debt of £18.5m (2021: £8.7m).

Growing momentum in our expansion strategy

- Two new cinemas opened in April and September 2022 respectively taking the Group to a total of 130 screens (2021: 119) across 38 venues.
- Six venues confirmed to open in 2023 with an exciting pipeline of further opportunities for 2024 and 2025.

Evolving the brand and optimising operations

- Continued to innovate in Food & Beverage offer with new dishes, seasonal specials and improved menu architecture.
- New best-in-class website launched post year end delivering improved functionality and enhanced targeted advertising based on customer profiles and web behaviours.
- Signature partnerships with Jaguar and Green & Black's renewed, launched a new collaboration with The Times to drive mid-week admissions and extended our events partnership with Apple TV+.

Outlook

- Financial performance in the new financial year has been in line with expectations.
- Admissions in 2023 are expected to benefit from an increased number of wide releases, commitment to the theatrical window from distributors and new investment from streamers.
- Successfully navigated inflationary headwinds in FY22.
- We anticipate continued financial improvement from higher admissions, strong management of costs and new site openings, despite the current difficult macroeconomic environment and its impact on consumer spends.
- Management is confident of another year of strong operational and financial progress.

[1]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.

[2]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.

Alex Scrimgeour, Chief Executive Officer of Everyman Media Group PLC, said:

"We were encouraged by strong growth in admissions in the year, marking a return to business as usual. Everyman remains a popular and affordable choice for consumers, combining great film, hospitality and atmosphere to provide an exceptional cinema experience.

We opened two new venues in Edinburgh and Egham in 2022 and are excited to welcome audiences to new openings in Durham, Salisbury, Northallerton, Plymouth, Marlow and Bury St Edmunds in the second half of 2023. As a result of our strong performance in year, we are actively returning to an agenda of managed organic expansion. The Company is also assessing acquisition opportunities of existing cinemas which are suitable to be converted into Everyman venues.

Supported by an increasingly strong pipeline of new releases, commitment to the theatrical window from studios and new investment from streamers in films for theatrical release, we view our prospects with increasing confidence. Moving through 2023 and beyond, the Everyman proposition feels as relevant as ever."

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About Everyman Media Group PLC:

Everyman is the fourth largest cinema business in the UK by number of venues, and is a premium, high growth leisure brand. Everyman operates a growing estate of venues across the UK, with an emphasis on providing first class cinema and hospitality.

Everyman is redefining cinema. It focuses on venue and experience as key competitive strengths, with a unique proposition:

- Intimate and atmospheric venues, which become a destination in their own right
- An emphasis on a strong quality food and drink menu prepared in-house
- A broad range of well-curated programming content, from mainstream and independent films to theatre and live concert streams, appealing to a diverse range of audiences
- Motivated and welcoming teams

For more information visit http://investors.everymancinema.com

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
12 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.

*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

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.

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
12 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.

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.

Non-GAAP adjusted loss from operations

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.

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.

Will Worsdell
Finance Director
12 April 2023

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	**7**	**(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	Year ended 30 December

		2022	2021
		£000	£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	30	(1,537)	(1,072)
Operating profit / (loss)		402	(2,161)

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	21	173	177
		158,472	149,524
Asset held for sale	16	3,219	-
		161,691	**149,524**
Current assets			
Inventories	19	690	711
Trade and other receivables	21	5,840	5,649
Cash and cash equivalents	20	3,701	4,240
		10,231	10,600
Total assets		**171,922**	**160, 124**
Liabilities			
Current liabilities			
Loans and borrowings	23	247	119
Other provisions	27	-	393
Trade and other payables	22	15,571	15,994
Lease liabilities	17	3,014	2,633
		18,832	**19,139**
Non-current liabilities			
Loans and borrowings	23	22,000	12,500
Other provisions	27	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	29	9,118	9,117
Share premium	29	57,112	57,097
Merger reserve	29	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

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	29	7	59	-	-	-	**66**
Share-based payments	30	-	-	-	-	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	29	1	15	-	-	-	**16**
Share-based payments	30	-	-	-	-	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	30	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	29	16	86
Drawdown of bank borrowings	24	9,500	6,000
Repayment of bank borrowings	24	-	(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

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

This final results announcement for the year ended 29 December 2022 has been prepared in accordance with the UK adopted International Accounting Standards. The accounting policies applied are consistent with those set out in the Everyman Media Group plc Annual Report and Accounts for the year ended 29 December 2022.
The financial information contained within this final results announcement for the year ended 29 December 2022 and the year ended 30 December 2021 is derived from but does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 December 2021 have been filed with the Registrar of Companies and those for the year ended 29 December 2022 will be filed following the Company's annual general meeting. The auditors' report on the statutory accounts for the year ended 29 December 2022 is unqualified, does not draw attention to any matters by way of emphasis and does not contain any statement under section 498 of the Companies Act 2006.

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 at25 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 after the consolidated statement of profit and loss and other comprehensive income.

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.

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:

- 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.

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 (e.g. 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.

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 26.

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

	Year ended 29 December 2022	Year ended 30 December 2021
Fees payable to the Company's auditor for:	£000	£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:

Reconciliation of effective tax rate	Year ended 29 December 2022 £000	Year ended 30 December 2021 £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)

	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.

15 Property, plant and equipment

	Land &	Leasehold	Plant &	Fixtures &	Assets under

	Buildings	improvements	machinery	Fittings	construction	Total
	£000	£000	£000	£000	£000	£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

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

16 Non-current assets held for sale

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.

Assets and liabilities held for sale:

	29 December 2022	30 December 2021
	£'000	£'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 27).

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.

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

	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**

Lease Liabilities

	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).

	29 December 2022 £'000	30 December 2021 £'000
Lease liabilities		
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.

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.

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.

	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.

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.

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 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).

20 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

21 Trade and other receivables

	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.

22 Trade and other payables

	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

23 Loans and borrowings

	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).

24 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**

25 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

26 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	30 December 2021

	£000	£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.

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.

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 £000	30 December 2021 £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.

27 Provisions

	Other provisions £,000	Leasehold Dilapidations £,000	**Total £,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**

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).

28 Deferred tax

	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

	29 December 2022 £000	30 December 2021 £000
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 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)

30 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.

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.

*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.

	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

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.

31 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).

32 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 at25 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.

33 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.

34 Ultimate controlling party

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