EVERYMAN MEDIA GROUP PLC

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the UK or, if you are not resident in the UK, from another authorised independent adviser. The whole of this document should be read. Your attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document that describes certain risks associated with an investment in the Company.

The Directors of Everyman Media Group plc (the **"Company"**), whose names, business addresses and functions appear on page 7 of this document, and the Company accept responsibility, individually and collectively, in accordance with the AIM Rules for Companies (**"AIM Rules"**), for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed admission of the issued Ordinary Shares to trading on AIM, a market operated by the London Stock Exchange plc (**"AIM"**). This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA, the Companies Act 2006 or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to or approved by the Financial Conduct Authority (the **"FCA"**) in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

EVERYMAN MEDIA GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 8684079)

EVERYMAN

Placing of 9,760,820 Ordinary Shares of 10p each at 83p per share

Admission to trading on AIM

Nominated Adviser and Broker

CENKOS

The Placing is conditional, *inter alia*, on Admission taking place on or before 7 November 2013 (or such later date as the Company and Cenkos Securities plc ("**Cenkos**") may agree but, in any event, no later than 10 December 2013). The Placing Shares will, on Admission, rank *pari passu* in all respects with the issued ordinary share capital of the Company on Admission including the right to receive all dividends or other distributions declared, paid or made after Admission.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the offices of Everyman being 2 Downshire Hill, London NW3 1NR, for a period of one month from the date of Admission.

Application will be made for the Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM (**"Admission"**). It is expected that Admission will take place and that dealings in the issued and to be issued Ordinary Shares will commence on 7 November 2013. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.** In particular, it should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List. **Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.** It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange. **Further, neither the London Stock Exchange nor the FCA has examined or approved the contents of this document.**

This document does not constitute an offer to sell, or a solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, the Republic of South Africa or Japan, except that the document may be provided in certain limited circumstances to persons in the United States in connection with a placing of Ordinary Shares in private placements exempt from the registration requirements of the US Securities Act of 1933, as amended (**"Securities Act"**). The Ordinary Shares have not been and will not be registered under the Securities Act, any state securities laws in the United States or any securities laws of Canada, the Republic of South Africa or Japan or in any country, territory or possession where to offer them without doing do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, the Republic of South Africa or Japan or to, or for the account limited or benefit of, any person in, or any national, citizen or resident of the United States, Canada, the Republic of South Africa or Japan. The distribution of this document outside the United Kingdom may be restricted by law and, therefore, persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the Ordinary Shares or the distribution of this document.

Cenkos is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos as to the contents of this document. No liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are solely responsible, or for the omission of any information from this document for which it is not responsible.

FORWARD-LOOKING STATEMENTS

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

CONTENTS

PLACING STATISTICS

Placing Price	83 pence
Number of Ordinary Shares on Admission	36,291,024
Market capitalisation on Admission *(approximately)*	£30 million
Number of New Ordinary Shares being issued pursuant to the Placing	8,433,734
Number of Existing Ordinary Shares being sold pursuant to the Placing	1,327,086
Percentage of the issued Ordinary Share capital being placed pursuant to the Placing	26.9 per cent.
Estimated proceeds of the Placing receivable by the Company, net of expenses	£6.3 million
AIM 'ticker'	EMAN
SEDOL	BFH55S5
ISIN number	GB00BFH55S51
Free Float	36.6 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 October 2013
Issue of EIS Shares	5.30p.m. on 6 November 2013
Issue of VCT Shares	7.30a.m. on 7 November 2013
Issue of Placing Shares (other than EIS Shares and VCT Shares)	8.00a.m. on 7 November 2013
Admission and dealings in the Ordinary Shares to commence on AIM	7 November 2013
CREST accounts credited for Placing Shares in uncertificated form	7 November 2013
Despatch of definitive share certificates, where applicable	By 30 November 2013

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

"Act"	the Companies Act 2006, as amended from time to time
"Admission"	the admission of the Ordinary Shares issued, and to be issued, pursuant to the Placing, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"Admission Document" or **"this document"**	this document
"AIM"	the market of that name operated by London Stock Exchange plc
"the AIM Rules"	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange, as amended from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
"Articles"	the articles of association of the Company
"Business Day"	a day, other than a Saturday or Sunday, on which banks are open for commercial business in the City of London
"certificated" or **"certificated form"**	the description of a share or other security which is not in uncertificated form (that is not in CREST)
"Company" or **"Everyman"**	Everyman Media Group plc, a company incorporated in England and Wales with registered number 8684079 and having its registered office at 2 Downshire Hill, London NW3 1NR
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
"CREST Manual"	the compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CREST Rules"	the rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK System
"CREST UK System"	the facilities and procedures of the relevant systems of which CRESTCo is the Approved Operator pursuant to the CREST Regulations
"CRESTCo"	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations

"Directors" or **"Board"**	the directors of the Company whose names appear on page 7 of this document
"Disclosure Rules" or **"DTR"**	the Disclosure and Transparency Rules made by the UKLA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
"EIS Placing"	the placing of the EIS Shares in accordance with the Placing Agreement
"EIS Shares"	the EIS Shares to be issued by the Company pursuant to the Placing Agreement
"Executive Directors"	Andrew Myers, Paul Wise and Adam Kaye
"Existing Ordinary Shares"	the Ordinary Shares in issue in the Company as at the date of this document
"Financial Services and Markets Act" or **"FSMA"**	the Financial Services and Markets Act 2000 (as amended)
"FCA"	the Financial Conduct Authority
"Group"	the Company and/or its subsidiaries from time to time
"HMRC"	Her Majesty's Revenue & Customs
"Historical Group"	Everyman Media Holdings Limited and its subsidiaries
"IFRS"	International Financial Reporting Standards, as adopted for use in the European Union
"Lock-in Agreements"	the agreement by which certain Directors and Shareholders have agreed, with Cenkos and the Company, certain undertakings with respect to their holdings of Ordinary Shares on Admission, as more particularly described in section 10 of Part IV of this document
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	new Ordinary Shares proposed to be issued and allotted pursuant to the Placing
"Memorandum"	the memorandum of association of the Company
"Nominated Adviser", "Nomad" or **"Cenkos"**	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8. Tokenhouse Yard, London EC2R 7AS
"Official List"	the Official List maintained by the FCA in accordance with section 74(1) of FSMA for the purpose of Part VI of FSMA
"Ordinary Shares" or **"Shares"**	ordinary shares of 10 pence each in the capital of the Company
"Placees"	purchasers for the Placing Shares, as procured by Cenkos on behalf of the Company pursuant to the Placing Agreement
"Placing"	the conditional placing by Cenkos Securities of the Placing Shares on behalf of the Company and the Selling Shareholders, all at the Placing Price pursuant to and on the terms of the Placing Agreement (including the EIS Placing and the VCT Placing)

“Placing Agreement”	the conditional agreement dated 29 October 2013 between (i) Cenkos, (ii) the Company, (iii) the Directors and (iv) Blue Coast Private Equity L.P. relating to the Placing, further details of which are set out in section 10 of Part IV of this document
“Placing Price”	83 pence per Placing Share
“Placing Shares”	the 1,327,086 Existing Ordinary Shares and 8,433,734 New Ordinary Shares to be sold or issued (as applicable) to Placees pursuant to the Placing (including the EIS Shares and the VCT Shares)
“Registrar”	Computershare Investor Services PLC or any other share registrar appointed by the Company from time to time
“Remuneration Committee”	the remuneration committee of the Board
“Selling Shareholders”	Lloyd Dorfman Childrens Settlement, Andrew Myers, Jean-Pierre Jordaan and Eileen O’Shea
“Share Incentive Schemes”	the Everyman EMI Scheme and Growth Share Scheme established by the Company and Everyman Holdings Limited, the terms of which are summarised in section 7 of Part IV
“Shareholders”	holders of Ordinary Shares
“Takeover Panel”	the Panel on Takeovers and Mergers
“UKLA”	United Kingdom Listing Authority
“VCT Placing”	the placing of the VCT Shares in accordance with the Placing Agreement
“VCT Shares”	the VCT Shares to be issued by the Company pursuant to the Placing Agreement

DIRECTORS, SECRETARY AND ADVISERS

Directors	Paul Wise	*Executive Chairman*
	Andrew Myers	*Chief Executive Officer*
	Adam Kaye	*Executive Director*
	Charles Dorfman	*Non-Executive Director*
	Philip Jacobson	*Independent Non-Executive Director*
	Michael Rosehill	*Non-Executive Director*
Company Secretary	Andrew Myers ACA	
Registered Office of the Company	2 Downshire Hill London NW3 1NR	
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Auditors to the Company	BDO LLP 55 Baker Street London W1U 7EU	
Reporting Accountants to the Company	BDO LLP 55 Baker Street London W1U 7EU	
Solicitors to the Company	HowardKennedyFsi LLP 19 Cavendish Square London W1A 2AW	
Solicitors to the Nominated Adviser and Broker	Reed Smith LLP The Broadgate Tower 20 Primrose Street London EC2A 2RS	
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE	

PART I

INFORMATION ON THE GROUP

Introduction

The Group is a leading independent cinema group in the UK. The Group currently owns and operates ten cinemas based in London, the South East of England and Leeds. The cinemas owned by the Group are operated under the 'Everyman' brand.

The Company is raising approximately £7.0 million gross in the Placing. The net proceeds will be used principally to expand the number of cinemas in the chain and also to refurbish existing cinemas owned by the Group. In addition, the Selling Shareholders are selling 1,327,086 Ordinary Shares in the Placing.

History of the Group

The original Everyman cinema opened in Hampstead, London in 1933.

Everyman Media Limited was incorporated in November 1999 by investors local to Hampstead in order to buy the original Everyman cinema. In 2008, the Group acquired the Screen group of cinemas for £6.8 million, adding seven further cinemas to the Group's estate. Following the acquisition, all the cinemas within the Group's estate were branded Everyman. Paul Wise and Adam Kaye were appointed to the board of the Group in 2007, with Andrew Myers being appointed in 2010.

In November 2011, the Group opened a new Everyman cinema in Maida Vale. In April 2013, the Group opened a further Everyman cinema in Leeds alongside a standalone pizza restaurant.

The Business

The Group is one of the leading independent cinema groups in the UK in terms of the numbers of sites, screens and admissions, with a portfolio of ten sites and 18 screens operating under the 'Everyman' brand. Based on market information available to the Directors, the Group's portfolio of ten sites in the United Kingdom represents approximately 0.46 per cent. of the total number of screens in the United Kingdom. In 2012, the Group received 0.60 per cent. of all box office admissions to cinemas in the United Kingdom (*Source: Rentrak EDI*). The Directors believe there is significant growth potential for an independent cinema chain within the UK.

The Group currently has cinemas in the following locations:

Location	*No. of screens*	*Number of seats*	*Private Rooms*
Baker Street, London	2	162	—
Belsize Park, London	1	129	—
Hampstead, London	2	209	1
Islington, London	1	125	—
Maida Vale, London	2	150	—
Oxted, Surrey	1	373	—
Reigate, Surrey	2	282	—
Trinity Leeds, Leeds	3	532	1
Walton-On-Thames, Surrey	2	158	—
Winchester, Hampshire	2	384	—

Further details of the above premises are set out in section 8 of Part IV

The Group has recently exchanged contracts on a new lease for a site in Canary Wharf.

The Everyman Offering

The Everyman brand is positioned at the premium end of the UK cinema market. The Group offering focuses on providing a relaxed environment to consumers with smaller capacity venues but, in the Directors' view, higher levels of comfort than multiplex cinemas and other independent cinema groups.

Each venue has a fully licensed bar with enhanced food and beverage offering. The Company seeks to provide consumers with a cinema experience each time they watch a film at an Everyman cinema, incorporating enjoyable food and drink within conducive surroundings.

Everyman shows a range of current and classic films alongside alternative content. Each venue is fitted with digital projectors to broadcast the film. Seven of the sites are also equipped with RealD 3D technology.

The Everyman cinema experience enables the Company to achieve a higher box office and food and beverage spend per head than a number of its competitors. For the year ended 30 December 2012, Everyman had an average box office spend per head of £8.96 and a food and beverage spend per head of £3.36. The Directors believe both box office receipts and food and beverage spends across the chain will continue to increase in the future.

Financial Information

The Company was incorporated on 10 September 2013 and acquired the Group's intermediate holding company, Everyman Media Holdings Limited, on 29 October 2013. The Company is the new holding company for the Group.

Since the date of its incorporation the Company has not yet commenced operations and has no material assets or liabilities. No financial statements have, therefore, been prepared on the Company as at the date of this document. Accordingly, the following financial information represents consolidated financial information of the Historical Group for each of the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013.

Prospective investors should read the whole of the information set out in this document and not rely solely on the summary information set out below.

The information set out below has been extracted or derived from the financial information set out in Section B of Part III of this document:

		Year to 31 December		*Six months to 30 June*
	2010	*2011*	*2012*	*2013*
	Audited	*Audited*	*Audited*	*Audited*
	£'000	*£'000*	*£'000*	*£'000*
Revenues	5,997	7,377	9,101	5,380
Gross profit	3,627	4,418	5,241	3,110
(Loss)/profit from operations	(2,478)	193	306	161
(Loss)/profit before tax	(2,779)	(36)	255	183
Net assets	1,011	1,815	5,635	5,805

The Group earns revenue from box office sales, food and beverage sales, advertising and other activities such as private hire.

This information refers to past performance. Past performance is not a reliable indicator of future results.

Market Opportunity

In 2012 the UK cinema market turned over approximately £1.1billion of gross box office receipts (*Source:Rentrak EDI*). UK box office takings and admissions have grown over the past ten years. The Directors believe that the cinema market sector will continue to grow, with takings and admissions from niche and/or independent operators being the highest growth segment of the market.

Growth Strategy

The Directors believe that there is a significant opportunity for the Group to expand its chain of current venues and plans to open at least three further cinemas during the next 18 to 24 months. Continuing expansion thereafter may require further financing. The Directors will also consider the acquisition of other competing independent cinema groups or portfolios of cinemas if they become available.

The Group has a rolling programme of maintenance and refurbishment throughout its portfolio which the Board believes helps increase box office sales and retail spend per customer. In addition to the rolling maintenance programme the Board has, and will continue to undertake, major refurbishment of existing venues where attractive returns can be achieved. For instance, in 2012 the Group undertook a total refurbishment of its venue in Walton-on-Thames at a cost of approximately £0.4 million. The refurbishment of Walton-on-Thames led to a significant increase in monthly revenue. The Board is evaluating similar refurbishments at two of its other venues which, if undertaken, the Directors believe should lead to an increase in revenue and profit contribution.

Finally, the Board believe there is scope to generally increase box office sales, retail spend per customer and other revenue streams such as private hire from its existing cinema estate from general marketing, advertising and promotion of the 'Everyman' brand. The Board also believes 'word of mouth' between consumers communicating a positive cinema experience is key to future growth.

Current Trading and Prospects

The results of the Group for the year ended 31 December 2012 and the six months ended 30 June 2013 are set out above and in Section B of Part III. These results benefited from a full year of trading at Everyman Maida Vale, London. In April 2013, the Group opened a new Everyman cinema in Leeds including a standalone pizza restaurant.

The Directors anticipate continued growth for the Group in both the current and future years. As UK box office takings and retail spend per customer rise the Directors expect that profit margins will continue to improve.

Competition

The Board believes there are three major exhibitors in the UK cinema industry, Odeon UCI, Cineworld (including the Picturehouse brand) and Vue. The remainder of the market consists of smaller circuits and independent cinema operators.

The Board does not believe the Group competes with the three major exhibitors multiplex offering on either price or new site location. Everyman cinemas are predominately located on the high street with the offering focused on the cinema experience as opposed to purely the film quality.

The cinema industry has seen a number of mergers and acquisitions in recent years. The Directors expect corporate activity to remain within the sector.

Dividend Policy

The Directors intend to retain future earnings from operations to finance the opening of new cinemas. As a result, the Directors do not anticipate paying cash dividends in the foreseeable future.

Reasons for the Placing

The net proceeds received from the Placing will be principally used to enable the Company to proceed with its expansion strategy with a view to opening at least two new cinemas per annum from 2015 onwards and the balance used to strengthen the working capital of the Company.

The Directors believe that the Company's status as a AIM listed company will provide the following additional benefits:

- strengthening its covenant worthiness with landlords and their agents;
- creating a market in the Ordinary Shares;
- having the ability to incentivise the Company's key management and employees under the Share Option Schemes;
- being able to access capital in the future for refurbishing existing and purchasing new cinemas; and
- raising the Company's profile.

The Placing and Admission

On Admission the Company will have 36,291,024 Ordinary Shares in issue and a market capitalisation of approximately £30 million. The Placing comprises the issue of 8,433,734 new Ordinary Shares by the Company to raise £7.0 million gross and the sale of 1,327,086 Existing Ordinary Shares by the Selling Shareholders to realise approximately £1.1 million, gross. The Company has agreed to meet any liability to stamp duty or stamp duty reserve tax arising on the sale of the Existing Ordinary Shares by the Selling Shareholders in accordance with the terms of their sale agreements.

Cenkos has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to place the Placing Shares, with institutional and other investors.

The EIS Placing is conditional upon the Directors delivering a certificate to Cenkos confirming that the EIS Shares have been issued. This is expected to be on 6 November 2013 being the business day prior to the expected date of Admission. The VCT Placing is conditional upon the Directors delivering a certificate to Cenkos confirming that the VCT Shares have been issued. This is expected to occur at 7.30a.m. on the date of Admission.

The Placing (other than the EIS Placing and VCT Placing) is conditional, *inter alia*, upon:

- the EIS Placing and VCT Placing having occurred;
- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 7 November 2013, or such later date as Cenkos and the Company may agree, being not later than 10 December 2013.

The Placing is not being underwritten.

The Placing Shares will rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue or transfer, as applicable.

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Ordinary Shares issued and to be issued are expected to commence on 7 November 2013.

Further details of the Placing Agreement are set out in section 10 of Part IV of this document.

Lock-Ins and Orderly Market Agreements

Other than pursuant to the Placing, each of the Directors and certain Shareholders have undertaken not to sell, transfer or dispose of any Ordinary Shares held by them at Admission (other than any Ordinary Shares acquired by each of them pursuant to the Placing), for a period of 12 months following Admission. These restrictions are subject to certain exceptions including any sale or disposal with the prior consent of Cenkos.

In addition, each of the Directors and certain Shareholders have undertaken not to dispose of any Ordinary Shares during the period of 12 months from the first anniversary of Admission other than through Cenkos, subject to certain exceptions.

At Admission, these restrictions will apply in respect of 23,153,829 Ordinary Shares representing 63.8 per cent. of the issued Ordinary Share capital.

Directors

At Admission, the Board will comprise three executive directors, one independent non-executive director and two non-independent non-executive directors. The biographical details of the Board are set below:

Executive Directors

Paul Wise, Chairman, age 53

Paul has been a proprietary trader, specialising in exchange traded derivatives, for 24 years and was a director of The Kyte Group until its sale to NASDAQ quoted GFI Group in 2010. Paul was instrumental in the acquisition of the Screen group cinemas in 2008.

Andrew Myers, Chief Executive Officer, age 41

Andrew qualified as a chartered accountant at Coopers & Lybrand before moving into corporate finance. Andrew has specialised in working with small and medium businesses in the leisure and media sectors. In 2005, he led the acquisition and became Chief Executive Officer of Enable Limited. Enable Limited was sold in 2011. Andrew has experience working with a number of public companies.

Adam Kaye, Executive Director, age 45

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 is currently a non-executive director of Prezzo plc and Tasty plc.

Non-Executive Directors

Charles Dorfman, Non-Executive Director, age 30

Charles was appointed to the board of the Group in March 2008. He was co-founder in 2007 of Esselco properties serviced office business (now known as The Office Group), where he remains a director. Charles worked with See Saw films, where he assisted in financing the development phase, and became the Associate Producer, of the Oscar winning 'The King's Speech'. Charles now runs Buckland Productions, his own TV and film production company, which includes an on-going co-production agreement with See Saw films. Charles is on the board of the National Youth Theatre and Chairs the Young Patrons of the National Theatre.

Philip Jacobson, Independent Non-Executive Director, age 65

Philip joined BDO (then Stoy Hayward) in 1966, qualifying as a Chartered Accountant in 1970 and becoming a partner in 1975. During his time at BDO, Philip worked with a wide variety of international, listed and unlisted companies. Philip was specifically involved in a number of flotations in the leisure sector. Since retiring from practice in 2005, Philip has acted as a family office to a small number of wealthy families.

Michael Rosehill, Non-Executive Director, age 53

Michael qualified as a chartered accountant in Ireland in 1987. He initially worked at TSB before spending most of the larger part of his career at Lewis Trust Group (owners of the River Island group of companies) in both the finance and private equity divisions. Michael served as a non-executive director of AIM listed Dmatek an Israeli technology company which was ultimately sold to a private equity house in 2009.

Share Incentive Schemes

Andrew Myers has been granted options over 300,000 Ordinary Shares under the Everyman EMI Scheme. This represents 0.8 per cent. of the issued share capital of the Company as at Admission. The exercise price is the Placing Price. These options are exercisable subject to the achievement of share price targets six months after Admission, being 7 May 2014. Options over 100,000 Ordinary Shares granted to Andrew Myers will vest if the Company has an average closing mid-market price of £1.20 or more for 15 consecutive trading days and a further 100,000 options over Ordinary Shares granted to Andrew Myers will vest if the Company has an average closing mid-market price of £1.40 or more for 15 consecutive trading days. The remaining 100,000 options over Ordinary Shares granted to Andrew Myers will be being exercisable if the Company has an average closing mid-market price of £1.70 or more for 15 consecutive trading days. To the extent that the performance targets have been met, the options may be exercised in respect of one third of the number of Ordinary Shares under option on or after each of the first, second and third anniversaries of the date of grant.

In addition, the Executive Directors have acquired the following number of A ordinary shares in Everyman Media Holdings Limited under the Growth Share Scheme:

Name	*Number of ordinary shares*
Paul Wise	696,432
Andrew Myers	535,718
Adam Kaye	696,432

The A ordinary shares in Everyman Media Holdings Limited will vest subject to the achievement of share price targets from six months after Admission, being 7 May 2014. 642,860 A ordinary shares in Everyman Media Holdings Limited acquired by the Executive Directors will vest if the Company has an average closing mid-market price of £1.20 or more for 15 consecutive trading days and a further 642,860 A ordinary shares in Everyman Media Holdings Limited acquired by the Executive Directors will vest if the Company has an average closing mid-market price of £1.40 or more for 15 consecutive trading days. The remaining 642,862 A ordinary shares in Everyman Media Holdings Limited acquired by the Executive Directors will vest if the Company has an average closing mid-market price of £1.70 or more for 15 consecutive trading days. To the extent that the performance targets have been met, the A ordinary shares in Everyman Media Holdings Limited may be exchanged into Ordinary Shares in respect of one third of the number of A ordinary shares in Everyman Media Holdings Limited on or after each of the first, second and third anniversaries of the date of grant. Once vested the A ordinary shares in Everyman Media Holdings Limited allow the holder to require the Company to acquire some or all of his A ordinary shares in Everyman Media Holdings Limited in exchange for the issue of Ordinary Shares in the Company. The number of Ordinary Shares in the Company to be issued will be such number of Ordinary Shares as have a market value equal to the market value of the A ordinary shares in Everyman Media Holdings Limited being exchanged. Each A ordinary share in Everyman Media Holdings Limited should have a market value equal to the value of an Ordinary Share in the Company at the time less the Placing Price. Accordingly, the benefit of holding an A ordinary share in Everyman Media Holdings Limited for the participant is similar to the benefit of holding an EMI Option exercised under a cashless exercise. For the Company, there is no receipt of cash in the form of an exercise price and the incentive will be less dilutive than an EMI option. Accordingly, the benefit of holding an A ordinary share in Everyman Media Holdings Limited is similar to the benefit of holding an EMI Option.

As at Admission there are 1,387,859 outstanding options over Ordinary Shares and 1,928,582 A ordinary shares in Everyman Media Holdings Limited under the Growth Share Scheme.

Details of the Everyman EMI Scheme and the Growth Share Scheme are set out in section 7 of Part IV of this document.

Corporate Governance

The Company intends, following Admission, so far as is practicable and appropriate for a company of its size and nature, to comply with the provisions of the UK Corporate Governance Code and the QCA Corporate Governance Code for Small and Mid-size Quoted Companies 2013. The Company has appointed Philip Jacobson as an independent non-executive director to bring an independent view to the Board and to provide a balance to the executive Directors and non-independent non-executive director.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Directors intend to hold monthly meetings of the Board. Conditional on Admission, the Group has established audit, remuneration and nomination committees with formally delegated duties and responsibilities.

(a) Audit Committee

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. At Admission, the Audit Committee will be chaired by Philip Jacobson and also include Paul Wise.

(b) Remuneration Committee

The Remuneration Committee will consist of a committee chaired by Philip Jacobson and will also include Paul Wise and Charles Dorfman. The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make 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 from time to time. The Remuneration Committee will meet as and when necessary. In exercising this role, the Directors will have regard to the recommendations put forward in the UK Corporate Governance Code and the QCA Corporate Governance Code for Small and Mid-size Quoted Companies 2013.

(c) Nomination Committee

The Nomination Committee will consist of a committee chaired by Philip Jacobson and will also include Paul Wise and Charles Dorfman. The Nomination Committee will consider the selection and re-appointment of Directors. It will identify and nominate candidates to fill Board vacancies and review regularly the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.

(d) Share Dealing Code

The Board intends to comply, and to procure compliance, with Rule 21 of the AIM Rules relating to dealings in the Company's securities by the Directors and other applicable employees. To this end, the Company has adopted a code for directors' dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the Directors and any relevant employees.

Settlement and CREST

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the Placing Shares will be registered in the names of the placees subscribing for them and issued either: in certificated form, where the placee so elects, with the relevant share certificate expected to be dispatched by post, at the placees risk, by/or in CREST, where the placee so elects and only if the placee is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for expected to take place on 7 November 2013. Notwithstanding the election by placees as to the form of delivery of the Placing Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a placee, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

Taxation

Your attention is drawn to the taxation section contained in section 12 of Part IV of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately.

VCT/EIS Investment

The Company has received advance assurance from HMRC that the New Ordinary Shares should be a qualifying holding for investment by VCTs, and that the New Ordinary Shares to be issued should be a qualifying holding for investment under the Enterprise Investment Scheme (EIS). Whilst the Directors intend the Group to continue to comply with the VCT and EIS legislation they make no representation that the Group will continue to so comply. Whether any particular VCT or individual will be eligible to invest in the Placing Shares will depend on the circumstances relating to that particular VCT or individual who should take their own advice.

Further information

Your attention is drawn to the additional information set out in Part IV of this document.

PART II

RISK FACTORS

THE FOLLOWING FACTORS DO NOT PURPORT TO BE AN EXHAUSTIVE LIST OR EXPLANATION OF ALL THE RISK FACTORS INVOLVED IN INVESTING IN EVERYMAN. IN PARTICULAR, EVERYMAN'S PERFORMANCE MIGHT BE AFFECTED BY CHANGES IN MARKET AND/OR ECONOMIC CONDITIONS AND IN LEGAL, REGULATORY AND TAX REQUIREMENTS. ADDITIONALLY, THERE MAY BE RISKS OF WHICH THE BOARD IS NOT AWARE OR BELIEVES TO BE IMMATERIAL WHICH MAY, IN THE FUTURE, ADVERSELY AFFECT THE GROUP'S BUSINESS AND THE MARKET PRICE OF THE ORDINARY SHARES. IN SUCH CASES, THE MARKET PRICE OF THE ORDINARY SHARES MAY DECLINE AND HOLDERS OF ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTMENT.

Risk relating to the Group's business

The Group's revenues are dependent on box office revenues

The majority of the Group's revenues are generated by box office sales. As a result, the Group's financial position is largely dependent on the continued popularity and the overall quantity and quality of the films which it shows. Further, there can be no assurance that the Group will maintain or grow its box office revenues, which could have a material adverse effect on the Group's business, operating or financial results or financial position.

The level of the Group's box office sales, and hence the Group's revenues, fluctuates throughout the course of any given year

The level of the Group's box office sales, and hence the Group's revenues, fluctuate throughout the course of any given year and are largely dependent on the timing of release of films produced, over which the Group has no control. As a result, the Group's revenues may vary significantly from month to month within any given financial year.

The Group's business could suffer as a result of extreme or unseasonal weather conditions or other exceptional events

Cinema admissions are affected by periods of abnormal, severe or unseasonal weather conditions, such as exceptionally hot weather or heavy snowfall. In addition, cinema admissions may occasionally be impacted by large events such as the football World Cup or the Olympics.

The Group's ability to license films on acceptable terms is largely dependent on its relationships with film distributors

The distribution of films involves their licensing for exploitation in various markets and in various media according to established release patterns, including by theatrical release in cinemas. There is no assurance that the Group will be able to continue to negotiate film licensing fees or agree fees on acceptable terms, or that current film hire margins can be maintained.

Failure to continue to renew film rental agreements on favourable terms, to maintain current film hire margins or to continue to receive preferential access to new titles could have a material adverse effect on the Group's business, operating or financial results or financial position.

Revenues from retail sales form an important part of the gross profits of the Group

Retail sales of confectionary items, food and drinks form an important part of the revenues of the Group. The Group's retail sales generally fluctuate in line with admissions and there is no assurance that attendance can be maintained at the current level or increased.

There can be no assurance that the Group will maintain its current levels of retail sales in any event, nor that retail spend per head will not decline, either or both of which could have a material adverse effect on the Group's business, operating or financial results or financial position.

Screen advertising accounts for a significant contribution to the profits of the Group

The Group earns revenue from advertising. Any decline in the Group's advertising revenues, whether due to a failure to renew or replace any agreement relating to advertising revenues on favourable terms or otherwise, could have a material adverse effect on the Group's business, operating or financial results or financial position. Revenue earned from advertising is also influenced by the level of admissions and the size of the Group's portfolio of properties, and as such may decrease in the event that admissions do not meet a specified threshold.

The reputation of the Everyman brand is key to the financial performance of the Group

The Everyman brand and the Group's reputation, in terms of the service it provides and the way in which it conducts its business, are central to the Group's future success. Failure to meet the expectations of consumers may have a material adverse effect on the Group's reputation and financial performance.

The Group is dependent on key members of its senior management

The Company's future success is substantially dependent on the continued services and performance of its Executive Directors and senior management and its ability to continue to attract and retain highly skilled and qualified personnel. The Directors cannot give assurances that members of the senior management team and the Executive Directors will remain with the Company. The loss of the services of the Executive Directors, members of senior management and other key employees could damage the Group's business. As described in this document, the Group has put in place a share incentive scheme in order to enhance its ability to retain key personnel.

The Group's profitability may be reduced due to increases in labour, rent and energy costs

The Group's operating costs include employment, rent and energy costs. These costs may increase more than management currently anticipates, for example in the event that the level of the minimum wage in the United Kingdom was to increase or through unfavourable periodic rent reviews, or may be volatile, for example due to increased market fluctuations in the price of gas and electricity. If these costs increase it could have a material adverse effect on the Group's business, operating or financial results or financial position.

Consolidation of the Group's competitors may weaken its negotiating position with distributors

There is a risk that the Group may lose relative market position in the event of consolidation between other cinema operators in the UK, which could in turn jeopardise the Group's negotiating position with distributors. Any material consolidation within the UK cinema market could weaken the Group's negotiating position with distributors which, in turn, could result in the Group being unable to continue to agree favourable terms for licensing films and, as a result could have a material adverse effect on the Group's business, operating or financial results or financial position.

The Group's expansion may be affected by planning laws

New cinema developments are governed by local government planning policies. In the UK, planning permission is required for the construction of almost all new premises and applications are considered individually against the local development plan, which includes policies relating to commercial and industrial development. If the Group cannot obtain suitable planning permission for new premisies it may affect the growth of the Company.

The Group may face increased competition and pricing pressures

Certain towns and cities in the United Kingdom have relatively few cinema screens per person. Local authorities in such areas are often interested in supporting new sites. Accordingly, where the Group has an existing cinema, in areas such as these it could be subject to competition from new and/or upgraded cinemas operated by other cinema chains, which could materially adversely affect the performance of the Group's cinemas.

The Group may become subject to aggressive pricing competition, especially with box office admissions. There can be no assurance that the current market pricing environment will remain unchanged. If the Group were to face aggressive price competition from other cinema chains or increased competition from other forms of leisure activities, it could have a material adverse effect on the Group's business, results of operations and financial position.

The Group is dependent on certain key contracts and arrangements

The Group has a number of key contractual agreements with its suppliers in support of its business. The loss of some of these arrangements may cause temporary disruption to the operations and financial performance of the Group.

Alternative media

Film studios may choose to release their films through other channels instead of primarily through exhibition at cinemas. Also film studios may seek to reduce the release window (the period between the film being released at the cinema and other distribution channels as mentioned above). The window is currently agreed at 16 weeks and three days in the UK, to capitalise on box office awareness and success. Cinema exhibitors have, historically, mitigated this threat by refusing to screen films with reduced release windows or insisting on paying reduced film rentals which has minimised reductions to date.

The existence of DVD (and video before that) has proven the ability of cinema to co-exist with alternative media. Additionally, the increase in use of digital and 3D technology in cinemas should encourage the film studios to continue to use cinemas as the primary release channel.

The continuing development of existing and new technology (such as 3D television and internet streaming) may introduce new competitive forces for the film-going audience and therefore affect the future financial performance of the Group.

Film piracy

Film piracy (aided by technological advances) has long-term implications for the cinema industry, and therefore the future operational and financial performance of the Group, as it may eventually force film studios to invest less in films resulting in the release of fewer films and/or an increase in the use of other channels for releasing films. The quality of copies pirated by recording from a cinema screen have improved and can be of a similar quality to films pirated from other media and copies made in the earlier manufacture and distribution stages So far, the impact of piracy has been higher on alternative media (especially on DVD) than on cinema. Everyman works with and continues to be a strong supporter of initiatives by The Federation Against Copyright Theft.

Failure of IT systems and suppliers

The failure of the Group's IT systems or data controls could impact the profitability and reputation of the Group. All suppliers are monitored and the Group employs an appropriately qualified team to maintain its in-house systems with external experts being employed to oversee, and help manage, major projects involving the upgrading or replacement of such systems.

The Group may be affected by recessionary pressures and other economic factors

It is possible that recessionary pressures and other economic factors (such as rising interest rates, tax increases and falling house prices) may decrease the disposable income that customers have available to spend on eating out and other leisure activities and/or adversely affect customers' confidence and willingness to spend. This could lead to a reduction in the revenues of the Group's cinemas.

Risks relating to the Ordinary Shares

Suitability

Investment in the Ordinary Shares may not be suitable for all prospective investors. Prospective investors are, accordingly, advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in AIM-traded securities

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may, therefore, realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political, regulatory or social conditions.

Certain Directors and Shareholders own a significant percentage of the Ordinary Shares. Following Admission, they will be in a position to exert influence on the Group and their interests may differ from other Shareholders

Following Admission, the Board and Blue Coast Private Equity L.P. will directly or indirectly hold 48.9 per cent. of the current issued Ordinary Share capital. This significant concentration of share ownership may adversely affect the market value of the Ordinary Shares because investors may believe that there are disadvantages in owning shares in companies with controlling shareholders. The Board may have the ability to determine the outcome of matters requiring shareholder approval, including appointments to the Board and significant corporate transactions. In addition, the shareholding interests of the Board may be different from the interests of the Group or other Shareholders as a whole. This control could also have the effect of delaying or preventing an acquisition or other change of control of the Group.

The Group has appointed Philip Jacobson as an Independent Non-Executive Director to the Board.

Access to further capital

The Group may require additional funds to respond to business challenges, to further expand the Group or to enhance existing products and services. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Group may require additional capital in the future which may not be available to it. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

VCT and EIS Relief

The Company has received advance assurance from HMRC that the Placing Shares should be a qualifying holding within the meaning of Chapters 3 and 4 of Part 5 Income Tax Act 2007 ("ITA") in connection with the EIS and Chapter 4 of Part 6 ITA in respect of VCTs that raised their funds on or prior to 5 April 2012. Whilst the Directors intend the Group to continue to comply with the EIS and VCT legislation they make no representation that the Group will continue to so comply and circumstances may arise where the Directors believe that the interests of the Company are not best served by acting in a way that preserves such status.

VCT and EIS Investment not conditional on Admission

VCT and EIS Investors should be aware that Placing Shares issued to VCTs and EIS investors up to a maximum of £5 million will not be issued conditionally upon Admission but will form a separate unconditional issue prior to the issue of the remainder of the Placing Shares. VCT Investors should be aware that the there is no guarantee that the remainder of the Placing will become unconditional or that Admission will take place.

The working capital statement set out in section 16 of Part IV of this document assumes that all of the Placing Shares are issued and that Admission takes place. If all of the Placing Shares are not issued and Admission does not take place the Company will not be able to implement the strategy and growth plans as outlined in this document.

Forward-looking statements

Some of the statements in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's business). These statements include forward-looking statements both with respect to the Group and the sectors and industry in which the Group operates. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in this Part II of this document which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's or, as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

These forward-looking statements speak only as at the date of this document. Subject to any applicable obligations, the Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise, unless required by the Prospectus Rules, AIM Rules and Disclosure Rules, as appropriate. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

No prior trading market for Ordinary Shares

Prior to the admission to trading on AIM, there was no public market for the Ordinary Shares. There can be no assurance that an active market for (and hence strong liquidity in the trading of) the Ordinary Shares will develop upon the Company's admission to trading on AIM, or if developed, that such market will be sustained.

PART III

HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

Section A – Accountant's Report

BDO LLP

55 Baker Street
London
W1U 7EU

The Directors
Everyman Media Group plc
2 Downshire Hill
London
NW3 1NR

30 October 2013

Cenkos Securities plc
6.7.8 Tokenhouse Yard
London
EC2R 7AS

Dear Sirs

Everyman Media Holdings Limited ("EH Limited") and its subsidiary undertakings (together, the "Historical Group")

Introduction

We report on the financial information set out in Section B of Part III. This financial information has been prepared for inclusion in the admission document dated 30 October 2013 of Everyman Media Group plc (the "Admission Document") on the basis of the accounting policies set out in note 2 to the financial information. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose. We have not audited or reviewed the financial information for the six months ended 30 June 2012 which has been included for comparative purposes only and accordingly do not express an opinion thereon.

Responsibilities

The directors of Everyman Media Group plc are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union. It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Historical Group as at 31 December 2010, 2011 and 2012 and as at 30 June 2013 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

BDO LLP
Chartered Accountants

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

Section B – Financial information

Consolidated statement of comprehensive income

	Note	*Year ended 31 December 2010 Audited £*	*Year ended 31 December 2011 Audited £*	*Year ended 31 December 2012 Audited £*	*Six months ended 30 June 2012 Unaudited £*	*Six months ended 30 June 2013 Audited £*
Revenue	5	5,997,743	7,376,810	9,101,966	4,382,817	5,380,340
Cost of sales		(2,370,270)	(2,958,584)	(3,861,026)	(1,790,206)	(2,270,086)
Gross profit		3,627,473	4,418,226	5,240,940	2,592,611	3,110,254
Other operating income		3,900	—	—	—	—
Administrative expenses		(4,189,783)	(4,225,306)	(4,935,263)	(2,352,108)	(2,948,532)
Exceptional items	11	(1,920,022)	—	—	—	—
Total administrative expenses		(6,109,805)	(4,225,306)	(4,935,263)	(2,352,108)	(2,948,532)
(Loss)/profit from operations		(2,478,432)	192,920	305,677	240,503	161,722
Financial income	12	552	9,719	53,406	24,739	63,072
Financial expenses	13	(301,411)	(239,005)	(103,456)	(46,067)	(41,967)
(Loss)/profit before taxation	6	(2,779,291)	(36,366)	255,627	219,175	182,827
Income tax expense	14	(275,191)	58,395	(138,311)	(61,818)	(23,748)
(Loss)/profit for the year attributable to equity holders of the parent company		(3,054,482)	22,029	117,316	157,357	159,079
Other comprehensive income (net of tax)		—	—	—	—	—
Total comprehensive income attributable to equity holders of the parent company		(3,054,482)	22,029	117,316	157,357	159,079
Basic (loss)/earnings per share – pence	15	(22.24)	0.14	0.51	0.78	0.62
Diluted (loss/earnings) per share – pence	15	(22.24)	0.13	0.50	0.77	0.61

Consolidated statement of financial position

	Note	*31 December 2010 Audited* £	*31 December 2011 Audited* £	*31 December 2012 Audited* £	*30 June 2012 Unaudited* £	*30 June 2013 Audited* £
Assets						
Non-current assets						
Property, plant and equipment	16	2,003,283	2,633,716	4,465,127	2,933,134	8,078,690
Goodwill	17	781,743	781,743	781,743	781,743	781,743
		2,785,026	3,415,459	5,246,870	3,714,877	8,860,433
Current assets						
Inventories	19	38,028	44,056	66,958	47,839	87,434
Trade and other receivables	20	225,849	443,403	672,498	508,793	429,316
Cash and cash equivalents		564,178	1,152,178	3,630,342	4,089,683	1,918,646
		828,055	1,639,637	4,369,798	4,646,315	2,435,396
Total assets		3,613,081	5,055,096	9,616,668	8,361,192	11,295,829
Current liabilities						
Trade and other payables	21	1,392,613	2,155,104	3,027,392	1,865,035	4,617,613
Loans and borrowings	22	662,835	521,796	401,009	467,673	359,344
Current corporation tax liabilities		—	—	—	—	—
Total current liabilities		2,055,448	2,676,900	3,428,401	2,332,708	4,976,957
Non-current liabilities						
Loans and borrowings	22	12,458	—	—	—	—
Derivative financial instruments	23	254,514	342,006	304,215	317,267	241,611
Deferred tax	24	279,815	221,420	249,008	228,100	272,756
		546,787	563,426	553,223	545,367	514,367
Total liabilities		2,602,235	3,240,326	3,981,624	2,878,075	5,491,324
Net assets		1,010,846	1,814,770	5,635,044	5,483,117	5,804,505
Equity and liabilities						
Equity attributable to owners of the company						
Ordinary shares	25	1,550,976	1,841,728	2,556,014	2,556,014	2,556,014
Share premium		7,562,252	8,021,504	10,797,968	10,797,968	10,797,968
Retained deficit		(8,102,382)	(8,048,462)	(7,718,938)	(7,870,865)	(7,549,477)
Total equity		1,010,846	1,814,770	5,635,044	5,483,117	5,804,505

Consolidated statement of changes in equity

	Share capital £	*Share premium* £	*Retained deficit* £	*Total equity* £
At 1 January 2010	1,113,476	7,299,752	(5,047,900)	3,365,328
Loss for the year	—	—	(3,054,482)	(3,054,482)
Other comprehensive income/(loss) for the year	—	—	—	—
Total comprehensive income for the year	—	—	(3,054,482)	(3,054,482)
Shares issued in the year	437,500	262,500	—	700,000
Share issue expenses	—	—	—	—
Value of employee services	—	—	—	—
Total contributions by owners of the parent	437,500	262,500	—	700,000
At 31 December 2010	1,550,976	7,562,252	(8,102,382)	1,010,846
At 1 January 2011	1,550,976	7,562,252	(8,102,382)	1,010,846
Profit for the year	—	—	22,029	22,029
Other comprehensive income/(loss) for the period	—	—	—	—
Total comprehensive income for the year	—	—	22,029	22,029
Shares issued in the year	290,752	459,252	—	750,004
Share issue expenses	—	—	—	—
Value of employee services	—	—	31,891	31,891
Total contributions by owners of the parent	290,752	459,252	31,891	781,895
At 31 December 2011	1,841,728	8,021,504	(8,048,462)	1,814,770
At 1 January 2012	1,841,728	8,021,504	(8,048,462)	1,814,770
Profit for the period	—	—	157,357	157,357
Other comprehensive income/(loss) for the period	—	—	—	—
Total comprehensive income for the period	—	—	157,357	157,357
Shares issued in the period	714,286	2,785,714	—	3,500,000
Share issue expenses	—	(9,250)	—	(9,250)
Value of employee services	—	—	20,240	20,240
Total contributions by owners of the parent	714,286	2,776,464	20,240	3,510,990
Balance at 30 June 2012 (unaudited)	2,556,014	10,797,968	(7,870,865)	5,483,117

	Share capital £	Share premium £	Retained deficit £	Total equity £
At 1 July 2012	2,556,014	10,797,968	(7,870,865)	5,483,117
Loss for the period	—	—	(40,041)	(40,041)
Other comprehensive income/(loss) for the period	—	—	—	—
Total comprehensive income for the period	—	—	(40,041)	(40,041)
Shares issued in the period	—	—	—	—
Share issue expenses	—	—	—	—
Value of employee services	—	—	191,968	191,968
Total contributions by owners of the parent	—	—	191,968	191,968
Balance at 31 December 2012	2,556,014	10,797,968	(7,718,938)	5,635,044
At 1 January 2013	2,556,014	10,797,968	(7,718,938)	5,635,044
Profit for the period	—	—	159,079	159,079
Other comprehensive income/(loss) for the period	—	—	—	—
Total comprehensive income for the period	—	—	159,079	159,079
Value of employee services	—	—	10,382	10,382
Total contributions by owners of the parent	—	—	10,382	10,382
At 30 June 2013	2,556,014	10,797,968	(7,549,477)	5,804,505

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share-issue expenses.
Retained deficit	Cumulative loss of the group attributable to equity shareholders.

Consolidated statement of cash flows

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Cash flows from operating activities					
(Loss)/profit before tax	(2,779,291)	36,366	255,627	219,175	182,827
Depreciation	556,629	512,056	504,734	238,814	285,055
Impairment charges	1,920,022	—	—	—	—
(Profit) on disposal of property, plant and equipment	(27,153)	—	—	—	—
Share-based payment credit to equity	—	31,891	212,208	20,240	10,381
Corporation tax paid	(55,051)	—	—	—	—
	(384,844)	507,581	972,569	478,229	478,263
Decrease/(increase) in inventories	7,323	(6,028)	(22,902)	(3,783)	(20,476)
Decrease/(increase) in trade and other receivables	42,942	(217,554)	(229,095)	(65,390)	243,182
Increase/(decrease) in trade and other payables	487,483	1,001,496	192,698	(318,218)	1,539,692
Net cash generated from operating activities	152,904	1,285,495	913,270	90,838	2,240,661
Cash flows from investing activities					
Purchase of property, plant and equipment	(269,938)	(1,142,489)	(1,701,613)	(538,232)	(3,898,618)
Sale of property, plant and equipment	2,425,000	—	—	—	—
Net cash generated from/(used) in investing activities	2,155,062	(1,142,489)	(1,701,613)	(538,232)	(3,898,618)
Proceeds from the issuance of ordinary shares	700,000	750,004	3,500,000	3,500,000	—
Share issue expenses	—	—	(9,250)	(9,250)	—
Proceeds from bank borrowings	564,166	—	—	—	—
Repayment of bank borrowings	(3,043,036)	(91,663)	(108,329)	(41,665)	(41,665)
Repayment of finance lease borrowings	(76,352)	(61,834)	(12,458)	(12,458)	—
Interest paid	(210,921)	(151,513)	(103,456)	(51,728)	(12,074)
Net cash (used)/generated from financing activities	(2,066,143)	444,994	3,266,507	3,384,899	(53,739)
Net increase/(decrease) in cash and cash equivalents	241,823	588,000	2,478,164	2,937,505	(1,711,696)
Cash and cash equivalents at the beginning of the year	322,355	564,178	1,152,178	1,152,178	3,630,342
Cash and cash equivalents at the end of the year	564,178	1,152,178	3,630,342	4,089,683	1,918,646

1 General information

The Historical Group is are engaged in the ownership and management of cinemas in the United Kingdom. The company is a private limited company domiciled and incorporated in England and Wales (registered number 06018629). The address of its registered office is 2 Downshire Hill, London NW3 1NR.

2 Summary of significant accounting policies

Basis of preparation

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards and IFRC Interpretations issued by the International Accounting Standards Board (together "IFRSs) as adopted by the European Union (EU).

The principal accounting policies applied by the Historical Group in the preparation of this consolidated financial information for the years ended 31 December 2010, 31 December 2011, 31 December 2012 and the six months ended 30 June 2013 are set out below. These policies have been consistently applied to all periods presented. The 2012 half yearly information is not audited.

Changes in accounting policies

(a) *New standards, interpretations and amendments effective in the year ended 31 December 2012:*

The changes include amendments to:

- IFRS 1 'First-time Adoption of International Financial Reporting Standards'.
- IFRS 3 (Revised 2008) 'Business Combinations'
- IFRS 7 'Financial Instruments'
- IAS 1 (revised 2007) 'Presentation of Financial Statements'
- IAS 34 'Interim Financial Reporting'
- IFRIC 13 'Customer Loyalty Programmes'
- IAS 21 'The Effects of Changes in Foreign Exchange Rates'
- IAS 27 (as amended 2008) 'Consolidated and Separate Financial Statements.

Management has concluded that to date there has been no impact on the results or net assets of the Historical Group as a result of these amendments.

(b) *New standards, interpretations and amendments not yet effective*

The following new standards, interpretations and amendments, which have not been applied in this financial information, will or may have an effect on the Historical Group's future financial statements subject to endorsement by the EU:

- Amendments to IAS 1. This amendment requires companies to group together items within the Other Comprehensive Income that may be classified to the profit or loss section of the income statement. Management is currently assessing the impact of this amendment.
- IFRS 9 is the first phase of the replacement of IAS 39 and covers the requirements for classification, measurement, derecognition and disclosure of financial assets and liabilities. It is effective for accounting periods beginning on or after 1 January 2015.
- IFRS 10 'Consolidated financial statements' was published in May 2012 and will come into effective for accounting periods ending on or after 1 January 2013. It introduces new requirements for determining which investee companies to consolidate and provides a single model to determine control aspects of investments.
- IFRS 12 'Disclosure of Interests in Other Entities' covers disclosure requirements of entities that have interests in subsidiaries, joint ventures and associates. It was published in May 2012 and is effective for accounting periods beginning on or after 1 January 2013.

- IFRS 13 'Fair Value Measurement' sets out in a single standard the framework for measuring fair value and the disclosure requirements of fair value measurements. It is effective for accounting periods beginning on or after 1 January 2013.
- IAS 27 'Separate financial statements' contains disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. This is effective for accounting periods beginning on or after 1 January 2013.

Management has concluded that there will be no material impact of these changes on the results or net assets of the Historical Group.

Basis of consolidation

Where the Historical Group has power, either directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities, it is classified as a subsidiary.

The statement of financial position at 30 June 2013 incorporates the results of all subsidiaries of the Historical Group for all years and periods, as set out in the basis of preparation.

Revenue recognition

Revenue for the Historical Group is measured at the fair value of the consideration received or receivable. The Historical 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.

The Historical Group's revenues from film and entertainment activities are recognised on completion of the showing of the relevant film. The Historical Group's revenues for 'food and beverages' is recognised at the point-of-sale and at the time of sale. The Historical Group's other revenues, which include commissions, are recognised when all performance conditions have been satisfied.

All advanced booking fees and similar income which are received in advance of the related performance are classified as deferred revenue and are shown as a liability until completion of the performance.

Retirement benefits: defined contribution schemes

Contributions to defined contribution schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Goodwill

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 and is tested for impairment annually. Any impairment in carrying value is charged to the consolidated statement of comprehensive income.

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. Changes in the estimated value of contingent consideration arising on business combinations completed by this date were treated as an adjustment to cost and, in consequence, resulted in a change in the carrying value of goodwill. There are no business combinations after this year.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on leasehold buildings and all items of property, plant and equipment so as to write off their carrying values over the expected useful economic lives. It is provided at the following annual rates:

Leasehold improvement	–	Straight line on cost over the remaining life of the lease
Plant and machinery	–	10 per cent. to 20 per cent. on cost on a straight line basis

Fixtures and fittings	–	10 per cent. to 25 per cent. on cost on a straight line basis
Motor vehicles	–	20 per cent. on cost on a straight line basis

Impairment of goodwill

Goodwill is considered to have an indefinite useful economic life. Goodwill is subject to impairment testing annually at the financial year end. The carrying value of goodwill is reviewed for impairment when there is an indication that this asset might be impaired. When the carrying value of goodwill exceeds its recoverable amount, the carrying value of goodwill is written down accordingly in other comprehensive income. The carrying value of goodwill is tested at the Historical Group level which is the single segment in which the Historical Group operates. An impairment loss recognised for goodwill is not reversed.

Inventories

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

Finished goods – purchase cost on a first-in, first-out basis.

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

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Historical Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Financial liabilities

All financial liabilities are recognised initially at fair value and subsequently at amortised cost unless these liabilities are derivative financial instruments which come within the scope of IAS39.

Derivative financial instruments

Derivative financial instruments within the scope of IAS 39 are classified as financial assets or liabilities at fair value through the income statement. Changes to fair value are through the income statement. All derivative financial instruments are recognised initially at fair value. The subsequent measurement of derivative financial instruments is also at fair value unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the income statement.

Fair value hierarchy

All financial instruments measured at fair value must be classified into one of the levels below:

- Level 1: Quoted prices, in active markets
- Level 2: Level 1 quoted prices are not allowable but fair value is based on observable market data.
- Level 3: Inputs that are not based on observable market data.

Share capital

Financial instruments issued by the Historical Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Historical Group's ordinary shares are classified as equity instruments.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Historical Group (an 'operating lease'), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term.

Finance leases, which transfer to the Historical Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in profit or loss.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position 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 or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Historical Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

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

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet 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 Historical 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.

Share-based payments

Certain employees (including directors and senior executives) of the Historical Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value 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 Historical 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. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Operating segments

The Board considers that the Historical Group's project activity constitutes one operating and one reporting segment, as defined under IFRS 8.

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

All of the revenues generated relate to cinema ticket receipts, sales of foods and beverages and ancillary income, an analysis of which appears in note 5 below. All revenues are wholly generated within the UK. Accordingly there are no additional disclosures provided to the financial information.

3 Critical accounting estimates and judgements

The Historical Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the 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.

4 Financial instruments – risk management

The Board has overall responsibility for the determination of the Historical 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 Historical Group's competitiveness and flexibility. The Historical Group does not use derivative financial instruments such as forward currency contracts or similar instruments. The Historical Group does not issue or use financial instruments of a speculative nature.

The Historical Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Market interest rate risk

To the extent financial instruments are not carried at fair value in the consolidated statement of financial position, book value approximates to fair value at 31 December 2010, 2011 and 2012 and 30 June 2013.

Trade and other receivables are measured at book value and amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the consolidated statement of 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 amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Historical Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Historical Group is mainly exposed to credit risk from credit sales. At 30 June 2013 the Historical Group had trade receivables of £39,424.

The Historical Group is exposed to credit risk in respect of these balances such that, if one or more customers encounters financial difficulties, this could materially and adversely affect the Historical Group's financial results. The Historical Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering contracts with customers on agreed credit terms.

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 30 June 2013 and consequently no further provisions have been made for bad and doubtful debts.

Liquidity risk

Liquidity risk arises from the Historical Group's management of working capital. It is the risk that the Historical Group will encounter difficulty in meeting its financial obligations as they fall due. The Historical 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.

Market interest rate risk

Market interest rate risk arises from the Historical Group's holding of interest rate swap instruments contracted to fix the variable rate of interest in respect of the Historical Group's interest-bearing borrowings.

Capital management

The Historical Group's capital is made up of share capital, share premium and retained earnings totalling £5,804,505 at 30 June 2013 (31 December 2012 £5,635,044, 30 June 2012 £5,483,117, 31 December 2011 £1,814,770 and 31 December 2010 £1,010,846).

The Historical 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; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The capital structure of the Historical Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources.

5 Revenue

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Film and entertainment	4,005,354	5,070,146	6,041,746	3,017,243	3,537,957
Food and beverages	1,477,671	1,716,242	2,235,551	1,047,699	1,513,454
Other income	514,718	590,422	824,669	317,875	328,929
	5,997,743	7,376,810	9,101,966	4,382,817	5,380,340

6 (Loss)/profit before taxation

(Loss)/profit on ordinary activities before taxation is after charging/(crediting):

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Depreciation	556,629	512,056	504,734	238,814	285,055
Impairment of goodwill	1,920,022	—	—	—	—
Operating lease rentals	392,996	452,084	597,296	293,940	301,148
Share-based payments	—	31,891	212,208	20,240	10,382
Employee costs (note 7)	2,000,561	1,930,782	2,259,816	1,098,407	1,375,230
Audit fees (note 9)	17,074	17,500	20,525	—	17,000

7 Employee costs including directors

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Wages and salaries	1,869,838	1,777,645	2,105,284	1,021,742	1,278,337
Social security costs	128,643	151,057	150,308	74,553	95,853
Pensions costs	2,080	2,080	4,224	2,112	1,040
	2,000,561	1,930,782	2,259,816	1,098,407	1,375,230

8 Average monthly number of employees

	31 December 2010 Audited	*31 December 2011 Audited*	*31 December 2012 Audited*	*30 June 2012 Unaudited*	*30 June 2013 Audited*
Management	27	31	34	34	34
Operations	166	153	164	148	171
Average number of employees	193	184	198	182	205

9 Auditor's remuneration

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Fees payable to the company's auditor for the audit of the company's consolidated financial statements	17,074	17,500	20,525	—	17,000
Fees payable to the company's auditor for taxation compliance services to the Historical Group	12,000	6,250	6,250	—	—
Fees payable to the company's auditor for other services	10,000	8,900	20,525	—	—
	39,074	32,650	47,300	—	17,000

10 Directors' remuneration

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Salaries/fees	99,327	107,500	155,000	77,500	50,000
Social security costs	11,919	12,900	18,600	9,300	6,000
	111,246	120,400	173,600	86,800	56,000
Share based payments	—	23,152	25,246	12,623	5,495
	111,246	143,552	198,846	99,423	61,495
Information regarding the highest paid director is as follows:	99,327	107,500	155,000	77,500	50,000

There are no other key management personnel other than those disclosed above.

11 Exceptional items of expenditure

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Impairment of goodwill (note 17)	1,920,022	—	—	—	—

12 Financial income

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Interest receivable	552	9,719	15,615	—	468
Fair value gains on financial instruments	—	—	37,791	24,739	62,604
	552	9,719	53,406	24,739	63,072

13 Financial expenses

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Interest on bank loans and overdrafts	199,574	149,234	102,026	45,000	41,967
Interest on finance leases	11,347	2,279	1,430	1,067	—
Fair value losses on financial instruments	90,490	87,492	—	—	—
	301,411	239,005	103,456	46,067	41,967

14 Income tax

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
Current tax expense/(credit)					
Current tax	(24,002)	—	110,723	55,138	—
Deferred tax					
Origination and reversal of temporary differences	(251,189)	(58,395)	27,588	6,680	23,748
Total tax expense/(credit)	(275,191)	(58,395)	138,311	61,818	23,748

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

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
Profit/(loss) before tax	(2,779,291)	(36,366)	255,627	219,175	181,827
Applied corporation tax rates:	28.00%	26.50%	24.50%	24.50%	24.00%
Tax at the above UK corporation tax rates:	(778,201)	(9,637)	62,629	53,698	43,638
Expenses not deductible for tax purposes	527,012	(48,758)	75,682	8,120	(19,890)
Prior year adjustment	(24,002)	—	—	—	—
Tax charge/credit for the year or period	(275,191)	(58,395)	138,311	61,818	23,748

The Historical Group has unutilised tax losses potentially available of £1,170,253 at 31 December 2012 (2011: £1,170,253, 2010: £1,584,630).

15 (Loss)/earnings per share

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
(Loss)/profit used in calculating basic and diluted (loss)/profit	(3,054,482)	22,029	117,316	157,357	159,077
Number of shares					
Weighted average number of shares for the purpose of basic earnings per share	13,735,787	16,202,788	22,859,562	20,114,214	25,560,136
Weighted average number of shares for the purpose of diluted earnings per share	13,735,787	16,555,579	23,900,902	20,689,132	26,135,068
Basic earnings per share (pence per share)	(22.24)	0.14	0.51	0.76	0.62
Diluted earnings per share (pence per share)	(22.24)	0.13	0.49	0.76	0.61

The company has 2,697,134 potentially issuable shares, all of which relate to share-options issued to the directors and certain employees (note 26).

Basic earnings per share amounts are calculated by dividing net (loss)/profit for the year or period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares arising from share options issued by the Historical Group into ordinary shares.

Where the Historical Group has incurred a loss in a year or period, the diluted earnings per share is the same as the basic earnings per share as the loss has an anti-dilutive effect.

16 Property, plant and equipment

	Leasehold improvements £	*Plant & machinery* £	*Fixtures & fittings* £	*Motor vehicles* £	*Total* £
At 1 January 2010	1,056,609	365,598	1,813,264	5,094	3,240,565
Acquired in the year	25,780	119,001	125,157	—	269,938
At 31 December 2010	1,082,389	484,599	1,938,421	5,094	3,510,503
Acquired in the year	695,130	73,305	397,333	—	1,165,768
Disposal	(23,279)	—	—	—	(23,279)
At 31 December 2011	1,754,240	557,904	2,335,754	5,094	4,652,992
Acquired in the year	2,104,783	56,063	175,299	—	2,336,145
At 31 December 2012	3,859,023	613,967	2,511,053	5,094	6,189,137
Acquired in the period	3,092,813	447,582	358,223	—	3,898,618
At 30 June 2013	6,951,836	1,061,549	2,869,276	5,094	10,887,755
Depreciation					
At 1 January 2010	163,770	122,394	662,069	2,358	950,591
Charge for the year	69,012	33,531	451,728	2,358	556,629
At 31 December 2010	232,782	155,925	1,113,797	4,716	1,507,220
Charge for the year	23,339	45,611	442,729	377	512,056
At 31 December 2011	256,121	201,536	1,556,526	5,093	2,019,276
Charge for the year	101,755	63,211	339,767	1	504,734
At 31 December 2012	357,876	264,747	1,896,293	5,094	2,524,010
Charge for the period	110,542	61,861	112,652	—	285,055
At 30 June 2013	468,418	326,608	2,008,945	5,094	2,809,065
Net book value					
1 January 2010	865,686	243,204	1,151,195	2,736	2,262,821
31 December 2010	849,607	328,674	824,624	378	2,003,283
31 December 2011	1,498,119	356,368	779,228	1	2,633,716
31 December 2012	3,501,147	349,220	614,760	—	4,465,127
30 June 2013	6,483,418	734,941	860,331	—	8,078,690

Plant & machinery includes assets held under finance leases amounting to £123,668 on 31 December 2010 and £24,916 on 31 December 2011 (30 June 2012 £ nil, 31 December 2012 £ nil and 30 June 2013 £ nil).

17 Goodwill

	Goodwill arising on consolidation of subsidiaries £
Cost	
At 1 January 2010	4,112,601
Acquired in the year	—
At 31 December 2010	4,112,601
Acquired in the year	—
At 31 December 2011	4,112,601
Acquired in the year	—
At 31 December 2012	4,112,601
Acquired in the year	—
At 30 June 2013	4,112,601
Impairment	
At 1 January 2010	1,410,836
Impairment for the year	1,920,022
At 31 December 2010	3,330,858
Impairment for the year	—
At 31 December 2011	3,330,858
Impairment for the year	—
At 31 December 2012	3,330,858
Impairment for the period	—
At 30 June 2013	3,330,858
Net book value	
1 January 2010	2,701,765
31 December 2010	781,743
31 December 2011	781,743
31 December 2012	781,743
30 June 2013	781,743

In 2010 the Historical Group sold a number of freehold cinema assets. An assessment was made of the expected recoverable amount of goodwill to reflect the smaller business and this resulted in the recognition of an impairment of £1.9m. 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 cash generating unit. A pre-tax discount rate was applied to calculate the net present value of post-tax cash flows. Value-in-use calculations are performed annually and at each interim reporting date.

The key assumptions used in the value-in-use calculations in 2010 were:

Sales and cost growth (over a 5 year period)	8% in year 1 4% subsequently
Discount rate (the Historical Group's weighted average cost of capital)	6.82%
Terminal growth rate	2.00%

There have been no other impairments indicated and identified in subsequent reporting periods. The Historical Group's management has projected cash flows for a period of five years from each reporting year or period. The projected sales growth was based upon the Historical Group's latest forecasts at the time of review and is in line with the average growth rate for the industry within the United Kingdom.

There have been no significant changes made to the key assumptions used above for reviews conducted subsequently.

All of the goodwill has been allocated to the cinema sites in existence at 31 December 2010.

18 The principal subsidiaries of the company, all of which have been included in the consolidated financial information, are as follows:

Name	*Principal activity*	*Country of incorporation*	*Class of share held*	*Proportion of share held*
Everyman Media Limited	Cinema management and ownership	UK	Ordinary	100%
Bloom Martin Limited *	Cinema management and ownership	UK	Ordinary "A" and "B"	100%
CISAC Limited	Cinema management and ownership	UK	Ordinary	100%
Bloom Theatres Limited **	Dormant	UK	Ordinary	100%
Mainline Pictures Limited**	Dormant	UK	Ordinary	100%

* Shareholding is held by Everyman Media Limited

** Shareholding is held by Bloom Martin Limited

19 Inventories

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Finished goods	38,028	44,056	66,958	47,839	87,434
Finished goods expensed in the year or period	444,248	468,505	655,487	299,863	428,404

20 Trade and other receivables

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Trade and other receivables	25,282	155,138	62,856	82,561	39,424
Prepayments and accrued income	200,567	288,265	609,642	426,232	389,892
	225,849	443,403	672,498	508,793	429,316

21 Trade and other payables

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Trade creditors	648,162	1,338,954	780,449	491,030	748,396
Accruals and deferred income	584,594	781,178	2,080,454	1,337,611	3,511,553
Social security and other taxes	159,857	34,972	166,489	36,394	357,664
	1,392,613	2,155,104	3,027,392	1,865,035	4,617,613

22 Loans and borrowings

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
Current					
Bank loans	601,001	509,338	401,009	467,673	359,344
Lease finance obligations	61,834	12,458	—	—	—
	662,835	521,796	401,009	467,673	359,344
Non-current					
Lease finance obligations	12,458	—	—	—	—
	12,458	—	—	—	—
Total loans and borrowings	675,293	521,796	401,009	467,673	359,344

Principal terms and the debt repayment schedule of the Historical Group's loan and borrowings as at 30 June 2013 are as follows:

	Currency	*Nominal Rate %*	*Year of Maturity*
Bank loans tranche A	Sterling	4.5%	2013
Bank loans tranche B	Sterling	8.5%	2013

In the periods ended 31 December 2010 to 30 June 2012, the Historical Group was in technical breach of certain loan covenants. The breach of the principal covenants has been informally accepted by the bank. However, the company is subject to an open call on demand from the bank for the repayment of the outstanding loans. The loans are therefore classified as a current liability pending renegotiation. As set out in paragraph 11.12 of Part IV, the bank has agreed in principle to grant the Group a new loan of £335,000. The loans will be repayable over 60 months with interest accruing at 5 per cent. above base rate.

23 Derivative financial instruments

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
Included in non-current liabilities	254, 514	342,006	304,215	317,267	241,611

The derivative financial instruments comprise interest-rate swap contracts. The contracts have a target fixed rate of 5.39 per cent. which is compared to the 'base rate' of the provider of the instrument, which also includes movements in LIBOR, as at each reporting period. The principal contracted amounts outstanding were:

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
Gross contract value	2,007,578	1,823,807	1,357,148	1,595,016	1,212,985

The contracts are for a 15 year period commencing 13 March 2008 and ending on 13 March 2023. Initially the contracts were entered into to protect mortgage payments against a property. The property was subsequently sold.

As set out in paragraph 20.13 of Part IV, the Group has lodged a complaint with Royal Bank of Scotland plc in respect of the alleged mis-selling of the interest rate swap product. Royal Bank of Scotland plc are investigating the complaint.

The fair value of the derivatives is a level 2 valuation based on valuations received from the company's bankers.

24 Deferred tax

	31 December 2010 Audited £	31 December 2011 Audited £	31 December 2012 Audited £	30 June 2012 Unaudited £	30 June 2013 Audited £
Accelerated capital allowances	126,021	37,376	88,070	—	123,360
Held over gain	313,762	313,762	228,661	228,661	228,661
Tax losses	(159,456)	—	—	—	—
Other temporary differences	(512)	(129,718)	(67,723)	(561)	(79,265)
	279,815	221,420	249,008	228,100	272,756

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of 28 per cent. to 24 per cent. The deferred tax has arisen due to the timing difference on accelerated capital allowances together with the deferral of capital gains tax arising from the sale of a property.

25 Share capital

	31 December 2010 Audited	31 December 2011 Audited	31 December 2012 Audited	30 June 2012 Unaudited	30 June 2013 Audited
Number					
At the beginning of the year	11,134,760	15,509,760	18,417,279	18,417,279	25,560,136
Issued in the year	4,375,000	2,907,519	7,142,857	7,142,857	—
At the end of the year	15,509,760	18,417,279	25,560,136	25,560,136	25,560,136
	£	£	£	£	£
At the beginning of the year	1,113,476	1,550,976	1,841,728	1,841,728	2,556,014
Issued in the year	437,500	290,752	714,286	714,286	—
At the end of the year	1,550,976	1,841,728	2,556,014	2,556,014	2,556,014

All shares shown above are authorised, issued and fully paid up. Ordinary shares carry the right to one vote per share at general meetings of the company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

26 Share-based payments

The Historical Group operates an equity-settled share based remuneration scheme for employees. The scheme combines a long term incentive scheme and an unapproved scheme for certain senior management and executive directors.

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 Historical 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 for the share options issued in 2011 and 2012 are as follows:

	2012	2011
Weighted average share price at grant date (pence)	15	22
Weighted average option exercise prices (pence)	16 to 38	16 to 26
Expected volatility	40-50%	50%
Expected option life	1 to 4 years	2 to 4 years
Risk-free interest rate	0.72-2%	2%
Expected dividend yield	0%	0%
Fair value of options granted in the year (pence)	21	22

The volatility assumption, measured at the standard deviation of expected share price returns, was based on the variance of previous share issues between May 2010 and May 2012.

Details of the total share options outstanding in respect of the Share Option Scheme during each period are as follows:

	31 December 2010 Audited	*31 December 2011 Audited*	*31 December 2012 Audited*	*30 June 2012 Unaudited*	*30 June 2013 Audited*
Outstanding at the beginning of the year or period	—	—	1,522,280	1,522,280	2,697,134
Share-options issued	—	1,522,280	1,144,854	1,144,854	—
Outstanding at the end of the year or period	—	1,522,280	2,697,134	2,697,134	2,697,134
Weighted-average exercise price (pence)	—	17	17	17	17

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Share-based payment charge in the financial information	—	31,891	212,208	20,240	10,382

27 Obligations under operating leases:

	31 December 2010 Audited £	*31 December 2011 Audited £*	*31 December 2012 Audited £*	*30 June 2012 Unaudited £*	*30 June 2013 Audited £*
Land and buildings					
Less than one year	475,084	540,236	771,766	771,766	888,699
Between one and two years	540,236	771,766	888,699	888,699	888,699
Between three and five years	2,541,975	2,620,148	2,879,555	2,879,555	2,879,555
Over five years	17,108,026	16,258,087	15,109,981	15,495,864	14,274,098
	20,665,321	20,190,237	19,650,001	20,035,884	18,931,051
Plant and equipment					
Less than one year	19,337	57,060	61,551	61,551	61,551
Between one and two years	57,060	61,551	73,508	73,508	73,508
Between three and five years	208,489	181,427	107,919	138,695	77,143
Over five years	34,489	—	—	—	—
	319,375	300,038	242,978	273,754	212,202
Total operating leases					
Less than one year	494,421	597,296	833,317	833,317	950,250
Between one and two years	597,296	833,317	962,207	962,207	962,207
Between three and five years	2,750,464	2,801,575	2,987,474	3,018,250	2,956,698
Over five years	17,142,515	16,258,087	15,109,981	15,495,864	14,274,098
	20,984,696	20,490,275	19,892,979	20,309,638	19,143,253

28 Related party transactions

In the year to 31 December 2012, the Historical Group incurred services from entities related to the directors and key management personnel of £76,021, comprising consultancy services £50,000 (31 December 2011: £ nil, 31 December 2010 £nil) and office rental of £19,705 for the year ended 31 December 2012 (31 December 2011 £20,000, 31 December 2010: £ nil). There were no other related party transactions. The principal trading of the Historical Group is performed through one company.

In the six-month period to 30 June 2013, the Historical Group incurred services from entities related to the directors and key management personnel of £52,426 comprising consultancy services £34,926 and office rental of £17,500.

There are no key management personnel other than the directors. See also note 10.

Control

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

29 Transition to IFRS

1 January 2010	*UK GAAP*	*Write back of other intangibles*	*Derivative financial instruments*	*IFRS*
	£	*£*	*£*	*£*
Goodwill	2,701,177	—	—	2,701,765
Other intangibles	199,412	(199,412)	—	—
Derivative financial instruments	—		(164,024)	(164,024)
Deferred tax	(74,553)		45,926	(28,627)
Total equity	(3,682,837)	199,412	118,097	(3,365,328)

31 December 2012	*UK GAAP*	*Reverse amortisation and write back of other intangibles*	*Derivative financial instruments*	*IFRS*
	£	*£*	*£*	*£*
Goodwill	799,765	(18,022)	—	781,743
Other intangibles	115,473	(115,473)	—	—
Derivative financial instruments	—		(304,215)	(304,215)
Deferred tax	(328,104)		79,096	(249,008)
Retained deficit	(7,498,384)	(88,206)	(249,664)	(7,836,254)
Profit for the period	22,587	70,184	24,545	117,316
Other reserves	13,353,982	—	—	13,353,982
Total equity	5,878,185	(18,022)	(225,119)	5,635,044

The only material adjustments on transition to IFRS from UK GAAP were as follows:

- Write back of goodwill amortisation charge
- Write back of internally generated brands ineligible for capitalisation
- Recognition of interest rate derivative liability at their fair value and subsequent re-measurement at fair value through profit or loss along with associated deferred tax asset

30 Events after the balance sheet date

On 29 October 2013, the shareholders in EH Limited exchanged their shares for shares in Everyman Media Group plc, such that the latter company became the holding company.

On 27 September 2013 and 30 September 2013, two directors of EH Limited exercised options to acquire, in total, 1,455,048 ordinary shares in EH Limited at an exercise price of 33.3p per share, raising proceeds for EH Limited of £484,676 for the company.

PART IV

ADDITIONAL INFORMATION

1. Responsibility statement

1.1 The Company and the Directors, whose names appear in section 3 below, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

2. The Company and its subsidiaries

2.1 The Company was incorporated with limited liability in England and Wales on 10 September 2013 as a public company under the Companies Act 2006 ("Act"), with registered number 8684079 under the name of Finlaw Two plc. It changed its name to Everyman Media Group plc on 29 October 2013. The Company is not regulated by the London Stock Exchange in the UK or any other stock exchange, nor is it subject to regulatory review. The Company is domiciled in the United Kingdom.

2.2 The legal and commercial name of the Company is Everyman Media Group plc.

2.3 The address of the registered office of the Company is 2 Downshire Hill, London NW3 1NR, and its telephone number is 020 3145 0500. The address of the principal place of business of the Company is 2 Downshire Hill, London NW3 1NR.

2.4 The Company is the ultimate parent company of the Group. There is one subsidiary, namely:

Name	*Company Ownership*	*Date of incorporation*
Everyman Media Holdings Limited	85%	5 December 2006

Everyman Media Holdings Limited has two wholly owned subsidiaries, Everyman Media Limited and CISAC Limited. Everyman Media Limited has one wholly owned subsidiary, Bloom Martin Limited. Bloom Martin Limited, has two wholly owned subsidiaries, Mainline Pictures Limited and Bloom Theatres Limited.

The place of incorporation of each of the above companies is England and Wales, and each is resident in the United Kingdom. The registered office of the companies is 2 Downshire Hill, London NW3 1NR.

3. The Directors

The Directors of the Company are:

Name	*Function*	*Date of Appointment*
Paul Louis Wise	*Executive Chairman*	10 September 2013
Andrew Leon Myers	*Chief Executive Officer*	10 September 2013
Adam Kaye	*Executive Director*	8 October 2013
Charles Samuel Dorfman	*Non-Executive Director*	8 October 2013
Philip Ronald Jacobson	*Independent Non-Executive Director*	8 October 2013
Michael Henry Rosehill	*Non-Executive Director*	8 October 2013

and their business address is the same as for the registered office of the Company.

Further details relating to the Directors are disclosed in section 6 of this Part IV.

4. Share and loan capital

4.1 On incorporation, the issued share capital of the Company was £0.20 comprising two Ordinary Shares of £0.10 each. Those two Ordinary Shares have been issued, credited as fully paid, to the subscribers to the memorandum of association of the Company and were transferred to Paul Wise and Andrew Myers on 10 September 2013.

4.2 On 29 October 2013 the Company acquired the entire issued share capital of Everyman Holdings Limited in consideration of the issue, credited as fully paid, of 27,015,202 Ordinary Shares of £0.10 each to the then shareholders in Everyman Media Holdings Limited.

4.3 By resolution passed on 29 October 2013 it was resolved:

4.3.1 to adopt new Articles of the Company;

4.3.2 that, in addition to existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £4,633,624, provided that, the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2014 (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry; and

4.3.3 that, the directors of the Company be and hereby are empowered pursuant to Sections 570 and 573 of the Act to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority given pursuant to the above resolution up to an aggregate nominal amount of £1,206,283.60, as if Section 561(1) of the Act did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2014 (unless renewed, varied or revoked by the Company in general meeting).

4.4 Up to 8,433,734 new Ordinary Shares are to be allotted and issued pursuant to the Placing. The Placing Shares are denominated in Sterling and created under the Act. The Placing Shares were allotted on 29 October 2013, conditional upon Admission. Admission is expected to take place on 7 November 2013.

4.5 The Company's ISIN (International Security Identification Number) is GB00BFH55S51.

4.6 At the date of this document the issued fully paid share capital of the Company is:

Class of shares	*Issued (fully paid)*
Ordinary Shares	27,857,290

4.7 The issued fully paid share capital of the Company immediately following Admission will be as follows (on the assumption that the Placing is fully subscribed):

Class of shares	*Issued (fully paid)*
Ordinary Shares	36,291,024

4.8 The amount and percentage of immediate dilution resulting from the Placing is 30.3 per cent.

4.9 The par value of the Ordinary Shares is 10 pence.

4.10 Save as disclosed in this section 4, there has been no issue of share or loan capital of the Company since its incorporation, all issued shares have been fully paid or credited as fully paid and no further share issues are currently proposed in the near future other than pursuant to the Placing.

4.11 Save as disclosed in section 10 and 11 of this Part IV, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company since its incorporation.

4.12 Other than options granted pursuant to the Everyman EMI Scheme and the obligation to issue Ordinary Shares pursuant to the Growth Share Scheme, on Admission, no share or loan capital of the Company will be under option or will be agreed conditionally or unconditionally to be put under option.

4.13 None of the Ordinary Shares have been marketed or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to AIM.

4.14 The Placing Shares will be in registered form and may be held in certificated or uncertificated form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Placing Shares which are not to be held through CREST will be posted to allottees by 30 November 2013. Placing Shares to be held through CREST will be credited to CREST accounts on Admission. The Articles, which have been adopted, permit the holding of Ordinary Shares in CREST.

4.15 The provisions of section 561 of the Act (which, to the extent not disapplied pursuant to section 570 of the Act, confer on shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in section 560(1) of the Act) which are, or are to be, paid up in cash (other than any allotments to employees under an employees' share option scheme) apply to the authorised but unissued share capital of the Company except to the extent already disapplied (see section 4.3 above).

4.16 No Ordinary Shares are held in treasury. No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

5. Articles

As described in section 4 of this Part IV, the Company has recently adopted new Articles. The Articles contain, *inter alia*, the following provisions:

5.1 ***Share capital***

The Company may by ordinary resolution:

5.1.1 increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe;

5.1.2 consolidate its share capital into shares of larger amounts than its existing shares;

5.1.3 sub-divide its shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum.

The Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner subject to the provisions of the Act. The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders. Subject to the provisions of the Act and the rights of holders of any class of shares, the Company may purchase its own shares, including redeemable shares.

5.2 ***Voting***

Subject to any special terms as to voting upon which any shares for the time being may be held, on a show of hands every member who (being an individual) is present in person or by proxy not being himself a member or (being a corporation) is present by its duly appointed representative shall have one vote, and on a poll every member present in person, or by representative, or proxy, shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company. Where, in respect of any shares, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice given by the Company under section 793 of the Act then, not earlier than 14 days after service of such notice, the shares in question may be disenfranchised. All shareholders, irrespective of the source of their shareholdings, hold shares which have equal voting rights.

5.3 ***Dividends***

The Company may by ordinary resolution in general meeting declare dividends provided that they shall be paid in accordance with the Act and out of profits available for distribution and shall not exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified by the profits of the Company and are permitted by the Act.

Subject to the rights of persons, if any, holding shares with special dividend rights, and unless the terms of issue otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is payable. Amounts paid or credited as paid in advance of calls shall not be regarded as paid on shares for this purpose.

All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall, if the Directors so resolve, be forfeited and shall revert to the Company.

Where, in respect of any shares, any registered holder or any other person appearing to be interested in the shares of the Company fails to comply with any notice given by the Company under section 793 of the Act then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may withhold dividends on such shares.

There is no fixed date on which an entitlement to a dividend arises.

5.4 ***Modification of rights***

All or any of the special rights for the time being attached to any class of shares for the time being forming part of the capital of the Company may, subject to the provisions of the Act, be varied or abrogated either:

5.4.1 in such manner (if any) as may be provided by such rights; or

5.4.2 in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise. To every such meeting all the provisions of the Articles relating to general meetings and to the proceedings thereat shall, so far as applicable and with the necessary modifications, apply except that the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons at least, holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and any holder of shares of the class in question present in person or by proxy may demand a poll.

5.5 ***Transferability***

The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The Directors may, subject to not affecting the free transferability of any such share on AIM, decline to recognise any instrument of transfer unless:

5.5.1 the instrument of transfer (duly stamped) is deposited at the Company's registered office accompanied by the share certificate for the shares to which it relates and such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer;

5.5.2 the instrument of transfer is in respect of only one class of share;

5.5.3 the instrument of transfer is in favour of not more than four transferees; and

5.5.4 the instrument of transfer is in respect of a share in respect of which all sums presently payable to the Company have been paid. Where, in respect of any shares, any registered holder or any person appearing to be interested in such shares fails to comply with any notice given by the Company under section 793 of the Act then, provided that the shares concerned represent at least 0.25 per cent. in nominal value of the issued shares of the relevant class, the Company may prohibit transfers of such shares or agreements to transfer any of such shares.

5.6 ***Directors of the Company***

Unless otherwise determined by ordinary resolution, the number of directors (other than alternative directors) shall be not less than two. Subject to certain exceptions, a Director shall not vote (or be counted in the quorum) in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest and, if he shall do so, his vote shall not be counted.

Any remuneration paid for the services of the Directors, as fixed (initially £200,000) by the Company in general meeting, may be divided between the Directors as they shall agree or, failing agreement, equally and shall be deemed to accrue from day to day. The Directors may remunerate a Director who serves on any committee or devotes special attention to the business of the Company, or who otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine.

At each annual general meeting of the Company, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire. A retiring Director may, if eligible, offer himself for re-election. In addition, any Director who as at the date of the relevant annual general meeting, has been in office more than three years since his appointment or last election or who was elected or last elected at the annual general meeting preceding by three years the relevant annual general meeting, and who in either case is not otherwise to retire by reason of the Articles, shall also retire by rotation.

Each Director (other than an alternate director) may appoint another Director or (subject to the approval of a majority of the Directors) any other person to be an alternate director of the Company, and may at any time remove an alternate director so appointed by him from office and, subject to any requisite approval, appoint another person in his place.

The Company may purchase and maintain for any Director insurance against any liability which by virtue of any law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

5.7 ***Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled share capital, and (subject to the Act) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and its subsidiaries so as to ensure that the aggregate of the amounts borrowed by the Company and all its subsidiaries and remaining outstanding at any time shall not, without previous sanction of an ordinary resolution of the Company, exceed £5.0 million.

5.8 ***Distribution of assets on liquidation***

If the Company shall be wound up the liquidator may, with the sanction of a special resolution of the Company or any other sanction required by the Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such values as he deems fair. The liquidator may also vest the whole or part of the assets of the Company in trustees on trust for the benefit of the contributories.

5.9 ***Uncertificated shares***

The Directors may implement such arrangements as they think fit in order for any class of shares to be held, evidenced and transferred in uncertificated form. The Company will not be required to issue a certificate to any person holding shares in uncertificated form.

5.10 ***General meetings***

Annual general meetings of the Company shall be held at such time and place as the Board may determine, all general meetings other than annual general meetings are deemed general meetings and the Board may convene a general meeting whenever, and at such time and place as it thinks fit. The Board shall also convene a general meeting on the requisition of shareholders pursuant to the Act. The quorum for meetings is two or more Shareholders present in person or by proxy. No Shareholder is entitled to be present at or vote at any general meeting of the Company unless all amounts due in respect of his shares have been paid.

5.11 ***CREST***

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Ordinary Shares have been made eligible for settlement in CREST by means of a resolution of the Board passed on 29 October 2013. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred.

6. Directors' and other interests

6.1 The interests (all of which are beneficial) of the Directors and their immediate families and, so far as is known to the Directors or could with reasonable diligence be ascertained by them, persons connected with them (within the meaning of section 252 of the Act) which, if the connected person were a director of the Company would otherwise be disclosed pursuant to this paragraph, in the share capital of the Company as at the date of this document and on Admission, are or are expected to be, as follows:

	Before Admission		*Following Admission*	
Director	*Number of Ordinary Shares*	*Percentage of issued share capital*	*Number of Ordinary Shares*	*Percentage of issued share capital*
Paul Wise	2,527,168	9.07%	2,527,168	6.96%
Andrew Myers	946,910	3.40%	381,910	1.05%
Adam Kaye	2,730,341	9.80%	2,730,341	7.52%
Charles Dorfman*	5,517,360	19.81%	4,847,360	13.36%
Philip Jacobson	0	0.00%	30,120	0.01%
Michael Rosehill	138,754	0.50%	138,754	0.38%

* Of the 4,847,360 Ordinary Shares Mr Dorfman is interested in following Admission, 3,213,876 Ordinary Shares are held by the Lloyd Dorfman Childrens Settlement. Mr Dorfman is one of the potential beneficiaries of the Lloyd Dorfman Childrens Settlement.

6.2 As at the date of this document, the following options over Ordinary Shares have been granted to the Directors and the following A ordinary shares in Everyman Media Holdings Limited have been acquired for by the Directors:

Interest Person	*Number of Options*	*Number of A ordinary shares in Everyman Holdings Limited*
Paul Wise	0	696,432
Andrew Myers	300,000	535,718
Adam Kaye	0	696,432
Charles Dorfman	50,000	0
Philip Jacobson	100,000	0
Michael Rosehill	50,000	0

The benefit of holding A ordinary shares in Everyman Media Holdings Limited is similar to the benefit of holding an EMI option. Further details of the Everyman EMI Scheme and the Growth Share Scheme are set out in section 7 of this Part IV.

6.3 In addition to the persons referred to in section 6.1 above, the Company is aware of the following persons who, at the date of this document have, or who are expected following Admission to have, an interest in three per cent. or more of the issued share capital of the Company:

	Following Admission	
Interested Person	*Number of Ordinary Shares*	*Percentage of issued share capital*
Blue Coast Private Equity L.P	7,135,634	19.66%
Scarlet Global Corporation	3,389,845	9.34%
Sam Kaye	2,002,817	5.52%

6.4 Save as disclosed in section 6.1 and 6.3 above, the Company is not aware of any person who will, immediately following Admission, (on the basis that the Placing is fully subscribed) be interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company or could, directly or indirectly, jointly or severally, exercise control over the Company.

6.5 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

6.6 Save as disclosed in section 11.5 and 11.14 of this Part IV, no Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Group and which were effected by any member of the Group in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

6.7 The persons, including the Directors, referred to in section 3 of this Part IV, do not have voting rights in respect of the share capital at the Company (issued or to be issued) which differ from any other shareholder of the Company.

6.8 The Directors currently hold, and have during the five years preceding the date of this document held, in addition to their directorships within the Group, the following directorships or partnerships (or otherwise been a member of the administrative, management or operating bodies thereof):

Name	*Current Directorships/partnerships*	*Previous directorships/partnerships*
Paul Wise	Mellcrest Properties Limited London Maccabi Recreational Trust Twelve Q Limited Maccabi London Brady Recreational Trust London Maccabi Recreational Trust	The Kyte Group Limited Kyte Capital Management Limited BIP Trading (UK) Limited KPT LLP

Name	*Current Directorships/partnerships*	*Previous directorships/partnerships*
Andrew Myers	The Cinema Exhibitors' Association Limited	Enable Holdings Limited Enable Limited Nannytax Limited Working Mums Limited
Adam Kaye	Kropifko Properties Limited Kaye Properties Limited Proper Proper T Limited Ground Restaurants Limited Tasty plc Relish Restaurants Limited Prezzo plc Amberstar Limited Ech Properties Limited	The Foodstore Group Limited Villandry Foodstore Restaurant Nolamor Limited KLP Kropifko LP Happy Endings Limited
Charles Dorfman	Buckland Productions Limited 8 Buckland Crescent Limited EOP Great Eastern Limited National Youth Theatre of Great Britain (The) Esselco Office Limited	
Philip Jacobson	Help2Read 5 Berkley Road Management Company Limited Grace Court (N20 8PY) RTM Company Limited Emily House Beatrice and Grace Courts Limited Crewcobra Limited	Fitzwilliam Holdings Limited Fairport (Investments) Limited I.D.C. (Holdings) Limited Vortex Mountain UK Limited
Michael Rosehill	Cavendish Asset Management Limited Westfield Homes Limited Westmark Developments Limited LTG International Limited Westmark (Bath) Limited UKI (South Bank) Limited UKI (Cardiff) Limited UKI Octagon Limited UKI Shopping Centres Limited Westmark (Amberleigh) limited UKI (Kingsway) Limited UK & European Investments Properties Limited Westmark (Bloomswood) Limited UKI (Templeback) Limited UKI Caribbean Limited CCB Trustees Limited Elmshott Homes Limited Westmark (Cabot) Limited The Villa (Bentcliffe Grove) Management Company Limited Westmark Investment Properties Limited Avenue Asset Limited L51N Limited Lewis Trust Holdings Limited LTG (IAS) Limited UKEI (Finance) Limited Consolidated Credits Bank Limited Gustav (Euro) Limited LFH International Limited	Avenue Asset Management LLP Alster Hi Limited Lewis (Ayr) Limited Westmark (Lettings) Limited Our Children Foundation UK Glenburn Properties Limited Music Venues Limited Cavendish Unit Managers Limited LTG Development Capital Limited LTG Managers Limited Blue Coast Investments Limited Blue Coast Nominees Limited LFH Finance Limited

6.9 The Directors have neither any unspent convictions in relation to indictable offences nor any convictions in relation to fraudulent offences.

6.10 Save as disclosed in section 6.21 of this Part IV, none of the Directors have been the subject of any public criticism, public incrimination or sanctions by any statutory or regulatory authority (including recognised or designated professional bodies).

6.11 Save as disclosed in section 6.17 to 6.20 of this Part IV, none of the Directors has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors.

6.12 None of the Directors has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement, nor in that time have the assets of any such partnership been the subject of a receivership.

6.13 No asset of any Director has at any time been the subject of a receivership.

6.14 None of the Directors are or has been bankrupt nor made at any time an individual voluntary arrangement.

6.15 None of the Directors is or has ever been disqualified by a court from acting as a director of a company or from acting in the management, administration, supervision or conduct of the affairs of any company.

6.16 There are no outstanding loans granted by any member of the Group to any of the Directors nor has any guarantee been provided by any member of the Group for their benefit.

6.17 Adam Kaye is a director of both Ground Restaurants Limited and Relish Restaurants Limited. The shareholders of both companies resolved that they be voluntarily wound up by way of a solvent liquidation on 5 December 2012. The directors of both companies made declarations of solvency confirming that they were of the opinion that both companies will be able to pay their debts in full together with interest within a period of 12 months from the commencement of the winding up.

6.18 Michael Rosehill was a director of Detektor Tracking Systems Limited when administrative receivers were appointed on 16 July 1999. The company was dissolved on 28 September 2004.

6.19 Michael Rosehill was also a director of LTG Treasury (Asia) Limited and LTG Treasury (Bosphorus) Limited. The shareholders of both of these companies resolved that they be voluntarily wound up by way of a solvent liquidation on 29 June 2011 and 13 December 2011 respectively. The directors of both companies made declarations of solvency confirming that they were of the opinion that both companies will be able to pay their debts in full together with interest within a period of 12 months from the commencement of the winding up.

6.20 Paul Wise was a director of Galatime Limited when the company went into liquidation in 1989, with approximately £300,000 outstanding to creditors.

6.21 Paul Wise was a director and shareholder of Kyte Group when the FSA fined the company £250,000 and made a public criticism of the company for failing to properly reconcile client money balances and segregate the correct amount of money on behalf of its clients. Mr Wise was not personally criticised.

7. Incentive Arrangements

7.1 ***The Everyman EMI Scheme***

The Company has established the Everyman EMI Scheme to allow the grant of options that qualify for favourable tax treatment under the provisions of Schedule 5 to the Income Tax (Earnings and Pensions) Act 2003 ("Schedule 5").

The Everyman EMI Scheme enables selected employees of the Company and its subsidiaries to be granted share options ("Options") over ordinary shares in the capital of the Company. Options granted under the Everyman EMI Scheme will not be transferable. Only the person to whom the Option is granted or his or her personal representatives may acquire Ordinary Shares pursuant to Options. Benefits under the Everyman EMI Scheme are not pensionable.

7.1.1 *Administration*

Overall responsibility for the operation and administration of the Everyman EMI Scheme is vested in the Remuneration Committee.

7.1.2 *Eligibility*

A participant must be an employee or an executive director "the Group". The Board may also grant unapproved options to non-executive directors or others who do not meet the criteria for qualifying EMI Options.

The Remuneration Committee can exercise its discretion in selecting the executives and employees to whom Options are to be granted under the Everyman EMI Scheme. Details of the options granted to Directors are shown in section 6.2 of this Part IV.

7.1.3 *Grant of Options*

Options may be granted at any time other than when dealing is not permitted under the Model Code or there are other restrictions on dealings in Ordinary Shares. No payment will be made for the grant of an Option.

No Options will be granted after the tenth anniversary of the date of adoption of the Everyman EMI Scheme.

7.1.4 *Form of Options*

Options granted under the Everyman EMI Scheme may be granted either with an exercise price equal to the Placing Price or the market value of an Ordinary Share at the date of grant, or with a nil (or nominal) exercise price. The Options may be options to subscribe for new Ordinary Shares or options to purchase Existing Ordinary Shares from an employees' trust.

The participant will have no shareholder rights until such time as he is able to, and has, exercised the Option and acquired Ordinary Shares.

7.1.5 *Size of Option grants/plan limits*

Options shall be granted under, and comply with, the HMRC rules set out in Schedule 5. This confers tax benefits on Options up to a certain threshold. That threshold is currently such that when an employee has received and holds Options with a value at grant of £250,000 or more, he may not have any further options for three years. In the event that this threshold is exceeded or the Company ceases to satisfy the qualifying conditions, unapproved options may instead be granted under the Everyman EMI Scheme.

The number of Ordinary Shares over which Options have been granted to the Executive Directors is shown in section 6.2 of this Part IV.

In any ten year period there is a limit of 15 per cent. of the issued share capital of the Company from time to time, on the number of new Ordinary Shares which are issued or may be issued in connection with options granted under any share option plan operated by the Company. This includes the Options already granted. Ordinary Shares issued out of treasury or to the trustee of an employees' trust count towards these limits on the issue of new Ordinary Shares. No account will be taken of Ordinary Shares which an employees' trust purchases at market value.

7.1.6 *Vesting of Options*

If a participant leaves employment for any reason, his Option will generally lapse unless the Committee exercises its discretion to allow exercise.

On a change of control of the Company or a resolution for its voluntary winding-up, performance periods will immediately cease. Subject to the Remuneration Committee's determination of the Company's performance at that time, Options may vest, normally in proportion to the extent to which the performance conditions have been met before the change of control or the passing of the resolution, as the case may be.

7.1.7 *Performance targets*

The existing Options are exercisable subject to the achievement of share price targets from six months post Admission, being 8 May 2014. Options over 100,000 Ordinary Shares granted to Andrew Myers will vest if the Company has an average closing mid-market price of £1.20 or more for 15 consecutive trading days, a further 100,000 Options over Ordinary Shares granted to Andrew Myers will vest if the Company has an average closing mid-market price of £1.40 or more for 15 consecutive trading days. The remaining 100,000 Options over Ordinary Shares granted to Andrew Myers will be being exercisable if the Company has an average closing mid-market price of £1.70 or more for 15 consecutive trading days. To the extent that the performance targets have been met, the Options may be exercised in respect of one third of the number of Ordinary Shares under option on or after each of the first, second and third anniversaries of the date of grant.

If Options are granted in future years, the Remuneration Committee will impose appropriate performance targets.

7.1.8 *Rights attaching to Ordinary Shares*

Ordinary Shares issued in connection with the exercise of Options will rank equally with all other Ordinary Shares then in issue (save as regards any rights attaching to Ordinary Shares by reference to a record date prior to entry of the shares on the register of shareholders). Application will be made for admission to trading on AIM of new Ordinary Shares issued.

7.1.9 *Variation of share capital*

If there is any alteration of the issued share capital of the Company, the Ordinary Shares subject to an Option will be subject to adjustments. The Remuneration Committee may adjust Options in such manner as it determines to be appropriate.

7.2 ***The Growth Share Scheme***

The Company has established the Growth Share Scheme to allow the acquisition of shares that qualify for favourable tax treatment.

The Growth Share Scheme enables the Executive Directors to acquire 1,928,582 A ordinary shares in Everyman Media Holdings Limited ("A Ordinary Shares"). On or after vesting, the Company may be required to acquire the A Ordinary Shares in exchange for the issue of Ordinary Shares in the Company at a price equal to the market value of an Ordinary Share at the time less the Placing Price. Accordingly the benefit of holding A Ordinary Shares is similar to the benefit of holding an EMI Option. Benefits under the Growth Share Scheme are not pensionable. The Executive Directors have received their A Ordinary Shares under the employee shareholder rules in exchange for giving up certain statutory employment rights. The Executive Directors have not made a cash payment for their A Ordinary Shares.

7.2.1 *Administration*

Overall responsibility for the operation and administration of the Growth Share Scheme is vested in the Remuneration Committee.

7.2.2 *Size of awards*

The Executive Directors acquired 1,928,582 A Ordinary Shares on 29 October 2013.

7.2.3 *Vesting*

If a holder of A Ordinary Shares leaves employment for any reason, he will generally forfeit his A Ordinary Shares unless the Remuneration Committee exercises its discretion to allow vesting.

On a change of control of the Company or a resolution for its voluntary winding-up, performance periods will immediately cease. Subject to the Remuneration Committee's determination of the Company's performance at that time, A Ordinary Shares may vest, normally in proportion to the extent to which the performance conditions have been met before the change of control or the passing of the resolution, as the case may be.

7.2.4 *Performance targets*

The A Ordinary Shares in will vest subject to the achievement of share price targets from six months after Admission, being 7 May 2014. 642,860 A Ordinary Shares acquired by the Executive Directors will vest if the Company has an average closing mid-market price of £1.20 or more for 15 consecutive trading days and a further 642,860 A Ordinary Shares acquired by the Executive Directors will vest if the Company has an average closing mid-market price of £1.40 or more for 15 consecutive trading days. The remaining 642,862 A Ordinary Shares acquired by the Executive Directors will be vest if the Company has an average closing mid-market price of £1.70 or more for 15 consecutive trading days. To the extent that the performance targets have been met, the A Ordinary Shares may be exchanged into Ordinary Shares in respect of one third of the number of A Ordinary Shares on or after each of the first, second and third anniversaries of the date of grant.

Rights attaching to A Ordinary Shares

Once vested the A Ordinary Shares allow the holder to require the Company to acquire some or all of his A Ordinary Shares in exchange for the issue of a Ordinary Share in the Company. The number of Ordinary Shares in the Company to be issued will be such number of Ordinary Shares as have a market value equal to the market value of the A Ordinary Shares being exchanged. Each A Ordinary Share should have a market value equal to the value of an Ordinary Share in the Company at the time less the Placing Price. Accordingly, the benefit of holding an A Ordinary Share for the participant is similar to the benefit of holding an EMI option exercised under a cashless exercise. For the Company, there is no receipt of cash in the form of an exercise price and the incentive will be less dilutive than an EMI option.

7.2.5 *Variation of share capital*

If there is any alteration of the issued share capital of the Company, the A Ordinary Shares will be subject to adjustments. The Remuneration Committee may adjust the number of A Ordinary Shares in such manner as it determines to be appropriate.

8. Premises

The Group currently occupies the following premises. The details of the leases in respect of such premises are as follows:-

Address	*Tenure*	*Lease start date*	*Lease expiry date*	*Annual rent*
Everyman Head Office – Studio 4, 2 Downshire Hill, Hampstead, London NW3 1NR	Leasehold	1 June 2012	1 June 2017	£35,000
Everyman Hampstead, 5 Holly Bush Vale, Hampstead, London NW3 6TX	Leasehold	24 May 2002	23 May 2022	£57,500
Everyman Haverstock Hill, Belsize Park London NW3	Leasehold	15 July 1977	14 July 2076	£45,000

Address	*Tenure*	*Lease start date*	*Lease expiry date*	*Annual rent*
Everyman Baker St, 96-98 Baker Street, London W1U 6TJ	Leasehold	29 September 2000	28 September 2015	£41,500
Everyman Screen on the Green, 83 Upper Street, Islington, London N1 0NP	Leasehold	4 June 2010	3 June 2035	£110,000
Everyman Oxted, 7 Station Road West, Oxted Surry RH8 9EE	Leasehold	28 January 2002	27 January 2032	£39,000
Everyman Reigate, Bancroft Road, Reigate, Surrey RH2 7RP	Leasehold	25 December 2002	24 December 2027	£32,000
Everyman Walton, 85-89 High Street, Walton-On-Thames, Surrey KT12 1DN	Leasehold	25 March 1992	14 November 2037	£43,823
Everyman Winchester, Southgate Street, Winchester, Hampshire S023 9EG	Leasehold	4 June 2010	3 June 2035	£60,000
Everyman Maida Vale, 215 Sutherland, Avenue, Maida Vale, London W9 1RU	Leasehold	24 August 2011	23 August 2031	£80,000
Everyman Leeds, Level 4, Trinity Leeds, Albion Street, Leeds LS1 5AT	Leasehold	29 September 2012	28 September 2037	£365,000

9. Directors' letters of appointment

9.1 On 29 October 2013, Andrew Myers entered into a service agreement with the Company under which he agreed to serve as Chief Executive Officer of the Company at an annual salary of £120,000 (exclusive of pension contributions). The agreement is terminable by either party on six months' prior notice. In addition to the basic remuneration, Andrew Myers is entitled to a performance related and discretionary bonus.

9.2 On 29 October 2013, Adam Kaye entered into a service agreement with the Company under which he agreed to serve as an Executive Director of the Company. Adam Kaye will not be entitled to a salary. The agreement is terminable by either party on six months' prior notice.

9.3 On 29 October 2013, Paul Wise entered into a service agreement with the Company under which he agreed to serve as Executive Chairman of the Company. Paul Wise will not be entitled to a salary. The agreement is terminable by either party on six months' prior notice.

9.4 Each non-executive Director entered into a letter of appointment with the Company which provides for them to act as a Non-Executive Director of the Company. Pursuant to such letters, neither Michael Rosehill or Charles Dorfman will receive a fee. Philip Jacobson will receive a fee of £25,000 per annum. Each appointment letter is for an initial term of 3 years unless terminated earlier by either party giving to the other one month's prior written notice.

9.5 No remuneration has been paid (including benefits in kind) by the Company to the Directors up to the date of this document. It is estimated that the aggregate remuneration and benefits in kind payable to the Directors by members of the Group in respect of the current financial year (under the arrangements in force at the date of this document) will be approximately £120,000.

9.6 None of the Directors' agreements with the Company provide for benefits upon termination of employment.

10. Placing arrangements

10.1 Under an agreement (the "***Placing Agreement***") dated 29 October 2013 and made between: the Company (1); the Directors (2); Blue Coast Private Equity L.P. ("***Blue Coast***") (3) and Cenkos (4), Cenkos has agreed (conditionally, *inter alia*, on Admission taking place not later than 10 December 2013) as agent for the Company to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

Under the Placing Agreement and subject to its becoming unconditional:

10.1.1 the Company has agreed to pay Cenkos a commission of 5 per cent. of the value at the Placing Price of those Placing Shares raised from placees introduced by Cenkos and 2.5 per cent. of the value at the Placing Price of those Placing Shares raised from placees introduced by the Board, together with a corporate finance fee of £100,000 together with any applicable VAT; and

10.1.2 the Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

The Placing Agreement contains warranties and indemnities given by the Company, and warranties given by the Directors and Blue Coast to Cenkos as to the accuracy of the information contained in this document and other matters relating to the Group and its business. Cenkos is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission.

Each of the Directors has undertaken, subject to certain limited exceptions, not to dispose of any Ordinary Shares he will hold immediately following Admission for 12 months following Admission save in accordance with the AIM Rules. Further orderly market provisions apply after the expiry of the lock-up arrangements for a further period of 12 months.

11. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company or any member of its group for the two years immediately preceding the date of this document and which are, or may be, material:

11.1 The Placing Agreement, details of which are set out in section 10 of this Part IV above;

11.2 The lock-in agreements all dated 29 October 2013 and made between the Company (1), Blue Coast (2), each of the Directors (3), Scarlet Global Corporation (4) and Cenkos pursuant to which each Director, Scarlet Global Corporation and Blue Coast have undertaken to the Company (subject to certain limited exceptions) not to dispose of any Ordinary Shares held by them at any time prior to the first anniversary of Admission without the prior written consent of Cenkos. They have also undertaken not to dispose of any Ordinary Shares for the 12 months following the first anniversary of Admission otherwise than through the Company's broker from time to time.

11.3 A sellers placing agreement made between Cenkos (1); the Company (2) and Lloyd Dorfman Childrens Settlement, Andrew Myers, Jean-Pierre Jordaan and Eileen O'Shea (the "***Selling Shareholders***") (3) whereby Cenkos was appointed agent to seek purchases for 1,327,086 Existing Ordinary Shares at the Placing Price for a commission of 2.5 per cent. Of the Existing Ordinary Shares being sold the Lloyd Dorfman Childrens Settlement are selling 670,000 Ordinary Shares, Andrew Myers is selling 365,000 Ordinary Shares, Jean-Pierre Jordaan is selling 46,043 Ordinary Shares and Eileen O'Shea is selling 46,043 Ordinary Shares.

11.4 A nominated adviser and broker agreement dated 29 October 2013 between the Company and Cenkos pursuant to which the Company has appointed Cenkos to act as nominated adviser and broker to the Company. The Company has agreed to pay to Cenkos a fee of £50,000 per annum for its services under this agreement payable in two half yearly instalments in advance and with effect from 7 November 2014. The agreement may be terminated by either party giving three months' notice but such notice cannot be given prior to one year following the appointment (but can be immediately terminated in certain circumstances). The agreement contains an indemnity given by the Company in favour of Cenkos as to the accuracy of information contained in this document and other matters relating to the Group and its business.

11.5 A consultancy agreement between the Group and Tasty plc dated 1 July 2012 pursuant to which Tasty provides to the Company consultancy services in relation to the restaurant element at its Leeds complex, or such other site as the parties agree, for an initial term of nine months or six months after the restaurant opens, whichever is the later, and terminates thereafter unless renewed by agreement between the parties. A payment of £8,333.33, excluding VAT, is payable per month. Tasty are required to perform a number of tasks, including: layout and structure overseeing fit out, recruiting manager and certain staff, training, implementing procedures, set up and maintenance of supply chain, overseeing running of the restaurant. The agreement has not been renewed. Adam Kaye, as a significant shareholder in and director of Tasty plc, is interested in this agreement.

11.6 On 5 July 2011, the Group entered into a digital cinema master lease agreement with Sony Europe Limited ("**Sony**"). The agreement continues, unless terminated early, for a period of ten years. The Group is granted the right to use digital projection systems for exhibiting digital content and trailers, exhibiting adverts and other limited screenings, premiers or promotional uses where no admission charge is made or as otherwise permitted by the agreement. An installation fee per projection system is payable. Further daily usage fees are payable where digital content is provided by non-Sony's accredited distributors. Sony agreed to purchase the two existing digital projection systems owned by the Group at the date of the agreement for £75,362.

11.7 A shareholders agreement dated 3 June 2008 between the Group, Adam Kaye, Sam Kaye, LTG International Limited, Lloyd Dorfman, Charles Dorfman, S Dorfman and M Steinfeld as trustees of the Lloyd Dorfman Childrens Settlement, Everyman Media Limited, D Broch, Paul Wise, A Brick, R Levy, G Hayeem, H Nathanson, J Barber, R Barber, J Stone, W Carr, J Plant, T Sless, G Woolfman, S Halberstam, J Kaye, E Lipton and M Anselm. This agreement was terminated on 29 October 2013.

11.8 On 29 October 2013 all the then shareholders of Everyman Media Holdings Limited entered into an agreement under which the Company acquired the entire issued share capital of Everyman Media Holdings Limited in consideration of the issue of 27,015,212 Ordinary Shares in the Company, credited as fully paid.

11.9 Two loan agreements each dated 24 June 2010 between Everyman Media Holdings Limited and Royal Bank of Scotland Plc ("**RBS**") providing for loans of £450,000 and £176,000 initially repayable within three years. The balance of these loans currently outstanding (and overdue) is £342,678. RBS has confirmed to the Company its willingness to provide a new facility as set out in section 11.12 of this Part IV. These loans are secured by way of a fixed and floating debenture granted by Everyman Media Holdings Limited in favour of the RBS, together with intergroup cross guarantees, a number of fixed legal charges over the Everyman Media Holdings Limited premises and a charge over deposit monies.

11.10 In 2009, and amended by virtue of a further agreement dated 7 June 2010, Everyman Media Holdings Limited entered into an agreement with City Screen Virtual Limited ("CSV") pursuant to which CSV provides film booking and programming services. A payment of £90,000 (plus VAT) per annum is payable for the services, or if greater a sum equal to 3 per cent. of the net box office receipts (less VAT and less distributors fees). The fee is payable monthly. Everyman Media Holdings Limited has certain obligations to CSV including an obligation not to book films or permit public or private events at any of the Cinemas other than as programmed or approved by CSV. Everyman Media Holdings Limited may terminate the agreement on not less than four and a half calendar months' notice and CSV may terminate the agreement on not less than three calendar months' notice save that if Everyman Media Holdings Limited open a cinema in a city or area in which CSV or its group operates a cinema (subject to certain permitted exceptions) CSV may terminate on not less than six weeks' notice. Everyman Media Holdings Limited has been given notice by CSV to terminate the agreement on 28 February 2014. The Company currently envisages bringing film booking and programming services in house once the agreement ends.

11.11 Agreement dated 13 March 2008 between The Royal Bank of Scotland plc Global Banking & Market Division (the "Bank") and Everyman Media Holdings Limited which commenced on 13 March 2008 in respect of an initial notional amount of £3,131,000. The agreement terminates on 13 March 2023, subject to provisions for early termination, with monthly payments of a prescribed amount multiplied by 5.39 less current base rate at the time. The Agreement includes standard events of default and additional termination events in the case of a consolidation, amalgamation or transfer of Everyman Media Holdings Limited's assets, or change in control of the board of Everyman Media Holdings Limited taking place, which will materially weaken the credit worthiness of Everyman Media Holdings Limited. The Agreement also contains representations and warranties which are customary for an agreement of this nature given by Everyman Media Holdings Limited to the Bank.

11.12 RBS have agreed in principle to grant the Group a loan of £335,000 to finance the loans set out in section 11.9 of this Part IV. The loans will be repayable over 60 months with interest accruing at 5 per cent. over base rate.

11.13 On 4 June 2010 Bloom Theatres Limited completed the sale of the freehold cinema premises in Winchester by way of auction sale to Struan Investments Limited for £800,000 and Islington to BHM Seven LLP for £1,600,000. Bloom Theatres then entered into leases in respect of both of these properties.

11.14 Everyman Media Holdings Limited is party to a lease dated 20 April 2012 in respect of their head office premises at Studio 4, 2 Downshire Hill. The landlord of the property is K LP a limited partnership incorporated in England acting by its general partner Proper Proper T Limited. Adam Kaye is a director of and holds 50% of the issued share capital in Proper Proper T Limited and he is one of two limited partners of K LP. The lease is for a period of 5 years but is terminable after the first anniversary by Everyman Media Holdings Limited on 6 months' notice and by the landlord on 12 months' notice. The rent is £35,000 per annum and is not subject to a rent review.

12. Taxation

12.1 *Enterprise Investment Scheme*

The Company intends to operate so that it qualifies for the taxation advantages offered under the Enterprise Investment Scheme. The main advantages are as follows:

- Individuals can claim a tax credit of 30 per cent. of the amount invested in the Company against their UK income tax liability, thus reducing the effective cost of their investment to 70 pence for each £1 invested. However, there is an EIS subscription limit of £1,000,000 in each tax year and, to retain the relief, the Ordinary Shares must be held for at least three years.

- UK investors (individuals or certain trustees) may defer a chargeable gain by investing the amount of the gain in the Company. There is no limit to the level of investment and, therefore, to the amount of gain which may be deferred in this way.

There is no tax on capital gains made upon disposal after the Three Year Qualifying Period (defined below) of shares in an EIS qualifying company on which income tax relief has been given and not withdrawn.

If a loss is made on disposal of the shares at any time, the amount of the loss (after allowing for any income tax relief initially obtained) can be set off against either the individual's gains for the tax year in which the disposal occurs, or, if not so used, against capital gains of a subsequent tax year, or against the individual's income of the tax year of the disposal or of the previous tax year.

Provided a Shareholder has owned Ordinary Shares for at least two years and certain conditions are met at the time of transfer, 100 per cent. business property relief will be available, which reduces the inheritance tax liability on the transfer of Ordinary Shares to nil.

For example: if an EIS qualifying investor who has a chargeable capital gain of £50,000 and invests this amount in the Company, they could receive tax reliefs as follows:

Initial Investment	£50,000
Income Tax Relief at 30%	£(15,000)
CGT deferral relief at 28%	£(14,000)
Net cash cost of EIS investment	£21,000

However, the deferred gain will come back into charge when the EIS shares are disposed of, or if the Company ceases to qualify as an EIS company within the Three Year Qualifying period.

The amount of relief an investor may gain from an EIS investment in the Company will depend on the investor's individual circumstances.

Three Year Qualifying Period

In order to retain EIS reliefs, an investor must hold their shares for at least three years. A sale or other disposal (other than an inter-spousal gift or a transfer on death) will result in any income tax relief that has been claimed being clawed back by HMRC. Additionally, any capital gains deferred will come back into charge and the capital gains tax exemption will be lost. It is the investor's responsibility to disclose a disposal to HMRC.

Additionally, if the Company ceases to meet certain qualifying conditions within the Three Year Qualifying Period, tax reliefs will be lost.

The Three Year Qualifying Period expires on the later of the third anniversary of the date the shares are issued, and the third anniversary of the date the Company's trade commenced. In this case, as the Historical Group is already trading, the Three Year Qualifying Period will expire on the third anniversary of the date on which the shares are issued. This will be shown as the "Termination Date" on the EIS3 certificate which the Company will issue to investors following formal approval of the share issue by HMRC.

Advance Assurance of EIS Status

In order for investors to claim EIS reliefs relating to their shares in the Company, the Company has to meet a number of rules regarding the kind of company it is, the amount of money it can raise, how and when that money must be employed for the purposes of the trade, and the trading activities carried on. The Company must satisfy HMRC that it meets these requirements, and is therefore a qualifying company.

The Company has received advanced assurance from HMRC that it would be able to issue shares under the EIS regime.

EIS Tax Legislation – further detail

The following is a summary of the main provisions of the EIS regime as far as is relevant to the Company. It does not set out any of the provisions in full and prospective investors are strongly recommended to seek professional advice as to the tax relief that their particular investment will attract and the tax consequences of selling or otherwise disposing of their shares.

Tax Reliefs

Income Tax

EIS relief allows qualifying individuals to deduct from their total liability to income tax an amount equal to tax at 30 per cent. on the amounts subscribed for qualifying shares in qualifying companies from their total liability to income tax for the year in which the shares are issued.

EIS relief is currently obtained at a rate of 30 per cent. on qualifying investments up to £1,000,000 in any tax year. The spouse of the claimant is also entitled to claim EIS relief on his or her own investments.

EIS income tax relief reduces an individual's tax liability, and cannot exceed an amount which reduces the individual's tax liability for the year in question to nil.

Income tax relief may be claimed in the tax year in which the shares are issued, or, by election, carried back to the previous tax year, subject to the annual investment limit for that year. The annual investment limit for the 2013/14 tax year is £1,000,000.

Capital Gains Tax Exemption

To the extent that EIS relief is given and not withdrawn, there will be no capital gains tax charged in respect of the gain arising on the EIS shares on a disposal of the shares in the Company, provided those shares have been held for at least three years. However, in order for the shares to be exempt from capital gains tax, some income tax relief must have been claimed and given.

Capital Gains Tax Deferral Relief

The deferral relief available under EIS means that an investor may use investment in an EIS company to defer a charge to capital gains tax arising on a gain made on the disposal of any other asset in the period commencing one year before, and ending three years following, the disposal of that asset. The maximum gain that can be deferred is equal to the lower of the amount subscribed by an investor or the amount of the gain. The gain will then become chargeable at such time as the investor disposes of his EIS shares, or if the Company loses its EIS qualifying status within the three year qualifying period.

Loss Relief

Where a loss is incurred by an investor on the first disposal of his shares, the loss (after deducting any EIS income tax relief claimed) may be set against either chargeable gains or against taxable income at the election of the investor. A claim to set the loss against income may be made against income of the tax year of the loss, or the preceding tax year.

The following example illustrates the position of an Investor who has subscribed £50,000 for EIS qualifying shares, and has claimed income tax relief only, in the event of a complete loss on the shares:

EIS Qualifying Investment	£ 50,000
Less income tax relief at 30%	£(15,000)
Net cost of investment	£ 35,000
Income tax relief at 40% on net cost	£(14,000)
Maximum cash loss to investor	£ 21,000

This example assumes the investor is liable to income tax at 40 per cent. in the year of the loss, and elects for the loss to be set against their income.

Persons Qualifying for Relief

Income Tax

An investor need not be UK resident, but relief will only be available against UK taxable income.

An investor must not be connected with the Company at any time in the period beginning two years before the issue of the shares and ending immediately before the third anniversary of the date on which the shares are issued.

Connection is defined by reference to the investor and his associates (i.e. spouse, lineal ancestor or descendent, a business partner and certain persons with whom there is a connection through a trust), and will prohibit the following qualifying for income tax relief under EIS:

- where the investor or one of his associates is an employee, partner or paid director of the Company, or a subsidiary of the Company;
- where the investor or one of his associates directly or indirectly possesses of would be entitled to acquire more than 30 per cent. of the issued ordinary share capital, or the voting power of the Company or any subsidiary; or
- where the investor or one of his associates possesses directly or indirectly such rights as would, in the event of a winding up of the Company or any subsidiary or in any other circumstances, entitle him to receive more than 30 per cent. of the assets of the Company or any subsidiary which would be available for distribution to equity holders (i.e. shareholders and certain types of loan capital holders).

Capital Gains Tax

An investor must be resident or ordinarily resident in the UK at the time of accrual of the capital gain and at the time when he makes the EIS qualifying investment in the Company, in order to claim the capital gains tax relief and/or deferral relief.

For the purposes of residency, the investor must not be regarded by any tax treaty as resident in another country.

Claims

Investors need to make a formal claim for EIS relief or EIS deferral relief from their individual tax office.

The claim is made on receipt of Form EIS3 from the Company. Form EIS3 is a certificate issued by the Company, with the approval of HMRC, confirming that it is a qualifying company for EIS purposes. The Company proposes to submit its application to HMRC to issue an EIS3 as soon as practicable after the Placing.

An investor's claim must be submitted to his tax office no later than the fifth anniversary of 31 January following the year of assessment in which the shares were issued.

Withdrawal of Relief

The investor should note that there are a number of anti-avoidance provisions that can apply to the reliefs described above, but a description of these is beyond the scope of this summary. If you are in any doubt about whether such provisions could affect your investment, we strongly recommend that you seek professional advice.

Income Tax

If the Company ceases to be a qualifying company within three years, commencing with the issue of the shares all EIS relief will be withdrawn.

If shares are disposed of within three years of their issue, relief will be withdrawn in respect of those shares to the extent of the amount or value of the consideration received for them. The exception to this is if the disposal is not made at arm's length, in which case all relief in respect of the shares will be withdrawn.

EIS relief will be withdrawn if value is received by an investor from the Company or a person connected with the Company (or in more limited circumstances, by other shareholders) within the period commencing one year before the share issue and ending three years after it.

Capital Gains Tax

The gain that is deferred becomes a chargeable gain when an investor disposes of his or her shares, otherwise than to a spouse, or ceases to be UK resident within the three years commencing with the issue of the shares (or if later the commencement of the relevant trade).

EIS deferral relief is withdrawn if the Company ceases to be a qualifying company, the Company ceases to carry on a qualifying business activity or the proceeds of the share issue are not used within 24 months of the share issue. The deferred gain is deemed to arise on the relevant date on which such circumstance occurs.

EIS deferral relief will be withdrawn if value is received by an investor from the Company or a person connected with the Company (or in more limited circumstances by other shareholders) within the period commencing one year before the share issue and ending three years after.

Taxation of Dividends

Under current UK tax legislation, no withholding tax will be deducted from dividends paid by the Company.

An individual shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will be entitled to a tax credit which the shareholder may set off against his total income tax liability (if any) on the dividend. The tax credit will be equal to one-ninth of the net dividend received (or 10 per cent. of the aggregate of the dividend received and the related tax credit (the "gross dividend")).

A UK resident individual shareholder who is liable to income tax at the higher rate, the tax credit will be set against, but not fully match, his tax liability on the gross dividend. A UK resident higher rate taxpayer will have to account for additional tax at 32.5 per cent., which after taking account of the 10 per cent. tax credit equals 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the net dividend received) to the extent that the gross dividend when treated as the top slice of his income falls above the threshold for higher rate income tax.

However, for the tax year from 6 April 2014 there are three rates of tax on dividends. Where income falls within the basic rate band, the 10 per cent. tax credit will extinguish any liability (as it did previously). The equivalent rate for 40 per cent. taxpayers will remain at 32.5 per cent.; but, for those who fall into the 45 per cent. additional rate category, a rate of 37.5 per cent. applies to dividends.

A non-UK resident shareholder will generally not be able to claim repayment from HMRC of any part of the tax credit attaching to the dividends paid by the Company. A shareholder resident outside the UK may also be subject to taxation on the dividend under local law.

13. Related party arrangements

Other than the agreements summarised in section 11.5 and 11.14 of this Part IV, the Company has not entered into any related party transactions (being those set out in the standards adopted according to the Regulation (EC) No. 1606/2002) since the date of its incorporation.

14. Reasons for the Placing and use of proceeds

The reasons for the Placing and the estimated net amount of the proceeds broken into each principal intended use and presented by order of priority of such uses is as follows:-

14.1 £6.0 million – capital expenditure associated with the expansion of the number of cinemas in the chain and also the refurbishment of existing cinemas owned by the Group; and

14.2 £0.3 million – working capital.

15. Mandatory offers and compulsory acquisition of shares

The Company is subject to the Takeover Code which, *inter alia*, provides that if any person, or group of persons acting in concert, acquires Ordinary Shares carrying 30 per cent. or more of the voting rights exercisable in general meetings, that person shall be required to make an offer for all the issued Ordinary Shares not already held by him (or persons acting in concert with him) in cash at the highest price paid by that person, or any person acting in concert with him, during the 12 month period prior to the purchase of shares which triggered the obligation. There are certain circumstances where no such offer may be required. The Act provides that if an offer is made for the issued share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has received acceptances or purchased shares subsequent to the making of the offer amounting (in aggregate) to 90 per cent. of the shares to which the offer relates. Certain time limits apply. The Articles also permit a minority shareholder to require an offeror to buy his shares if that offeror has received acceptances or purchased shares subsequent to the making of the offer amounting (in aggregate) to 90 per cent of the shares to which the offer relates. Certain time limits apply.

16. Working capital

The Directors are of the opinion (having made due and careful enquiry) that, after taking into account the net proceeds of the Placing, the Group will have sufficient working capital for its present requirements, that is for at least the period of 12 months from Admission.

17. Litigation

No member of the Group has at any time in the 12 months immediately preceding the date of this document been, engaged in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against any member of the Group, nor of any such proceedings having been pending or threatened at any time in the 12 months preceding the date of this document in each case which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

18. Conflicts of interest

Andrew Myers, Paul Wise, Adam Kaye and Charles Dorfman are also shareholders in the Company. Under English law shareholders do not have to act in the best interests of companies in their capacity as shareholders. Adam Kaye is interested in the Consultancy Agreement summarised in section 11.5 of this Part IV and the lease summarised in section 11.14 of this Part IV. Save as set out in this section 18, there are no other potential conflict of interests between any duties to the Company, the Directors and their private interests.

19. Third party information

Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and, as far as the Company is aware, and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

20. Miscellaneous

20.1 There has been no significant change in the financial or trading position of the Historical Group since 30 June 2013, the date to which the financial information set out in section B of Part III of this document relating to the Historical Group was prepared. There has been no significant changes in the financial or trading position of the Company since 10 September 2013, its date of incorporation.

20.2 The total costs and expenses relating to the Placing (including those fees and commissions referred to in section 10 of this Part IV above) payable by the Company are estimated to be approximately £0.7 million including any VAT payable. The net proceeds of the Placing will be £6.3 million (assuming that the Placing is subscribed in full).

20.3 In making any investment decision in respect of the Placing, no information or representation should be relied on in relation to the Placing, the Group or the Placing Shares, other than as contained in this document. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised. Neither the delivery of this document nor any subscription made under it shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as at any time subsequent to the date of this document.

20.4 BDO LLP, whose registered office is 55 Baker Street, London W1U 7EU, has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Section A of Part III in the form and context in which it is included. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

20.5 Cenkos Securities plc is registered in England and Wales under number 05210733 and its registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS. Cenkos Securities plc is regulated by the FCA.

20.6 Cenkos Securities plc has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

20.7 Save as otherwise disclosed in this document:

20.7.1 there are no patents or other intellectual property rights, licences or particular contracts (including industrial, commercial or financial contracts) or new manufacturing processes which are of fundamental importance to the Group's business or upon which the Group's business is otherwise dependent;

20.7.2 there have been no interruptions in the Group's business in the 12 months preceding the publication of this document which may have or had a significant effect on the Group's financial position;

20.7.3 there have been no principal investments, nor are there any in progress or under active consideration or in respect of which firm commitments have been made;

20.7.4 there are no known environmental issues that might affect the Company's utilisation of its tangible fixed assets; and

20.7.5 there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

20.8 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

20.8.1 received, directly or indirectly, from any member of the Group within the 12 months preceding the date of application for Admission; or

20.8.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from any member of the Group on or after Admission any of the following:

20.8.2.1 fees totalling £10,000 or more;

20.8.2.2 securities in any member of the Group with a value of £10,000 or more calculated by reference to the Placing Price; or

20.8.2.3 any other benefit with a value of £10,000 or more at the date of Admission.

20.9 No Director or a member of a Director's family has any related financial products referenced to the Ordinary Shares.

20.10 There are no family relationships between the Directors.

20.11 The number of employees in the Group as at 30 December 2012 was 180, at 30 June 2013 was 224 and as at 29 October 2013 was 232.

20.12 The financial information set out in Part III does not constitute statutory accounts within the meaning of section 434(3) of the Act.

20.13 The Group has lodged a complaint with Royal Bank of Scotland plc in respect of the alleged mis-selling of an interest rate swap product. Royal Bank of Scotland plc are investigating the complaint. The Group's liability under the interest rate swap product has been valued in the Historical Financial Information as set out on page 39.

20.14 Charles Dorfman has been and may continue to be interested in films shown by the Group in which his production company, Buckland Productions Limited, has an interest.

21. Documents available for inspection

Copies of this document will be available free of charge to the public at the offices of the Company at 2 Downshire Hill, London NW3 1NR during normal business hours on any weekday (public holidays excepted) until the date falling one month after the date of Admission.

Dated 30 October 2013