Everyman Media Group PLC

Registered number 08684079

Annual report and financial statements

Year ended

30 December 2021

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EVERYMAN

Company information

Directors	**Function**
Adam Kaye	Executive Director
Alexander Scrimgeour (appointed 18 January 2021)	Chief Executive Officer
Charles Dorfman	Non-Executive Director
Elizabeth Lake FCA	Chief Financial Officer
Maggie Todd (appointed 14 July 2021)	Non-Executive Director
Michael Rosehill FCA	Non-Executive Director
Paul Wise	Executive Chairman
Philip Jacobson FCA	Non-Executive Director

Company secretary
One Advisory Limited

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Company registration number
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Solicitor to the Company
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Registrar to the Company
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Chairman's statement

A year of two halves

Early 2021 was dominated by Covid and Covid-related restrictions. However, by May 21 all venues were open and the Everyman community returned to our venues in very encouraging numbers.

We are very pleased to have been able to re-engage with our customers face to face, with good admissions levels enabling a return to our growth agenda.

Since re-opening we have delivered positive adjusted profits every month as well as enjoying admission levels and average spends higher than our expectations, supported by a strong film slate and our great food and drink offer.

Review of the business

Our share of the box office has grown to 4.5% from 3.2% in 2020. We remain the fifth largest UK cinema business, as defined by gross box office revenue (source: ComScore) reinforcing our position as a respected and highly regarded UK leisure brand.

In the year we were excited to open Borough Yards and to fully refurbish our Belsize Park venue. With 36 venues now open we continue to be proud of the positive impact that our venues have on high streets and communities, breathing new life into public spaces through regeneration, or new developments.

We were delighted that Alex Scrimgeour joined us as CEO on 18 January 2021. Alex's contribution has been impactful from the start with a number of new initiatives across the business. We were also very pleased to welcome Maggie Todd to the Board as an independent non-executive Director on 14 July, bringing with her a wealth of experience working with Disney and its associated brands.

We are conscious that our successful return has depended in large part on our teams, who have been amazing through what has been a year with some exceptionally difficult moments.

Outlook

We remain confident of people's appetite to enjoy making and watching films, as demonstrated by the strong demand seen for our offering once reopened. Everyman remains a great place to enjoy films of all genres, great hospitality, and to have an entertaining, affordable night out.

Current trading is in line with our expectations, and we look to the future with optimism.

Paul Wise

Executive Chairman
25 March 2022

Chief Executive's Statement

Business Model

Everyman's business model remains simple, it is to bring together great food, drink, atmosphere, service and of course film, to create exceptional experiences for our customers.

Our model is a premium cinema experience that delivers benefits, with the premium experience warranting a premium price point and with more revenue generating activities offered than the traditional cinema. As we emerge from the pandemic and return to sustained growth, we will also benefit from increasingly efficient central costs, allowing top line revenue growth to reflect in adjusted profit from operations growth.

Our growth strategy is multi-faceted:

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

During 2021 the ability to execute this model was hampered by the impact of the pandemic on our business, however our ambitions remain the same, and leaving 2021 we are increasingly confident in a return to the execution of our multi-faceted strategy.

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 30 December 2021 (52 weeks)	Year ended 31 December 2020 (52 weeks)
Admissions	+69%	2,023,390	1,197,248
Box office average ticket price*	-3%	£11.44	£11.81
Food and beverage spend per head**	+27%	£8.96	£7.08

Admissions were up 69% year on year, and since re-opening on 17 May admissions have been ahead of management expectations. For the period from 17 May to the year end admissions have been 87% of 2019 levels for the same period (on a non-like-for-like basis), and since restrictions were lifted towards the end of July, admissions have been 103% of 2019 for the same period (on a non-like-for-like basis).

*The impacts of the different VAT rates throughout 2020 and 2021 have been removed from the Average Ticket Prices (ATP) above. The reduction in ATP of 3% is due to the film slate year on year resulting in the proportion of children's tickets being 6.5% higher in 2021, together with the regional split of ticket sales which was 5% higher outside London and the South East in 2021 v's 2020.

**The Spend Per Head (SPH) has been adjusted to remove Deliveroo income and the impact of the different VAT rates throughout 2020 and 2021. Food and beverage spend per head has grown by 27%, driven by the roll out of hand-held ordering units, kitchen upgrades and consumer confidence growing, with customers showing a desire to treat themselves on returning to hospitality.

Expansion of our geographical footprint

Pre-pandemic we had planned to open six new venues in 2021 but following the work we did last year to reduce our capital commitments the pipeline of new openings was successfully pushed out. Once we were able to re-open and restart our growth plans, we were able to progress the development of our new two screen venue in Borough Yards, and were delighted to open to the public on 14 December 2021.

We have a pipeline of at least four new openings this year, Edinburgh (April), followed by Egham, Plymouth and Marlow. We also have two new venues signed and due to open in 2023 (Northallerton and Aberdeen), and have a strong pipeline under legal negotiations which will add to this list for 2023 over the coming weeks.

Chief Executive's Statement (cont.)

The Group currently has venues in the following locations:

Location	Number of Screens	Number of Seats
Altrincham	4	247
Birmingham	3	328
Bristol	3	439
Cardiff	5	253
Chelmsford	5	379
Clitheroe	4	255
Esher	4	336
Gerrards Cross	3	257
Glasgow	3	201
Harrogate	5	410
Horsham	3	239
Leeds	5	611
Lincoln	4	291
Liverpool	4	288
London, 13 venues*	37	3,136
Manchester	3	247
Newcastle	4	215
Oxted	3	212
Reigate	2	170
Stratford-Upon-Avon	4	384
Walton-On-Thames	2	158
Winchester	2	236
Wokingham	3	289
York	4	329
	119	9,910

*One new venue opened in 2021 at Borough Yards, London

COVID-19 response

With venues closed until 17 May 2021, the Group continued to work hard to preserve cash through working with our partners and using Government support. Whilst we continue to monitor the situation closely, since being able to re-open and the relaxation of all COVID restrictions, we are optimistic for the future.

Government support was received in terms of rates relief, the VAT reduction, and the grants for the hospitality sector. We are grateful for the support received and have used it in the spirit it was intended, to protect jobs and our business, and safeguard its future.

A significant part of our costs are property related, and we are therefore pleased to have continued to work closely with our landlords. We would like to take this opportunity to again thank our landlords for their support and understanding throughout the pandemic.

We also continued to delay a number of site refurbishments and new venue openings, which significantly reduced the Group's capital commitments in the first half of 2021. With the removal of Government restrictions we have returned to our growth strategy and were able to open one new venue in December 2021 and have at least four new openings in 2022.

Chief Executive's Statement (cont.)

Continued engagement with key stakeholders

At the heart of Everyman's proposition are our customers and our people, we have consistently engaged with all our key stakeholders throughout the pandemic.

We used social media to maintain a wide dialogue with customers during the period of closure at the beginning of the year. By the end of 2021 the website had seen 6.5 million users, up 55% on 2020.

We continued to engage with our loyal members through digital communications and the sending of small gifts and cards. Our members' ongoing support and enthusiasm for film has been greatly appreciated during lockdown. It has been incredibly pleasing to see this engagement reciprocated since reopening, with our loyal members returning to our venues.

Supporting the wellbeing of staff during the pandemic has been paramount. Regular engagement with our team during the period of closure at the beginning of the year has continued since we re-opened.

Innovation

As a leader in cinema, innovation has and always will be essential, and it is something in which we take great pride. This year it has continued to be critical to embrace innovation to produce a compelling slate of programming, as well as innovating in our food and beverage offering.

We have used the period of closure to our advantage in terms of a programme of minor kitchen upgrades and relatively small refurbishments. Kitchen upgrades have been completed in 22 venues, with ordering, payment and kitchen technology upgrades in all 36 venues.

We have successfully launched a new seafood range with additions to the offering including the shrimp burger and tempura prawns. Since 5 January, across all venues, we have added some exciting new items such as Nduja, caramelised onion and fresh oregano pizza, vegan artichoke and sun-dried tomato pizza, truffle artichoke dip and flat bread, hot honey halloumi, and a vegan Bischoff milkshake. In addition, we added buttermilk chicken, truffle burger and a vegan cheeseburger to our Spielburger venues.

Market developments

As a result of the pandemic and its impact on theatrical releases, film studios began to experiment with various new film delivery models. Notwithstanding this experimentation, we firmly believe there will always be a strong demand for cinema. Cinema offers a unique experiential component and at Everyman we provide customers with not just the chance to enjoy a film, but a chance to enjoy it as part of a social event - an evening of entertainment with food, drink, and exceptional service.

Since re-opening, the industry has moved away from the 16-week window and towards a minimum of 31 or 45 days based on the scope of the release. We do not anticipate this having a significant impact on the box office as historically films take the bulk of their revenue in the first few weeks. What it has led to is greater flexibility on show requirements, which has allowed us to screen a broader range of titles and diversify our offering.

We are also seeing an increase in films being released into the market, notably from streamers such as Netflix, Amazon and Apple. We continue to believe that streaming and cinema can not only co-exist but in fact complement each other, paving the way for more creative opportunities and partnerships.

People

We recognise that this has been another challenging period for our team, and we would like to thank them for their ongoing patience and understanding during such unprecedented times. When our sites re-opened on 17 May, our staff showed true professionalism and made sure that customers felt safe and comfortable.

While for some weeks during the year we faced the same recruitment challenges that were felt across the whole of the hospitality industry, Everyman is an attractive proposition, and we were therefore able to fill our vacancies.

Our staff also rose to the challenge as we headed into winter and the Omicron variant started to dominate, and were very flexible in filling in gaps and moving locations, to ensure that we maintained our signature level of hospitality.

I would like to thank all our dedicated staff for their commitment and enthusiasm to our customers, to each other and to the business.

Chief Executive's Statement (cont.)

Outlook

Since full re-opening on 21 July, we have been encouraged by a strong recovery in admissions levels, with interest generated across all venues and excellent customer feedback. Admission levels since 21 July have reached 103% of 2019 levels (on a non-like-for-like basis) for the same period, exceeding management expectations and signalling the sustained consumer demand for a premium cinema experience. Highlights since re-opening include hosting the world premiere of 'Cinderella' at Broadgate, Everyman parties across all sites on the opening night of 'No Time To Die', premiere's in collaboration with Netflix and an opening party for Everyman Borough Yards in collaboration with Disney, recreating a scene from 'West Side Story' to mention just a few.

Looking ahead we are optimistic. Everyman is a much loved consumer brand with a unique offering, which we are confident will be in demand for the longer term. The 2022 film slate is very strong, we have good opportunities to further develop the Everyman experience, and to increase the number of potential new venues across the UK. We have significant liquidity, with a strong balance sheet, and supportive stakeholders across the business and therefore look forward to returning to our growth strategy.

Alex Scrimgeour
CEO
25 March 2022

Strategic Report

The Directors present their strategic report for the Group for the year ended 30 December 2021 (comparative period: 52 weeks 31 December 2020). Comprising the Chief Executive's statement and the Chief Financial Officer's statement.

Review of the business

The Group made a loss after tax of £5,430,000 (2020: £20,119,000 - restated).

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

Impact of COVID-19 on strategy

Due to the pandemic, the growth strategy was paused and the focus shifted to securing the balance sheet and increasing liquidity, together with reducing costs. This was achieved by working closely with our partners including suppliers, landlords, banks and shareholders.

Since re-opening on 17 May 2021 we have seen a strong return of customers to Everyman venues and have returned to our growth strategy, albeit with a prudent level of caution, whilst we navigate through to what hopefully appears to be the end of the pandemic.

Situation in Ukraine

Following the year end we have seen the geopolitical situation deteriorate with the Russian invasion of Ukraine. This has brought further uncertainties outside the normal range of risks we see. The Board has considered the potential impacts on the business and have concluded that there is no current material impact. Whilst one of the immediate results of the war has been to see a significant rise in energy prices, the Group has a fixed rate agreement in place with one of the largest energy suppliers which continues until October 2023.

In response to the humanitarian issues that have resulted Everyman is donating £1 for every Spielburger that is sold from the spring menu.

The principal risks and uncertainties reflect the new risks that have arisen due to the pandemic.

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. A risk register is in place which the Board reviews and updates on an ad-hoc basis during meetings.

1. **COVID-19 pandemic** - Group revenues are entirely dependent on being open and able to show films and serve food and beverage. The pandemic meant that until 17 May 2021 all venues were closed as part of Government policy to tackle the pandemic. On re-opening, capacity was restricted to 50%, this was then lifted on 21 July. Whilst the situation has improved significantly the Group remains vigilant to further impacts which may arise. To mitigate this, the Group has processes and policies that can be brought back if needed. The Group has successfully negotiated reduced costs with certain landlords/suppliers during periods of enforced Government closure. In addition, the Group has more flexible employment contracts allowing temporarily reduced working hours. The Group also has effective opening and closure procedures in place to reduce costs. Everyman works closely with the UK Cinema Association and the Department for Culture, Media and Sport to ensure that the interests of the business are represented in all policy discussions.

2. **Banking** - The Group's ability to manage liquidity during the pandemic has partly depended on the Group's banking arrangements. This risk is managed through maintaining ongoing dialogue with our banking partners through which achievable covenants are set for the facility. These are monitored closely to ensure the Group remains within those covenants. In addition the Board ensure there are alternative sources of funding available.

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

4. **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. This risk has increased during the pandemic, with major studios delaying releases of tent pole films until confidence in the level of expected admissions returns. However, we are cautiously optimistic about the film slate going forward as there are many exciting films that were delayed and will be released in 2022. The Board mitigates this risk by widening the sources for new content to include streaming platforms and TV, as well as focusing on creating a great overall experience at venues independent from the films themselves.

Strategic Report (cont.)

5 **Inflationary environment** – Given the current economic and geopolitical situation there is a risk to the cost base from inflation. To mitigate this the Group enters into long term contracts for the supply of power and works very closely with suppliers to improve efficiencies and limit costs. Thanks to its size the Group can take advantage of lower price points for higher volumes. Furthermore, payroll costs are closely monitored and managed to the level of admissions. We remain cautious when considering passing on price increases.

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

7 **National events and consumer environment** - Specific large events can temporarily reduce cinema admissions, for example large sporting events, elections or royal weddings. These are managed by working the release schedule around large known events. In addition, a reduction in consumer spending because of broader economic factors could impact the Group's revenues. The risk of inflation and higher interest rates due to the pandemic and geopolitical events have increased. Historically, the cinema industry has been incredibly resilient to recession with it remaining an affordable treat during such times for most consumers. However, the Group constantly monitors long term trends as well as the broader leisure market.

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

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

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

11 **Brexit** - Risks linked to Brexit include consumer confidence, a lack of availability of certain food items and staff. Whilst the full business impacts of Brexit will unfold in the future, the Board believes the Group is well positioned to react to the potential challenges and opportunities ahead. The Group has no exchange rate exposure and is only directly impacted by a fall in sterling through cost pressure on a small number of imported food and beverage purchases.

Financial risks

The pandemic created a liquidity risk due to the business having to close venues through the Government response to controlling the pandemic. The business successfully mitigated this risk through raising shareholder funds in 2020 and negotiating new banking covenants in March 2021. The Group reverts to the original banking covenants in June 2022 and is already operating within those covenants as at 24 March 2022. The Board monitors this risk on a regular basis through reviewing forecasts and working closely with banking partners.

The Group has direct exposure to interest rate movements in relation to interest charges on bank borrowings, with a 1% increase in rates resulting in an increase in interest charges of £0.2m on current forecast borrowings over the next twelve months. The Board manages this risk by minimising bank borrowings and reviewing forecast borrowing positions.
The Group takes out suitable insurance against property and operational risks where considered material to the anticipated revenue of the Group.

Chief Financial Officer's Statement

Summary

- Since re-opening on 17 May 2021 the business has performed well with admissions ahead of management expectations.
- The COVID-19 pandemic had a material impact on the performance of the business during 2021 due to closure of all venues until 17 May 2021.
- Group revenue however increased by 102% to £49.0m (2020: £24.2m) with trading returning close to pre-pandemic levels once the venues re-opened and all restrictions had been lifted on 21 July. In 2021 we were closed for 4.7 months, with a further 2 months at 50% capacity, compared with 2020.
- Non-GAAP adjusted profit from operations was £8.3m (2020: £0.3m loss)
- Operating loss of £2.2m (2020: £18.8m loss)
- Net banking debt £8.4m (2020: £8.7m) with significant headroom in facilities

Revenue and Operating Profit

The business was closed except for Deliveroo trade from a handful of venues until 17 May 2021. Since re-opening the business has traded well, reaching 87% of 2019 admissions (on a non-like-for-like basis), despite a further two months of 50% capacity restrictions. Since venues have been fully opened with no capacity restrictions, admissions have been 103% of 2019 admissions (on a non-like-for-like basis). The prior year was impacted by five full months of closure and then further localised closures and restrictions on capacity and operations.

During the period since re-opening on 17 May 2021, average spend per head excluding Deliveroo and the VAT benefit has grown 27%, driven by handheld ordering technology, menu enhancements and customers desire to treat themselves when returning to cinema. The film slate has been much stronger compared with 2020 as studios had more confidence to release films as the risks of further lockdowns receded.

As a result, revenue in the period was up 102%

Reported gross margin was 63.0% (2020: 62.2%), with the increase due to a greater proportion of food and beverage revenue which carries a higher margin.

Other operating income of £3.8m (2020: £6.1m) is from Government support through the Job Retention Scheme (JRS) and the Business Support Grants (BSG). The Group received £2.8m (2020: £5.7m) in JRS income and has taken full advantage of the scheme with all but a skeleton staff working during periods of closure. For staff where 80% of their pay is above the £2,500 maximum supported by the scheme, the business topped up their pay to 80%.

In addition to the JRS support from the Government the business also received £1.0m (2020: £0.4m) in BSG. In December 2021 further support was announced for the hospitality sector, in the form of one-off grants of up to £6k per premises, which is being administered by local authorities, and Everyman has claimed these additional grants.

Further Government assistance in the form of a rates holiday and reduced rates since April 2021 resulted in a saving of £0.8m (2020: £1.1m). Further assistance was received through the reduction in VAT rates with the standard rate for hospitality (excluding alcoholic beverages) of 5% from May to September, increasing to 12.5% from October.

Further landlord discussions were held to complete agreements on rent concessions. The cash savings from variations to lease agreements were £0.9m in the year (2020: £1.4m). We would like to thank all our partners for the support they have given throughout the period.

Within the operating loss there is a reversal of £2.5m for impairment of right-of-use assets and property, plant and equipment. The Board carried out a full impairment review at the year end, based on judgement of future cash flows by each venue. Due to the improved outlook compared with 31 December 2020, forecast performance has improved and therefore the impairment review resulted in a reversal for all four venues. Details of the review carried out and the allocation of the impairment against classes of assets is in note 17.

During the period there was a development in IFRS relating to software capitalisation following an IFRIC agenda decision in April 2021. This decision relates to the treatment of customisation and configuration costs in cloud/SaaS computing arrangements. Historically implementation costs have been capitalised in line with Everyman accounting policy, however in light of the IFRIC decision the policy has been changed in 2021 to expense the costs to the P&L as incurred. This has resulted in a charge to administrative expenses of £0.5m there is no material impact on amounts capitalised in previous periods. The impact in the current period arises due to the implementation of a new ERP system and developments to other back office systems.

The operating loss of £2.2m has improved significantly compared with the loss in 2020 of £18.8m

Chief Financial Officer's Statement (cont.)

Non-GAAP adjusted loss from operations

Non-GAAP adjusted profit from operations was £8.3m, compared with a loss in 2020 of £0.3m. In addition to performance measures directly observable in the financial statements, additional performance measures (Non-GAAP) adjusted profit/(loss) from operations, Admissions, Average Ticket Price and Spend per Head are used internally by management to assess performance. 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 loss from operations is defined as earnings before interest, taxes, depreciation, amortisation, impairment, share based payments and one-off lease costs arising due to COVID-19.

The reconciliation between operating loss and non-GAAP adjusted loss from operations is shown at the end of the consolidated statement of profit and loss on page 42.

Cash Flows

The Directors believe the Group balance sheet remains well capitalised, with sufficient working capital to service all of its day-to-day requirements. Net banking debt at the balance sheet date was £8.4m (2020: £8.7m). The funds raised from shareholders in April 2020 have been used to fund losses during periods of closure and existing capital commitments.

Net cash generated in operating activities was £12.2m (2020 restated: £5.4m outflow). Net cash inflows for the year, before financing, were £4.4m (2020 restated: £13.9m outflow). This includes £7.4m on the acquisition of property plant and machinery (2020: £8.1m), which was contracted spend relating to ongoing projects.

Cash held at the end of the year was £4.2m (2020: £0.3m).

The Group has banking facilities totalling £40m in place at the year end. £25m is in a Revolving Credit Facility (RCF) and £15m is in a Government backed Coronavirus Large Business Interruption Loan Scheme (" CLIBILS") RCF, both mature in January 2024. At the year end the Group had drawn down £12.5 m (2020: £9.0 m) of the available funds, and therefore £27.5m of the facility was undrawn (2019: £21.0m).

As part of extending banking facilities from a £30m RCF at the end of 2020 to the facilities above, new liquidity and EBITDA loss covenants were agreed which are in place until June 2022 to support the business through the pandemic. The liquidity covenant requires cash plus undrawn facility to exceed £7m, and there is a last twelve months rolling EBITDA covenant set at 30% below management estimates. The Board reviews forecast scenarios on an ongoing basis and believes the business can operate with sufficient headroom.

From June the arrangements revert to the original covenants, from December 2021 the business has been operating within the original covenants and the current forecasts show that the business will remain within the covenants going forward.

Pre-opening costs

Pre-opening costs, which have been expensed within administrative expenses, were £0.1m (2020: £0.2m restated). 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.

Restatement of accounting for leases

The financial statements include the correction of prior period errors in respect of two leases and a change in accounting policy relating to the application of the practical expedient for Covid related rent concessions which impact lease payments prior to June 2022. A detailed explanation and reconciliation of previously reported numbers is included in Note 2.

Annual general meeting

The annual general meeting of the Company will be held at 09:30 a.m. on 14 June 2022 at Everyman Cinema Hampstead, 5 Holly Bush Vale, London NW3 6TX.

Companies Act s172 Statement

We believe that considering our stakeholders in key business decisions is not only the right thing to do but is fundamental to our ability to drive value creation over the longer term. Now, as we enter a new financial year in the midst of recovering from a global pandemic, balancing the needs and expectations of our stakeholders has never been a more important or challenging task.

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

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

In addition, effective engagement with stakeholders at Board level and throughout our business is crucial to fulfilling Everyman's purpose. While the importance of giving due consideration to our stakeholders is not new, we are taking the opportunity this year to explain in more detail how the Board engages with our stakeholders. We keep in close contact with investors, employees, customers, suppliers and local communities so we are aware of their views. This ensures we can appropriately consider their interests in decision making.

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

- Take into account the likely consequences of long-term decisions;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- Understand our impact on our local community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

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

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

With the continuing global impacts of the Covid-19 pandemic and its variants, the Company has continually re-assessed and analysed its business strategy with the key focus being minimising the impact on critical work streams, ensuring business continuity and conserving cash flows. As such, increased stakeholder engagement and open communication have become increasingly important in decision making for the Board. Specific related items have been added to our Board meeting agendas and we have continued to hold additional Board meetings to gain the Board's continued insight and experience in helping the business to manage the situation in a way that respects our people, our customers, our stakeholders and the environment.

Companies Act s172 Statement (cont.)

Key decisions taken during the year following consultations with key stakeholders include:

- Tight cash management to preserve cash during periods of closure
- New banking covenants agreed with banking partners to provide additional liquidity during the pandemic
- Ongoing negotiations with landlords to secure rent reductions during periods of closure
- Freezing of customer membership payments during periods of closure
- A return to developing a property pipeline as we see trade returning to near pre-pandemic levels
- Rewarding our employees through reinstatement of pay rises and bonus

While the Covid-19 crisis has interrupted our regular physical face to face interactions with various stakeholders internally and externally, we do consider them to be important in maintaining open communications and team cohesion and will be reintroducing these gradually provided it is safe to do so in line with Government guidelines and the needs of individual attendees. In the meantime, we have taken advantage of various video conferencing platforms where appropriate.

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

Stakeholder	Their interests	How we engage	2021 highlights
Our employees	• Training, development and career prospects. • Health and Safety • Working conditions • Diversity and Inclusion • Human Rights and modern slavery • Fair pay, employee benefits	• Workforce posters and communications • Ongoing training and development opportunities • Whistleblowing procedures • Publication of Modern Slavery Statement • Employee benefits packages • Employee questionnaires • Staff intranet	• Introduced company-wide training schemes • Standardised contracts across the Group • All vacancies were advertised internally resulting in increased numbers of internal promotions • New role of People Director recruited • Ensured covid compliance
Our customers	• Comfort and hospitality. • Good quality food and drink • High quality viewing environment • Ease of access • Safety • Data security	• Venue staff welcome every customer • Focus on in-theatre service • Regular review of menu quality • High specification auditoria • Customer support service • Marketing and communications	• Improved at seat service • Upgraded a number of kitchens to provide faster high quality service • Menu development • Customer engagement through all digital channels
Our suppliers & landlords	• Workers' rights • Supplier engagement and management to prevent modern slavery • Fair trading and payment terms • Sustainability and environmental impact • Collaboration • Long-term partnerships	• Initial meetings and negotiations • KPIs and Feedback • Board approval on significant changes to suppliers • Direct engagement between suppliers and specified company contact	• Standardised contractual terms to comply with IR35 changes • Implemented new ERP to streamline processes from purchase to payment
Our Investors	• Comprehensive review of financial performance of the business • Business sustainability • High standard of governance • Success of the business • Ethical behaviour • Awareness of long-term strategy and direction	• Regular reports and analysis on investors and shareholders • Investor roadshows • Annual Report • Company website • Shareholder circulars • AGM • Stock exchange announcements	• Regular communication with investors throughout the pandemic

Companies Act s.172 Statement (cont.)

Stakeholder	Their interests	How we engage	2021 highlights
Our banking partners	• Business performance & forecast accuracy • Cash management and financial control • Compliance with laws and regulations • High standard of governance • Ethical behaviour • Data security	• Regular meetings & updates • Regular reports and analysis • Annual Report • Stock exchange announcements	• Regular communications with latest capex estimates and cashflows
Regulatory bodies	• Compliance with regulations • Worker pay and conditions • Gender Pay • Health and Safety • Treatment of Suppliers • Brand reputation • Waste and environment • Insurance	• Company website • Stock exchange announcements • Annual Report • Direct contact with regulators • Compliance updates at Board Meetings • Consistent risk review	• Full review of pay across all roles • Gender pay reporting used to inform decision making • NOMAD attended Board meeting to update on compliance
Community and Environment	• Sustainability • Human Rights • Energy usage • Recycling • Waste Management • Community outreach and CSR	• Philanthropy • Oversight of corporate responsibility plans • CSR initiatives • Workplace recycling policies and processes	• Supported employees fundraising for various charities • Special screenings for local communities

Within the Corporate Governance Report on pages 17 to 19 we describe how the Board operates and the culture of the business including employee engagement.

Elizabeth Lake
CFO
25 March 2022

Corporate Governance

It is the responsibility of the Chairman of the Board of Directors of Everyman Media Group PLC to ensure that the Group has both sound corporate governance and an effective Board. This is managed by ensuring that the Group and the Board are acting in the best interests of shareholders, and by making sure that the Board discharges its responsibilities appropriately. This includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings. The Executive Chairman also has a key role in creating and planning the strategic direction of the Group and is intimately involved in the branding and creative direction of the Group and its venues. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Group. The Board recognises that the Group does not fully comply with the 10 principles and general provisions of the QCA code but does use it as a benchmark in assessing its corporate governance standards. Areas of non-compliance are disclosed below.

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

QCA principles

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

Board of Directors

Paul Wise

Executive Chairman

Paul Wise has been a proprietary trader, specialising in exchange traded derivatives, for 25 years and was a Director of The Kyte Group until its sale to NASDAQ quoted GFI Group in 2010. Paul was appointed as a Director on 10 September 2013. The Directors do not consider Paul to be independent in line with the Quoted Companies Alliance Corporate Governance Code for small and mid-size quoted companies due to the executive nature of his employment at the Company.

Alex Scrimgeour

Executive Director – Group Chief Executive Officer

Alex joined Everyman from Côte Brasserie, the UK's largest French restaurant Group which he joined as a start-up business in 2008, appointed as joint Managing Director in 2011 and CEO in 2015. Alex has extensive experience in the hospitality sector and most recently founded Côte at Home the new e-commerce platform. Alex was appointed to the Board on 18 January 2021.

Adam Kaye

Executive Director

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

Elizabeth Lake FCA

Executive Director – Group Chief Financial Officer

Elizabeth is a senior finance executive with 30 years business experience, and a Fellow of the Institute of Chartered Accountants in England & Wales. During this time Elizabeth has gained extensive experience across all aspects of finance, holding senior roles at Marks and Spencer, Hugo Boss and most recently CFO at Science in Sport plc an AIM listed business. Elizabeth was appointed to the Board on 16 September 2019.

Philip Jacobson FCA

Independent Non-Executive Director

Philip is a Fellow of the Institute of Chartered Accountants in England & Wales and previously a partner at BDO LLP, where he was involved in a number of flotations in the leisure sector. Philip was appointed to the Board on 8 October 2013. Since retiring, Philip has acted as family office to a small number of families. Philip has an interest in 98,336 Ordinary Shares and holds 100,000 options over Ordinary Shares which were granted to him as part of the Group's admission to AIM. Neither Philip Jacobson nor the other Directors believe his shareholding or options are significant in assessing his independence.

Corporate Governance (cont.)

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

Margaret Jane Todd
Non-Executive Director
Margaret Todd (Maggie) joined Everyman from the Walt Disney Studios Motion Pictures European marketing leadership team where she most recently held the role of Vice President of Communications for twelve years.

Maggie has extensive experience in the media industry and until recently was responsible for managing and executing communications strategies for every major Disney launch in the UK and Europe. Maggie is adept at building and maintaining senior stakeholder relationships and has a passion for working with creative talent to design immersive experiences that drive consumer engagement. As the Co-executive sponsor of women at Disney, and a key diversity and inclusion mentor, Maggie demonstrated her commitment to supporting and empowering women whilst working at the company. In addition to Disney, Maggie has experience at Twentieth Century Fox, in the music industry and has delivered campaigns for BAFTA, AMPAS (Academy of Motion Picture Arts & Sciences) Awards and world-renowned European film festivals.

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

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

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

All Non-Executive Directors are expected to dedicate at least one day per month to the Group. The Chairman dedicates approximately 10 days per month. The Board is satisfied that each of the Directors are able to allocate sufficient time to the Group to discharge their responsibilities effectively. The number of meetings of the Board and its Committees are outlined below:

Attendance by Directors	Board	Audit	Remuneration	Nomination
Paul Wise	12	n/a	n/a	n/a
Alex Scrimgeour*	12	n/a	n/a	n/a
Adam Kaye	11	n/a	n/a	n/a
Elizabeth Lake	11	3	n/a	n/a
Maggie Todd**	6	n/a	n/a	n/a
Philip Jacobson	12	3	9	2
Charles Dorfman	11	n/a	9	2
Michael Rosehill	12	3	9	2
Total meetings held	12	3	9	2

*Appointed 18 January 2021
**Appointed 14 July 2021

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

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

Corporate Governance (cont.)

Advisors

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

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

Board evaluation

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

Culture

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

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

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

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

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

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

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

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

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

Audit Committee Report

Overview

The Audit Committee is chaired by Philip Jacobson FCA and also includes Michael Rosehill FCA, both of whom have extensive experience as Chartered Accountants working both within audit practice and industry. The Audit Committee met three times during the year. The external auditors attended two of these meetings at the invitation of the Committee Chairman. The Committee also met with the external auditors without the presence of Executive Directors or management.

In the coming year, in addition to the Committee's ongoing duties, the Committee plans to:

- continue to review the impact of Covid-19 on the business and its projected cash flows
- review the progress of the project to replace the existing finance software Sage, with Microsoft Dynamics 365, and the skills and experience required in the finance team following the system and process changes,
- undertake assessments of the external auditor's performance.

Objectives and Responsibilities

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

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

Financial Reporting

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

The principal matters the Committee considered concerning the 2021 financial statements were in relation to the impacts of Covid-19, The Committee reviewed the impact of Covid-19 on the business and its projected cash flows, considering the impact of potential sensitivities on the Group's cash flows and assessed that the statements made in relation to going concern were appropriate. These forecasts were also reviewed to assess the level of impairment of the Group's assets.

Considering the rent concessions, the Group had achieved, the Committee also reviewed the adoption of the amendments to IFRS16 allowing lessees not to account for rent concessions as lease modifications if they were a direct consequence of Covid-19 and met certain criteria.

With respect to the 2022 financial year, the Committee continues to monitor the impact of these matters highlighted and the ongoing impact on both financial performance and reporting.

The Committee reviewed the 2021 full-year and half-year results announcements and considered matters raised by the external auditors identifying certain issues requiring its attention.

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

External Audit

The Committee will meet with the auditor at least twice a year, once at the planning stage, where the nature and scope of the audit will be considered, and once post audit at the reporting stage. The Committee is responsible for reviewing and approving the annual audit plan with the auditor and ensuring that it is consistent with the scope of the audit engagement and the effectiveness of the audit. In addition, the Committee is responsible for reviewing the findings of the audit with the external auditor which shall include but not be limited to discussing major issues which arose on the audit, any accounting and audit judgements, levels of errors identified during the audit and the effectiveness of the audit.

Audit Committee Report (cont.)

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

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

Risk Management and Internal Controls

The Committee shall keep under review the adequacy and effectiveness of the Company's internal financial controls and risk management systems including monitoring the proper implementation of such controls and will review and approve the statements to be included in the annual report concerning internal controls and risk management. The Committee will also consider annually whether there is a need for an internal audit function and make a recommendation to the Board. At present, the function is not yet considered necessary as day-to-day control is sufficiently exercised by the Company's Executive Directors. Further details on the Company's risk management and internal controls can be found on pages 10 to 11.

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

Significant issues considered by the Audit Committee during the year

During the year the Committee, Management and the external auditor considered and concluded what the significant risks and issues were in relation to the financial statements and how these would be addressed. In relation to the 2021 Group financial statements, significant risks have been identified which are outlined as follows:

- Impairment of goodwill, property, plant and equipment and right-of-use assets
- IFRS 16 impact of rent concessions and lease modifications
- Impairment of investments in subsidiaries (company only)
- Management override of controls
- Going concern

Auditor's Independence

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

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

Philip Jacobson
Chair
Audit Committee
25 March 2022

Remuneration Committee Report

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

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation. The Remuneration Committee meets as and when necessary and met 9 times during 2021.

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

Responsibilities

The Committee's principal responsibilities include:

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

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

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

Basic salary

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

Annual Bonus

In December 2021, the Committee recommended the Board approve a bonus to the Executive Chair, Chief Executive Office, Chief Financial Officer, and Executive Director based on the recovery performance targets that were met for the 2021 financial year, which the Committee believes were excellent achievements in what have been challenging business conditions.

Share Options

The Group's policy is that in addition to their salaries and bonuses, Executive Directors and senior management should be awarded share options in order that their interests may be more closely aligned with those of shareholders. The company operates a Long-Term Incentive Plan (LTIP) and the Committee recommended to the Board that share options were awarded and set the performance criteria (see note 30).

As part of the award package offered to the new CEO, 1m unapproved options were granted, and a further award of 2m A ordinary shares in a subsidiary company, Everyman Media Holdings Limited was made. The growth shares may be exchanged for new ordinary shares in Everyman Media Group PLC in the future subject to meeting certain vesting conditions and criteria. The conditions for these awards are set out in note 31.

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

Remuneration Committee Report (cont.)

Directors' remuneration

For the year ended 30 December 2021

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

For the year ended 31 December 2020

Director	Salary	Fees	Pension Contributions	Other benefits	Bonus	Share-based payments	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Crispin Lilly	256	-	-	2	-	(171)	87
Elizabeth Lake FCA	140	-	-	2	-	120	262
Paul Wise	94	8	-		-	53	155
Adam Kaye	67	-	-	-	-	53	120
Philip Jacobson FCA	30	-	-	-	-	-	30
Charles Dorfman	10	-	-	-	-	-	10
Michael Rosehill FCA	8	-	-	-	-	-	8
Streisan Bevan	13	-	-	-	-	-	13
	618	8	-	4	-	55	685

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

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

Remuneration policy for 2022 and future years

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

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

Remuneration Committee Report (cont.)

Consideration of Shareholder Views

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

Consideration of employment conditions elsewhere in the Group

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

Philip Jacobson
Chair
Remuneration Committee
25 March 2022

Director's report

The Directors present their annual report and audited financial statements for the Group for the year ended 30 December 2021 (comparative period: year ended 31 December 2020).

Results and dividends

The results of the Group are included in the strategic report. Further details are shown in the consolidated statement of profit and loss and other comprehensive income and the related notes to the financial statements. The Group generated a loss after tax for the year of £5.4m (2020: £20.1m loss - as restated). The Directors do not recommend the payment of a dividend (2020: £nil).

Principal activity

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

Financial risk management: objectives and policies

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

Energy and carbon

Everyman recognises that its operation has an environmental impact globally and is committed to monitoring and reducing its emissions. The Group is also aware of the reporting obligations under The Companies and Limited Liability Partnerships Regulations 2018. The table below summarises emissions and energy usage to increase the transparency with which the business communicates about the environmental impact to stakeholders.

Emissions Source	**2021**	**2020**
Natural Gas	875	1,044
Electricity	1,493	1,887
Fuel for transport (employees only)	19	21
Total tCO_2e	**2,387**	**2,952**
Total Energy Usage (kWh)	11,888,938	13,858,082
Energy Intensity – CO_2t per ft^2	0.062	0.047

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

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

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

- Air conditioning controls enabling timing, temperature regulation and demand-controlled ventilation for Auditoria based on occupancy levels
- Installation of heat recovery reclaiming a portion of the energy used in heating, venting and air conditioning
- Installation of LED lamps and Passive Infrared Sensors in areas of infrequent occupancy to conserve electricity usage
- Use of energy saving catering electrical kitchen equipment

Capital structure

The number of Ordinary shares in issue at 30 December 2021 was 91.2m (2020: 91.1m). The Group also issued options over the share capital of the Company to members of the Board and to certain employees which amounted to 6.9m Ordinary shares (2020: 6.6m Ordinary shares) which, if exercised, would comprise 7.2% (2020: 7.2%) of the current issued share capital of the Company (see also Directors' interests below and the related notes). The shares of the Company are quoted on the London AIM market.

Going concern

At the beginning of the year the Group had a Revolving Credit Facility ("RCF") in place for £30m, this was agreed on 16 January 2019 and is repayable in full on or before 15 January 2024. As at 31 December 2020, the Group had drawn down £9m of this facility and closed the year with £0.4m of cash, therefore the opening net bank debt position in January 2021 was £8.7m, with the undrawn facility at £21.4m. The banking covenants for the facility had been waived for the period April 2020 to March 2021, and a single liquidity covenant introduced for the period.

The Group's financing arrangements were amended in the first quarter of 2021 to provide longer term liquidity if required should the roadmap out of the pandemic extend further than anticipated. The arrangement consists of a £25m Revolving Credit Facility ("RCF") and a £15m Coronavirus Large Business Interruption Loan Scheme ("CLIBILS") and both are repayable in full on or before 15 January 2024.

The facility covenants were amended temporarily to provide liquidity through the pandemic, when the facility amendments were made in the first quarter of 2021. The liquidity covenant requires cash plus undrawn facility to exceed £7m, and there is a last twelve months rolling EBITDA covenant set at 30% below management estimates.

From June 2022, the covenants return to the pre-pandemic tests based on leverage and fixed cover charge. Since December 2021 the business has operated within all sets of covenants.

The continuing uncertainty due to the COVID-19 pandemic has been considered as part of the Group's adoption of the going concern basis. In particular the recovery profile of admissions in the sensitivity of forecasts. The forecast period considered is the 15 months from the balance sheet date up to 31 March 2023.

Base case Scenario

The Board approved budget and latest forecasts are based on a scenario where the business remains open with no further Government enforced closures. The forecast assumes admits return to pre-pandemic levels on a non-like-for-like basis in 2022, excluding the impact of increased capacity from venues opened since 2019. Increases in forecast costs reflect the current inflationary environment and the increases announced in national insurance rates. New openings are forecast at 4 for 2022, with the corresponding capital investments.

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

Stress testing

The Board is cognisant of the potential for COVID-19 to impact further whilst the pandemic continues. Given this possibility the Board have considered a severe but plausible scenario of reduced admissions on the basis that COVID-19 may continue to affect consumer behaviour and there could potentially be further disruption to the film slate . A reduction in budgeted admissions of 20% each month from January 2022 has been modelled and a corresponding reduction in capital expenditure for non-committed projects This scenario would cause a breach in the leverage covenant in October 2022.

If this scenario were to arise there are a number of levers to secure the financial position and covenants that would be brought into play, including mothballing projects to reduce borrowings and reducing costs to reduce the impact on EBITDA. Taking mitigating actions into consideration, the leverage covenant would not be breached in October 2022.

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 20% reduction in budgeted admissions is plausible but unlikely, particularly in light of business performance in January and February 2022 and the current film slate, and that the Group has sufficient levers to navigate the severe but plausible downside scenario described above. As a result, the Board does not believe this to represent a material uncertainty, therefore the Board consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The forecasts are under continuous review given current market conditions. The business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements.

Substantial shareholdings

As at 30 December 2021 the Company was aware of the following interests in 3% or more of the Company's Ordinary share capital as set out below.

Shareholder	% of issued share capital 2021	% of issued share capital 2020
Blue Coast Private Equity LP	**18.98%**	18.99%
BlackRock	**8.40%**	9.55%
Canaccord Genuity Wealth Management	**8.72%**	9.05%
Tellworth Investments	**9.03%**	8.57%
Charles Dorfman*	**6.44%**	6.44%
Adam Kaye	**5.87%**	5.98%
Samuel Kaye	**5.20%**	5.20%
Schroder Investment Management	**3.80%**	4.07%
Gresham House Asset Management	**3.97%**	3.97%
Otus Capital Management	**5.02%**	3.49%
Shore Capital	**3.29%**	3.29%
Paul Wise**	**3.24%**	3.25%

*Of the 5,870,027 Ordinary shares Charles Dorfman is interested in 3,213,876 (2020:3,213,876) Ordinary shares are held by the Lloyd Dorfman Children's Settlement. Charles Dorfman is one of the potential beneficiaries of the settlement.

**Of the 2,956,752 Ordinary shares Paul Wise is interested in, 2,260,052 (2020: 2,260,052 Ordinary shares are held by the Paul Wise Family Trust. Paul Wise is one of the potential beneficiaries of the Trust.

Directors

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

The Directors of the Company during the year were:

Directors	**Function**
Adam Kaye	Executive Director
Alex Scrimgeour (appointed 18 January 2021)	Chief Executive Officer
Charles Dorfman (R,N)	Non-Executive Director
Elizabeth Lake FCA	Chief Financial Officer
Maggie Todd (appointed 14 July 2021)	Independent Non-Executive Director
Michael Rosehill FCA (R,N,A)	Non-Executive Director
Paul Wise	Executive Chairman
Philip Jacobson FCA (R,N,A)	Independent Non-Executive Director

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

Directors' interests in the Company

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

Director	Number of Ordinary shares 2021	% of issued share capital 2021	Number of Ordinary shares 2020	% of issued share capital 2020
Charles Dorfman	5,870,027	6.44%	5,870,027	6.44%
Adam Kaye	5,349,956	5.87%	5,449,956	5.98%
Paul Wise	2,956,752	3.24%	2,956,752	3.25%
Alex Scrimgeour	240,974	0.26%	-	-
Michael Rosehill FCA*	218,710	0.24%	218,710	0.24%
Philip Jacobson FCA	98,336	0.11%	98,336	0.12%
Elizabeth Lake FCA	10,000	0.01%	10,000	0.01%

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

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

Director	Grant Date	Exercise Price Pence	31 December 2020 Number	Issued in the year Number	Lapsed in the year Number	Exercised in the year Number	30 December 2021 Number
Alex Scrimgeour	8 April 21	100	-	1,000,000	-	-	1,000,000
	30 July 21	10	-	120,430	-	-	120.430
Elizabeth Lake	24 Sept 19	184	250,000	-	(250,000)	-	-
	1 July 20	10	82,250	-	(82,250)	-	-
	30 Sept 20	76.5	200,000	-	(200,000)	-	-
	22 Dec 20	109.5	250,000	-	(250,000)	-	-
	30 July 21	10	-	73,118	(73,118)	-	-
Paul Wise	12 Nov 20	94	800,000	-	-	-	800,000
Adam Kaye	12 Nov 20	94	800,000	-	-	-	800,000
Philip Jacobson	29 Oct 13	83	100,000	-	-	-	100,000
Charles Dorfman	29 Oct 13	83	50,000	-	-	-	50,000
Michael Rosehill	04 Nov 13	83	50,000	-	-	-	50,000
Total			2,582,250	1,193,548	(855,368)	-	2,920,430

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

Director	Grant Date	Vesting Conditions	Exercise Price Pence	31 December 2020 Number	Issued in the year Number	Lapsed in the year Number	Exercised in the year Number	30 December 2021 Number
Alex Scrimgeour	10 June 21	19	10	-	1,000,000	-	-	1,000,000
	10 June 21	19	1	-	1,000,000	-	-	1,000,000
Total				-	2,000,000	-	-	2,000,000

Details of the option scheme vesting and performance conditions are set out at note 31 of the financial statements. No share options (2020: Nil) were exercised by Directors during the year.

Director's report (cont.)

Policy and practice on the payment of creditors

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

Employees

Employee involvement

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

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

Employment of disabled persons

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

Political and charitable donations

The Group did not make any charitable donations in the year (2020: £44,000).

Post balance sheet events

There have been no significant events after the balance sheet date.

Disclosure of information to auditor

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

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

Auditor

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

Internal financial control

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

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

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

On behalf of the Board
A Scrimgeour
CEO
Everyman Media Group PLC
Studio 4, 2 Downshire Hill
London
NW3 1NR
25 March 2022

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

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

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

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the profit or loss of the Group.

In preparing each of the Group and Parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant, reliable and prudent.
- For the Group financial statements, state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements.
- For the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Everyman Media Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 December 2021 which comprise of the consolidated statement of profit and loss and other comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement, the company balance sheet, the company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs) (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. An explanation of how we evaluated the Directors' assessment of going concern is set out in the related key audit matter section of this report.

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

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

Overview

<table>
<tr><td>Coverage[1]</td><td>100% (2020: 100%) of Group revenue
99% (2020: 98%) of Group assets</td></tr>
<tr><td>Key audit matters</td><td><table><tr><th></th><th>2021</th><th>2020</th></tr><tr><td>Impairment of goodwill, property, plant and equipment and right-of-use asset</td><td>✓</td><td>✓</td></tr><tr><td>Leases – Impact of rent concessions and modifications</td><td>✓</td><td>✓</td></tr><tr><td>Going concern assessment and disclosure</td><td>✓</td><td>✓</td></tr><tr><td>Impairment of investment in subsidiaries (Parent Company)</td><td>×</td><td>✓</td></tr></table>
We consider impairment of investment in subsidiaries to no longer be a key audit matter due to there being significant headroom in the prior year impairment review, and due to there being a current year write back of impairment of the Cash Generating Units (CGUs) from the improving trade and performance of the Group. For these reasons, it was not considered to be a significant risk.</td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£460,000 (2020: £430,000) based on 0.9% (2019: 0.9%) of revenue recorded for the year ended 30 December 2021.</td></tr>
</table>

An overview of the scope of our audit

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

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

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of goodwill, property, plant and equipment and right-of use asset See accounting policy in note 2, note 15 Property, plant and equipment, note 16 Leases, note 17 Goodwill, intangible assets and impairment. Impairment reversal - Property plant and equipment £1.4m and Right-of-use asset £1.1m (2020: Goodwill £1.6m, Right-of-use assets £1.9m, Corporate assets £0.1m, and Property plant and equipment £2.1m.)	Goodwill and property, plant and equipment (PPE), including the right-of-use assets (ROU Assets) recognised in the Group are significant balances. Goodwill is subject to annual impairment reviews and PPE and ROU assets have been subject to an impairment trigger analysis as a result of the COVID-19 pandemic continuing. Following the better than expected recovery and forecasted performance since COVID-19, the Group has recognised a impairment reversal to PPE and ROU assets. The Group operates in a competitive industry where box office revenues along with food and beverage revenue is dependent on admissions. Impairment reviews require use of assumptions, including forecast admissions, average ticket price and spend per head, consumer confidence and timing of new film releases impact forecast admissions. The assessment of any potential impairment of the carrying values are subject to management judgment and estimation uncertainty where there is a requirement to estimate the recoverable amount. Due to the high degree of estimation uncertainty included in impairment models we consider this to be a significant risk and key audit matter.	We have obtained managements impairment analysis and: • checked the mathematical accuracy of the cash flow forecasts and impairment models, checking consistency with the requirements of the applicable accounting standard; • agreed the budgeted performance data to board approved forecasts and evaluated the process by which management prepared its forecast, including whether it appropriately factored in the potential impacts of Covid-19, and any expected decline in consumer spending; • challenged the appropriateness of key estimates and assumptions used by management within the forecast model including admissions, average ticket price and spend per head, comparing these against prior periods, industry peers and external sources of data including industry outlook reports; • reviewed management's sensitivity analysis and considered whether a reasonable change in assumptions could indicate a potential impairment; and • with the use of our internal valuation experts, we assessed the appropriateness of the discount rate and impairment model used. Key observations: We are satisfied that the judgements applied, impairments reversals recorded and disclosures within the financial statements are appropriate.

<table>
<tr><th colspan="2">Key audit matter</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td>Leases – Impact of rent concessions and modifications

See accounting policy in note 2 and note 16 Leases.

The application of the practical expedient in accounting for Covid-19 related rent concessions has resulted in a reduction of total lease liabilities of £0.7m in 2021 and a retrospective reduction to 2020 of £0.5m following extension of the expedient (2020: £1.2m restated) and a corresponding profit recorded in the financial year.

Rent modifications not eligible for the practical expedient have resulted in an increase in lease liabilities of £0.3m (2020: £1.7m) with a corresponding increase in the Right- of- use asset.</td><td>Property costs are the second largest overhead in the business and in response to Covid-19 the Group has agreed variations to lease agreements with landlords representing the majority of the estate.

There is a risk that the practical expedient, issued to provide relief for lessees in accounting for rent concessions granted as a direct consequence of Covid-19, is applied to rent concessions that do not qualify for this simpler treatment.

Following approval of the 2020 financial statements, a subsequent amendment was made to the practical expedient to update the condition to apply the relief to a reduction in lease payments due on or before 30 June 2022 from 30 June 2021. The application of this revised condition is retrospective resulting in an adjustment needing to be made to the prior year financial statements. This is a complex and judgemental area and there is a risk that it is applied to leases that do not qualify for this simpler treatment.

Where the practical expedient is not available there is a risk that lease modifications are accounted for incorrectly and that assumptions of the lease term or incremental borrowing rate are inappropriate. Small changes in these assumptions across a number of leases could lead to a material change in the valuation of right of use assets or lease liabilities.

Due to the complex nature of the accounting for rent concessions and modifications we consider this to be a significant risk and a key audit matter.</td><td>We have obtained details of all leases where concessions have been impacted due to the amendments to the practical expedient and assessed management's judgement as to whether the extension to the practical expedient is applicable, based on whether the agreed terms meet the specific criteria.

We selected a sample of lease payments made during and post year end, agreeing them back to the schedule of lease concessions received, to evidence completeness of rent concessions;

Where the practical expedient has been taken we have performed the following procedures:

• assessed management's decision against the requirements of the amendment, agreeing key assumptions to supporting documentation (i.e. signed lease amendments); and

• reviewed the calculations prepared by management, agreeing the key inputs to supporting lease agreements.

Where the practical expedient is not available we have performed the following procedures:

• assessed management's judgement with regards to the lease term, with reference to the underlying agreement; and

• with the use of internal valuation experts, assessed the Incremental Borrowing Rate applied.

Key observations:
We found the accounting for rent concessions and modifications in the financial statements to be appropriate, including the retrospective application of the extension of the rent concession expedient.</td></tr>
</table>

Key audit matter		How the scope of our audit addressed the key audit matter
Going concern assessment and disclosure (Group and Parent Company) See accounting policy in note 2.	The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Company. Trading has improved from the prior period however admissions have not yet returned to their pre-pandemic levels. Geopolitical uncertainty following events in Ukraine, rising inflation and energy prices represent risks to consumer confidence and availability of discretionary income. The Group has a banking facility that has been partially drawn down, and has covenants to comply with. The risk for our audit is whether or not the above, or related matters, are such that they amount to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed, and therefore there is also a risk of the going concern disclosures not being sufficient.	We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Directors' sensitivities over the level of available financial resources and covenant thresholds. Our procedures included: • obtaining an understanding of how the Directors undertook the going concern assessment process to determine if we considered it to be appropriate for the current economic circumstances. This included checking that it included an assessment of the impact of rising inflation, reduction in consumer disposable income and any residual impact of the Covid-19 pandemic on demand; • obtaining the Directors' base case forecast and stress test scenarios underlying the going concern assessment and considering sensitivities over the level of financial resources indicated by the Group's financial forecasts. Key estimates and assumptions within the forecasts, included admissions, average ticket prices and spend per head, the reasonableness of which were considered with reference to historical levels achieved both pre-Covid-19 and following re-opening in May 2021; • confirming compliance with loan covenants is expected during the forecast period based on the above scenarios to identify the existence of breaches. • comparing post year end trading performance against the forecasts to evaluate the achievability of the forecasts prepared; and • considering whether the going concern disclosures in note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern. Key observations: As disclosed above in the Conclusions relating to going concern section, we found the going concern disclosure in note 2 without any material uncertainty to be acceptable (2020: acceptable).

Our application of materiality

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

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

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

	Group financial statements		Parent Company financial statements	
	2021	2020	2021	2020
Materiality	£460,000	£430,000	£220,000	£200,000
Basis for determining materiality	0.9% of Group revenue	0.9% of average Group revenue	0.2% of Company net assets	0.4% of Company net assets
Rationale for the benchmark applied	As the Group continues to expand through investment in new venues, advertising and promotion, we consider revenue to be a more stable measure on which to base materiality and provides users of the financial statements with the most appropriate benchmark to assess performance of the Group.		We have selected net assets as the appropriate benchmark as it most accurately reflects the Parent Company's status as a non- trading holding company.	
Performance materiality	£322,000	£279,500	£154,000	£130,000
Basis for determining performance materiality	70% of Group Materiality	65% of Group materiality	70% of Group Materiality	65% of Group materiality
Rationale for the benchmark applied	In setting the level of performance materiality, we have considered the level of specific risk associated with the audit, including the potential for aggregation and sampling risk across the Group.			

Component materiality

We set materiality for each component of the Group based on Group the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £144,000 to £450,000, with the higher range used for Everyman Media Limited as the sole cinema operating trading entity. In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £18,400 (2020: £17,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

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

- obtaining an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The significant laws and regulations we considered in this context included the UK Companies Act, the accounting frameworks, Alternative Investment Market (AIM) rules and relevant tax legislation.
- enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the Group’s policies and procedures relating to:
    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; and
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in revenue recognition, specifically in relation to recording of journal postings. We also identified areas where significant estimation uncertainty and judgements are required as a potential fraud risk. These areas included property leases and impairment testing of goodwill, leases and property, plant and equipment as set out in the key audit matters section.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

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

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Daniel Henwood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
United Kingdom
25 March 2022

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

Consolidated statement of profit and loss and other comprehensive income for the year ended 30 December 2021

	Note	Year ended 30 December 2021 £000	Restated* Year ended 31 December 2020 £000
Revenue	6	49,027	24,224
Cost of sales		(18,129)	(9,147)
Gross profit		**30,898**	**15,077**
Covid -19 Government Support	11	3,800	6,062
Impairment reversal/ (loss)	17	2,504	(5,635)
Administrative expenses		(39,363)	(34,342)
Operating loss		**(2,161)**	**(18,838)**
Financial expenses	12	(3,255)	(2,939)
Loss before tax		**(5,416)**	**(21,777)**
Tax (charge) / credit	13	(14)	1,658
Loss for the year		**(5,430)**	**(20,119)**
Other comprehensive income for the year		69	(7)
Total comprehensive income for the year		**(5,361)**	**(20,126)**
Basic loss per share (pence)	14	(5.96)	(23.57)
Diluted loss per share (pence)	14	(5.96)	(23.57)

All amounts relate to continuing activities.

* See note 2 for details regarding the restatement.

Non-GAAP measure: adjusted profit from operations		Year ended 30 December 2021 £000	Restated* Year ended 31 December 2020 £000
Adjusted profit/ (loss) from operations		**8,281**	(293)
Before:			
Depreciation and amortisation	15/16/17	**(11,727)**	(10,531)
Pre-opening expenses		**(147)**	(208)
Lease termination costs		**-**	(625)
Abortive property costs COVID-19		**-**	(862)
Impairment of fixed assets		**2,504**	(5,635)
Share-based payment expense	31	**(1,072)**	(671)
Option-based social security		**-**	(13)
Operating loss		**(2,161)**	(18,838)

*See note 2 for details regarding restatement

Consolidated balance sheet at 30 December 2021

Registered in England and Wales
Company number: 08684079

	Note	30 December 2021 £000	Restated* 31 December 2020 £000	Restated* 2 January 2020 £000
Assets				
Non-current assets				
Property, plant and equipment	15	81,848	81,565	83,499
Right-of-use assets	16	58,593	56,745	58,945
Intangible assets	17	8,906	9,140	10,694
Deferred tax asset	29	-	14	-
Trade and other receivables	21	177	173	173
		149,524	147,637	153,311
Current assets				
Inventories	19	711	381	507
Trade and other receivables	21	5,649	2,900	4,463
Cash and cash equivalents	20	4,240	328	4,271
		10,600	3,609	9,241
Total assets		**160, 124**	151,246	162,552
Liabilities				
Current liabilities				
Other interest-bearing loans and borrowings	24	119	43	122
Other provisions	28	393	-	-
Trade and other payables	22	15,994	9,677	14,408
Lease liabilities	16	2,633	2,533	2,372
Corporation tax liabilities	23	-	-	186
		19,139	**12,253**	17,088
Non-current liabilities				
Other interest-bearing loans and borrowings	24	12,500	9,000	14,000
Other provisions	28	1,118	1,035	1,027
Lease liabilities	16	79,147	76,535	73,986
Deferred tax liabilities	29	-	-	1,362
		92,765	86,570	90,375
Total liabilities		**111,904**	98,823	107,463
Net assets		**48,220**	52,423	55,089
Equity attributable to owners of the Company				
Share capital	30	9,117	9,110	7,352
Share premium	30	57,097	57,038	41,920
Merger reserve	30	11,152	11,152	11,152
Other reserve		83	(6)	1
Retained earnings		(29,229)	(24,871)	(5,336)
Total equity		**48,220**	52,423	55,089

*See note 2 for details regarding the restatement.

These financial statements were approved by the Board of Directors on 25 March 2022 and signed on its behalf by:

Alex Scrimgeour
CEO

Consolidated statement of changes in equity for the year ended 30 December 2021

	Note	Share capital £000	Share premium £000	Merger reserve £000	Other reserve £000	Retained earnings £000	Total Equity £000
Balance at 2 January 2020		**7,352**	**41,920**	**11,152**	**1**	**(5,221)**	**55,204**
Prior period adjustment		-	-	-	-	(115)	(115)
Balance at 2 January 2020 restated for prior period adjustment		7,352	41,920	11,152	1	(5,336)	55,089
Loss for the year - restated*		-	-	-	-	(20,119)	(20,119)
Retranslation of foreign currency denominated subsidiaries		-	-	-	(7)	-	(7)
Total comprehensive income		-	-	-	(6)	(20,119)	(20,126)
Shares issued in the period	30	1,758	15,813	-	-	-	17,571
Share issue expenses		-	(695)	-	-	-	(695)
Share-based payments	31	-	-	-	-	671	671
Deferred tax on share-based payments		-	-	-	-	(87)	(87)
Total transactions with owners of the parent		1,758	15,118	-	-	584	17,460
Balance at 31 December 2020 – restated*		9,110	57,038	11,152	(6)	(24,871)	52,423
Loss for the year		-	-	-	-	(5,430)	(5,430)
Retranslation of foreign currency denominated subsidiaries		-	-	-	69	-	69
Total comprehensive income		-	-	-	69	(5,430)	(5,361)
Shares issued in the period	30	7	59	-	-	-	66
Share-based payments	31	-	-	-	-	1,072	1,072
Growth Shares		-	-	-	20	-	20
Total transactions with owners of the parent		7	59	-	20	1,072	1,158
Balance at 30 December 2021		9,117	57,097	11,152	83	(29,229)	48,220

*See note 2 for details regarding the restatement.

Consolidated cash flow statement for the year ended 30 December 2021

	Note	30 December 2021 £000	Restated* 31 December 2020 £000
Cash flows from operating activities			
Loss for the year		(5,430)	(20,119)
Adjustments for:			
Financial expenses	12	3,255	2,939
Income tax (credit)/expense	13	14	(1,658)
Operating (loss)		(2,161)	(18,838)
Depreciation and amortisation	15,16,17	11,727	10,531
Impairment of goodwill, property, plant and equipment and right-of-use assets	17	(2,504)	5,635
Loss on disposal of property, plant and equipment	15	488	862
Rent concessions		(701)	(1,266)
Equity-settled share-based payments	31	1,072	671
		7,921	(2,405)
Changes in working capital:			
Decrease/ (Increase) in inventories		(326)	126
Decrease/ (Increase) in trade and other receivables		(2,844)	1,568
(Decrease)/Increase in trade and other payables		7,067	(4,699)
(Decrease)/ Increase in provisions	28	384	8
Net cash generated/ (used in) from operating activities		12,202	(5,402)
Cash flows from investing activities			
Acquisition of property, plant and equipment	15	(7,391)	(8,074)
Acquisition of intangible assets	17	(422)	(470)
Net cash used in investing activities		(7,813)	(8,544)
Cash flows from financing activities			
Proceeds from the issuance of shares	30	20	16,876
Proceeds from exercise of share options	30	66	-
Drawdown of bank borrowings	24	6,000	10,000
Repayment of bank borrowings	24	(2,500)	(15,000)
Lease payments – interest		(2,587)	(2,561)
Lease payments – capital		(1,526)	(405)
Landlord capital contributions received		500	1,625
Capitalised finance expenses		-	17
Loan arrangement fees		-	(136)
Interest paid		(519)	(370)
Net cash (used in) / generated from financing activities		(546)	10,046
Exchange loss on cash and cash equivalents		69	(43)
Cash and cash equivalents at the beginning of the year		328	4,271
Cash and cash equivalents at the end of the year		4,240	328

The Group had £27,500,000 of undrawn funds available (2020: £21,000,000) of the loan facility at the year end

*See note 2 for details regarding the restatement.

Company balance sheet as at 30 December 2021

Registered in England and Wales
Company number: 08684079

	Note	30 December 2021 £000	Restated* 31 December 2020 £000
Assets			
Non-current assets			
Trade and other receivables	21	76,772	69,778
Property, plant and equipment	15	43	94
Right-of-use assets	16	8,867	9,566
Investments	18	31,994	31,994
Deferred tax assets	29	150	78
		117,826	111,510
Current assets			
Trade and other receivables		176	167
		176	167
Total assets		**118,002**	**111,677**
Liabilities			
Current liabilities			
Trade and other payables	22	48	147
Lease liabilities		679	766
Loans and borrowings	24	119	43
		846	956
Non-current liabilities			
Interest-bearing borrowings	24	12,500	9,000
Lease liabilities		9,926	10,210
Other provisions	28	84	84
		22,510	19,294
Total liabilities		**23,356**	**20,250**
Net assets		**94,646**	**91,427**
Equity			
Equity attributable to owners of the Company			
Ordinary shares	30	9,117	9,110
Share premium	30	57,097	57,038
Merger reserve	30	20,336	20,336
Retained earnings		8,096	4,943
Total equity		**94,646**	**91,427**

*See note 2 for details regarding the restatement.
The Company profit for the year was £2,528,000 (2020 restated: £1,825,000).
These financial statements were approved by the Board of Directors on 25 March 2022 and signed on its behalf by:

Alex Scrimgeour
CEO

EVERYMAN

Company statement of changes in equity for the year ended 30 December 2021

	Note	Share capital £000	Share premium £000	Merger Reserve £000	Retained earnings £000	Total equity £000
Balance at 2 January 2020 - restated		7,352	41,920	20,336	2,447	72,055
Profit for the year*restated		-	-	-	1,825	1,825
Total comprehensive income		-	-	-	1,825	1,825
Shares issued in the period	30	1,758	15,813	-	-	17,571
Share issue expenses	30	-	(695)	-	-	(695)
Share-based payment expense	31	-	-	-	671	671
Total transactions with owners of the parent		1,758	15,118	-	671	17,547
Balance at 31 December 2020 *restated		9,110	57,038	20,336	4,943	91,427
Profit for the year		-	-	-	2,528	2,528
Total comprehensive income		-	-	-	2,528	2,528
Shares issued in the period	30	7	59	-	-	66
Share-based payment expense	31	-	-	-	625	625
Total transactions with owners of the parent		7	59	-	625	691
Balance at 30 December 2021		9,117	57,097	20,336	8,096	94,646

*See note 2 for details regarding the restatement.

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

These financial statements have been prepared in accordance with UK adopted International Accounting Standards. The Company has elected to prepare its parent Company financial statements in accordance with FRS101.

The financial statements are prepared on the historical cost basis.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates, it also required Group management to exercise judgements and estimates have been made in preparing the financial statements and their effect 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 30 December 2021 is a 52 week period as is the comparative prior year.

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

Company basis of preparation

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

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

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

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

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

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

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

Going concern

At the beginning of the year the Group had a Revolving Credit Facility ("RCF") in place for £30m, this was agreed on 16 January 2019 and is repayable in full on or before 15 January 2024. As at 31 December 2020, the Group had drawn down £9m of this facility and closed the year with £0.4m of cash, therefore the net opening debt position in January 2021 was £8.7m, with the undrawn facility at £21.4m. The banking covenants for the facility had been waived for the period April 2020 to March 2021, and a single liquidity covenant introduced for the period.

The Group's financing arrangements were amended in the first quarter of 2021 to provide longer term liquidity if required should the roadmap out of the pandemic extend further than anticipated. The arrangement consists of a £25m Revolving Credit Facility ("RCF") and a £15m Coronavirus Large Business Interruption Loan Scheme ("CLIBILS") and both are repayable in full on or before 15 January 2024.

The facility covenants were amended temporarily to provide liquidity through the pandemic, when the facility amendments were made in the first quarter of 2021. The liquidity covenant requires cash plus undrawn facility to exceed £7m, and there is a last twelve months rolling EBITDA covenant set at 30% below management estimates.

From June 2022, the covenants return to the pre-pandemic tests based on leverage and fixed cover charge. Since December 2021 the business has operated within all sets of covenants.

The continuing uncertainty due to the COVID-19 pandemic has been considered as part of the Group's adoption of the going concern basis. In particular the recovery profile of admissions in the sensitivity of forecasts. The forecast period considered is the 15 months from the balance sheet date up to 31 March 2023.

Base case Scenario

The Board approved budget and latest forecasts are based on a scenario where the business remains open with no further Government enforced closures. The forecast assumes admits return to pre-pandemic levels on a non-like-for-like basis in 2022, excluding the impact of increased capacity from venues opened since 2019. Increases in forecast costs reflect the current inflationary environment and the increases announced in national insurance rates. New openings are forecast at 4 for 2022, with the corresponding capital investments.

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

Stress testing

The Board is cognisant of the potential for COVID-19 to impact further whilst the pandemic continues. Given this possibility the Board have considered a severe but plausible scenario of reduced admissions on the basis that COVID-19 may continue to affect consumer behaviour and there could potentially be further disruption to the film slate. A reduction in budgeted admissions of 20% each month from January 2022 has been modelled and a corresponding reduction in capital expenditure for non-committed projects This scenario would cause a breach in the leverage covenant in October 2022.

If this scenario were to arise there are a number of levers to secure the financial position and covenants that would be brought into play, including mothballing projects to reduce borrowings and reducing costs to reduce the impact on EBITDA. Taking mitigating actions into consideration, the leverage covenant would not be breached in October 2022.

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 20% reduction in budgeted admissions is plausible but unlikely, particularly in light of business performance in January and February 2022 and the current film slate, and that the Group has sufficient levers to navigate the severe but plausible downside scenario described above. As a result, the Board does not believe this to represent a material uncertainty, therefore the Board consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The forecasts are under continuous review given current market conditions. The business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements.

Use of non-GAAP profit and loss measures
The Group believes that along with operating profit, the 'adjusted profit from operations' provides additional guidance to the statutory measures of the performance of the business during the financial year. The reconciliation between operating profit and non-GAAP loss from operations is shown on page 42.

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

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 30 December 2021 incorporates the results of all subsidiaries of the Group for all years and periods, as set out in the basis of preparation.

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

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

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

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

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

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

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 a film 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. The Group’s other revenues, which include commissions, are recognised when all performance obligations have been satisfied.

All advanced booking fees, 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.

All contractual-based revenue from memberships is initially classified as deferred revenue. Revenue from memberships that provide a certain number of tickets per year is recognised over the year as utilised. Revenue from sponsorships and memberships providing unlimited access is recognised equally over the year. Advertising revenue is recognised at the point the advertisement is shown in the cinemas.

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

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

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

Intangible assets
Interests in property-based leases acquired in a business combination are recognised at acquisition date Incremental Borrowing Rate (IBR) with an adjustment to Right of Use asset for favourable/unfavourable terms. Amortisation is calculated on a straight-line basis to allocate the cost of property-based leases across the term of the relevant leasehold interest.

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

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

Leasehold interest	- straight line on cost over the remaining life of the lease
Software assets	- 3 to 5 years

During the period there was a development in IFRS relating to software capitalisation following an IFRIC agenda decision in April 2021. This decision relates to the treatment of customisation and configuration costs in cloud/SaaS computing arrangements. Historically implementation costs have been capitalised in line with Everyman accounting policy, however in light of the IFRIC decision the policy has been changed in 2021 to expense the costs to the P&L as incurred. There is no material impact of this change on in policy on costs capitalised in previous years.

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

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

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

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

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

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

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

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

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

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

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

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

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

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Leases (continued)

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee

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

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

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

IFRS 16: Leases – Covid-19 Related Rent concessions amendment
The Group has adopted the amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to Covid-19 is a lease modification. Where the rent concession is a direct consequence of the Covid-19 pandemic, the revised consideration for the lease is substantially the same or less, the reduction affects only payments originally due on or before 30 June 2021, this was subsequently extended to 30 June 2022, and there were no other substantive changes to the lease then the concessions can be credited to the profit and loss in the period in which the event or condition that triggers the rent concession occurs, rather than as a lease modification. Further details relating to the application of the practical expedient are detailed within note 4.

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.

Taxation (continued)

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

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

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

Operating segments

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

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

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

Pre-opening expenses

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

Employee benefits

Furlough income

The business topped up employee pay to 80% of normal pay where the Government furlough income was less than 80% of that employees pay. The claims for furlough income are submitted in the month after the payroll costs have been incurred, therefore the income is recognised in the P&L on an accruals basis to match the payroll costs incurred in the month.

Defined contribution plans

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

Share-based payments

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

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

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

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

Research and development

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials and direct labour. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Restatement of accounting for leases

Restatement of prior year reported numbers 31 December 2020	As previously reported 31 December 2020 £'000	Restatement 1 £'000	Restatement 2 £'000	Restated 31 December 2020 £'000
Group Income Statement				
Loss for the period	(20,478)	(84)	443	(20,119)
Group Statement of Changes in Equity				
Loss for the period	(20,478)	(84)	443	(20,119)
Balance Sheet				
Right-of-use assets	55,446	893	406	56,745
Lease Liabilities (Current)	(2,641)	50	58	(2,533)
Lease Liabilities (Non-Current)	(75,367)	(1,168)	-	(76,535)
Trade and other payables	(9,476)	10	(211)	(9,677)
Trade and other receivables	2,645	16	239	2,900
Deferred Tax	63	-	(49)	14
Retained earnings	(25,115)	(199)	443	(24,871)
Net Assets and Total Equity	52,179	(199)	443	52,423

Restatement of prior year reported numbers 2 January 2020	As previously reported 2 January 2020 £'000	Restatement 1 £'000	Restatement 2 £'000	Restated 2 January 2020 £'000
Group Statement of Changes in Equity				
Total equity balance	55,204	(115)	-	55,089
Balance Sheet				
Rights-of-use	58,023	922	-	58,945
Lease Liabilities (Current)	(2,421)	49	-	(2,372)
Lease Liabilities (Non-Current)	(72,900)	(1,086)	-	(73,986)
Retained earnings	(5,221)	(115)	-	(5,336)
Net Assets and Total Equity	55,204	(115)	-	55,089

Restatement 1 – Prior period error

The previously reported results have been restated to correct errors identified in respect of two leases as follows:

Canary Wharf
An assumption was made that rent would increase from March 2020, however, this was not the case. Due to this error the opening lease liability and right of use asset were wrong as the discounted cashflows were greater than actually payable.
Correcting this error led to a reduction in the right of use asset of £223,000 with a corresponding decrease in the lease liability of £344,000 and increase in retained earnings of £160,000.
This also gave rise to a decrease in depreciation charge of £45,000 and decrease in finance charge of £24,000. An adjustment to the gain on concession was made to reduce the gain by £21,000.

Chelmsford
Implicit in the lease is a contractual 2.5% compound increase in rent every 5 years. This meets the definition of an in-substance fixed payment and so should have been accounted for when discounting the future cash flows upon recognition of the lease.
Accounting for this error has led to an increase in right of use asset of £1,174,000 with a corresponding increase of £1,462,000 to the lease liability and a decrease in retained earnings of £197,000.
Correcting this error led to an increase in depreciation charge of £103,000 and an increase in finance charge of £107,000.

The net impact of both adjustments in restatement one is a reduction in profit across 2019 and 2020 of £199,000.

Restatement 2 – Change in accounting policy – rent concessions

After finalisation of the prior period financial statements there was a change to the Practical Expedient for rental concessions to include those effecting lease payments up to 30 June 2022. The original practical expedient was limited to arrangements that impacted rent payments up to 30 June 2021. This meant that some concessions that had previously been treated as modifications, could now be accounted for using the Practical Expedient.

Accounting for these concessions using the practical expedient gave rise to an increase in the Group right of use assets of £406,000 and an increase in the lease liability of £58,000.

Gain on concessions was increased £474,000, finance charge and depreciation increased and as a result of changing profits the deferred tax asset was reduced by £49,000

The net impact to Group profits in 2020 of restatement 2 was an increase of £443,000.

The impact of the change in accounting policy above impacts certain leases in the parent Company. The impact of the change in accounting policy on the parent Company balance sheet is to increase net assets by £18,000.

3 Financial Instruments – Risk Management

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

Recognition and initial measurement

Trade receivables are initially recognised when originated. All other financial assets and liabilities are initially recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets (unless a trade receivable without a significant financing component) or financial liabilities are initially measured at fair value plus, for items not at fair value through the profit and loss, transaction costs that are directly attributable to their acquisition or issue. Trade receivables without a significant financing component are initially measured at the transaction price.

Classification and subsequent measurement

Financial assets classification

On initial recognition, financial assets are classified as measured at either amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets and liabilities as per IFRS 9 requirement.

In financial assets the Group loans and receivables are recognised at the amount expected to be received. In the receivables, the Group have the trade receivables, stock, cash, and cash equivalents and these are included the current assets due to their short-term nature. Financial liabilities include the Group loans, trade payables and bank indebtedness. Trade payables are included in current liabilities due to their short-term nature.

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents classification

Cash and cash equivalents comprise cash balances, call deposits and cash amounts in transit due from credit cards which are settled within seven days from the date of the reporting period. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Statement of Cash Flows.

Financial assets subsequent measurement, gains and losses

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit and loss. Any gain or loss on derecognition is recognised in the profit and loss.

3 Financial Instruments – Risk Management (cont)

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. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Impairment
The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income and contract assets (as defined in IFRS15).

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12 month expected credit losses.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due. The Group considers a financial asset to be in default when the financial asset is more than 120 days past due.

Lifetime expected credit losses are those that result from all possible default events over the expected life of a financial instrument.12 month expected credit losses are the portion that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of expected credit losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities classified at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Written-off financial assets
The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery.

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 21.

3 Financial Instruments – Risk Management (cont)

Interest rate risk
The Group is exposed to cash flow interest rate risk from its revolving credit facility at variable rates. During 2021 and 2020, the Group's borrowings at variable rate were denominated in GBP.

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

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

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

4 Changes in accounting policies

New standards, interpretations and amendments adopted from 1 January 2021

New standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2021 are detailed below.

COVID-19 – Related Rent Concessions (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria, and was further amended on 31 March 2021:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less then, the consideration for the lease immediately preceding the change;

b) The reduction in lease payments only affects payments originally due on or before 30 June 2022; and

c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Group, occurred from March 2020 to December 2021.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.
The effect of applying the practical expedient is disclosed in note 16.

4 Changes in accounting policies (cont)

New standards, interpretations and amendments not yet effective

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

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

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

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

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

In response to feedback and enquiries from stakeholders, in December 2020, the IFRS Interpretations Committee (IFRIC) issued a Tentative Agenda Decision, analysing the applicability of the amendments to three scenarios. However, given the comments received and concerns raised on some aspects of the amendments, in April 2021, IFRIC decided not to finalise the agenda decision and referred the matter to the IASB. In its June 2021 meeting, the IASB tentatively decided to amend the requirements of IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the effective date of the 2020 amendment by at least one year.

Everyman Media Group Plc is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 in their present form, will have a significant impact on the classification of its liabilities

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

5 Critical accounting estimates and judgements

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

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

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from each cinema and discount these to their net present value at an appropriate discount rate. All venues are located in the UK and therefore a single discount rate has been used for all CGUs. The resulting calculation is sensitive to the assumptions in respect of future cash flows and the discount rate applied. The Directors consider that the assumptions made represent their best estimate of the future cash flows generated by the CGUs and that the discount rates used are appropriate given the risks associated with the specific cash flows. A sensitivity analysis has been performed over the estimates (see Note 17).

Lease dilapidations

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

6 Revenue

	Year ended 30 December 2021 £000	Year ended 31 December 2020 £000
Film and entertainment	25,150	13,565
Food and beverages	20,360	9,447
Venue Hire, Advertising and Membership Income	3,517	1,212
	49,027	24,224

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	30 December 2021 £000	31 December 2020 £000
Trade and other receivables * restated	3,847	653
Deferred income	4,284	3,028

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

*See note 2 for details regarding the restatement

7 Loss before taxation

Loss before taxation is stated after charging:

	Year ended 30 December 2021 £000	Year ended 31 December re-stated £000
Depreciation of tangible assets	8,030	6,972
Amortisation of right-of-use assets	3,078	3,125
Amortisation of intangible assets	619	420
(Reversal)/ Impairment charge on intangibles, right- of- use asset and property, plant and equipment	(2,504)	5,635
Loss on disposal of property, plant and equipment	533	862
Operating lease (income)/expense	(87)	(98)
Share-based payments	1,072	671
Rent concession gains from practical expedient	(701)	(1,265)

8 Staff numbers and employment costs

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

	30 December 2021 Number	31 December 2020 Number
Management	186	183
Operations	731	716
	917	899

At the year end the number of employees (including Directors) was 1,342 (2020: 644)
Management staff represent all full-time employees in the Group.

	Year ended 30 December 2021 £000	Year ended 31 December 2020 £000
Wages and salaries	14,982	13,582
Social security costs	1,211	1,013
Pension costs	224	195
Share-based payments	1,072	671
Other staff benefits	5	4
	17,494	15,465

There were pension liabilities as at 30 December 2021 of £66,000 (31 December 2020: £38,000).

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 30 December 2021 £000	Year ended 31 December 2020 £000
Salaries/fees	748	627
Bonuses	115	50
Other benefits	18	4
Pension contributions	15	-
	896	681
Share-based payments	720	55
	1,616	736

9 Directors' remuneration (cont)

Information regarding the highest paid Director is as follows:

Salaries/fees	244	140
Bonuses	40	10
Other benefits	15	2
Pension contributions	9	-
	308	152
Share-based payments	750	120
	1,058	272

Directors remuneration for each Director is disclosed in the Remuneration Committee report. The costs relating to the Directors remuneration are wholly incurred by Everyman Media Limited for the wider Group. No Directors exercised options over shares in the Company during the year (2020: None).

10 Auditor's remuneration

Fees payable to the Company's auditor for:	Year ended 30 December 2021 £000	Year ended 31 December 2020 £000
Audit of the Company's financial statements	12	20
Audit of the subsidiary undertakings of the Company	77	69
Taxation services to the Group	20	-
	109	89

11 Covid- 19 Government Support

	Year ended 30 December 2021 £'000	Year ended 31 December 2020 £'000
Job Retention Scheme	2,801	5,699
Business Grants	999	363
	3,800	6,062

12 Financial expenses

	Year ended 30 December 2021 £000	Year ended 31 December 2020 £000
Interest on bank loans and overdrafts	595	276
Less: Interest capitalised within assets under construction	-	(17)
Bank loan arrangement fees	85	136
Interest on lease liabilities * restated	2,587	2,529
Interest on dilapidations provision	9	8
Reassessment of dilapidations NPV	(21)	7
Interest expense recognised in the profit and loss	3,255	2,939

*See note 2 for details regarding the restatement

13 Taxation

	Year ended 30 December 2021	Year ended 31 December 2020* Restated
	£000	£000
Tax expense		
Current tax	-	-
Adjustment in respect of prior years	-	(186)
Total current tax credit		(186)
Deferred tax expense		
Origination and reversal of temporary differences	416	(2,067)
Adjustment in respect of prior years	(101)	388
Effect of tax rate change	(301)	207
Total tax credit	14	(1,658)

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

Reconciliation of effective tax rate	Year ended 30 December 2021	Year ended 31 December 2020
	£000	£000
(Loss)/Profit before tax	(5,416)	(21,777)
Tax at the UK corporation tax rate of 19.00%	(1,029)	(4,138)
Permanent differences (expenses not deductible for tax purposes)	750	1,104
Deferred tax not previously recognised	-	33
Impact of difference in overseas tax rates	1	72
De-recognition of losses	605	700
Effect of change in expected future statutory rates on deferred tax	(217)	207
Impact of a drop in share-based payments intrinsic value	5	148
Adjustment in respect of previous periods	(101)	216
Total tax (credit)/expense	14	(1,658)

A reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. In March 2020, it was announced that a rate of 19% would continue to apply with effect from 1 April 20 and this change was substantively enacted from 17 March 2020.An increase in the UK corporation rate from 19% to 25% (effective 1 April 23) was substantively enacted on 24 May 21. This will increase the company's future current tax charge accordingly.

14 Earnings per share

	Year ended 30 December 2021	Year ended 31 December 2020 re-stated
	2021	2020
	£000	£000
Loss used in calculating basic and diluted earnings per share	(5,430)	(20,119)
Number of shares (000's)		
Weighted average number of shares for the purpose of basic earnings per share	91,129	85,372
Number of shares (000's)		
Weighted average number of shares for the purpose of diluted earnings per share	91,129	85,372
Basic loss per share (pence)	(5.96)	(23.57)
Diluted loss per share (pence)	(5.96)	(23.57)

Weighted average number of shares for the purpose of basic earnings per share	30 December 2021 Weighted average no. 000's	31 December 2020 Weighted average no. 000's
Issued at beginning of the year	91,095	73,518
Share options exercised	34	76
Shares issued as consideration for acquisition with no change of control	-	11,778
Weighted average number of shares at end of the year	91,129	85,372
Weighted average number of shares for the purpose of diluted earnings per share		
Basic weighted average number of shares	91,129	85,372
Effect of share options in issue	-	-
Weighted average number of shares at end of the year	91,129	85,372

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

The Company has 7m potentially issuable Ordinary shares (2020: 6.6m) all of which relate to the potential dilution from share options issued to the Directors and certain employees and contractors, under the Group's incentive arrangements. In the current year these options are anti-dilutive as they would reduce the loss per share and so haven't been included in the diluted earnings per share.

The Company made a post-tax profit for the year of £2,528,000 (2020 restated: £1,825,000).

*See note 2 for details regarding the restatement.

15 Property, plant and equipment

(Group)

	Land & Buildings £000	Leasehold improvements £000	Plant & machinery £000	Fixtures & Fittings £000	Assets under construction £000	Total £000
Cost						
At 2 January 2020	6,529	69,525	14,646	9,362	2,440	102,502
Acquired in the year	-	1,809	1,471	417	4,377	8,074
Disposals	-	-	(380)	-	(482)	(862)
Transfer on completion	-	4,289	261	161	(4,711)	-
At 31 December 2020	**6,529**	**75,623**	**15,998**	**9,940**	**1,624**	**109,714**
Acquired in the year	-	**1,648**	**954**	**395**	**4,394**	**7,391**
Disposals	-	**(1,189)**	**(4,382)**	**(1,156)**	**(59)**	**(6,786)**
Transfer on completion	-	**96**	-	-	**(96)**	-
At 30 December 2021	**6,529**	**76,178**	**12,570**	**9,179**	**5,863**	**110,319**
Depreciation						
At 2 January 2020	48	9,337	6,320	3,298	-	19,003
Charge for the year	111	3,233	2,633	995	-	6,972
Impairment	-	1,845	220	109	-	2,174
At 31 December 2020	**159**	**14,415**	**9,173**	**4,402**	-	**28,149**
Charge for the year	**48**	**4,104**	**2,574**	**1,304**	-	**8,030**
Impairment	-	**(1,124)**	**(75)**	**(167)**	-	**(1,366)**
On Disposals	-	**(925)**	**(4,312)**	**(1,105)**	-	**(6,342)**
At 30 December 2021	**207**	**16,470**	**7,360**	**4,434**	-	**28,471**
Net book value						
At 30 December 2021	**6,322**	**59,708**	**5,210**	**4,745**	**5,863**	**81,848**
At 31 December 2020	6,433	61,143	6,825	5,538	1,626	81,565
At 2 January 2020	6,481	60,188	8,326	6,064	2,440	83,499

For impairment considerations of tangible fixed assets this was considered using the value in use basis disclosed in Note 17.

15 Property, plant and equipment (continued)
(Company only)

	Plant & machinery £000	Fixtures & Fittings £000	Total £000
Cost			
At 2 January 2020	485	255	740
Acquired in the year	-	-	-
At 31 December 2020	485	255	740
Acquired in the year	-	-	-
At 30 December 2021	485	255	740
Depreciation			
At 2 January 2020	392	129	521
Charge for the year	93	32	125
At 31 December 2020	485	161	646
Charge for the year	-	51	51
At 30 December 2021	485	212	697
Net book value			
At 30 December 2021	-	43	43
At 31 December 2020	-	94	94
At 2 January 2020	93	126	219

16 Leases

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. On initial recognition a weighted average incremental borrowing rate of 3.2% was applied to all leases across the portfolio.

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

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

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

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

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

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

16 Leases (cont)

Nature of leasing activities

The Group leases a number of properties in the towns and cities from which it operates. In some locations, depending on the lease contract signed, the lease payments may increase each year by inflation or and in others they are reset periodically to market rental rates. For some property leases the periodic rent is fixed over the lease term.
The Group also leases certain vehicles. Leases of vehicles comprise only fixed payments over the lease terms.
The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

30 December 2021	Lease contract numbers	Fixed payments %	Variable payments %	Sensitivity £'000
Property leases with payments linked to inflation	19	-	51%	+2,635
Property leases with periodic uplifts to market rentals	16	-	41%	+1,255
Property leases with fixed payments	2	7%	-	-
Vehicle leases	3	1%	-	-
	40	8%	92%	+3,890

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

31 December 2020	Lease contract numbers	Fixed payments %	Variable payments %	Sensitivity £'000
Property leases with payments linked to inflation	17	-	46%	+2,333
Property leases with periodic uplifts to market rentals	16	-	49%	+1,313
Property leases with fixed payments	2	4%	-	-
Vehicle leases	3	1%	-	-
	38	5%	95%	+3,646

Right-of-Use Assets
(Group)

	Land & Buildings £'000	Motor Vehicles £'000	Total £'000
At 2 January 2020	57,984	39	58,023
Prior Year adjustments:			
Additions	951	-	951
Amortisation	(29)	-	(29)
As at 2 January 2020* restated	58,906	39	58,945
Additions	712	-	712
Amortisation* restated	(3,122)	(17)	(3,139)
Impairment	(1,857)	-	(1,857)
Effect of modification to lease term* restated	2,084	-	2,084
At 31 December 2020* restated	56,723	**22**	56,745
Additions	4,357	30	4,387
Amortisation	(3,055)	(23)	(3,078)
Impairment	1,133	-	1,133
Effect of modification to lease terms	(594)	-	(594)
At 30 December 2021	58,564	29	58,593

*See note 2 for details regarding the restatement

16 Leases (cont)

Right-of-Use Assets
(Company only)

	Land & Buildings £'000
At 3 January 2020	8,756
Amortisation	(546)
Effect of modification to lease terms	1,356
At 31 December 2020	9,566
Amortisation	(519)
Effect of modification to lease terms	(180)
At 30 December 2021	8,867

Lease Liabilities
(Group)

	Land & Buildings £'000	Motor Vehicles £'000	Total £'000
At 2 January 2020	75,290	31	75,321
Effect of modifications to lease terms	1,037	-	1,037
At 2 January 2020* restated	76,327	31	76,358
Additions	2,297	-	2,297
Interest expense* restated	2,528	1	2,529
Effect of modification to lease terms* restated	2,084	-	2,084
Rent concession gains* restated (see notes below)	(1,265)	-	(1,265)
Lease payments* restated	(2,921)	(14)	(2,935)
At 31 December 2020* restated	79,050	18	79,068
Additions	5,503	30	5,533
Interest expense	2,586	1	2,587
Effect of modification to lease terms	(594)	-	(594)
Rent concession gains (see note below)	(701)	-	(701)
Lease payments	(4,088)	(25)	(4,113)
At 30 December 2021	81,756	24	81,780

Lease liabilities	30 December 2021 £'000	31 December 2020 re-stated* £'000
Current	2,633	2,533
Non-current	79,147	76,535
	81,780	79,068

*See note 2 for details regarding the restatement

16 Leases (cont)

Rent Concessions

Due to Government policy, the Group had to suspend trading across all venues at the beginning of the year until 17 May.

The Group has received numerous forms of rent concessions from lessors due to the Group being unable to operate for significant periods of time, including:

- Rent forgiveness (e.g. reductions in rent contractually due under the terms of lease agreements); and
- Deferrals of rent (e.g. payment of April – June rent on an amortised basis from January to March 2021).

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

The application of the practical expedient has resulted in the reduction of total lease liabilities of £701,000 (Restated 2020: £1,265,000). The effect of this reduction has been recorded as a gain in the period in which the event or condition that triggered those payments occurred.

Maturity analysis of lease payments

	30 December 2021 £'000	31 December 2020 £'000
Contractual future cash outflows		
Land and buildings		
Less than one year	**5,291**	3,745
Between one and five years	**22,794**	21,259
Over five years	**87,239**	88,270
	115,324	113,274
Motor Vehicles		
Less than one year	**13**	14
Between one and five years	**11**	4
	24	18

Recognised in profit and loss

	30 December 2021 £'000	31 December 2020 £'000
Interest on lease liabilities	**2,587**	2,554
Expenses relating to short-term and low-value leases	**38**	21
Lease expenses	**2,625**	2,575

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

	30 December 2021 £'000	31 December 2020 £'000
Contractual future cash inflows		
Land and buildings		
Less than one year	**65**	100
Between one and five years	**16**	400
Over five years	**-**	550
	81	1,050

The reduction in future cash inflows at 30 December 2021 arises from a change in the leasing arrangement for the property.

16 Leases (cont)

Lease Liabilities *(Company only)*	Land & buildings £'000
At 2 January 2020	9,920
Effect of modification to lease terms	1,356
Rent concession gains*restated	(17)
Interest expense	320
Lease payments* restated	(603)
At 31 December 2020* restated	10,976
Effect of modification to lease terms	(180)
Rent concession gains	(70)
Interest expense	344
Lease payments	(465)
At 30 December 2021	10,605

	30 December 2021 £'000	31 December 2020 re-stated* £'000
Lease liabilities		
Current	679	766
Non-current	9,926	10,210
	10,605	10,976

*See note 2 for details regarding the restatement

As a lessee

	30 December 2021 £'000	31 December 2020 £'000
Contractual future cash outflows		
Land and buildings		
Less than one year	1,009	699
Between one and five years	3,120	3,138
Over five years	10,061	11,694
	14,190	15,531

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

Recognised in profit and loss

	30 December 2021 £'000	31 December 2020 £'000
Interest on lease liabilities	344	321

17 Goodwill, intangible assets and impairment

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

(Group)

	Goodwill £'000	Software Assets £'000	Total £'000
Cost			
At 2 January 2020	8,951	2,521	11,472
Acquired in the year	-	470	470
At 31 December 2020	8,951	2,991	11,942
Acquired in the year	-	423	423
Disposed in the year	-	(546)	(546)
Transfer on completion	-	-	-
At 30 December 2021	8,951	2,868	11,819
Amortisation and impairment			
At 2 January 2020	-	778	778
Charge for the year	-	420	420
Impairment	1,599	5	1,604
At 31 December 2020	1,599	1,203	2,802
Charge for the year	-	619	619
Charge on disposals for the year	-	(503)	(503)
Impairment	-	(5)	(5)
At 30 December 2021	1,599	1,314	2,913
Net book value			
At 30 December 2021	7,352	1,554	8,906
At 31 December 2020	7,352	1,788	9,140
At 2 January 2020	8,951	1,743	10,694

Impairment Review

The Group evaluates assets for impairment annually or when indicators of impairment exist. As of 30 December 2021, there was no indicator that an impairment exists as forecasts were improved from the year ended 31 December 2020. As required by IAS 36, the Group assessed whether there was an indication that a previously recognised impairment no longer exists or may have decreased. A reversal of an impairment 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 recoverable amount of a CGU is the higher of value-in-use or fair value less cost of disposal. The Group determines the recoverable amount with reference to its value-in-use. Where the recoverable amount is less than the carrying value, an impairment charge to reduce the assets down to recoverable amount is recognised.

Each cash-generating unit (CGU) which represents each site acquired. Value-in-use was calculated as the net present value of the projected risk-adjusted post-tax cash flows plus a terminal value of the CGU. A post-tax discount rate was applied to calculate the net present value of pre-tax cash flows. The discount rate was calculated using a market participant weighted average cost of capital. Whilst there is some sensitivity to the inputs, the methodology is not significantly impacted by reasonable fluctuations in inputs. Goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to CGUs or groups of CGUs as follows:

17 Goodwill, Intangible assets and Impairment (cont)

	30 December 2021 £000	31 December 2020 £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

The recoverable amount of each CGU has been calculated with reference to its value-in-use. The key assumptions of this calculation are shown below:

	30 December 2021	31 December 2020
Discount rate	9.8%	9.8%
Long term growth rate	2%	2%
Number of years projected	5 years	5 years

The Group considered the budgets and forecasts in light of the trading environment and reasonable expectations going forward which has resulted in forecast future revenue increasing versus the expectations at 31 December 2020, and therefore determined the recoverable amount for all of its cash generating units. The recoverable amount is the higher of fair value less costs of disposal and value in use.

The cash flow forecasts were probability weighted based on the following scenarios:

1. Base Case (65% weighting): Venues remain open going forward, with non-like-for-like admissions, and CGU cash generation levels returning to pre-pandemic levels by 2022 Cash generation levels per CGU are assumed to grow at 3% in 2023 and then 5% per annum in 2024-2026.
2. Positive case (15% weighting): The assumptions in this case are the same as the base case except that cash generation levels per CGU increase by 5% in 2023 and 8% between 2024-2026.
3. Downside case (20% weighting): The assumptions in this case are the same as the base case except that cash generation levels per CGU and reduced by 10% in 2022, and then annual growth from the lower base is at 3% for 2023-2026. The terminal value includes a growth rate of 2%, which is set to be consistent with the UK historic growth rate.

Under IAS 38, goodwill cannot be written back once impaired and therefore the £1,559,000 goodwill impaired in 2020 was excluded from the calculations

17 Goodwill, Intangible assets and Impairment (cont)

The results of this review showed all 4 cash generating units that were impaired in 2020 had higher recoverable amounts at 31 December 2021 and therefore a reversal of £2,504,000 previously recognised impairment has been made. This is shown in the table below.

Venue (CGU)	2020 impairment (excl goodwill)	2021 write back	2021 carried forward impairment
	£'000	£'000	£'000
Belsize Park	372	(51)	321
Leeds	2,216	(1,005)	1,211
Liverpool	955	(955)	-
York	493	(493)	-
Total	**4,036**	**(2,504)**	**1,532**

The write back of the Group's assets is summarised as follows:

Class of Asset	31 December 2020 Impairment	2021 write back	30 December 2021 Impairment
	£'000	£'000	£'000
Goodwill	1,599	-	1,599
Right-of-use assets	1,857	(1,133)	724
Corporate assets	99	-	99
Leasehold improvements, PPE F&F	2,080	(1,371)	709
Total	**5,635**	**(2,504)**	**3,131**

The amount by which the impairment changes is sensitive to the discount rate used and the assumptions on future trading levels, the potential impact is demonstrated in the scenarios below (independent of each other);

- Increasing the discount rate by 1%in the base case results in
  - (I) 1 further venue being impaired, and
  - (II) An impairment increase of £513,000.

- Adjustment in the assumptions used in in the base case (i.e. the most likely case) cash flow scenario, decreasing the 2022 expected cashflows by 10% for each venue results in:
  - (I) 1 further venue being impaired, and
  - (II) An increase in the impairment charge of £614,000

18 Investments

(Company only)

	Total
	£000
At 31 December 2020 and 30 December 2021	31,994

The Company also has an intercompany debtor's balances of £68.8m. As part of the Group impairment review, the future cash flows from each of the venues were forecast and an NPV of these flows calculated. The total value of these were £313.6m which would indicate that sufficient profits and cash will be generated to repay the monies owed to the Company if required.

18 Investments (cont)

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

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

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

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

Everyman Media Limited has 285,000 Ordinary shares of £1.00 each in issue, all of which are held by Everyman Media Holdings Limited and therefore indirectly held by Everyman Media Group PLC. All other subsidiaries are also indirectly-held investments. Everyman Media Holdings Limited acquired 100 Ordinary shares, being the entire issued share capital of Foxdon Limited (a limited company established and resident in the Republic of Ireland and dormant at the date of acquisition) for €100 on 24 June 2019. With respect to the class and proportion of shares held in existing subsidiaries, the amounts remain the same for the year ended 30 December 2021 and the year ended 31 December 2020. Bloom Martin Limited, Bloom Theatres Limited and Mainline Pictures Limited are all dormant companies and exempt from the requirement for an audit for the year.

The class and proportion of shares held in all other subsidiaries remain the same for the year ended 30 December 2021 and the year ended 31 December 2020.

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

19 Inventories

	30 December 2021 £000	31 December 2020 £000
Food and beverages	**638**	327
Projection	**73**	54
	711	381

Finished goods recognised as cost of sales in the year amounted to £5,054,000 (2020: £2,452,000). The write-down of inventories to net realisable value amounted to £nil (2020: £nil).

20 Cash and cash equivalents

	30 December 2021 £000	31 December 2020 £000
Per balance sheet	4,240	328
Per cash flow statement	4,240	328

21 Trade and other receivables

(Group)

	30 December 2021 £000	Restated 31 December 2020 £000
Included in current assets * restated	5,649	2,900
Included in non-current assets	177	173
	5,826	3,073
Trade and other receivables	3,847	653
Social security and other taxation	1	-
Other debtors	210	209
Government Grant – Job retention scheme	-	427
Prepayments and accrued income * restated	1,768	1,784
	5,826	3,073

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 contributions from landlords towards fit-outs.

*See note 2 for details regarding the restatement

Trade and other receivables

(Company only)

	30 December 2021 £000	31 December 2020 £000
Included in non-current assets	76,772	69,778
Amounts due from company undertakings	76,772	69,778

All amounts other than those from Company undertakings are due for payment within one year. Interest is charged on inter-company loans at the same rate as that charged to the Group by its lenders, currently 3.3%. The loans are repayable on 15 January 2024.

22 Trade and other payables
(Group)

	30 December 2021 £000	31 December 2020 re-stated £000
Trade creditors	3,640	2,909
Social security and other taxation	1,051	2
Other creditors	10	12
Accrued expenses* restated	7,009	3,726
Deferred income	4,284	3,028
	15,994	9,677

*See note 2 for details regarding the restatement

Trade and other payables
(Company only)

	30 December 2021 £000	31 December 2020 £000
Included in current liabilities – accrued rent	48	147

23 Corporation tax liabilities
(Group)

	30 December 2021 £'000	31 December 2020 £'000
Corporation tax gross movements		
Opening balance	-	186
Recognised in profit and loss		
Current tax	-	(180)
Adjustments in respect of prior periods	-	-
Charge to profit and loss	-	(180)
Movement on share option intrinsic value	-	(6)
Closing balance	-	-

Corporation tax liabilities
(Company only)

	30 December 2021 £'000	31 December 2020 £'000
At 31 December 2020	-	60
Recognised in profit and loss		
Charge to profit and loss	-	(60)
Closing balance	-	-

24 Other interest-bearing loans and borrowings
(Group and Company)

	30 December 2021 £000	31 December 2020 £000
Bank borrowings		
Current	119	43
Non-current	12,500	9,000
Total Bank Debt	12,619	9,043
Cash	(4,240)	(328)
Net Bank Debt	8,379	8,715

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

Commitment fees are charged quarterly on any balances not drawn at 35% of the applicable rate of drawn funds. The face value is deemed to be the carrying value. The Group had drawn down £12.5 million of the £40 million debt facility as at 30 December 2021 (2020: £9 million).

25 Financial assets and financial liabilities

Changes in liabilities from financing activities

	30 December 2021 £000	Restated* 31 December 2020 £000
Opening balance	**88,111**	90,480
Changes from financing cash flows:		
Proceeds from borrowings	**6,000**	10,000
Repayment of borrowings – principal	**(2,500)**	(15,000)
Repayment of borrowings – Interest	**(519)**	(299)
Interest on borrowings	**595**	221
Lease liabilities non cash movement	**6,825**	5,644
Lease liabilities cash movement	**(4,113)**	(2,935)
	94,399	88,111

*See note 2 for details regarding the restatement

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 31 December 2020				
Bank borrowings	2.65%	43	-	9,000
Bank current and deposit balances	0.01%	328	-	-
At 30 December 2021				
Bank borrowings	**2.72%**	**119**	-	**12,500**
Bank current and deposit balances	**0.01%**	**4,240**	-	-

25 Financial assets and financial liabilities (cont)

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 %	30 December 2021 £000	31 December 2020 £000
Bank borrowings		12,619	9,043
	-1.0%	(126)	90
	-0.5%	(63)	45
	0.5%	63	(45)
	1.0%	126	(90)
	1.5%	189	(136)
Bank current and deposit balances		4,240	328
	-1.0%	(37)	(3)
	-0.5%	(19)	(1)
	0.5%	19	1
	1.0%	37	3
	1.5%	56	5

26 Financial instruments

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

	30 December 2021 £000	31 December 2020 £000
Financial liabilities measured at amortised cost		
Bank borrowings	12,619	9,043
Trade Creditors	3,640	2,909
Leases * restated	81,780	79,068
Other Creditors	8	12
Accrued expenses	7,009	3,525

*See note 2 for details regarding the restatement

26 Financial instruments (cont)

Financial instruments not measured at fair value

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Non-derivative financial liabilities	30 December 2021 £000	31 December 2020 £000
Bank facility		
Carrying amount	12,619	9,043
Contractual cash flows:		
Less than one year	2	308
Between one and two years	496	405
Between three and five years	14,125	9,810
	14,623	10,523

Floating charges have been put in place over the net assets of the Group as collateral against the loan balance.

Risk management

(Group)

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 30 December 2021 and 31 December 2020.

Trade and other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of profit and loss and other comprehensive income in the relevant period.

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. There have been no impairment losses recognised on these assets.

26 Financial instruments (cont)

Accounting classification

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying amount	30 December 2021 £000	31 December* restated 2020 £000
Financial assets measured at amortised cost		
Trade and other receivables	3,847	653
Cash and cash equivalents	4,240	328
	8,087	981
Financial liabilities measured at amortised cost		
Secured bank loans	12,619	9,043
Trade and other payables	11,447	6,647
	24,066	15,690

27 Financial risks

Credit risk

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

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

At 30 December 2021 the Group has trade receivables of £4,243,000 (2020: £768,000). 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 30 December 2021 the Directors have recognised expected credit losses of £Nil (2020: £109,000).

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

	30 December 2021 £000	31 December 2020 £000
Ageing of receivables		
<30 days	3,927	625
31-60 days	84	8
61-120 days	232	43
>120 days	-	92
	4,243	768

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 (2020: £nil). There were no material expected credit losses in the year.

27 Financial risk (cont)

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.

At the balance sheet date, the Group had a £25m RCF and £15m CLIBILS RCF in place and had drawn down £12.5m, leaving £27.5m undrawn. As part of extending banking facilities from a £30m RCF at the end of 2020 to the facilities above, new liquidity and EBITDA loss covenants were agreed which are in place until June 2022 to support the business through the pandemic. The liquidity covenant requires cash plus undrawn facility to exceed £7m, and there is a last twelve months rolling EBITDA covenant set at 30% below management estimates. The Board reviews forecast scenarios on an ongoing basis and believes the business can operate with sufficient headroom.

From June the arrangements revert to the original covenants, from December 2021 the business has been operating within the original covenants and the current forecasts show that the business will remain within the covenants going forward.

The Group forecasts show significant headroom in all 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.

30 December 2021	Carrying amount £000	Contractual cash flows Less than one year £000	Between one and two years £000	Between three and five years £000	Over five years £000	Total £000
Non-derivative financial liabilities						
Secured bank facility	12,619	2	496	13,992	-	14,490
Trade creditors	3,640	3,640	-	-	-	3,640
Leases	81,780	5,290	5,990	16,804	87,239	115,323
Other creditors	10	10	-	-	-	10
Accrued expenses	7,009	7,009	-	-	-	7,009
	105,058	15,951	6,486	30,796	87,239	140,472

31 December 2020	Carrying amount £000	Contractual cash flows Less than one year £000	Between one and two years £000	Between three and five years £000	Over five years £000	Total £000
Non-derivative financial liabilities						
Secured bank facility	9,043	308	405	9,810	-	10,523
Trade creditors	2,909	2,909	-	-	-	2,909
Leases	79,068	3,363	3,452	15,431	82,487	104,733
Other creditors	12	12	-	-	-	12
Accrued expenses	3,726	3,525	-	-	-	3,525
	94,758	10,117	3,857	25,241	82,487	121,702

*See note 2 for details regarding the restatement

27 Financial risk (cont)

Interest rate risk

Interest rate risk arose from the Group's holding of interest-bearing loans linked to LIBOR/SONIA. The Group is also exposed to interest rate risk in respect of its cash balances held pending investment in the growth of the Group's operations. The effect of interest rate changes in the Group's interest-bearing assets and liabilities are set out in note 26.

Capital management

The Group's capital is made up of share capital, share premium, merger reserve and retained earnings totalling £48.2m (2020 restated: £52.4m).

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

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

28 Provisions

(Group)

	Other provisions £,000	Leasehold Dilapidations £,000	Total £,000
As at 31 December 2020	-	1,035	1,035
Utilised in the year	-	(5)	(5)
Other increases/decreases	393	79	472
Unwinding of discount	-	9	9
As at 30 December 2021	**393**	**1,118**	**1,511**
Due within one year or less	393	-	393
Due within one to five years	-	241	241
Due after more than five years	-	877	877
	393	1,118	1,511

Provisions

(Company only)

	Leasehold Dilapidations £,000
As at 31 December 2020	84
As at 30 December 2021	84
Due within one year or less	-
Due within one to five years	84
Due after more than five years	-
	84

Leasehold dilapidations relate to the estimated cost of returning leasehold property to its original state at the end of the lease in accordance with lease terms. The cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease term, the average remaining lease term for leases held at 30 December 2021 was 22 years (2020: 21 years).

Notes on the financial statements (continued)

29 Deferred tax

(Group)

	30 December 2021 £000	31 December 2020 £000
Included in non-current assets	-	(14)
Deferred tax gross movements		
Opening balance deferred tax liability	(14)	1,362
Recognised in profit and loss		
Arising on loss carried forward	(426)	(3,218)
Net book value in excess of tax written down value	784	1,656
Movement on share option intrinsic value	(257)	124
Amortisation of IFRS accumulated restatement	(144)	(1)
Lease acquired	(29)	4
Other temporary differences	86	(26)
Credit/Charge to profit and loss	14	(1,461)
Recognised in equity		
Movement on share option intrinsic value	-	85
Recognition of temporary differences on IFRS 16 accumulated restatement	-	-
	-	85
Differences in foreign exchange	-	-
Closing balance deferred tax asset	-	(14)
The deferred tax asset comprises:		
Temporary differences on property, plant and equipment	4,627	3,842
Temporary differences on IFRS 16 accumulated restatement	(646)	(502)
Temporary differences on leases acquired	62	91
Share-option scheme intrinsic value	(273)	(14)
Available losses	(4,030)	(3,604)
Unrealisable deferred tax assets	-	-
Other temporary and deductible differences	260	173
	-	(14)

29 Deferred tax (continued)

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates that have been substantively enacted for future periods, being 25% from 1 April 2023. The deferred tax liability has arisen due to the timing difference on property, plant and equipment, the deferral of capital gains tax arising from the sale of a property and other temporary and deductible differences. Deferred tax assets have been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that they will be recovered. The Group has unused tax losses of £21,000,000 in relation to UK losses and £17,600 in relation to Irish losses.

(Company only)

	30 December 2021 £000	31 December 2020 £000
Included in non-current assets	(150)	(78)
Deferred tax gross movements		
Opening balance	(78)	(48)
Recognised in the profit and loss		
Net book value in excess of tax written down value	(21)	(29)
Leases acquired	(29)	-
Amortisation of IFRS 16 accumulated restatement	(22)	(5)
Amortisation of acquisition-related deferred tax	-	5
Credit to profit and loss	(72)	(29)
Recognised in equity		
Recognition of temporary differences on IFRS 16 accumulated restatement	-	(1)
Closing balance	(150)	(78)

	30 December 2021 £000	31 December 2020 £000
The deferred tax asset comprises:		
Temporary differences on property, plant and equipment	(99)	(76)
Temporary differences on IFRS 16 accumulated restatement	(114)	(94)
Temporary differences on leases acquired	63	92
	(150)	(78)

The Company has a deferred tax liability due to the timing difference on property, plant and equipment. The Company has recognised unutilised tax allowances of £nil (2020: £nil) at expected tax rates in future periods.

30 Share capital and reserves

	Nominal value	30 December 2021 £000	31 December 2020 £000
Authorised, issued and fully paid Ordinary shares	£0.10		
At the start of the year		**9,110**	7,352
Issued in the year		**7**	1,758
At the end of the year		**9,117**	9,110

Number of shares	Nominal value	30 December 2021 Number	31 December 2020 Number
Authorised, issued and fully paid Ordinary shares	£0.10		
At the start of the year		**91,095,469**	73,517,969
Issued in the year		**67,500**	17,577,500
At the end of the year		**91,162,969**	91,095,469

The holders of Ordinary shares are entitled to one vote per share. During the year the Company issued 67,500 Ordinary shares at prices ranging from 93.5p to 100p.

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

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

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

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

31 Share-based payment arrangements (cont)

The terms and conditions of the grants are as follows:

Persons entitled	Grant date	Method of Settlement	Instruments outstanding 000's	Vesting Conditions*	Contractual life of options
Management employees, Directors and contractors	29.10.2013	Equity-settled	98	1	10 years
Management employees, Directors and contractors	29.10.2013	Equity-settled	150	2	10 years
Directors	04.11.2013	Equity-settled	50	2	10 years
Management employees, Directors and contractors	29.10.2015	Equity-settled	218	9	10 years
Management employees	15.12.2016	Equity-settled	95	10	10 years
Management employees	10.01.2017	Equity-settled	30	10	10 years
Directors	13.03.2017	Equity-settled	250	10	10 years
Management employees and contractors	11.10.2017	Equity-settled	425	10	10 years
Management employees and Directors	23.11.2017	Equity-settled	41	11	10 years
Management employees and Directors	23.04.2018	Equity-settled	21	12	10 years
Management employees and contractors	02.10.2018	Equity-settled	263	10	10 years
Management employees	03.10.2018	Equity-settled	12	13	10 years
Management employees	05.11.2018	Equity-settled	1	13	10 years
Management employees and Directors	24.09.2019	Equity-settled	803	10	10 years
Management employees and Directors	30.04.2020	Equity-settled	655	10	10 years
Management employees	30.09.2020	Equity-settled	250	10	10 years
Directors	12.11.2020	Equity-settled	1,600	10	10 years
Management employees and Directors	22.12.2020	Equity-settled	180	10	10 years
Directors	08.04.2021	Equity-settled	1,000	16	10 years
Management employees	15.06.2021	Equity-settled	250	17	10 years
Management employees and Directors	30.07.2021	Equity-settled	445	18	10 years
Management employees	23.09.2021	Equity-settled	16	18	10 years
Management employees	22.11.2021	Equity-settled	75	10	10 years
			6,928		

*1 EMI options. These vest in equal tranches on the first, second and third anniversaries of the date of grant.
*2 Unapproved options. These vest in equal tranches on the first, second and third anniversaries of the date of grant.
*9 Unapproved options. These vest in equal tranches on the first, second and third anniversaries of the date of grant. Each tranche is exercisable if the Company share price exceeds £1.30, £1.50 and £1.80 respectively for 15 consecutive trading days.
*10 Unapproved options. These vest on the third anniversary of the date of grant.
*11 Unapproved options as part of the long-term incentive plan. These vest on the fifth anniversary of the date of grant. Half of the options are exercisable if the share price exceeds £2.10 for 2 consecutive trading days within 60 days following the announcement of the preliminary results for 2017. The other half of the options are exercisable if the Adjusted Profit measure for 2017 exceeds £6.4m, £6.5m and £6.6m respectively.
*12 Unapproved options as part of the long-term incentive plan. These vest 4 years and 7 months from the date of grant. 45% of the options are exercisable if the share price exceeds £2.95 for 2 consecutive trading days within 60 days following the announcement of the preliminary results for 2018. The other 55% of the options are exercisable if the Adjusted Profit measure for 2018 exceeds £8.8m and incrementally to £9.5m.

31 Share-based payment arrangements (cont)

*13 Unapproved options as part of the long-term incentive plan. These vest 4 years and 2 months from the date of grant. 45% of the options are exercisable if the share price exceeds £2.95 for 2 consecutive trading days within 60 days following the announcement of the preliminary results for 2018. The other 55% of the options are exercisable if the Adjusted Profit measure for 2018 exceeds £8.8m and incrementally to £9.5m.
*16 Unapproved Options. These vested on the 31st December 21 and can be exercised subject to continued employment. Exercisable price of £1.50.
*17 150,000 of the Non-Qualifying Options shall become exercisable in accordance with Rule 5.2.1 of the Plan on the third anniversary of the Date of Grant (13 June 2024) if the share price target of 225 pence is achieved for 28 consecutive days. The remaining 100,000 of the Non-Qualifying Options shall become exercisable in accordance with Rule 5.2.1 of the Plan on the third anniversary of the Date of Grant (13 June 2024) if the share price target of 300 pence is achieved for 28 consecutive days.
*18 LTIP with one condition which is that the share price has to reach £1.85 for 2 consecutive days within 60 days of publishing our 2021 year end results. If the condition is met, the options are exercisable from 27th Nov 2022.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) as determined through use of the Black-Scholes technique, at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group and Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The inputs into the Black-Scholes model for the share option plans issued in the year are as follows:

Option scheme conditions for options issued in the year:	30 December 2021 Performance criteria	30 December 2021 No performance criteria	31 December 2020 Performance criteria	31 December 2020 No performance criteria
Weighted average share price at grant date (pence)	143.60	151.23	104.04	104.09
Weighted average option exercise prices (pence)	143.60	152.46	104.04	104.09
Expected volatility	97.24%	77.80%	75.58%	74.12%
Expected option life	1 years	6 years	5 years	4 years
Weighted average contractual life of outstanding share options	10 years	10 years	10 years	10 years
Risk-free interest rate	0.21%	0.19%	0.21%	0.63%
Expected dividend yield	0.0%	0.0%	0.0%	0.0%
Fair value of options granted in the year (pence)	0.42	0.88	1.57	0.59

31 Share-based payment arrangements (cont)

	Weighted average exercise price per share in the year ended			
	30 December 2021	31 December 2020	30 December 2021	31 December 2020
	Pence	Pence	Number	Number
Options at the beginning of the year	**109.50**	146.9	**6,559,818**	4,277,861
Options issued in the year	**0.72**	0.88	**1,860,888**	3,818,864
Options exercised in the year	**0.94**	0.94	**(67,500)**	(77,500)
Option forfeited in the year	**0.89**	1.23	**(1,428,203)**	(1,459,407)
Options at the end of the year	**142.00**	109.5	**6,925,003**	6,559,818

No options lapsed beyond their contractual life in the year (Year ended 2020: nil).

Growth Shares

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

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

The share based payment charge of the A Growth Shares in the year ended 30 December 2021 was £0.4m (2020: £nil) The Monte Carlo model was used for fair valuing the A growth Share awards at the date of grant, the inputs in the model were as follows:

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

31 Share-based payment arrangements (cont)

Share-based payments charged to the profit and loss	30 December 2021 £000	31 December 2020 £000
Share options charge	625	671
Growth shares charge	447	-
Administrative costs	1,072	671

The charge for the Company was £nil (2020: £nil) after recharging subsidiary undertakings with a charge of £1,072,000 (2020: £671,000). The relevant charge is included within administrative costs. The weighted average share price at the date of exercise of options was £104.04.

There are 1,488,103 options exercisable at 30 December 2021 in respect of the current arrangements (2020: 1,455,147). 67,500 options were exercised in the year (2020: 77,500).

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

32 Commitments

There were capital commitments for tangible assets at 30 December 2021 of £9,407,000 (2020: £8,891,000). This amount is net of landlord contributions of £7,820,000 (2020: £4,320,000).

33 Events after the balance sheet date

There have been no significant events after the balance sheet date.

34 Related party transactions

In the year to 30 December 2021 the Group engaged services from entities related to the Directors and key management personnel of £566,000 (2020: £433,000) comprising consultancy services of £10,000 (2020: £8,000), office rental of £98,000 (2020: £46,000) and venue rental for Bristol, Harrogate and Maida Vale of £458,000 (2020: £249,000). Due to the pandemic the Group received rent discounts on the related properties amounting to a saving in 2021 of £123,000 (2020: £242,000). 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 £116,000,000 is an amount of £650,000 relating to office rental, £4,800,000 relating to Stratford-Upon-Avon, £2,100,000 relating to Bristol and £4,900,000 relating to Harrogate. The landlords of the sites are entities related to the Directors of the Company.

35 Ultimate controlling party

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

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