Everyman Media Group PLC
Registered number: 08684079

Interim Report and Financial Statements (unaudited)
26 weeks ended
29 June 2017

EVERYMAN

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Chairman's Statement

I am pleased to report on the Group's results for the 26 weeks ended 29 June 2017.

With another new venue opening during the period, together with the full impact of our 2016 expansion, 2017 has continued the significant growth in the business seen in 2016. This expansion, along with underlying revenue growth and improved efficiencies, delivered an overall performance in line with the Board's expectations for the period.

The Group now operates 21 venues. A four-screen venue opened in Stratford-Upon-Avon during the period as well as the addition of a 4th and 5th screen at our Muswell Hill site.

Review of the business

For the 26 weeks ended 29 June 2017, the Group's box office revenue was up 51.9% on the previous period, reflecting favourably compared to a market movement of 10.3%. This resulted in the Group's market share increasing to 1.98% for the period (30 June 2016: 1.46%, 29 December 2016: 1.64%) (Source: Comscore).

With 21 venues and 58 screens now spread increasingly across the country, the Everyman experience continues to be successful in a wide range of towns and cities and remains a trusted and highly regarded brand in the cinema and leisure industry.

Everyman differentiates by focusing on delivering a high-quality offer through its venues, content, staff and F&B. The Board's long held belief in this model as being the bedrock for significant growth within the UK has been further strengthened in the last six months and our ambitions continue to grow.

With a further 9 committed venues plus the permanent venue at Kings Cross and a strong pipeline for future years, the Board is committed to further growth of our footprint across the UK.

Results

Revenue for the year was up 55.3% on last year to £18,830,000 (30 June 2016: £12,128,000, full year to 29 December 2016: £29,554,000).

The Group's adjusted operating profit before depreciation, amortisation, pre-opening expenses, exceptional items and share-based payments was £3,010,000 (30 June 2016: £1,348,000, full year to 29 December 2016: £3,954,000). The Group generated a profit for the period of £438,000 (30 June 2016: loss of £670,000, full year to 29 December 2016: profit of £61,000).

The effective tax rate is higher than the standard rate of corporation tax for the six-month period ended 29 June 2017 due to the effect of significant continuing capital expenditure incurred by the Group.

The share-based payment expense for the period was £144,000 (30 June 2016: £104,000, full year to 29 December 2016: £293,000) reflecting share option incentives provided to the Group's senior management and employees.

The Board does not recommend the payment of a dividend at this stage of the Group's development.

Openings

During the period, the Group opened a new four-screen venue in Stratford-Upon-Avon in June.

The Group exchanged contracts on five further sites at York, Liverpool, Newcastle, Glasgow and Borough Market (London) since the beginning of 2017. These are in addition to the pre-existing contracts for Kings Cross, Horsham, Durham, Wokingham and Edinburgh.

The temporary one-screen venue at Kings Cross will continue to trade after the opening of the main venue later in 2017. It is delivering excellent Everyman brand-awareness in the area as well as serving (and gaining great affection from) the early residents, both private and corporate, in the developer's transformative Kings Cross Central development.

Cash flows

Net cash generated from operating activities was £3,759,000 (30 June 2016: £1,940,000 used in operating activities, full year to 29 December 2016: £5,515,000 generated). Net cash outflows for the year, before financing, were £2,180,000 (30 June 2016: £7,443,000, full year to 29 December 2016: £10,393,000). This is largely represented by capital expenditure on the expansion of the business through build costs and refurbishment of sites.

Cash held at the end of the period was £1,221,000 (30 June 2016: £1,692,000, 29 December 2016: £1,566,000). The cash held will be invested in the continuing development and expansion of the Group's business.

During the period the Group entered into a new debt facility with Barclays Bank PLC to replace the existing £8m facility. The new facility is a £20m four-year revolving loan facility. The facility provides an additional finance stream, in addition to the Group's existing cash resources, to allow continued expansion of the Group's cinema estate. A total £5m drawdown had taken place as at 29 June 2017.

Current trading

Trading since the period end has been in line with expectations, continuing a reasonable overall summer in the cinema market.

Paul Wise
Chairman
1 September 2017

Consolidated statement of profit and loss and other comprehensive income for the period ended 29 June 2017 (unaudited)

	Note	Six-month period ended 29 June 2017 £000	Six-month period ended 30 June 2016 £000	Year ended 29 December 2016 £000
Revenue	3	18,830	12,128	29,554
Cost of Sales		(7,268)	(4,722)	(11,830)
Gross profit		11,562	7,406	17,724
Other operating income		45	-	167
Administrative expenses		(10,828)	(7,673)	(17,324)
Operating profit/(loss)		779	(267)	567
Financial income		4	10	11
Financial expenses		-	(38)	(38)
Net financing income/(expense)		4	(28)	(27)
Profit/(loss) before taxation		783	(295)	540
Tax charge on profit/(loss) for the period	4	(345)	(375)	(479)
Profit/(loss) for the period		438	(670)	61
Other comprehensive income for the period		-	-	-
Total comprehensive income/(loss) for the period		438	(670)	61
Total comprehensive income/(loss) attributable to equity holders of the Company		438	(670)	61
Basic earnings/(loss) per share (pence)	5	0.73	(1.12)	0.10
Diluted earnings/(loss) per share (pence)	5	0.71	(1.12)	0.10

All amounts relate to continuing activities.

Non-GAAP measure: adjusted profit from operations			
Adjusted profit from operations	3,010	1,348	3,954
Before:			
Depreciation and amortisation	(1,750)	(1,230)	(2,435)
Pre-opening expenses	(337)	(281)	(659)
Share-based payment expense	(144)	(104)	(293)
Operating profit/(loss)	779	(267)	567

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Consolidated balance sheet at 29 June 2017 (unaudited)

Registered in England & Wales
08684079

	Note	29 June 2017 £000	30 June 2016 £000	29 December 2016 £000
Assets				
Non-current assets				
Property, plant and equipment		39,864	28,268	35,603
Intangible assets		8,398	8,040	8,256
Trade and other receivables		199	199	199
		48,461	36,507	44,058
Current assets				
Inventories		242	223	245
Trade and other receivables		2,274	1,763	1,596
Cash and cash equivalents		1,221	1,692	1,566
		3,737	3,678	3,407
Total assets		52,198	40,185	47,465
Liabilities				
Current liabilities				
Other interest-bearing loans and borrowings		9	-	24
Trade and other payables		6,422	3,337	6,575
		6,431	3,337	6,599
Non-current liabilities				
Other interest-bearing loans and borrowings		5,000	-	3,000
Other payables		5,343	3,397	3,397
Provisions		1,395	1,436	1,430
Deferred tax liabilities		607	671	775
		12,345	5,504	8,602
Total liabilities		18,776	8,841	15,201
Net assets		33,422	31,344	32,264
Equity attributable to owners of the Company				
Share capital		5,989	5,982	5,982
Share premium		22,773	22,720	22,720
Merger reserve		11,152	11,152	11,152
Retained earnings		(6,492)	(8,510)	(7,590)
Total equity		33,422	31,344	32,264

These financial statements were approved by the Board of Directors on 1 September 2017 and signed on its behalf by:

C Lilly
CEO

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Consolidated statement of changes in equity for the period ended 29 June 2017 (unaudited)

	Note	Share capital £000	Share premium £000	Capital reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2016		5,982	22,720	11,152	(7,944)	31,910
Loss for the period		-	-	-	(670)	(670)
Total comprehensive loss for the period		-	-	-	(670)	(670)
Share-based payments		-	-	-	104	104
Total transactions with owners of the parent		-	-	-	104	104
Balance at 30 June 2016		5,982	22,720	11,152	(8,510)	31,344
Balance at 1 July 2016		5,982	22,720	11,152	(8,510)	31,344
Profit for the period		-	-	-	731	731
Total comprehensive income for the period		-	-	-	731	731
Share-based payments		-	-	-	189	189
Total transactions with owners of the parent		-	-	-	189	189
Balance at 29 December 2016		5,982	22,720	11,152	(7,590)	32,264
Balance at 30 December 2016		5,982	22,720	11,152	(7,590)	32,264
Profit for the period		-	-	-	438	438
Total comprehensive income for the period		-	-	-	438	438
Deferred tax on share-based payments		-	-	-	516	516
Shares issued in the period		7	53	-	-	60
Share-based payments		-	-	-	144	144
Total transactions with owners of the parent		7	53	-	660	720
Balance at 29 June 2017		**5,989**	**22,773**	**11,152**	**(6,492)**	**33,422**

The notes on pages 7 to 8 form an integral part of these condensed consolidated financial statements

Consolidated cash flow statement for the period ended 29 June 2017 (unaudited)

	Note	29 June 2017 £000	30 June 2016 £000	29 December 2016 £000
Cash flows from operating activities				
Profit/(loss) for the period		438	(670)	61
Adjustments for:				
Financial income		(4)	(10)	(11)
Financial expenses		-	38	38
Income tax expense	4	345	375	479
Operating profit/(loss)		779	(267)	567
Depreciation and amortisation		1,750	1,229	2,435
Loss on disposal of property, plant and equipment		-	-	66
Lease incentives		86	-	-
Market rent provisions		(35)	-	(71)
Equity-settled share-based payment expenses		144	104	293
		2,724	1,066	3,290
Changes in working capital				
Decrease/(increase) in inventories		3	4	(18)
(Increase)/decrease in trade and other receivables		(678)	(745)	1,030
Increase/(decrease) in trade and other payables		1,710	(2,265)	1,198
Cash generated from/(used in) operating activities		3,759	(1,940)	5,500
Corporation tax refunded		-	-	15
Net cash generated from/(used in) operating activities		3,759	(1,940)	5,515
Cash flows from investing activities				
Acquisition of property, plant and equipment		(5,757)	(7,121)	(19,154)
Proceeds from sale of property, plant and equipment		-	-	3,463
Acquisition of intangibles		(186)	1	(228)
Refund on long leasehold property		-	1,607	-
Interest received		4	10	11
Net cash used in investing activities		(5,939)	(5,503)	(15,908)
Cash flows from financing activities				
Proceeds from the issuance of ordinary shares		60	-	-
Proceeds from bank borrowings		2,000	-	3,000
Repayment of derivative financial instruments		-	-	(176)
Interest paid		(225)	(38)	(38)
Net cash generated from/(used in) financing activities		1,835	(38)	2,786
Net decrease in cash and cash equivalents		(345)	(7,481)	(7,607)
Cash and cash equivalents at the beginning of the period		1,566	9,173	9,173
Cash and cash equivalents at the end of the period		1,221	1,692	1,566

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 domiciled and incorporated in England and Wales (registered number 08684079). The address of its registered office is Studio 4, 2 Downshire Hill, London NW3 1NR.

2 Basis of preparation and accounting policies

These condensed interim financial statements of the Group for the period ended 29 June 2017 (the Period) have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements for the year ended 29 December 2016. Amendments made to IFRSs since 29 June 2017 have not had a material effect on the Group's results or financial position for the period.

The financial statements presented in this report have been prepared in accordance with IFRSs applicable to interim periods. However, as permitted, this interim report has been prepared in accordance with the AIM Rules for Companies and does not seek to comply with IAS34 "Interim Financial Reporting".

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's statutory consolidated annual financial statements for the year ended 29 December 2016. The auditors' opinion on these Statutory Accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

3 Revenue

	Six-month period ended 29 June 2017 £000	Six-month period ended 30 June 2016 £000	Year ended 29 December 2016 £000
Film and entertainment	**11,718**	7,714	18,505
Food and beverages	**6,078**	3,752	9,384
Other income	**1,034**	662	1,665
	18,830	12,128	29,554

4 Taxation

	Six-month period ended 29 June 2017 £000	Six-month period ended 30 June 2016 £000	Year ended 29 December 2016 £000
Current tax	**-**	-	-
	-	-	-
Deferred tax (credit)/expense			
Origination and reversal of temporary differences	**(170)**	375	803
Adjustments in respect of prior years	**515**	-	(394)
Effect of other differences	**-**	-	70
Total tax charge	**345**	375	479

4 **Taxation** *(continued)*

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 profit/(loss) for the period are as follows:

Reconciliation of effective tax rate	Six-month period ended 29 June 2017 £000	Six-month period ended 30 June 2016 £000	Year ended 29 December 2016 £000
Profit/(loss) before taxation	**783**	(295)	540
Applied corporation tax rates:	**19.25%**	20.00%	20.00%
Tax at the UK corporation tax rate of 19.25%/20.00%	**151**	(59)	108
Expenses not deductible for tax purposes	**51**	58	695
Brought forward losses utilised in current year	**(381)**	-	-
Adjustments in respect of prior years	**515**	-	(394)
Effect of other differences	**9**	22	70
Total tax expense	**345**	375	479

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on October 15, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. Accordingly, the Group's profits for this accounting period are subject to tax at a rate of 19% (2016: 20%). Deferred tax has been calculated based on these rates.

5 Earnings/(loss) per share	Period ended 29 June 2017 £000	Period ended 30 June 2016 £000	Year ended 29 December 2016 £000
Profit/(loss) used in calculating basic and diluted earnings/(loss) per share	**438**	(670)	61
Number of shares (000's)			
Weighted average number of shares for the purpose of basic earnings per share	**59,843**	59,820	59,820
Number of shares (000's)			
Weighted average number of shares for the purpose of diluted earnings per share	**61,421**	59,820	60,353
Basic earnings/(loss) per share (pence)	**0.73**	(1.12)	0.10
Diluted earnings/(loss) per share (pence)	**0.71**	(1.12)	0.10

Basic earnings/(loss) per share amounts 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.

Where the Group has incurred a loss in a year, the diluted earnings per share is the same as the basic earnings per share as the loss has an anti-dilutive effect. The dilutive loss per share for the period ended 30 June 2016 is therefore the same as the basic loss per share for the period and the diluted weighted average of shares is the same as the basic weighted average number of shares. The actual diluted weighted average number of shares for the period ended 30 June 2016 before disregarding due to anti-dilutive effect was 59,886,000.

The Company has 4,094,000 potentially issuable shares (2016: 4,846,000, plus 130,000 granted immediately after the year end), all of which relate to the potential dilution from both the Group's 'A' shares and share options issued to the Directors and certain employees and contractors, under the Group's incentive arrangements.