RNS Number : 9884E
Everyman Media Group PLC
15 April 2025

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

Preliminary Results to 02 January 2025

Everyman Media Group plc (AIM: EMAN) today announces its audited financial results for the year ended 02 January 2025.

Highlights

Robust performance across key metrics despite heavily interrupted film slate

- Admissions of 4.3m (2023: 3.75m), up 15.0%
- Group revenue of £107.2m (2023: £90.9m), up 17.9%
- Adjusted EBITDA of £16.2m (2023: £16.2m), flat year on year*
- Food and Beverage Spend Per Head of £10.64 (2023: £10.29), up 3.4%
- Paid for Average Ticket Price of £11.98 (2023: £11.65), up 2.8%
- Market share increased to 5.4% (2023: 4.8%), up 12.5%
- Cash and cash equivalents of £9.9m at year end (2023: £6.6m) and net banking debt reduced to £18.1m (2023: £19.4m), in line with the Group's strategy to reduce leverage.

Operational and strategic progress

- Three organic openings during the year, including a three-screen venue in Bury St Edmunds, a five-screen venue in Cambridge and a three-screen venue in Stratford International.
- The Group's Membership base grew by 65% over the year, driving an increase in guest frequency and engagement with the brand.
- Innovation of the Food & Beverage offer continued, with new drinks and sharing dishes contributing to the year-on-year increase in Spend per Head.

Outlook

- Positive momentum in Q1 2025, with trading driven by Bridget Jones: Mad about the Boy.
- Measured expansion continues, with a new venue in Brentford opened in March 2025 and The Whiteley (Bayswater) to follow in Q3 2025.
- The Group expects to further reduce leverage over the coming year, while maintaining its expansion.
- Having experienced significant disruption in 2024 arising from a lack of content due to the WGA and SAG-AFTRA strikes, management expects a much improved and consistently-phased film slate in 2025 and beyond.
- Key titles over the period include Mission Impossible: The Final Reckoning, Lilo & Stitch, F1, Superman, Downton Abbey 3, Wicked: For Good, and Avatar: Fire and Ash.

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

"Despite a heavily disrupted film slate in the first half of the year, we delivered strong growth across all key revenue generating metrics in 2024, with admissions, average spend and market share all up year-on-year. Our distinctive blend of film and hospitality continues to resonate with audiences and with a rapidly expanding membership base, it is clear that guests continue to choose Everyman.

Our measured approach to expansion remains a priority, with two exciting new venues opening in 2025 and several further opportunities in the pipeline. With the impact of recent industry strikes now behind us, we are confident of strong performance in 2025 underpinned by a well-balanced, consistently-phased film slate."

**GAAP measures: Operating loss pre non-cash impairment charges of £0.7m (2023: £0.7m profit), driven by depreciation charges from new openings. Including impairment charges, operating loss was £3.4m (2023: £0.1m).*

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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

- 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

Review of the Year

I am pleased to report another year of operational and strategic progress. Admissions rose to 4.3 million, a 15.0% increase on last year (2023: 3.7 million). Average ticket price climbed to £11.98, a 2.8% rise on last year (2023: £11.65), while Food & Beverage Spend per Head increased to £10.64, up 3.4% on last year (2023: £10.29). Most encouragingly, our market share grew to 5.4%, a 12.5% increase on last year (2023: 4.8%).

2024 was not without challenges. The Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA") and Writers Guild of America ("WGA") strikes of 2023 resulted in a disappointing number of releases in the second quarter.

In the fourth quarter we faced a number of other challenges. Most notable was the failure of *Joker: Folie a Deux* to excite cinemagoers in October, reaching just £10.3m at the UK Box Office in comparison to 2019's *Joker*, which grossed over £58.0m. Whilst trading in November and December was very strong in absolute terms, congestion in the film slate prevented major releases from reaching their full box office potential.

We are mindful of the ongoing cost challenges facing the broader hospitality sector and continue to ensure that our cost base is efficient.

During 2024 we opened three new venues, in Bury St Edmunds, Cambridge and Stratford International. As ever, each of these venues highlight the outstanding quality and unique aesthetic that has become associated with Everyman.

I would like to extend my thanks to our venue and Head Office teams, who performed outstandingly in 2024.

Outlook

Despite the challenges arising from the announcement of increases to National Living Wage and the lowering of National Insurance thresholds in November's Autumn Statement, we look to 2025 with confidence. With the impact of the SAG-AFTRA and WGA strikes firmly behind us, we look forward to a robust lineup of releases distributed more evenly throughout the year.

We continue with our programme of measured organic expansion. New venues include Brentford and The Whiteley (Bayswater), a landmark re-development of the historic West End shopping centre. Notwithstanding the broader consumer environment, we are optimistic about the year ahead. We remain mindful of net debt and further reducing leverage over the next two years.

Philip Jacobson
Non-Executive Chairman

14 April 2025

Chief Executive's Statement

Business Model and Growth Strategy

The Everyman brand is positioned as a premium offering within the UK leisure market. The Group's venues are predominantly located in vibrant town-centres, and designed to provide a welcoming, high-quality environment. Everyman's core focus is on delivering exceptional hospitality, which is reflected in its venues, food and beverage options, staff, and film programming.

The Group continues to see significant long-term growth potential across the UK. Measured expansion remains a focus, with new site openings and selective acquisition opportunities under evaluation. Everyman is committed to continually enhancing the customer experience, in-venue service, film curation and investing in the development of its food and beverage range. Targeted marketing supports these efforts, helping to build brand awareness and drive sustained revenue growth.

Financial Overview

Despite a heavily interrupted film slate due in the main to the impact of the WGA and SAG-AFTRA strikes, we saw strong growth in all key revenue generating metrics in 2024. Admissions increased to 4.3m, a 15.0% increase on last year (2023: 3.7m). Average Ticket Price increased to £11.98, a 2.8% increase on last year (2023: £11.65) and Food & Beverage Spend per Head increased to £10.64, a 3.4% increase on last year (2023: £10.29). More pleasing still, our Market Share increased to 5.4%, a 12.5% increase on last year (2023: 4.8%).

We faced some significant cost headwinds in 2024, the most notable being a £1.5m increase in People costs, directly attributable to the National Living Wage. Additionally, having rolled off a favourable long-term contract, we faced a £1.2m increase in the cost of our Utilities. Despite these headwinds and challenges associated with the 2024 film slate, Adjusted EBITDA was in line with the prior year at £16.2m (2023: £16.2m).

The Group's operating loss increased to £3.4m (2023: £0.1m) mainly as a result of additional depreciation charges on the expanded estate and an impairment charge of £2.6m (2023: £0.7m). The loss before tax increased to £10.2m (2023: £5.5m) due to additional interest charges on lease liabilities relating to the increased number of venues. These metrics are explored in more detail in the Finance Director's Statement.

We continued our programme of measured organic expansion, opening three new venues in Bury St Edmunds, Cambridge and Stratford International. As such, the cash flow statement for the year includes £15.4m on the acquisition of Property, Plant & Equipment (2023: £18.6m). This amount also includes work in progress on our venues in Brentford and The Whiteley (Bayswater), which both open in 2025.

The Group has been able to finance the majority of its expansion through £21.6m of operating cash flow (2023: £17.9m) and received lease incentives of £5.7m (2022: £4.1m) in the form of landlord contributions to venue fit out costs. This illustrates the ongoing appeal to have Everyman as an anchor leisure tenant.

We were pleased to reduce net banking debt to £18.1m (2022: £19.4m). With capital expenditure on new openings excluded, the Group would have generated significant free cash flow.

Everyman continues to see the property acquisition landscape as highly favourable, with the majority of transactions attracting significant lease incentives and generating strong investment returns. The Board continues to be mindful of making the most of these attractive market conditions whilst maintaining sensible levels of banking debt and reducing leverage. As a result, following the opening of a new venue in Brentford in March, the Board expects to open one further venue in 2025, at The Whiteley in Bayswater. Two further venues are expected to open in 2026, plus our fully fitted-out venue in Durham, pending completion of the wider Milburngate scheme.

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

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 02 January 2025 (53 weeks)	Year ended 28 December 2023 (52 weeks)
Admissions	4,312,708	3,749,120
Paid for average ticket price	**£11.98**	£11.65
Food and beverage spend per head	**£10.64**	£10.29

New Venues

During 2024 the Group opened three new venues: a three-screen venue in Bury St Edmunds in February 2024, a five-screen venue in Cambridge in November 2024 and a three-screen venue in Stratford International in December 2024. Management is confident that they will create significant value moving forward, with new venues typically taking four years to reach full maturity.

In 2025, the Group plans to open venues at The Whiteley (Bayswater) and Brentford. Beyond 2025, other venues are in advanced stages of negotiation; however, the Board remains mindful of measured expansion funded mainly through free cash flow.

Our fully fitted out venue in Durham is ready to open, pending practical completion of the wider Milburngate scheme. Our current expectation is that the venue will open in Q4 2026.

At the end of the year, the Group operated 47 venues with 163 screens:

Location	**Number of Screens**	**Number of Seats**
Altrincham	4	247
Bath	4	229
Birmingham	3	328
Bristol	4	476
Bury St.Edmunds	3	228
Cambridge	5	321
Cardiff	5	253
Chelmsford	6	411
Cheltenham	5	369
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, 14 venues	40	3,383
Manchester	3	247
Marlow	2	161
Newcastle	4	215
Northallerton	4	274
Oxted	3	212
Plymouth	3	190
Reigate	2	170
Salisbury	4	311
Stratford-Upon-Avon	4	384

Walton-On-Thames	2	158
Winchester	2	236
Wokingham	3	289
York	4	329
	163	12,991

The Market

The SAG-AFTRA and WGA strikes, which ran from May to November 2023, resulted in delays to both the production and promotion of certain titles. The disruption was most pronounced in the second quarter of 2024 which, following the delay of *Deadpool & Wolverine* from May to July, saw few major releases of particular note. As a direct result of the strikes, 2024 was the poorest performing second quarter since 2008, with the UK Box Office 25% down on 2022 and 16% down on 2023.

In October we saw the critical and commercial disappointment of *Joker: Folie a Deux*, which grossed just £10.3m at the UK Box Office. This was a drop of over 80% on the original *Joker,* which reached over £58m in 2019. The failure of the film to connect with audiences resulted in a dry October slate and a difficult start to the fourth quarter.

There were, however, a number of highlights to the 2024 film slate. We started the year with a strong awards season, with titles such as *Poor Things*, *The Holdovers* and *All Of Us Strangers* playing particularly well to the Everyman audience. *Dune: Part II* captivated our guests during March and *Deadpool & Wolverine* was the summer's major release, grossing £58m in the UK.

November saw the major blockbusters *Paddington in Peru*, *Gladiator II*, *Wicked* and *Moana 2* release in consecutive weeks. Whilst each title delivered in excess of £30m at the UK Box Office, the compressed nature of their release dates prevented the films from reaching their full box office potential.

The Group was pleased that market share for the year was 5.4%, up from 4.8% in 2023. Positive momentum in market share has continued into the new year.

Key Business Developments

We grew our Membership base during the period, reaching 56,486 members by the end of the year (2023: 34,151), an increase of over 65%. Focus groups conducted during 2023 underscored the potential value of expanding our membership base; as a result, we introduced a new strategy that included on-screen, out-of-home, and digital advertising, and the introduction of ticket bundles (which allow members to extend the number of visits within their existing membership term). While Membership remains an important driver of brand advocacy, its primary benefit is increased guest frequency, which supports higher admissions and, consequently, contributes to incremental Revenue and EBITDA.

In September we launched our new App, which delivered improvements in functionality and user experience, as well as adding Android to existing iOS compatibility for the first time. The new App also gives users the ability to purchase Memberships and Gift Cards, as well as including additional features such as favourite venues and watchlists. Since launch we have seen a 52% increase in downloads and a 22% increase in sessions, as well as a 37% increase in transactions completed.

Our Food & Beverage offer continues to go from strength to strength. During the year we added new sharing dishes such as Serrano Ham and Cheese Croquetas, Achiote Chicken Skewers and Honey and Mustard Sausages, as well as a new Korean Fried Chicken Burger, Fig & Prosciutto Pizza and a Baked Camembert. New drinks included Rum Punch, Raspberry Mojito and Watermelon and Elderflower Coolers. We also completed the successful roll out of at-seat QR codes which give guests the ability to order Food & Beverage from mobile devices. This feature has significantly increased repeat orders, with 18.3% of orders placed through this process being second orders before the film starts. This is one of the key contributing factors to the year-on-year increase in Food & Beverage Spend per Head.

Our Food and Beverage is highly complementary and enhances the Everyman proposition. We expect that continued innovation will continue to drive increases in spend per head going forward.

People

Everyman would not be the business that it is without our exceptional and dedicated venue and Head Office teams. We are consistently focused on training initiatives in order to deliver our unique brand of hospitality and exceptional guest experiences. In 2024, we made improvements to our digital training platform, launched our Kitchen Apprenticeship programme and established an operational training team.

We opened three venues in 2024 and warmly welcome our latest team members who are delivering the Everyman experience in these new locations. We also extend our thanks to our experienced teams, who have expertly trained our new people.

We are delighted that so many people are choosing to start and develop their careers at Everyman, and internal progression remains a significant focus for us.

Outlook

Despite what has been a challenging year, we remain excited about the future of Everyman. With our Membership base increasing at an accelerated pace and our market share continuing to improve, it remains evident that the Everyman model has become the most relevant form of cinema.

We continue our programme of prudent expansion. The deal landscape remains favourable and landlords continue to seek out Everyman as a high quality, premium leisure tenant. In 2025 we will open two new venues, and a further three in 2026, with several further exciting opportunities in the pipeline. We continue to focus on controlling net debt and reducing leverage, with the majority of organic expansion financed through free cash flow.

We look forward to a well-rounded and more consistently-phased film slate in 2025, with disruption from the SAG-AFTRA and WGA strikes now concluded. *Bridget Jones: Mad About the Boy* has delivered an encouraging start to the year, and further key titles include *Mission Impossible: The Final Reckoning* and *Lilo & Stitch* in May, *F1* in June, *Superman* in July, *Downton Abbey 3* in September, *Wicked: Part 2* in November and *Avatar: Fire and Ash* in December.

Alex Scrimgeour
CEO

14 April 2025

Strategic Report

Strategic Report

The Directors present their strategic report for the Group for the year ended 02 January 2025 (comparative period: 52 weeks 28 December 2023).

Review of the business

The Group made a loss after tax of £8.5m (2023: £2.7m). Non-GAAP adjusted EBITDA was £16.2m (2023: £16.2m).

The Finance Director's Statement contains a detailed financial review. Further details are also shown in the Chief Executive's Statement and consolidated statement of profit and loss and other comprehensive income, together with the 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 slate in 2024 was impacted by the 2023 WGA and SAG-AFTRA strikes, notably resulting in a shortage of content in the second quarter of the year. The Group mitigates variable box office revenue through high-quality programming, widening the sources for new content and creating other strands such as *Throwbacks* and *Everyman Beyond*, which showcase older and independent titles. The Group also focuses on creating a great overall experience at venues, independent from the films themselves.

2. **Consumer environment** - A reduction in consumer spending because of broader economic factors could impact the Group's revenues. Higher interest rates have sustained during 2024, putting pressure on disposable incomes, although the Board considers that the impact on the Group has been minimal. Historically, the cinema industry has been resilient to difficult macroeconomic conditions, with it remaining an affordable treat during such times for most consumers. The Group continues to monitor long term trends and the broader leisure market.

3. **Alternative media channels** - The proliferation of alternative media channels, including streaming, has introduced new competitive forces for the film-going audience, which was 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 to deliver real added value for our customers.

4. **Inflation** - There is a risk to the cost base from inflation, given the current economic and geopolitical environment. To mitigate this, the Group enters into long-term contracts and works very closely with suppliers to improve efficiencies and limit costs. In addition, and thanks to its size, the Group can take advantage of lower price points for higher volumes, and payroll costs are closely monitored and managed to the level of admissions.

5. **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. The Group is compliant with climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022 ("CRFD"), which are aligned to the Taskforce on Climate-Related Financial Disclosures framework ("TCFD").

6. **Data and cyber security** - The possibility of data breaches and system attacks would have a material impact on the Group 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 that 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.

7. **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.

8. **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 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. We continue to see our market share increase and receive extremely 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 £0.3m 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 £107.2m (2023: £90.9m)
- Gross profit of £69.1m (2023: £58.1m)
- Non-GAAP adjusted EBITDA of £16.2m (2023: £16.2m)
- Operating loss of £3.4m (2023: £0.1m loss)
- Operating loss excluding impairment charges of £0.7m (2023: £0.7m profit)
- Net banking debt £18.1m (2023: £19.4m)

Revenue and Operating Profit

Admissions for the 53 weeks ending 02 January 2025 were 4.3m, an increase of 15.0% on the prior year (2023: 3.7m). The uplift was driven by three organic new openings during the year (Bury St Edmunds, Cambridge and Stratford International) as well as the full year impact of prior year openings (Marlow, Salisbury, Northallerton, Plymouth, Bath and Cheltenham).

The Group notes that the second quarter of the year was adversely impacted by the 2023 SAG-AFTRA and WGA strikes, which resulted in delays to the film slate and a shortage of content. The Group also notes the poor performance of *Joker: Folie a Deux*, which achieved £10.3m at the UK Box Office in contrast to the first *Joker* film's £58.3m in 2019.

Paid-for Average Ticket Price was £11.98, a 2.8% increase vs. the prior year (2023: £11.65) and Food & Beverage Spend per Head was £10.64, a 3.4% increase vs. the prior year (2023: £10.29). The Group has remained conservative with passing on price increases to guests in 2024, and was therefore pleased to see growth in these two metrics.

We also saw a strong revenue benefit from growth in our Membership base which, as detailed in the Chief Executive's Statement, grew by 65% to over 56,000 at the end of the year (2023: 34,000).

As a result of the above, revenue for the period was £107.2m, a 17.9% increase on the prior year (2023: £90.9m).

The Group is pleased to report that Gross Margin increased to 64.4% (2023: 64.0%). This was mainly as a result of continued strong cost control by our Film and Procurement teams, but also as a result of the aforementioned growth in Membership, which is a high margin income stream.

Other operating income was £0.5m (2023: £0.6m) and related entirely to landlord compensation.

Administrative Expenses for the period were £72.9m (2023: £58.8m). This was driven in the main by increased admissions, as well as the impact of new venue openings and associated fixed asset depreciation.

The Group saw cost inflation in two key areas, both of which were substantially outside of management control. People Costs are inherently linked to increases in National Living Wage, which increased by 9.8% in April 2024, driving a £1.5m increase in cost across both hourly-paid and salaried employees. In addition, the Group's previous fixed-rate Utilities contracts came to an end in October 2023. Whilst lower than initial management expectations, higher global electricity rates drove a £1.2m cost increase in 2024. The Group anticipates that Utilities costs will fall during 2025.

The Board carried out an impairment review at the year end, based on a judgement of future cash flows from venues considered to have indicators of impairment. As a result of this, Administrative Expenses includes an impairment charge of £2.6m (2023: £0.7m). This is based on the Board's assessment that, at the Balance Sheet date, the present value of future cash flows was less than the carrying amount of the Right-of-Use Asset and Property, Plant and Equipment. The Board anticipates that the UK Box Office will continue to improve during 2025 and 2026 and will closely monitor the impact of this on any venues with carried forward impairment to Right-of-Use Assets and Property, Plant and Equipment, in the event that any charges previously incurred can be reversed.

With impairment charges excluded, the operating loss for the year was £0.7m (2023: £0.7m profit). With Adjusted EBITDA consistent year-on-year, the decrease is substantially due to higher depreciation charges relating to the expanded estate.

Finance Expense

Financial expenses were £6.9m (2023: £5.4m) and relate mainly to interest charges on the Group's banking facilities and on lease liabilities. £1.0m of the increase relates to the impact of new leases entered into during the year, and £0.4m relates to an increased draw down on the Group's Revolving Credit Facility and higher underlying interest rates.

Taxation

The Group's loss for the year includes a £1.7m credit (2023: £2.8m credit) relating to the recognition of a Deferred Tax Asset. The Group has consulted the FRC's thematic review of Deferred Tax Assets published in September 2022 and concluded that an asset should be recognised on the basis of a sufficient level of probable future taxable profits.

The Group continues to recognise the Deferred Tax Asset due to increased certainty over future trading performance as we emerge further from the pandemic, and following the conclusion of the WGA and SAG-AFTRA strikes, which no longer pose the threat of long-term disruption to the film slate.

Non-GAAP adjusted EBITDA

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

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

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

Non-GAAP adjusted EBITDA was £16.2m (2023: £16.2m).

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) / profit and non-GAAP adjusted EBITDA is shown at the end of the consolidated statement of profit and loss and other comprehensive income.

Cash Flows

The Directors believe that the Balance Sheet remains well capitalised, with sufficient working capital to service ongoing requirements. Net cash generated in operating activities was £21.6m (2023: £17.9m) with a net cash inflow for the year of £3.2m (2023: £2.9m).

Operating Cash Flow included a working capital outflow of £9.0m (2023: £2.4m) relating to an increase in Trade and Other Payables. This amount arose mainly due to the very high levels of trading during November and December 2024 and associated timing differences for payments relating to Costs of Sales and Administrative Expenses.

Cash flow used in investing activities was £16.1m (2023: £14.2m). This related mainly to payments for new venues in Bury St Edmunds, Cambridge and Stratford International, as well as work in progress on new venues in Brentford and at The Whiteley (Bayswater).

The Group financed the majority of its expansion from operating cash flow. The remainder was financed via £5.7m landlord contributions (2023: £4.1m) and a net £2m draw on the Group's Revolving Credit Facility (2023: £4m).

The Group ended the year with cash and cash equivalents of £9.9m (2023: £6.6m) and net banking debt of £18.1m (2023: £19.4m). The Group therefore reduced net debt and leverage during the year. With fewer new openings planned during 2025 and 2026, the Group currently anticipates that leverage will fall further over the next two years.

Pre-opening costs

Pre-opening costs, which have been expensed within administrative expenses, were £0.9m (2023: £0.9m). 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 £0.3m during the year (2023: £0.5m), which related in the main to IT restructuring costs, as well as abortive recruitment costs relating to certain Head Office teams.

Banking

The Group retains its £35m three-year loan facility with Barclays Bank Plc and National Westminster Bank Plc, which was agreed on 17th August 2023. The facility is extendable by a further two years subject to lender consent, and ensures that the Group is soundly financially structured and well positioned to take advantage of opportunities moving forwards. The facility also includes an additional £5m accordion element, again subject to lender consent.

Covenants on the loan facility are based on Adjusted Leverage and Fixed Charge Cover. The Group's current forecasts demonstrate that the Group will remain within these covenants for the foreseeable future.

At the end of the year the Group had drawn down £28m (2023: £26m) of the available funds under the new facility, and therefore £7m of the £35m facility was undrawn (2023: £9m undrawn).

Annual General Meeting

The Annual General Meeting of the Company will be held on 19 June 2025 at 9:30am at Everyman Cinema Hampstead, 5 Holly Bush Vale, London NW3 6TX.

Consolidated statement of profit and loss and other comprehensive income for the year ended 02 January 2025

	Note	Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Revenue	6	107,173	90,859
Cost of sales		(38,106)	(32,724)
Gross profit		69,067	58,135
Other Operating Income	11	506	647
Administrative expenses		(72,935)	(58,834)
Operating (loss)		(3,362)	(52)
Financial expenses	12	(6,855)	(5,449)
Loss before tax		(10,217)	(5,501)
Tax credit	13	1,682	2,805

Loss for the year		(8,535)	(2,696)
Total comprehensive loss for the year		(8,535)	(2,696)
Basic loss per share (pence)	14	(9.36)	(2.96)
Diluted loss per share (pence)	14	(9.36)	(2.96)

All amounts relate to continuing activities.

Non-GAAP measure: adjusted EBITDA		Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Adjusted EBITDA		16,170	16,180
Before:			
Depreciation and amortisation	15/16/17	(14,867)	(13,152)
Loss on disposal of Property, Plant & Equipment		(241)	(121)
Impairment	18	(2,626)	(724)
Pre-opening expenses*		(888)	(934)
Exceptional**		(316)	(481)
Share-based payment expense	29	(594)	(820)
Operating loss		(3,362)	(52)

*Pre-opening expenses mainly include venue staff costs (new venue preparation and staff training) and property expenses (such as utilities, service charges and business rates) incurred prior to a new venue opening.

**Exceptional costs mainly relate to IT restructuring costs, as well as abortive recruitment costs relating to certain Head Office teams.

Consolidated balance sheet at 02 January 2025

Registered in England and Wales
Company number: 08684079

	Note	02 January 2025 £000	28 December 2023 £000
Assets			
Non-current assets			
Property, plant and equipment	15	104,586	101,544
Right-of-use assets	16	63,515	68,088
Intangible assets	17	9,247	9,388
Deferred tax assets	27	4,487	2,805
Trade and other receivables	20	333	173
		182,168	181,998
Current assets			
Inventories	19	964	858
Trade and other receivables	20	7,386	5,216
Cash and cash equivalents	22	9,883	6,645
		18,233	12,719
Total assets		200,401	194,717
Liabilities			
Current liabilities			
Trade and other payables	21	28,125	19,455
Lease liabilities	16	2,146	2,824
		30,271	22,279
Non-current liabilities			
Loans and borrowings	22	28,000	26,000
Other provisions	26	1,596	1,631
Lease liabilities	16	104,082	100,414
		133,678	128,045
Total liabilities		163,949	150,324
Net assets		36,452	44,393
Equity attributable to owners of the Company			
Share capital	28	9,118	9,118
Share premium		57,112	57,112

Merger reserve	11,152	11,152
Other reserve	83	83
Retained earnings	(41,013)	(33,072)
Total equity	36,452	44,393

These financial statements were approved by the Board of Directors and authorised for issue on 14 April 2025 and signed on its behalf by:

Will Worsdell
Finance Director

Consolidated statement of changes in equity for the year ended 02 January 2025

	Note	Share capital £000	Share premium £000	Merger reserve £000	Other reserve £000	Retained earnings £000	Total Equity £000
Balance at 29 December 2022		9,118	57,112	11,152	83	(31,196)	46,269
Loss for the year		-	-	-	-	(2,696)	(2,696)
Total comprehensive loss		-	-	-	-	(2,696)	(2,696)
Share-based payments	29	-	-	-	-	820	820
Total transactions with owners of the parent		-	-	-	-	820	820
Balance at 28 December 2023		9,118	57,112	11,152	83	(33,072)	44,393
Loss for the year		-	-	-	-	(8,535)	(8,535)
Total comprehensive loss		-	-	-	-	(8,535)	(8,535)
Share-based payments	29	-	-	-	-	594	594
Total transactions with owners of the parent		-	-	-	-	594	594
Balance at 02 January 2025		9,118	57,112	11,152	83	(41,013)	36,452

Consolidated cash flow statement for the year ended 02 January 2025

	Note	02 January 2025 £000	28 December 2023 £000
Cash flows from operating activities			
Loss for the year		(8,535)	(2,696)
Adjustments for:			
Financial expenses	12	6,855	5,449
Tax credit	27	(1,682)	(2,805)
Operating loss		(3,362)	(52)
Depreciation and amortisation	15,16,17	14,867	13,152
Loss on disposal of property, plant and equipment		241	122
Impairment	18	2,626	724
Loss on lease modification		-	15
Share-based payment expense	29	594	820
		14,966	14,781
Changes in working capital:			
Increase in inventories		(106)	(168)
(Increase)/Decrease in trade and other receivables		(2,330)	850
Increase in trade and other payables		9,045	2,423
Net cash generated from operating activities		21,575	17,886
Cash flows from investing activities			
Proceeds from sale of assets		-	6,490
Business combinations		-	(1,250)
Acquisition of property, plant and equipment		(15,433)	(18,586)
Acquisition of intangible assets		(640)	(829)

Net cash used in investing activities		(16,073)	(14,175)
Cash flows from financing activities			
Repayment of existing loan facility		-	(24,000)
Repayment of bank borrowings	22	(3,000)	-
Drawdown of bank borrowings	22	5,000	28,000
Lease payments - interest	16	(4,363)	(3,409)
Lease payments - capital	16	(3,330)	(3,104)
Landlord capital contributions received	16	5,680	4,054
Loan arrangement fees paid		-	(263)
Interest paid		(2,251)	(2,045)
Net cash used in financing activities		(2,264)	(767)
Net increase in cash and cash equivalents		3,238	2,944
Cash and cash equivalents at the beginning of the year		6,645	3,701
Cash and cash equivalents at the end of the year		9,883	6,645

The Group had £7,000,000 of undrawn funds available of a £35,000,000 facility (2023: £9,000,000 of a £35,000,000 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 02 January 2025 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 02 January 2025.
The financial information contained within this final results announcement for the year ended 02 January 2025 and the year ended 28 December 2023 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 28 December 2023 have been filed with the Registrar of Companies and those for the year ended 02 January 2025 will be filed following the Company's annual general meeting. The auditors' report on the statutory accounts for the year ended 02 January 2025 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.

The consolidated financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standards.

The financial statements are prepared on the historical cost basis.

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements. The Group prepares its financial statements on a 52/53 week basis. The year end date is determined by the 52nd Thursday in the year. A 53rd week is reported where the year end date is no longer aligned with 7 days either side of 31st December. The year ended 02 January 2025 is a 53-week period. The comparative period is a 52 week period.

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

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

At the end of the year, the Group had drawn down £28.0m on its facilities and held £9.9m in cash; the undrawn facility was therefore £7m and net banking debt £18.1m.

The Group's Revolving Credit Facility has leverage and fixed charge cover covenants. The Board has reviewed forecast scenarios and is confident that the business can continue to operate with sufficient headroom. These forecasts include prudent assumptions around increased to admissions, as well as wage increases and inflation.

In light of this, the Board consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Base case Scenario

The period forecast is up to 30 April 2026.

The forecast assumes that admissions grow as the film slate recovers towards pre-pandemic levels, as well as in line with the new venue pipeline. Two new venues are assumed to open in 2025, at Brentford in Q1 and at The Whiteley (Bayswater) in Q3. The forecast also assumes the opening of a new venue in Lichfield in the first quarter of 2026. Corresponding capital investment has been included for all new openings.

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

2 Basis of preparation and accounting policies (continued)

Going Concern (continued)
Stress testing

The Board considers budget assumptions on admissions to be realistic, particularly in light of current trading and the stronger, more consistently-phased 2025 film slate. A reduction in admissions of 6% during 2025 and 2026 has been modelled. This scenario would cause a breach in the Adjusted Leverage covenant in September 2025.

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. The Group also has the ability to delay the deployment of capital expenditure.

The Directors believe that the Group is well-placed to manage its financing and other business risks satisfactorily and have a reasonable expectation that the Group will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements.

The Board considers that a 6% reduction in budgeted admissions is very unlikely, particularly in light of business performance in the first quarter of 2025. 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 loss, adjusted EBITDA provides additional guidance to the statutory measures of the performance of the business during the financial year. The reconciliation between operating loss and adjusted EBITDA is shown on page 43.

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 relate to IT restructuring costs, as well as abortive recruitment costs relating to certain Head Office teams.

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 02 January 2025 incorporates the results of all subsidiaries of the Group for all years and periods, as set out in the basis of preparation and accounting policies.

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.

2 Basis of preparation and accounting policies (continued)

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 IFRS 3. The introduction of the new holding company was accounted for as a capital reorganisation using the principles of reverse acquisition accounting under IFRS 3. 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.

Contractual-based revenue from Everywhere (unlimited tickets) memberships is initially classified as deferred revenue and subsequently recognised on a straight-line basis over the year. Revenue from Everyman and Everyicon is classified as deferred revenue and subsequently recognised in line with ticket usage. Advertising revenue is recognised at the point the advertisement is shown in the cinemas.

Fees charged for advanced bookings of tickets are 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 acquisition date fair values of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset.

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.

2 Basis of preparation and accounting policies (continued)

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:

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

Impairment
The carrying amounts of the Group's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill assets that have an indefinite useful economic life, the recoverable amount is estimated at each Balance Sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit ('CGU') exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit or Loss.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and relates to an individual cinema venue.

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. The majority of leases entered into determine the lease commencement to be dependent on the date in which access to the property is provided by the landlord, at this point we assess the Group gains control.

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 i.e. a cinema venue (this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset).
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, which will be the Group's use of the venue; 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. This is evident through the fit out of the venue for its intended use as a cinema.

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, the incremental borrowing rate is most commonly used in the Groups recognition of leases.

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 26.)

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.

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.

Sale and Leaseback transactions
The Group has entered into two sale and leaseback transactions during the prior year where the Group transferred an property to another entity and leased the property back from the buyer-lessor. In both cases a sale was deemed to have taken place and the Group de-recognised the underlying asset and applied the lessee accounting model to the leaseback arrangement. A right-of-use asset is recognised based on the retained portion of the previous carrying amount of the asset and only the gain or loss is recognised related to the rights which are transferred to the lessor.

Immediately before the initial classification of the asset as held for sale, the carrying amount of the asset will be measured in accordance with applicable IFRSs. The Group has previously held freehold assets which were later classified as assets held for sale.

Assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (fair value less costs to distribute in the case of assets classified as held for distribution to owners).

Impairment must be considered both at the time of classification as held for sale and subsequently:

- At the time of classification as held for sale. Immediately prior to classifying an asset or disposal group as held for sale, impairment is measured and recognised in accordance with the applicable IFRSs. Any impairment loss is recognised in profit or loss unless the asset had been measured at revalued amount under IAS 16 or IAS 38, in which case the impairment is treated as a revaluation decrease.
- After classification as held for sale. Impairment is calculated based on the difference between the adjusted carrying amounts of the asset/disposal group and fair value less costs to sell. Any impairment loss that arises by using the measurement principles in IFRS 5 would be recognised in profit or loss.

Impairment of these transactions is considered within the wider portfolio for impairment review.

Leaseback

On initial recognition, the Group measures the right of use assets as a proportion of the carrying amount of the underlying asset. The lease liabilities are recorded in adherence to the above principles on lease recognition.

2 Basis of preparation and accounting policies (continued)

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.

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.

2 Basis of preparation and accounting policies (continued)

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 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 has been 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, deposits and cash amounts in transit due from credit cards which are settled within four days from the date of the reporting period.

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 25.

Interest rate risk
The Group is exposed to cash flow interest rate risk from its revolving credit facility at variable rates. During 2024 and 2023, 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 01 January 2024

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 01 January 2024:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)
- Classification of Liabilities as Current or Non-Current (including Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date) (Amendments to IAS 1 Presentation of Financial Statements)
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning 01 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the period beginning 01 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

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

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 cinemas (accounting estimate)
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 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)

Deferred tax assets (accounting estimate)
The Group recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. The recognition of deferred tax assets based on future taxable profits requires significant management judgment and estimation.

In assessing the probability of future taxable profits, management considers historical profitability, forecasts, and business plans. These assessments are based on various factors including, but not limited to, expected future market conditions, industry trends, regulatory environment, and specific operational strategies.

The Group reviewed its forecasts for a three year period based on management expectations and projections to assess the likelihood of future taxable profits and adjusts the recognition of Deferred Tax assets accordingly. However, actual results may differ from these forecasts due to changes in economic conditions, market dynamics, or other unforeseen events.

Incremental borrowing rate (accounting estimate)
The Group determines the incremental borrowing rates used to discount lease payments for the purpose of measuring the lease liability and right-of-use asset under IFRS 16, Leases. The determination of incremental borrowing rates involves significant judgment and estimation by management. Key factors considered are the nature and term of lease, market conditions and availability of comparable financing.

6 Revenue

	Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Film and entertainment	51,849	44,718
Food and beverages	45,881	38,563
Venue Hire, Advertising and Membership Income	9,443	7,578
	107,173	90,859

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	02 January 2025 £000	28 December 2023 £000
Trade receivables	2,641	1,565
Deferred income	5,757	4,330

Deferred income relates to advanced consideration received from customers in respect of memberships, gift cards and advanced screenings. The movement in deferred income relates predominantly to increases in memberships, gift cards and advertising contracts.

7 Loss before taxation

Loss before taxation is stated after charging:

	Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Depreciation of tangible assets	10,013	8,808
Amortisation of right-of-use assets	4,073	3,591
Amortisation of intangible assets	781	753
Loss on disposal of property, plant and equipment	241	121
Share-based payment expense	594	820
Impairment	2,626	724

8 Staff numbers and employment costs

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

	02 January 2025 Number	28 December 2023 Number
Management	276	252
Operations	1,352	1,180
	1,628	1,432

At the year end the number of employees (including Directors) was 1,989 (2023: 1,689). Management staff represent all full-time employees in the Group.

	Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Wages and salaries	28,193	22,800
Social security costs	2,288	1,809
Pension costs	422	356
Share-based payment expense	594	820
	31,497	25,785

There were pension liabilities outstanding as at 02 January 2025 of £89,000 (28 December 2023: £81,000).

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 02 January 2025 £000	Year ended 28 December 2023 £000
Salaries/fees	829	815
Bonuses	76	-
Other benefits	11	7
Pension contributions	19	17
	935	839
Share-based payment expense	638	662
	1,573	1,501

9 Directors' remuneration (continued)

Information regarding the highest paid Director is as follows:

	Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Salaries/fees	324	312
Bonuses	39	-
Other benefits	9	6
Pension contributions	10	10
	382	328
Share-based payment expense	580	368
	962	696

Directors remuneration for each Director is disclosed in the Remuneration Committee report. The costs relating to the Directors remuneration are incurred by Everyman Media Limited for the wider Group. No Directors exercised options over shares in the Company during the year (2023: None).

10 Auditor's remuneration

	Year ended 02 January 2025 £000	Year ended 28 December 2023 £000
Fees payable to the Group's auditor for:		

Fees payable to the Group's auditor for:	£000	£000
Audit of the Company's financial statements	26	36
Audit of the subsidiary undertakings of the Company	189	161
	215	197

11 Other Operating Income

	Year ended 02 January 2025	Year ended 28 December 2023
	£'000	£'000
Landlord compensation	506	647

12 Financial expenses

	Year ended 02 January 2025	Year ended 28 December 2023
	£000	£000
Interest on bank loans	2,303	1,934
Bank loan arrangement fees	178	148
Interest on lease liabilities	4,363	3,409
Revaluation of dilapidations	-	(50)
Interest on dilapidations provision	11	8
	6,855	5,449

13 Taxation

	Year ended 02 January 2025	Year ended 28 December 2023
	£000	£000
Deferred tax credit	(1,682)	(2,805)
Total tax credit	(1,682)	(2,805)

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

Reconciliation of effective tax rate	Year ended 02 January 2025	Year ended 28 December 2023
	£000	£000
Loss before tax	(10,217)	(5,501)
Tax at the UK corporation tax rate of 25% (2023:23.5%)	(2,554)	(1,293)
Permanent differences (expenses not deductible for tax purposes)	1,310	1,313
Impact of difference in overseas tax rates	-	3
Effect of change in expected future statutory rates on deferred tax	-	(196)
Changes in prior year capital allowance estimate	(468)	-
Tax losses/temp. differences of deferred tax previously unrecognised	30	(2,632)
Total tax credit	(1,682)	(2,805)

14 Earnings per share

	Year ended 02 January 2025	Year ended 28 December 2023
Loss used in calculating basic and diluted earnings per share (£000)	(8,535)	(2,696)
Number of shares (000's) Weighted average number of shares for the purpose of basic earnings per share	91,178	91,178
Number of shares (000's) Weighted average number of shares for the purpose of diluted earnings per share	91,178	91,178
Basic loss per share (pence)	(9.36)	(2.96)
Diluted loss per share (pence)	(9.36)	(2.96)

14 Earnings per share (continued)

	02 January	28 December

	2025 Weighted average no. 000's	2023 Weighted average no. 000's
Issued at beginning of the year	91,178	91,178
Share options exercised	-	-
Weighted average number of shares at end of the year	91,178	91,178
Weighted average number of shares for the purpose of diluted earnings per share		
Basic weighted average number of shares	91,178	91,178
Effect of share options in issue	-	-
Weighted average number of shares at end of the year	91,178	91,178

Basic earnings per share values are calculated by dividing net 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 5.1m potentially issuable Ordinary shares (2023: 7.2m) 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 losses per share.

The Company made a post-tax profit for the year of £1,192,000 (2023: £1,365,000).

15 Property, plant and equipment

	Land & Buildings £000	Leasehold improvements £000	Plant & machinery £000	Fixtures & Fittings £000	Assets under construction £000	Total £000
Cost						
At 29 December 2022	4,409	84,457	16,176	13,593	6,522	125,157
Acquired in the year	-	613	1,065	786	17,617	20,081
Acquired in business combination	-	1,232	389	326	-	1,947
Disposals	(1,223)	(210)	-	(15)	-	(1,448)
Transfer on completion	-	8,372	1,600	5,977	(15,949)	-
Transfer on sale of freehold	(3,186)	3,023	38	125	-	-
At 28 December 2023	-	97,487	19,268	20,792	8,190	145,737
Acquired in the year	-	8,365	2,070	1,603	2,786	14,824
Disposals	-	(11)	(4)	(650)	-	(665)
Transfer on completion	-	2,796	402	1,655	(4,853)	-
At 02 January 2025	-	108,637	21,736	23,400	6,123	159,896
Depreciation						
At 29 December 2022	70	19,797	9,767	5,456	-	35,090
Charge for the year	8	4,197	2,743	1,860	-	8,808
Impairment	-	390	13	13	-	416
On Disposals	(13)	(95)	-	(13)	-	(121)
Transfer on sale of freehold	(65)	65	-	-	-	-
At 28 December 2023	-	24,354	12,523	7,316	-	44,193
Charge for the year	-	4,795	2,897	2,321	-	10,013
Impairment	-	1,047	65	416	-	1,528
On Disposals	-	(1)	(2)	(421)	-	(424)
At 02 January 2025	-	30,195	15,483	9,632	-	55,310
Net book value						
At 02 January 2025	-	78,442	6,253	13,768	6,123	104,586
At 28 December 2023	-	73,133	6,745	13,476	8,190	101,544
At 29 December 2022	4,339	64,660	6,409	8,137	6,522	90,067

Impairment considerations of tangible fixed assets were considered using the value in use basis disclosed in Note 18.

16 Leases
Nature of leasing activities
The Group leases all 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.

02 January 2025	Lease contract No.	Fixed payments %	Variable payments %	Sensitivity (+/-) £'000
Property leases with payments linked to inflation	**26**	-	10%	3,039
Property leases with periodic uplifts to market rentals	**23**	-	73%	1,718
Property leases with fixed payments	**5**	15%	-	-
Vehicle leases	**5**	2%	-	-
	59	17%	83%	4,757

During 2024 the Group entered three property leases and one agreement for lease for new venues for a period of 25 years each. The lease liability and right-of-use asset for the agreement for lease have not been recognised at 2 January 2025 as the Group had yet to take access. The aggregate future cash outflows to which the group is exposed in respect of this contract is fixed payments of £104,000 per year for the next 5 years, with only rent reviews every 5 years.

28 December 2023	Lease contract No.	Fixed payments %	Variable payments %	Sensitivity (+/-) £'000
Property leases with payments linked to inflation	22	-	61%	2,854
Property leases with periodic uplifts to market rentals	23	-	28%	1,745
Property leases with fixed payments	5	10%	-	-
Vehicle leases	4	1%	-	-
	54	11%	89%	4,599

Right-of-Use Assets

	Land & Buildings £'000	Motor Vehicles £'000	Total £'000
As at 29 December 2022	58,865	55	58,920
Additions	6,759	22	6,781
Business combinations	6,672	-	6,672
Negative addition*	(1,361)	-	(1,361)
Amortisation	(3,563)	(28)	(3,591)
Impairment	(308)	-	(308)
Effect of modification to lease terms	975	-	975
At 28 December 2023	68,039	49	68,088
Additions	1,410	58	1,468
Negative addition*	(1,504)	-	(1,504)
Amortisation	(4,047)	(26)	(4,073)
Impairment	(1,098)	-	(1,098)
Effect of modification to lease terms	634	-	634
At 02 January 2025	63,434	81	63,515

16 Leases (continued)
Lease incentives received prior to lease commencement during the year are deducted directly from the right of use, these amounted to £250,000 (2023: £Nil).

Lease liabilities

	Land & Buildings £'000	Motor Vehicles £'000	Total £'000

	£'000	£'000	
At 29 December 2022	86,421	52	86,473
Additions	7,349	22	7,371
Acquired through business combination	7,369	-	7,369
Interest expense	3,407	2	3,409
Effect of modification to lease terms	1,075	-	1,075
Lease payments	(6,449)	(64)	(6,513)
Landlord contributions	4,054	-	4,054
At 28 December 2023	103,226	12	103,238
Additions	1,334	58	1,392
Negative addition*	(1,541)	-	(1,541)
Interest expense	4,361	2	4,363
Effect of modification to lease terms	789	-	789
Lease payments	(7,669)	(24)	(7,693)
Landlord contributions	5,680	-	5,680
At 02 January 2025	106,180	48	106,228

*Negative right-of-use asset and lease liabilities addition relates to a lease in which lease incentives exceeded present value of fixed rent payments resulting in a negative right-of-use asset. This materialised due to the nature of the lease agreement in which rent payments are made up of turnover based rent and quarterly rent. Turnover rent is excluded from the present value of lease liabilities on recognition of the lease.

	02 January 2025	28 December 2023
	£'000	£'000
Lease liabilities		
Current	**2,146**	2,824
Non-current	**104,082**	100,414
	106,228	103,238

Maturity analysis of lease payments

	02 January 2025	28 December 2023
	£'000	£'000
Contractual future cash outflows		
Land and buildings		
Less than one year	**8,413**	7,056
Between one and five years	**33,910**	31,774
Over five years	**124,343**	119,354
	166,666	158,184
Motor Vehicles		
Less than one year	**42**	24
Between one and five years	**9**	22
	51	46

17 Goodwill and intangible assets

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. The Group has determined there is no impairment on goodwill for the period ending 02 January 2025.

	Goodwill £'000	Software £'000	Total £'000
Cost			
At 29 December 2022	8,951	3,936	12,887
Acquired in the year	-	829	829
At 28 December 2023	8,951	4,765	13,716
Acquired in the year	-	640	640

At 02 January 2025	8,951	5,405	14,356
Amortisation and impairment			
At 29 December 2022	1,599	1,976	3,575
Charge for the year	-	753	753
At 28 December 2023	1,599	2,729	4,328
Charge for the year	-	781	781
At 02 January 2025	1,599	3,510	5,109
Net book value			
At 02 January 2025	**7,352**	**1,895**	**9,247**
At 28 December 2023	7,352	2,036	9,388
At 29 December 2022	7,352	1,960	9,312

Amortisation is applied to write down the carrying value of assets over expected useful economic lives. The estimated useful economic life for intangible assets is 3 years, which commences when the asset is available for use.

Goodwill is allocated to the following CGUs:

	02 January 2025 £000	28 December 2023 £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

18 Impairment

The Company evaluates assets for impairment annually or when indicators of impairment exist.

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 Company determines the recoverable amount with reference to its value in use.

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 post-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.

As required by IAS 36, the company assessed whether there was an indication that a previously recognised impairment no longer exists or may have decreased. A reversal of an impairment loss should only be 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 key assumptions of this calculation are shown below:

	02 January 2025	28 December 2023
Discount rate (post-tax)	11.25%	11%
Long term growth rate	2%	2%
Number of years projected	5 years	5 years

A post-tax WACC was used in the impairment calculation. The equivalent pre-tax WACC was 15% (2023: 14.7%).

Adjusted EBITDA used for 2025 is based on the Board approved budget and represents the balanced and most likely outcome of future cashflows. In the remaining five-year forecast, the following assumptions have been applied excepted in limited cases where adjustments have been made for venue-specific factors:

- Admissions: 3% like-for-like increase year-on-year.
- Average Ticket Price: 3% increase year-on-year.
- Spend Per Head: 3% increase year-on-year.

An impairment charge of £2,626,000 has been recognised in the period (2023: £724,000) relating to four venues, at which the recoverable amount was deemed to be lower than the carrying value.

The cumulative impairment charges that have been recognised in previous periods have not been reversed and are summarised in the below table.

	28 December 2023 £000	Impairment Charge 2024 £000	02 January 2025 £000
Goodwill	1,599	-	1,599
Right-of-use	1,032	1,098	2,130
Property, plant & equipment	1,224	1,528	2,752
Total	**3,855**	**2,626**	**6,481**

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.

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

- Admissions levels were increased by 3% versus the base case in each year in the upside case, and decreased by 3% versus the base case in each year in the downside case; and
- WACC was decreased by 1% versus the base case in the upside case, and increased by 1% versus the base case in the downside case.

The results of this were as follows:

	Upside £,000	**Number of venues Impaired**	**Downside £,000**	**Number of venues Impaired**
Admissions sensitivity	1,705	2	6,376	6
WACC sensitivity	1,134	2	4,298	5
Combined sensitivity	1,134	2	8,402	8

19 Inventories

	02 January 2025 £000	28 December 2023 £000
Food and beverages	**964**	858

Finished goods recognised as cost of sales in the year amounted to £10,969,000 (2023: £9,393,000).

20 Trade and other receivables

	02 January 2025 £000	28 December 2023 £000
Included in current assets	**7,386**	5,216
Included in non-current assets	**333**	173
	7,719	5,389
Trade receivables	**2,641**	1,565
Other receivables	**512**	291
Prepayments and accrued income	**4,566**	3,533
	7,719	5,389

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.

21 Trade and other payables

	02 January 2025 £000	28 December 2023 £000
Trade creditors	5,850	3,385
Social security and other taxation	3,290	3,100
Other creditors	910	523
Accrued expenses	12,318	8,117
Deferred income	5,757	4,330
	28,125	19,455

22 Loans and borrowings

	02 January 2025 £000	28 December 2023 £000
Total Bank Debt	**28,000**	26,000
Cash	**(9,883)**	(6,645)
Net Bank Debt	**18,117**	19,355

Commitment fees are charged quarterly on any balances not drawn at 40% of the applicable rate of drawn funds. The face value is deemed to be the carrying value. The Group had drawn down £28 million of the £35 million debt facility as at 02 January 2025 (2023: £26 million of the £35 million debt facility).

23 Changes in liabilities from financing activities

	Non- current loans and borrowings	Lease liabilities	Total
	£000	£000	£000
At 28 December 2023	26,000	103,238	129,238
Cash flows	2,000	(2,013)	(13)
Non- cash flows:			
Interest accruing in period	-	4,363	4,363
Lease additions	-	(149)	(149)
Effect of modifications to lease terms	-	789	789
At 02 January 2025	28,000	106,228	134,228
At 29 December 2022	22,000	86,473	108,473
Cash flows	4,000	(2,459)	1,541
Non- cash flows:			
Interest accruing in period	-	3,409	3,409
Lease additions	-	14,740	14,740
Effect of modifications to lease terms	-	1,075	1,075
At 28 December 2023	26,000	103,238	129,238

24 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.

	02 January 2025 £000	28 December 2023 £000
Financial assets measured at amortised cost		
Cash and cash equivalents	9,883	6,645
Trade and other receivables	3,153	1,856
Accrued income	963	1,426
	13,999	9,927

	02 January 2025 £000	28 December 2023 £000
Financial liabilities measured at amortised cost		
Bank borrowings	28,000	26,000
Trade Creditors	5,850	3,385
Leases	106,228	103,238
Other Creditors	910	523
Accrued expenses	12,318	8,117
	153,306	141,263

25 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 02 January 2025 and 28 December 2023.

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.

At 02 January 2025 the Group has trade receivables of £2,641,000 (2023: £1,565,000). 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 02 January 2025 the Directors have recognised expected credit losses of £Nil (2023: £Nil) as credit losses are assessed as immaterial.

25 Financial risks (continued)

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

	02 January 2025	28 December 2023
	£000	£000
Ageing of receivables		
<30 days	**2,011**	1,005
31-60 days	**513**	322
61-120 days	**18**	171
>120 days	**99**	67
	2,641	1,565

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 (2023: £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				
2 January 2025	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	28,000	1,595	29,063	-	-	30,658
Trade creditors	5,850	5,850	-	-	-	5,850
Leases	106,228	8,413	8,352	25,558	123,613	165,936
Other creditors	910	910	-	-	-	910
Accrued expenses	12,318	12,318	-	-	-	12,318
	153,306	29,086	37,415	25,558	123,613	215,672

25 Financial risks (continued)

		Contractual cash flows				
28 December 2023	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

	£000	£000	£000	£000	£000	£000
Non-derivative financial liabilities						
Secured bank facility	26,000	2,012	2,012	27,341	-	31,365
Trade creditors	3,385	3,385	-	-	-	3,385
Leases	103,238	7,080	8,146	23,604	119,354	158,184
Other creditors	523	523	-	-	-	523
Accrued expenses	8,117	8,117	-	-	-	8,117
	141,263	21,117	10,158	50,945	119,354	201,574

Interest rate risk

Interest rate risk arose from the Group's holding of interest-bearing loans linked to 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 £000	Maturing between 1 to 2 years £000	Maturing between 2 to 5 years £000
At 28 December 2023				
Bank borrowings*	7.74%	190	-	26,000
Bank current and deposit balances	0.01%	6,597	-	-
At 02 January 2025				
Bank borrowings*	**7.25%**	**234**	**-**	**28,000**
Bank current and deposit balances	**0.01%**	**9,883**	**-**	**-**

*Bank borrowings comprises SONIA of 4.7% (2023: 5.19%) and margin of 2.55% (2023: 2.55%).

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 %	02 January 2025 £000	28 December 2023 £000
Bank borrowings	0.5%	(140)	(130)
	1.0%	(280)	(260)
	1.5%	(420)	(390)
Bank current and deposit balances	0.5%	49	33
	1.0%	99	66
	1.5%	148	99

Capital management

The Group's capital is made up of share capital, share premium, merger reserve and retained earnings totalling £36.4m (2023: £44.5m).

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.

26 Provisions

	Leasehold Dilapidations £,000
As at 29 December 2022	**1,362**
Additions	311
Revaluation of net present value	(50)
Unwinding of discount	8
As at 28 December 2023	**1,631**

Additions	112
Revaluation of net present value	(158)
Unwinding of discount	11
As at 02 January 2025	**1,596**

All provisions for lease dilapidations are due after more than five years.

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 02 January 2025 was 17 years (2023:18 years).

27 Deferred tax

	02 January 2025 £000	28 December 2023 £000
Deferred tax gross movements		
Opening balance	2,805	-
Deferred tax asset recognised in period	**1,682**	2,805
Closing balance	**4,487**	2,805
Recognised in profit and loss		
Arising on loss carried forward	**(1,658)**	(4,660)
Net book value in excess of tax written down value	**529**	1,805
Amortisation of IFRS accumulated restatement	**45**	45
Prior year adjustment	**(468)**	-
Other temporary differences	**(130)**	5
Credit to profit and loss	**(1,682)**	(2,805)
Deferred tax comprises:		
Temporary differences on property, plant and equipment	**7,618**	7,794
Temporary differences on IFRS 16 accumulated restatement	**(510)**	(552)
Available losses	**(11,719)**	(10,302)
Other temporary and deductible differences	**124**	255
	(4,487)	(2,805)

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 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 consulted the FRC's thematic review of Deferred Tax Assets published in September 2022 and concluded that an asset should be recognised on the basis of a sufficient level of probable future taxable profits. The Group has taken the decision to recognise the Deferred Tax Asset in 2023 and 2024 due to increased certainty over future trading performance.

28 Share capital and reserves

	Nominal value	02 January 2025 £000	28 December 2023 £000
Authorised, issued and fully paid Ordinary shares	£0.10		
At the start of the year		**9,118**	9,118
Issued in the year		**-**	-
At the end of the year		**9,118**	9,118

Number of shares	02 January 2025 Number	28 December 2023 Number
Authorised, issued and fully paid Ordinary shares		
At the start of the year	**91,177,969**	**91,177,969**
Issued in the year	**2,791**	**-**

At the end of the year	**91,180,760**	**91,177,969**

The holders of Ordinary shares are entitled to one vote per share. During the year the Company issued 2,791 Ordinary shares (2023: Nil)

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 (2023: £nil)

29 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.

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

29 Share-based payment arrangements (continued)

	Weighted average exercise price per share in the year ended			
	02 January 2025 Pence	28 December 2023 Pence	02 January 2025 Number	28 December 2023 Number
Options at the beginning of the year	90.4	104.3	7,196,834	6,973,833
Options issued in the year	10	28.6	1,119,797	1,202,808
Options exercised in the year	10	-	(2,791)	-
Option forfeited in the year	70.4	41.8	(3,172,504)	(979,807)
Options at the end of the year	85.3	90.4	5,141,336	7,196,834

The exercise price of options outstanding at 02 January 2025 ranged between 10.0 pence and 184.0 pence (2023: 10.0 pence and 184.0 pence) and their weighted average contractual life was 10 years (2023: 10 years).

The weighted average share price (at the date of exercise) of options exercised during the year was 10.0 pence (2023: n/a)

The weighted average fair value of each option granted during the year was 49.7p (2023: 63.3p).

No options lapsed beyond their contractual life in the year (2023: nil).

The following information is relevant in the determination of the fair value of options granted during the year and equity-settled share-based remuneration schemes operations by the Group:

Option scheme conditions for options issued in the year:	02 January 2025	28 December 2023
Option pricing model used	Binomial	Binomial
Weighted average share price at grant date (pence)	59.0	82.4
Weighted average option exercise prices (pence)	10	30.1
Expected volatility	30%	35%
Expected option life (years)	1.7	2.9
Weighted average contractual life of outstanding share options (years)	10	10
Risk-free interest rate	4.12%	3.56%
Expected dividend yield	0.0%	0.0%
Fair value of options granted in the year (pence)	49.7	63.3

Volatility has been calculated based on historical share price movements of the Company as at each grant date.

The share-based remuneration expense applicable to key management personnel was as follows:

	02 January 2025	28 December 2023
	£000	£000

29 Share-based payment arrangements (continued)

Growth Shares

On 8th April 2021, the Group announced that Alex Scrimgeour, Chief Executive Officer of Everyman, had been issued 2,000,000 A ordinary shares ("Growth Shares") in a subsidiary company, Everyman Media Holdings Ltd. The Growth Shares could be exchanged for new Ordinary Shares in the future, subject to meeting certain vesting conditions and share price performance criteria.

Subsequent to this, on 23rd January 2023, the Remuneration Committee resolved that the share price performance condition attached to the Growth Shares was no longer appropriate. The Company announced that, subject to vesting conditions and financial performance targets being met, the Growth Shares would entitle Mr. Scrimgeour to receive an amount equivalent to the market value of an Ordinary Share in the Company less 86.0p, being the closing share price of the Company on 20th January 2023.

On 18th August 2023, the Remuneration Committee has resolved that, due to equity market conditions, the terms of the Growth Shares should be amended so that Mr. Scrimgeour will now receive an amount equivalent to the market value of an Ordinary Share less 60.0p, being the closing share price of the Company on 17 August 2023. All other terms and conditions relation the Growth Shares remain unchanged.

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

	02 January 2025	Re-stated 28 December 2023
Outstanding at beginning of year	2,000,000	2,000,000
Lapsed in year	-	-
Outstanding at end of year	2,000,000	2,000,000

Growth Shares that were deemed to have lapsed in 2023 have been re-stated as outstanding following legal advice.

Following the amendments to the terms of the A Ordinary Shares noted above, the Binomial model was used for fair valuing the A Growth Share awards at the date of modification. 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
Adjusted EBITDA Target	£17.2m	£19.3m
Expected volatility	30%	30%
Risk free interest rate	4.82%	4.76%
Option life (years)	5	5
Share price at valuation date	£0.60	£0.60

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

	02 January 2025 £000	28 December 2023 £000
Share options charge	50	470
Growth shares charge	544	350
Administrative costs	594	820

The charge for the Company was £nil (2023: £nil) after recharging subsidiary undertakings with a charge of £594,000 (2023: £820,000). The relevant charge is included within administrative costs.

30 Commitments

There were capital commitments for tangible assets at 02 January 2025 of £11,950,000 (2023: £14,521,000). The amount of landlord contributions committed were £7,015,000 (2023: £7,650,000) which is not included in the above figure.

31 Events after the balance sheet date

On 21 March 2025, the Group purchased the remaining long leasehold interest at its venue at The Everyman Cinema, Great North Road, New Barnet, Barnet EN5 1AB, for the sum of £1,000,000. The long leasehold runs until 22 December 2032.

32 Related party transactions

In the year to 02 January 2025 the Group engaged services from entities related to the Directors and key management personnel of £853,000 (2023: £848,000) comprising of office rental of £110,000 (2023: £105,000) and venue rental for Bristol, Harrogate, Stratford-Upon-Avon and Maida Vale of £743,000 (2023: £743,000). 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 £167,000,000 (2023: £158,000,000) is an amount of £386,000 (2023: £499,000) relating to office rental, £4,114,000 (2023: £4,319,000) relating to Stratford-Upon-Avon, £2,865,000 (2023: £3,036,000) relating to Bristol, £804,000 (2023: £914,000) relating to Madia Vale and £4,115,000 (2023: £4,412,000) relating to Harrogate. The landlords of the sites are entities related to the Directors of the Company.

33 Ultimate controlling party

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

END

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