Everyman Media Group PLC
Registered number: 08684079

Annual Report and Financial Statements
52 weeks ended
29 December 2016

Contents

EVERYMAN

Company information

Directors

Paul Wise	Executive Chairman
Crispin Lilly	Chief Executive Officer
Jonathan Peters FCA	Finance Director
Adam Kaye	Executive Director
Charles Dorfman	Non-Executive Director
Philip Jacobson FCA	Independent Non-Executive Director
Michael Rosehill FCA	Non-Executive Director

Company secretary
Jonathan Peters FCA (appointed 1 November 2016)
Philip Jacobson FCA (resigned 1 November 2016)

Registered office address of the Company
Studio 4
2 Downshire Hill
London
NW3 1NR

Company registration number
08684079 (registered in England & Wales)

Nominated adviser and broker
Cenkos Securities PLC
6-8 Tokenhouse Yard
London
EC2R 7AS

Auditors to the Company
KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Solicitors to the Company
Howard Kennedy
No. 1 London Bridge
London
SE1 9BG

Registrars to the Company
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Chairman's Statement

I am pleased to report on the Group's results for the 52 weeks ended 29 December 2016.

With four new venues opening during the year, together with the completion of some significant refurbishments and the full year impact of our 2015 expansion, 2016 marked a step change in the growth of the business. Through revenue growth and improved efficiencies, the business delivered an overall performance ahead of the Board's expectations for the year.

The Group now operates 20 venues, up from 16 at the beginning of 2016. This includes the small, temporary, one screen venue at Kings Cross, which will be replaced by a full three screen venue nearby, at the end of 2017.

Review of the business

Everyman is evolving into a trusted and highly regarded brand in the cinema and leisure industry with 20 venues and 54 screens (as of 29 December 2016).

At the heart of the Everyman experience is our team of enthusiastic employees whose focus on hospitality and customer experience remains our most important differentiator. The Board's long held belief in this model as being the bedrock for significant growth within the UK has been further strengthened in the last twelve months and our ambitions continue to grow.

With a further six committed venues and a strong pipeline for future years, the Board anticipates that our footprint will continue to grow across the UK.

Results

Revenue for the year was up 45.5% on last year to £29,554,000 (2015: £20,316,000).

The Group's adjusted operating profit before depreciation, amortisation, pre-opening expenses, exceptional items and share-based payments was £3,954,000 (2015: £1,705,000). This is an adjusted IFRS measure which has been further explained in note 2 and on the face of the Statement of Profit and Loss and Other Comprehensive Income. The Group generated a profit for the year of £61,000 (2015: loss of £556,000).

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

Openings

The Group opened new sites during the year in Bristol (3 screens, May 2016), Harrogate (5 screens, September 2016) and Chelmsford (5 screens, December 2016), as well as our temporary one screen venue in Kings Cross (June 2016).

In addition, the full refurbishment of Barnet was completed in April 2016 and the venue delivered considerable growth through the year, whilst the completion of the main auditorium and foyer works at Muswell Hill were achieved by October 2016. Muswell Hill will see the final phase of its works completed in 2017 with the addition of two further screens to bring it to five in total. In October 2016 we re-opened our Baker Street venue following a complete refurbishment.

The Group exchanged contracts on four further sites at Horsham, Durham, Wokingham and Edinburgh during the year. These are in addition to the pre-existing contracts for Stratford-Upon-Avon and Kings Cross, both of which will open in 2017.

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

Marketing activity

Opening night events for 'Absolutely Fabulous: The Movie' and 'Bridget Jones's Baby' as well as other activities such as the 2nd Everyman Music and Film Festival continued our desire to enhance the experience that we offer from time to time.

Staff

Rising from an average of 374 to 600 in 2016, our team of customer-focused employees continues to grow and remains the core of our business. May I thank them all again for their continuing efforts.

Cash flows

Net cash generated from operating activities was £5,515,000 (2015: £2,959,000). Net cash outflows for the year, before financing, were £10,393,000 (2015: £16,169,000). This is largely represented by capital expenditure on the expansion of the business through build costs and refurbishment of the above sites.

Cash held at the end of the year was £1,566,000 (2015: £9,173,000). The cash held will be invested in the continuing development and expansion of the Group's business in 2017.

On 10 March 2017 the Group agreed a new loan facility of £20m with Barclays Bank PLC. This replaced the current £8m loan facility signed in March 2016.

Pre-opening costs

Pre-opening costs, which have been expensed within administrative expenses, were £659,000 (2015: £775,000). These costs include expenses which are necessarily incurred in the period prior to a new unit being opened but which are specific to the opening of that unit.

Current Trading

Trading since the year end has been strong. The Directors are therefore pleased to upgrade trading expectations for 2017 and beyond.

Annual General Meeting

The Directors look forward to welcoming shareholders to the Annual General Meeting of the Company which will be held at 10:30am on 11 May 2017 at Everyman Cinema Hampstead, 5 Holly Bush Vale, London NW3 6TX. Formal notice of the meeting and an explanation of the resolutions to be proposed is set out at the end of this document.

Future of the Company

Whilst the pipeline for further new venues continues to look strong and encouraging, the opportunities for growth organically are becoming increasingly important for the business. The Directors believe that developing the latter, alongside continued footprint growth, will stand us in good stead to deliver venues that are used and appreciated by communities around the country and to grow the business for our shareholders.

Paul Wise
Chairman
13 March 2017

EVERYMAN

Strategic Report

The Directors present their strategic report for the Group for the 52 weeks ended 29 December 2016.

Principal activities and review of the business

The Group is a leading independent cinema group in the UK. The principal activity of the Company is that of a holding company.

Results

The Group made a profit after taxation of £61,000 (2015: a loss of £556,000).

Further details are shown in the Chairman's Statement and Consolidated Statement of Profit and Loss and Other Comprehensive Income, together with the related notes to the financial statements.

Development of the Group's business

The Everyman offering

The Everyman brand is positioned at the premium end of the UK leisure/cinema market. The Group proposition is based on unique, high quality, intimate venues, usually of a smaller capacity and in relatively central high street locations. Hospitality is our primary focus.

The Group seeks to deliver a premium experience for each customer every time they watch a film at an Everyman venue. This is achieved by combining the strengths of our cinema design with a strong, credible food and drink offer, expansive programming and high levels of customer service.

Everyman shows a range of current and classic films alongside Event Cinema productions. Each venue is fitted with digital projectors, all with high-end digital sound systems.

Growth strategy

The Directors believe the opportunities for more Everyman venues within the UK are significant and this has been reinforced by the success of our new venues over the last two years. The scale of the opportunity is enhanced by the success in towns such as Reigate and Gerrards Cross, as much as the larger city centre venues like Birmingham and Leeds.

New venues can be part of a large traditional developer-led complex, the refurbishment of an old existing traditional cinema or building into small existing spaces in larger structures.

Continuing expansion will be financed from current resources including the new banking arrangement, retained earnings and where appropriate, further financing.

The Group continues to invest in opportunities at existing venues to drive admissions and spends as well as in new sites. In 2016 we reconfigured our Leeds venue to deliver our more successful integrated food and beverage offer whilst enabling us to sublet the restaurant space to Comptoir Libanais.

In October 2016, after signing a new long lease, we re-opened our Baker Street venue in London following a complete refurbishment to our modern Everyman offer, including our sofa seating and an expanded bar area. In addition, the refurbishment of both our Winchester and Reigate venues in 2015 continued to deliver increasing results through 2016. Several further refurbishment opportunities have been identified for 2017, including an overhaul of our Hampstead venue. A programmed plan of maintenance work across the growing estate is in place.

The Group continues to invest in infrastructure and IT in order to improve the overall customer experience.

Growth in admissions will also help us drive greater value from our new screen advertising partnership with Digital Cinema Media. The decision to switch from Pearl & Dean to Digital Cinema Media was made in summer 2016 and the transition completed in December 2016. It is the Board's belief that we will benefit from an increased return per admission with this move as well as having increased flexibility to explore and exploit broader sponsorship opportunities.

Constant review and development of our food and beverage offer and improved use of technology by our teams in venue are expected to drive revenues in this area.

Current estate
The Group currently has venues in the following locations:

Location	Number of Screens	Number of Seats
Birmingham	3	328
Bristol	3	439
Chelmsford	5	379
Esher	4	324
Gerrards Cross	2	204
Harrogate	5	411
Leeds	5	611
London, Baker Street	2	118
London, Barnet	5	429
London, Belsize Park	1	129
London, Canary Wharf	3	266
London, Hampstead	2	194
London, Islington	1	125
London, Kings Cross (temporary)	1	28
London, Maida Vale	2	148
London, Muswell Hill	3	282
Oxted	1	373
Reigate	2	170
Walton-On-Thames	2	158
Winchester	2	236
	54	5,352

Over the course of 2016 the Group conditionally exchanged contracts on a further four new venues in Wokingham (3 screens), Durham (3 screens), Horsham (3 screens) and Edinburgh (5 screens). In 2017 we expect to open Stratford-Upon-Avon (4 screens) and a permanent Kings Cross venue (3 screens).

On 10 March 2017 the Group agreed a £20m facility from Barclays Bank PLC to help fund further expansion of our estate. This facility replaced the existing £8m facility that was signed in March 2016.

UK cinema market

Market performance
After the blockbuster-laden year of 2015, which saw UK admissions rise to 172.5m, 2016 settled back slightly as expected, with admissions ending up at 168.3m (source: CAA). Gross box office for the UK and Ireland however, remained virtually flat at £1.3bn as a result of increasing ticket prices.

The breadth, quality and volume of films remained healthy. Our share in box office revenue in 2016, albeit fuelled by the continued expansion program, rose from 1.12% in 2015 to 1.64% (source: ComScore).

The Directors believe that the cinema market is in a strong position overall and the breadth and quality of film releases will continue to support our growth.

Competition
The UK cinema market continues to be dominated by the three main multiplex players: Cineworld, Odeon and Vue. Cineworld expanded its estate in 2016 by acquiring five sites from Empire Cinemas, including the key Leicester Square venue, in addition to several new builds of its own. The Odeon/UCI group was acquired by Wanda-backed AMC (who also completed the acquisition of the US Carmike chain in 2015 and the Nordic SF Bio group in early 2017).

Of more note to Everyman's business is the performance of Picturehouse (a subsidiary of Cineworld) and Curzon. Neither business opened any new venues in 2016.

Key performance indicators

The growth in revenue in the current year reflects the effect of an increase in the number of sites and admissions, an increase in box-office pricing and an improved spend per head on food and beverages.

The Group uses the following key performance indicators, in addition to total revenues, to monitor the progress of the Group's activities:

	29 December 2016	**31 December 2015**
Admissions	1,692,031	1,212,070
Box office spend per head	£10.94	£10.60
Food and beverage spend per head	£5.55	£5.35

Both box office spend per head and food and beverage spend per head have increased in line with expectations. The growth in box office spend per head has been diluted by the success of our out of London venues over this period, offering disproportionate growth at a lower ticket price. Likewise, the food and beverage spend is diluted in aggregate by ancillary restaurant revenue (whose revenue without associated admissions represented a decreasing proportion of the total). Furthermore, the Leeds restaurant was closed and the area sublet to Comptoir Libanais in September 2016.

Principal risks and uncertainties

Risks relating to the Group's business

The identified risks remain largely unchanged from our last Annual Report:

1 The Group's revenues are dependent on admissions: both box office and food and beverage revenues are linked to this. As a result, the Group's financial position is largely reliant on the continued popularity and the overall quantity and quality of the films (and other content) which it shows. The Board believes that the Group's strategy mitigates this risk somewhat as customers are more willing to try smaller, more diverse films that may not get the same exposure either in above-the-line advertising spend or through wider platform releases by the industry.

2 The Group's ability to license films on acceptable terms is also largely dependent on its relationships with film distributors and remains a core risk to the costs of the business. This risk is managed through healthy partnership-based relations with distributors of all sizes as well as careful week-to-week negotiation on specific titles.

3 The proliferation of alternative media channels, including streaming, has introduced new competitive forces for the film-going audience. To date this has proven to be a more virtuous relationship, both increasing the investment in film production and further fuelling an overall interest in film with customers of all ages. It remains an ever-present caution however, that we must continue to deliver an exceptional experience in order to deliver real added value for our customers who choose to see a film at our venues.

4 Film piracy (aided by technological advances) continues to be a real threat to the cinema industry generally, although for Everyman specifically, as with the previous point, this can be mitigated through our focus on the overall experience.

5 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, 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 Board mitigates this risk by reviewing changes in the release schedule and through the development and promotion of special events at certain times of the year.

6 The Group's business could suffer as a result of extreme or unseasonal weather conditions or other exceptional events, as well as the general economic outlook within the United Kingdom. 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 sporting or other major events.

7 Retail sales of confectionary items, food and drink form an important part of the revenues of the Group. The Group's retail sales generally fluctuate in line with admissions. The cinemas also sell freshly prepared food and drink items where stringent operational procedures exist to ensure compliance with all necessary regulations.

8 The Group also earns revenue from advertising. 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 line with any reduction of admissions.

9 The Group's operating costs include rent and energy costs. These costs may be volatile, for example due to increased market fluctuations in the price of property rentals, gas and electricity. The Board mitigates this risk by regularly assessing alternative energy suppliers and rental costs when open market rent reviews are due on each property.

10 The Group's expansion may also be affected by planning laws.

11 Where the Group has an existing cinema it could be subject to competition from the introduction of new and/or upgraded cinemas operated by other cinema chains.

12 The Group is reliant on certain key contracts and arrangements with partners and suppliers. The loss of some of these arrangements may cause temporary disruption to the operations and financial performance of the Group. The Board mitigates this risk by maintaining relationships with a number of alternative suppliers as well as appropriate review of these contracts.

13 The strong positive reputation of the Everyman brand is a key benefit, helping to ensure the successful future performance and growth which also serves to mitigate many of the risks identified above.

14 Whilst the full business implications of Brexit remain uncertain, and will do for some time, the Board believes the Group to be well positioned to react to the potential challenges and opportunities ahead. The Group has no exchange rate exposure, and is only indirectly impacted by the fall in sterling due to cost pressure on some food and beverage purchases. Such pressures are small and for the most part offset by increased buying power due to our rapid expansion. The cinema industry is historically resilient to recessionary pressures, however the Board is continuing to monitor the situation closely. The Group has secured financing to allow it to fully fund its next phase of expansion.

Financial risks
The Group does not have a significant exposure to foreign currency movements and does not contract any hedging arrangements in respect of currency positions. The Group had a long-term interest rate derivative designed to fix the interest rate of long-term borrowing commitments taken out in 2008. The interest rate derivative was repaid in 2016. No other similar derivative instruments have been contracted and it is not the Group's policy to do so.

The Group takes out suitable insurance against property and operational risks where considered material to the anticipated revenue of the Group.

On behalf of the Board

C Lilly
CEO
13 March 2017

Directors' Report

The Directors present their annual report and the audited financial statements for the Group for the 52 weeks ended 29 December 2016.

Results and dividends

The results of the Group are included in the Strategic Report. Further details are shown in the Consolidated Statement of Profit and Loss and Other Comprehensive Income and the related notes. As mentioned in the Chairman's Statement, the Directors do not recommend the payment of a dividend (2015: £nil).

Principal activities and review of the business

The Group is a leading independent cinema group in the UK. Further information is contained in the Strategic Report. The principal activity of the Company is that of a holding company. The subsidiaries of the Group are set out in the related notes to the financial statements.

Financial risk management: objectives and policies

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

Capital structure

23,529,412 new shares were issued in 2015. The number of ordinary shares in issue at 29 December 2016 was 59,820,436 (2015: 59,820,436).

The Company has also issued options over the share capital of the Company to members of the Board and to certain employees and contractors which amounted to 5,248,329 ordinary shares (2015: 4,853,329 ordinary shares) which, if exercised, would comprise 8.8% (2015: 8.1%) of the current issued share capital of the Company. See also Directors' interests below and in the related notes. Of these, 1,392,864 (2015: 1,392,864) are represented by 'A' ordinary shares issued by Everyman Media Holdings Limited which are convertible into ordinary shares of the Company, subject to certain market conditions. The shares of the Company are quoted on the London AIM market.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date of signing these accounts. Therefore, they continue to adopt a going concern basis in preparing the annual financial statements. In adopting a going concern basis for preparing the financial statements, the Directors have considered the business activities and the principal risks and uncertainties set out in the Strategic Report. The balance sheet of the Group, its cash flows, liquidity position and borrowing facilities, as well as the Group's objectives, policies and processes for managing capital, are described in the Strategic Report. Financial risk management objectives, details of financial instruments and hedging activities and exposure to credit risk and liquidity risk are described in the proceeding notes.

Substantial shareholdings

As at 29 December 2016 the Company was aware of the following interests in 3% or more of the Company's Ordinary share capital, other than the Directors' interests as set out below. No notifications relating to major shareholdings have been made to the Company under Disclosure and Transparency Rule 5 (Vote holder and Issuer Notification Rules) since this date.

Shareholder	Number of Ordinary shares	% of issued share capital
Blue Coast Private Equity LP	11,435,693	19.12%
Schroders PLC	7,410,352	12.39%
Hargreave Hale Ltd	4,070,306	6.80%
Mr Samuel Kaye	3,844,876	6.43%
BlackRock Inc	2,300,548	3.85%
Mr Phillip Kaye	2,267,647	3.79%
Killik & Co LLP	2,231,403	3.73%
Livingbridge VC LLP	2,096,200	3.50%
Mr Jonathan Kaye	1,978,436	3.31%

As at 24 March 2016, the following held 3% or more of the Company's share capital:

Shareholder	Number of Ordinary shares	% of issued share capital
Blue Coast Private Equity LP	11,435,693	19.12%
Schroders PLC	7,410,352	12.39%
Hargreave Hale Ltd	4,962,853	8.30%
Mr Samuel Kaye	3,844,876	6.43%
Mr Phillip Kaye	2,117,648	3.54%
Livingbridge VC LLP	2,096,200	3.50%
Mr Jonathan Kaye	1,978,436	3.31%

Directors

The Directors of the Company during the financial year were:

Name	Function
Paul Louis Wise *1 *2 *3	Executive Chairman
Crispin Lilly	Chief Executive Officer
Jonathan Steven Peters FCA	Finance Director
Adam Kaye	Executive Director
Charles Samuel Dorfman *1 *2	Non-Executive Director
Philip Ronald Jacobson FCA *1 *2 *3	Independent Non-Executive Director
Michael Henry Rosehill FCA	Non-Executive Director

*1 Member of the remuneration committee
*2 Member of the nominations committee
*3 Member of the audit committee

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

Directors' interests in the Company

The following Directors held shares in the Company at the year end:

Director	Number of Ordinary shares 2016	% of issued share capital 2016	Number of Ordinary shares 2015	% of issued share capital 2015
Mr Charles Dorfman*	4,847,360	8.10%	4,847,360	8.10%
Mr Adam Kaye	4,684,809	7.83%	4,684,809	7.83%
Mr Paul Wise	3,060,134	5.12%	3,060,134	5.12%
Mr Michael Rosehill FCA	188,410	0.31%	188,410	0.31%
Mr Philip Jacobson FCA	36,000	0.06%	36,000	0.06%
Mr Crispin Lilly	-	0.00%	-	0.00%
Mr Jonathan Peters FCA	-	0.00%	-	0.00%

* Of the 4,847,360 Ordinary shares Mr Charles Dorfman is interested in, 3,213,876 ordinary shares are held by the Lloyd Dorfman Children's Settlement. Mr Charles Dorfman is one of the potential beneficiaries of the Lloyd Dorfman Children's Settlement.

As at the date of this document, the following options over Ordinary shares were held by the Directors:

Director	Number of share options 2016	Number of A share options* 2016	Number of share options 2015	Number of A share options* 2015
Mr Charles Dorfman*	50,000	-	50,000	-
Mr Adam Kaye	499,977	696,432	499,977	696,432
Mr Paul Wise	499,977	696,432	499,977	696,432
Mr Michael Rosehill FCA	50,000	-	50,000	-
Mr Philip Jacobson FCA	100,000	-	100,000	-
Mr Crispin Lilly	897,307	-	897,307	-
Mr Jonathan Steven Peters FCA	598,204	-	598,204	-

* The benefit of holding 'A' Ordinary shares in Everyman Media Holdings Limited is considered by the Board to be similar to the benefit of holding an EMI option.

Directors' remuneration

For the year ended 29 December 2016:

Director	Salary £000	Fees £000	Pension contributions £000	Other benefits £000	Bonus £000	Share-based payments £000	Total £000
Mr Charles Dorfman	-	-	-	-	-	4	4
Mr Adam Kaye	30	-	-	2	-	31	63
Mr Paul Wise	50	50	-	2	-	31	133
Mr Michael Rosehill FCA	-	-	-	-	-	4	4
Mr Philip Jacobson FCA	23	8	-	-	-	9	40
Mr Crispin Lilly	164	-	14	4	74	49	305
Mr Jonathan Steven Peters FCA	93	-	4	1	42	40	180
	360	**58**	**18**	**9**	**116**	**168**	**729**

For the year ended 31 December 2015:

Director	Salary £000	Fees £000	Pension contributions £000	Other benefits £000	Bonus £000	Share-based payments £000	Total £000
Mr Charles Dorfman	-	-	-	-	-	5	5
Mr Adam Kaye	30	-	-	3	-	5	38
Mr Paul Wise	100	-	-	3	-	5	108
Mr Michael Rosehill FCA	-	-	-	-	-	5	5
Mr Philip Jacobson FCA	-	30	-	-	-	10	40
Mr Crispin Lilly	164	-	16	-	74	32	286
Mr Jonathan Steven Peters FCA	68	-	3	-	27	25	123
	362	30	19	6	101	87	605

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

Policy and practice on the payment of creditors

The policy of the Group is to settle supplier invoices within the terms and conditions of trade agreed with individual suppliers.

Employees

Employee involvement

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

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

Political and charitable donations
The Group made charitable donations of £28,478 in the year (2015: £1,695).

Post-balance sheet events
On 10 March 2017 the Group agreed a new loan facility of £20m with Barclays Bank PLC. This replaced the current £8m loan facility signed in April 2016.

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

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

Auditor
In accordance with s489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

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

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

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

On behalf of the Board

C Lilly
CEO
13 March 2017
Everyman Media Group PLC
Studio 4, 2 Downshire Hill
London
NW3 1NR

Statement of Directors' responsibilities in respect of the Annual Report, Strategic Report, Directors' Report and the financial statements

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit and loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Everyman Media Group PLC

We have audited the financial statements of Everyman Media Group PLC for the year ended 29 December 2016 as set out on pages 15-47. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 29 December 2016 and of the Group's profit for the year then ended.
- The Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU.
- The parent Company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- We have not identified material misstatements in those reports; and
- In our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent Company or returns adequate for our audit have not been received from branches not visited by us; or
- The parent Company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

M. Smith

Mark Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
E14 5GL
13 March 2017

Consolidated statement of profit and loss and other comprehensive income for the year ended 29 December 2016

	Note	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Revenue	**5**	**29,554**	20,316
Cost of Sales		**(11,830)**	(8,526)
Gross profit		**17,724**	11,790
Other operating income		**167**	-
Administrative expenses		**(17,324)**	(12,548)
Operating profit/(loss)		**567**	(758)
Financial income	**12**	**11**	74
Financial expenses	**13**	**(38)**	(50)
Net financing (expense)/income		**(27)**	24
Profit/(loss) before taxation		**540**	(734)
Income tax (expense)/credit	**14**	**(479)**	178
Profit/(loss) for the year		**61**	(556)
Other comprehensive income for the year		**-**	-
Total comprehensive income/(loss) for the year		**61**	(556)
Total comprehensive income/(loss) attributable to equity holders of the Company		**61**	(556)
Basic earnings/(loss) per share (pence)	**15**	**0.10**	(1.08)
Diluted earnings/(loss) per share (pence)	**15**	**0.10**	(1.08)

All amounts relate to continuing activities.

Non-GAAP measure: adjusted profit from operations		
Adjusted profit from operations	**3,954**	1,705
Before:		
Depreciation and amortisation	**(2,435)**	(1,387)
Acquisition expenses	**-**	(286)
Pre-opening expenses	**(659)**	(775)
Share-based payment expense	**(293)**	(15)
Operating profit/(loss)	**567**	(758)

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Consolidated balance sheet at 29 December 2016

Registered in England & Wales
08684079

	Note	29 December 2016 £000	31 December 2015 Restated (note 36) £000	31 December 2014 Restated (note 36) £000
Assets				
Non-current assets				
Property, plant and equipment	**16**	**35,603**	22,344	10,819
Intangible assets	**17**	**8,256**	8,073	782
Trade and other receivables	**21**	**199**	-	-
		44,058	30,417	11,601
Current assets				
Inventories	**19**	**245**	227	91
Trade and other receivables	**21**	**1,596**	2,825	2,020
Cash and cash equivalents	**20**	**1,566**	9,173	6,363
		3,407	12,225	8,474
Total assets		**47,465**	42,642	20,075
Current liabilities				
Other interest-bearing loans and borrowings	**23**	**24**	-	76
Trade and other payables	**22**	**6,575**	5,680	3,801
Current corporation tax liabilities		**-**	-	52
		6,599	5,680	3,929
Non-current liabilities				
Other interest-bearing loans and borrowings	**23**	**3,000**	-	193
Other payables	**22**	**3,397**	3,098	2,244
Other financial liabilities	**25**	**-**	157	203
Provisions	**27**	**1,430**	1,501	-
Deferred tax liabilities	**28**	**775**	296	354
		8,602	5,052	2,994
Total liabilities		**15,201**	10,732	6,923
Net assets		**32,264**	31,910	13,152
Equity attributable to owners of the Company				
Share capital	**29**	**5,982**	5,982	3,629
Share premium		**22,720**	22,720	5,774
Merger reserve		**11,152**	11,152	11,152
Retained earnings		**(7,590)**	(7,944)	(7,403)
Total equity		**32,264**	31,910	13,152

The balance sheet has been restated to reclassify the lease incentive liability of £3,098,000 at 31 December 2015 and £2,244,000 at 31 December 2014 from current to non-current liabilities (see note 36).

These financial statements were approved by the Board of Directors on 13 March 2017 and signed on its behalf by:

C Lilly
CEO

Consolidated statement of changes in equity for the year ended 29 December 2016

	Note	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2015		3,629	5,774	11,152	(7,403)	13,152
Loss for the year		-	-	-	(556)	(556)
Total comprehensive loss for the year		-	-	-	(556)	(556)
Shares issued in the period	**29**	2,353	17,647	-	-	20,000
Share issue expenses		-	(701)	-	-	(701)
Share-based payments	**31**	-	-	-	15	15
Total transactions with owners of the parent		2,353	16,946	-	15	19,314
Balance at 31 December 2015		5,982	22,720	11,152	(7,944)	31,910
Balance at 1 January 2016		5,982	22,720	11,152	(7,944)	31,910
Profit for the year		-	-	-	61	61
Total comprehensive income for the year		-	-	-	61	61
Share-based payments	**31**	-	-	-	293	293
Total transactions with owners of the parent		-	-	-	293	293
Balance at 29 December 2016		**5,982**	**22,720**	**11,152**	**(7,590)**	**32,264**

Consolidated cash flow statement for the year ended 29 December 2016

	Note	29 December 2016 £000	31 December 2015 £000
Cash flows from operating activities			
Operating profit/(loss) for the period		**567**	(758)
Adjustments for:			
Depreciation and amortisation	**16, 17**	**2,435**	1,387
Loss on disposal of property, plant and equipment		**66**	-
Equity-settled share-based payment expenses	**31**	**293**	15
		3,361	644
Increase in inventories		**(18)**	(136)
Decrease/(increase) in trade and other receivables		**1,030**	(154)
Decrease in provisions		**(71)**	-
Increase in trade and other payables		**1,198**	2,554
		5,500	2,908
Corporation tax refunded		**15**	51
Net cash generated from operating activities		**5,515**	2,959
Cash flows from investing activities			
Acquisition as business combination		**-**	(7,100)
Acquisition of property, plant and equipment	**16**	**(18,965)**	(11,452)
Proceeds from sale of property, plant and equipment		**3,274**	-
Acquisition of intangibles	**17**	**(228)**	-
Refund/(deposit) on long-leasehold property		**-**	(650)
Interest received		**11**	74
Net cash used in investing activities		**(15,908)**	(19,128)
Cash flows from financing activities			
Proceeds from the issuance of ordinary shares		**-**	19,391
Share issue expenses		**-**	(93)
Proceeds from bank borrowings	**23**	**3,000**	-
Repayment of derivative financial instruments	**25**	**(176)**	(269)
Interest paid		**(38)**	(50)
Net cash generated from financing activities		**2,786**	18,979
Net (decrease)/increase in cash and cash equivalents		**(7,607)**	2,810
Cash and cash equivalents at the beginning of the period		**9,173**	6,363
Cash and cash equivalents at the end of the period		**1,566**	9,173

The notes on pages 21 to 47 form an integral part of these consolidated financial statements

Company balance sheet at 29 December 2016

Registered in England & Wales
08684079

	Note	29 December 2016 £000	31 December 2015 £000
Assets			
Non-current assets			
Property, plant and equipment	**16**	**606**	734
Intangible assets	**17**	**619**	654
Investments	**18**	**30,337**	30,337
		31,562	31,725
Current assets			
Trade and other receivables	**21**	**28,890**	25,866
		28,890	25,866
Total assets		**60,452**	57,591
Current liabilities			
Trade and other payables	**22**	**6,604**	6,937
Other interest-bearing loans and borrowings	**23**	**24**	-
		6,628	6,937
Non-current liabilities			
Other interest-bearing loans and borrowings	**23**	**3,000**	-
Provisions for other liabilities	**27**	**1,430**	1,501
Deferred tax liabilities	**28**	**110**	117
		4,540	1,618
Total liabilities		**11,168**	8,555
Net assets		**49,284**	49,036
Equity attributable to owners of the Company			
Ordinary shares	**29**	**5,982**	5,982
Share premium		**22,719**	22,719
Merger reserve		**20,336**	20,336
Retained earnings		**247**	(1)
Total equity		**49,284**	49,036

These financial statements were approved by the Board of Directors on 13 March 2017 and signed on its behalf by:

C Lilly
CEO

Company statement of changes in equity for the year ended 29 December 2016

	Note	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2015		3,629	5,774	20,336	251	29,990
Loss for the year		-	-	-	(267)	(267)
Shares issued in the period	**29**	2,353	17,647	-	-	20,000
Share issue expenses		-	(702)	-	-	(702)
Share-based payments	**31**	-	-	-	15	15
Balance at 31 December 2015		5,982	22,719	20,336	(1)	49,036
Balance at 1 January 2016		5,982	22,719	20,336	(1)	49,036
Loss for the year		-	-	-	(45)	(45)
Share-based payments	**31**	-	-	-	293	293
Balance at 29 December 2016		**5,982**	**22,719**	**20,336**	**247**	**49,284**

Notes to the financial statements

1 General information

Everyman Media Group PLC and its subsidiaries (together, 'the Group') are engaged in the ownership and management of cinemas in the United Kingdom. Everyman Media Group PLC (the Company) is a public company limited by shares domiciled and incorporated in England and Wales (registered number 08684079). The address of its registered office is Studio 4, 2 Downshire Hill, London NW3 1NR.

2 Basis of preparation and accounting policies

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). The Company has elected to prepare its parent company financial statements in accordance with FRS101.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Company basis of preparation

The Company financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101). The amendments to FRS101 (2014/15 cycle) issued in July 2015 have been applied.

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

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

The Company is preparing its financial statements in accordance with FRS101 for the first time. In the transition to FRS101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In these financial statements, the Company has applied the exemptions available under FRS101 in respect of the following disclosures:
- A cash flow statement and related notes.
- Disclosures in respect of transactions with wholly-owned subsidiaries.
- Disclosures in respect of capital management.
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures:
- IFRS2 Share Based Payments in respect of Group-settled share based payments.
- Certain disclosures required by IAS36 Impairment of assets in respect of the impairment of goodwill and indefinite-life intangible assets.
- Certain disclosures required by IFRS3 Business Combinations in respect of Business Combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill.
- Certain disclosures required by IFRS13 Fair Value Measurement and the disclosures required by IFRS7 Financial Instrument disclosures.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for 12 months from the date of signing these accounts. Thus they continue to adopt a going concern basis in preparing the annual financial statements. In adopting a going concern basis for preparing the financial statements, the Directors have considered the business activities, the principal risks and uncertainties, the financial position of the Group, its cash flows, liquidity position and borrowing facilities, as well as the Groups objectives, policies and processes for managing capital.

At the year end the Group was able to meet its day-to-day working capital requirements and funding of new site purchases through its bank loan facility and ongoing trading activities.

The loan facility is subject to three covenants: the ratio of adjusted EBITDAR (pre-rent EBITDA) to net finance charges, adjusted EBITDA to net debt and minimum net tangible asset requirements. The Group's forecasts and projections show that the Group is able to operate within the level of its current facility for at least 12 months from the approval date of the financial statements, including meeting requirements for planned refurbishments and openings and compliance with the bank facility covenants.

The Group therefore continues to adopt a going concern basis for the presentation of the financial statements.

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

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

Basis of consolidation
Where the Group has power, either directly or indirectly, to govern the financial and operating policies of an entity so as to have the ability to affect the amount of the investor returns and has exposure or rights to variable returns from its involvement with the investee, it is classified as a subsidiary. The balance sheet at 29 December 2016 incorporates the results of all subsidiaries of the Group for all years and periods, as set out in the basis of preparation.

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

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

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

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

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

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

Revenue recognition
Revenue for the Group is measured at the fair value of the consideration received or receivable. The Group recognises revenue for services provided when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

The Group's revenues from film and entertainment activities are recognised on completion of the showing of the relevant film. The Group's revenues for food and beverages are recognised at the point of sale. The 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 shown as a liability until completion of the performance.

Notes to the financial statements *(continued)*

Goodwill

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

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

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit and loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit/group of units on a pro-rata basis.

Intangible assets

Interests in property-based leases acquired in a business combination are recognised at fair value at the acquisition date. Amortisation is calculated on a straight-line basis to allocate the cost of property-based leases across the term of the relevant leasehold interest.

Amortisation on assets under construction does not commence until they are complete and available for use.

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

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

Property, plant and equipment

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

Depreciation on assets under construction does not commence until they are complete and available for use. These assets represent 'fit-outs'.

Depreciation is provided on all other leasehold improvements and all other items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. The estimated useful lives are as follows:

Leasehold improvements	- straight line on cost over the remaining life of the lease
Plant and machinery	- 4 to 10 years
Fixtures and fittings	- 4 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Notes to the financial statements *(continued)*

Impairment (excluding inventories)
A financial asset not carried at fair value through the profit and loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit and loss.

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

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

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

Trade and other receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise through rental deposits and the provision of services to customers (e.g. trade receivables) but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transactions 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 any 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 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.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Cash and cash equivalents
Cash and cash equivalents comprise cash.

Financial liabilities
Non-derivative financial liabilities are recognised initially at fair value less attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments
The Group's interest-rate swap was classified as a financial liability at fair value through the profit and loss account. Derivative financial instruments within the scope of IAS39 are classified as financial assets or liabilities at fair-value through the profit and loss. Changes to fair value are made through the profit and loss. All derivative financial instruments are recognised initially at fair value. The subsequent measurement of derivative financial instruments is also at fair value. Financial assets at fair value through the profit and loss are carried in the balance sheet at fair value with net changes in fair value recognised in finance costs in the profit and loss.

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.

Notes to the financial statements *(continued)*

Share capital
Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The 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 Group (an 'operating lease'), the total rentals payable under the lease are charged to the consolidated profit and loss 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.

Taxation
Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

- The initial recognition of goodwill.
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit.
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

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

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

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

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

Operating segments
The Board considers that the Group's project activity constitutes one reporting segment, as defined under IFRS8. Operationally, cinemas and restaurants are managed separately but these are reported together as one unit as they have similar characteristics that they can be expected to have essentially the same future prospects.

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

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

Pre-opening expenses
Property rentals and other related overhead expenses incurred prior to a new site opening are expensed to the profit and loss in the year that they are incurred. Similarly, the costs of training new staff during the pre-opening phase are expensed as incurred. These expenses are included within administrative expenses.

Exceptional items of expense
Exceptional items of expense are administrative costs which are large or unusual in nature and are not expected to recur on a regular basis.

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Notes to the financial statements *(continued)*

Employee benefits

Defined contribution plans

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

Share-based payments

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

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 Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

3 Adoption of new and revised Standards

Amendments to IFRSs that are mandatorily effective for the current year

The following new standards and interpretations to existing standards have been published and are mandatory for the Group's future accounting. The application of the amendments has had no material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

- IAS16 and IAS38 (amendments): Clarification of acceptable methods of depreciation and amortisation
- IAS1 (disclosure initiative): The amendments are on presentation of the financial statements and should not require any significant change to current practice bur should facilitate improved reporting

New and revised IFRSs in issue but not yet effective

The following Adopted IFRSs have been issued but have not been applied (by the Group) in these financial statements:

- IFRS9: Financial instruments (effective date 1 January 2018)
- IFRS15: Revenue from contracts with customers (effective date 1 January 2018)
- IFRS16: Leases (effective date to be confirmed)
- IFRS2 (amendments): Classification and measurement of share-based payment transactions (effective date to be confirmed)
- IAS12 (amendments): Recognition of deferred tax assets for unrealised losses(effective date to be confirmed).

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS16 will impact both the measurement and disclosures. IFRS15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS16 and IFRS 15 until a detailed review has been completed.

Notes to the financial statements *(continued)*

4 Critical accounting estimates

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other facts that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below.

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimate of the fair value of the cash-generating units less costs to sell. The determination of a fair value and of suitable selling costs require a level of estimation. In situations where this is lower than the book value of the net assets of the cash generating unit, a value-in-use calculation will need to be performed. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the impairment accounting policies are set out in the above notes.

Impairment of tangible assets

Determining whether tangible assets are impaired requires an assessment at each reporting date to determine whether there is objective evidence that it is impaired. A tangible asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset which has a negative impact on the estimated future cash flows of that asset. In situations where there are impairment indicators, an impairment loss will be recognised as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

5 Revenue

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Film and entertainment	**18,505**	12,844
Food and beverages	**9,384**	6,486
Other income	**1,665**	986
	29,554	20,316

6 Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging:

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Depreciation of tangible assets	**2,390**	1,367
Operating lease rentals	**2,154**	1,378
Share-based payments	**293**	15
Acquisition expenses	**-**	286

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Notes to the financial statements *(continued)*

7 Employee costs including Directors

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Wages and salaries	**7,074**	5,446
Social security costs	**463**	345
Pension costs	**46**	41
Share-based payments	**293**	15
Other staff benefits	**10**	6
	7,886	5,853

8 Average number of employees

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

	29 December 2016 Number	31 December 2015 Number
Management	**85**	65
Operations	**515**	309
	600	374

9 Directors' remuneration

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures:

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Salaries/fees	**418**	392
Bonuses	**116**	101
Other benefits	**9**	6
Pension contributions	**18**	19
	561	518
Share-based payments	**168**	87
	729	605
Information regarding the highest-paid Director is as follows:		
Salaries/fees	**164**	164
Bonuses	**74**	74
Other benefits	**4**	-
Pension contributions	**14**	16
	256	254
Share-based payments	**49**	32
	305	286

Directors remuneration for each Director is disclosed in the Directors Report. The costs relating to the Directors remuneration are wholly incurred by Everyman Media Limited for the wider Group. The amount attributable to services provided to the Company was £184,000 (2015: £161,000).

Notes to the financial statements *(continued)*

10 Auditor's remuneration

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Fees payable to the Company's auditor for:		
Audit of the Company's financial statements	**8**	12
Audit of the subsidiary undertakings of the Company	**50**	42
Taxation and compliance services to the Group	**80**	22
Other services	**29**	20
	167	96

Fees payable to KPMG LLP and their associates for audit and non-audit services to the Group are stated on a consolidated basis and are applicable to the year ended 29 December 2016. Fees in the comparative period were paid to the previous auditor BDO LLP.

The Group's policy on the use of the external auditor for non-audit services is to ensure that any work undertaken does not impair the auditor's independence. We have considered the auditor's independence and we continue to believe that KPMG LLP is independent within the meaning of all UK regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff are not impaired.

11 Exceptional items of expenditure

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Acquisition expenses	-	286
	-	286

12 Financial income

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Interest receivable	**11**	28
Fair-value gains on derivative financial instruments	-	46
	11	74

13 Financial expenses

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Interest on bank loans and overdrafts	**19**	50
Fair-value losses on derivative financial instruments	**19**	-
	38	50

14 Income tax

	Year ended 29 December 2016 £000	Year ended 31 December 2015 £000
Income tax expense		
Current tax	-	-
Deferred tax expense/(credit)		
Adjustments in respect of prior years	**(394)**	-
Origination and reversal of temporary differences (note 28)	**803**	(178)
Effect of other differences	**70**	-
Total tax expense/(credit)	**479**	(178)

14 Income tax *(continued)*

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

Reconciliation of effective tax rate	**Year ended 29 December 2016 £000**	**Year ended 31 December 2015 £000**
Profit/(loss) before taxation	**540**	(734)
Applied corporation tax rates:	**20.00%**	20.25%
Tax at the UK corporation tax rate of 20.00%/20.25%	**108**	(149)
Expenses not deductible for tax purposes	**695**	160
Adjustments in respect of prior years	**(394)**	-
Effect of other differences	**70**	(189)
Total tax expense/(credit)	**479**	(178)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. Accordingly, the Group's profits for this accounting period are subject to tax at a rate of 20% (2015: 20.25%). An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016.

15 Earnings/(loss) per share

	Year ended 29 December 2016 £000	**Year ended 31 December 2015 £000**
Profit/(loss) used in calculating basic and diluted earnings/(loss) per share	**61**	(556)
Number of shares		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	**59,820**	51,376
Weighted average number of shares for the purpose of diluted earnings/(loss) per share	**60,310**	51,376
Basic earnings/(loss) per share (pence)	**0.10**	(1.08)
Diluted earnings/(loss) per share (pence)	**0.10**	(1.08)

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

Where the Group has incurred a loss in a year, the diluted earnings per share is the same as the basic earnings per share as the loss has an anti-dilutive effect. The dilutive loss per share for 2015 is therefore the same as the basic loss per share for the period and the diluted weighted average of shares is the same as the basic weighted average number of shares. The actual diluted weighted average number of shares for 2015 before disregarding due to anti-dilutive effect was 52,250,741.

The Company has 5,248,329 potentially issuable shares (2015: 4,853,329), plus 130,000 granted immediately after the year end, all of which relate to the potential dilution from both the Group’s 'A' shares and share options issued to the Directors and certain employees and contractors, under the Group’s incentive arrangements.

Notes to the financial statements *(continued)*

16 Property, plant and equipment (Group)	**Leasehold improvements £000**	**Plant & machinery £000**	**Fixtures & fittings £000**	**Assets under construction £000**	**Total £000**
Cost					
At 1 January 2015	7,560	1,613	3,204	2,445	14,822
Acquired in the year	7,620	1,258	1,335	1,239	11,452
Transfer on completion	2,207	-	-	(2,207)	-
Business acquisition	-	1,185	255	-	1,440
At 31 December 2015	17,387	4,056	4,794	1,477	27,714
Acquired in the year	15,217	1,982	1,708	58	18,965
Disposals	(3,308)	-	(189)	-	(3,497)
Transfer on completion	1,106	-	-	(1,106)	-
At 29 December 2016	**30,402**	**6,038**	**6,313**	**429**	**43,182**
Depreciation					
At 1 January 2015	991	711	2,301	-	4,003
Charge for the year	673	455	239	-	1,367
At 31 December 2015	1,664	1,166	2,540	-	5,370
Charge for the year	1,263	764	363	-	2,390
On disposals	(8)	-	(173)	-	(181)
At 29 December 2016	**2,919**	**1,930**	**2,730**	**-**	**7,579**
Net book value					
At 29 December 2016	**27,483**	**4,108**	**3,583**	**429**	**35,603**
At 31 December 2015	15,723	2,890	2,254	1,477	22,344
At 31 December 2014	6,569	902	903	2,445	10,819

The Group entered into a sale and leaseback arrangement with Six Guys LLP on 10 May 2016. The sale was on a no gain, no loss basis.

The Group held no assets under finance leases as at 29 December 2016 (31 December 2015: £nil).

The Group sub-let a small portion of one of its cinema sites that was previously used as a restaurant to Comptoir Libanais on 5 November 2016. This has not been treated as investment property under IAS40 guidance that the area is insignificant.

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Notes to the financial statements *(continued)*

16 Property, plant and equipment *(continued)*

(Company only)

	Plant & machinery £000	Fixtures & fittings £000	Total £000
Cost			
At 1 January 2015	-	-	-
Acquired in the year	-	-	-
Transfer to subsidiary company	(700)	-	(700)
Business acquisition	1,185	255	1,440
At 31 December 2015	485	255	740
Acquired in the year	-	-	-
At 29 December 2016	**485**	**255**	**740**
Depreciation			
At 1 January 2015	-	-	-
Charge for the year	4	2	6
At 31 December 2015	4	2	6
Charge for the year	96	32	128
At 29 December 2016	**100**	**34**	**134**
Net book value			
At 29 December 2016	**385**	**221**	**606**
At 31 December 2015	481	253	734
At 31 December 2014	-	-	-

17 Intangible assets

(Group)

	Goodwill £000	Leasehold Interests £000	Software Assets £000	Total £000
Cost				
At 1 January 2015	782	-	-	782
Business acquired	6,637	674	-	7,311
Acquired in the year	-	-	-	-
At 31 December 2015	7,419	674	-	8,093
Acquired in the year	-	-	228	228
At 29 December 2016	**7,419**	**674**	**228**	**8,321**
Amortisation and impairment				
At 1 January 2015	-	-	-	-
Charge for the year	-	20	-	20
At 31 December 2015	-	20	-	20
Charge for the year	-	35	10	45
At 29 December 2016	**-**	**55**	**10**	**65**
Net book value				
At 29 December 2016	**7,419**	**619**	**218**	**8,256**
At 31 December 2015	7,419	654	-	8,073
At 31 December 2014	782	-	-	782

Notes to the financial statements *(continued)*

17 Intangible assets *(continued)*

(Company only)	Goodwill £000	Leasehold Interests £000	Total £000
Cost			
At 1 January 2015	-	-	-
Business acquired	6,637	674	7,311
Transfer of trade to subsidiary	(6,637)	-	(6,637)
Acquired in the year	-	-	-
At 31 December 2015	-	674	674
Acquired in the year	-	-	-
At 29 December 2016	**-**	**674**	**674**
Amortisation and impairment			
At 1 January 2015	-	-	-
Charge for the year	-	20	20
At 31 December 2015	-	20	20
Charge for the year	-	35	35
At 29 December 2016	**-**	**55**	**55**
Net book value			
At 29 December 2016	**-**	**619**	**619**
At 31 December 2015	-	654	654
At 31 December 2014	-	-	-

Value in use calculations are performed annually and at each reporting date for each cash-generating unit (CGU) which represents each site acquired. Value-in-use was calculated as the net present value of the projected risk-adjusted post-tax cash flows plus a terminal value of the CGU. A pre-tax discount rate was applied to calculate the net present value of pre-tax cash flows.

Goodwill and indefinite-life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to CGUs or groups of CGUs as follows:

	29 December 2016 £000	31 December 2015 £000
Baker Street	**103**	103
Barnet	**1,309**	1,309
Belsize Park	**67**	67
Esher	**2,804**	2,804
Gerrards Cross	**1,309**	1,309
Islington	**86**	86
Muswell Hill	**1,215**	1,215
Oxted	**102**	102
Reigate	**113**	113
Walton-On-Thames	**94**	94
Winchester	**217**	217
	7,419	7,419

Notes to the financial statements *(continued)*

17 Intangible assets *(continued)*

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

	29 December 2016	31 December 2015
Sales and cost growth (over a 5 year period)	3%	3%
Discount rate (the Group's adjusted weighted average cost of capital)	9.5%	9.5%
Terminal value	8 x EBITDA	8 x EBITDA
Number of years projected	5 years	5 years

There have been no impairments indicated in the year to 29 December 2016 (2015: £nil). The projected sales growth was based upon the 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. The key assumptions in the cash flow pertain to revenue growth. Management have determined that growth based on industry average growth rates and actuals achieved historically are the best indication of growth going forward. There have been no significant changes made to the key assumptions used above for reviews conducted subsequently. The Group has maintained the level of its weighted average cost of capital at 9.5%. The Directors are confident that the Group is largely immune from the effects of Brexit and the impact on the wider economic environment. Additionally the Group believes that there has been no significant impact on the structure of the Company that should result in a changed weighted average cost of capital. Management has performed sensitivity testing on all inputs to the model and noted no highly sensitive variables.

All of the goodwill brought forward was allocated to certain of the Group's cinema sites in existence at 31 December 2010 as well as goodwill and leasehold interests acquired in the year to 31 December 2015 from the acquisition of four cinema sites through a business combination.

18 Investments

(Company only)	**Total £000**
At 1 January 2015	23,700
Transfer of trade to subsidiary company	6,637
At 31 December 2015 and 29 December 2016	30,337

Investments are held at fair value through the profit and loss. The subsidiaries of the Company are as follows:

Name	Principal activity	Country of incorporation	Class of share held	Proportion of shares held
Everyman Media Holdings Ltd	Cinema management and ownership	UK	Ordinary	100%
			'A' Ordinary, Series 1, 2 and 3	28%
Everyman Media Ltd*	Cinema management and ownership	UK	Ordinary	100%
Bloom Martin Ltd**	Dormant	UK	Ordinary	100%
Bloom Theatres Ltd***	Dormant	UK	Ordinary	100%
Mainline Pictures Ltd***	Dormant	UK	Ordinary	100%
CISAC Ltd*	Dormant	UK	Ordinary	100%

* Shareholding is held by Everyman Media Holdings Limited
** Shareholding is held by Everyman Media Limited
*** Shareholding is held by Bloom Martin Limited

The A Ordinary shares have no rights to a dividend. Everyman Media Group PLC directly holds all the Ordinary shares (£27,015), 178,572 Series 1 A Ordinary shares (£17), 178,573 Series 2 A Ordinary shares (£17) and 178,573 Series 3 Ordinary shares (£1,785) of Everyman Media Holdings Ltd. The remainder of the Series 1, 2 and 3 A Ordinary shares (£4,736) are held by Directors Paul Wise and Adam Kaye. The A Ordinary shares are convertible into Ordinary shares of Everyman Media Group PLC if the share price of Everyman Media Group PLC has remained at or above the performance criteria set out in note 31. The conversion rights were accounted for as a share-based payment.

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Notes to the financial statements *(continued)*

18 Investments *(continued)*

Everyman Media Ltd has 285,000 Ordinary shares of £1.00 each in issue, all of which are held by Everyman Media Holdings Ltd and therefore indirectly held by Everyman Media Group PLC. All other subsidiaries are also indirectly-held investments.

With respect to the class and proportion of shares held, the amounts remain the same for the year ended 29 December 2016 and the year ended 31 December 2015.

The registered office address of all investments is Studio 4, 2 Downshire Hill, London NW3 1NR. All companies listed above are included in the consolidated financial statements. All consolidated companies have the same financial year and apply the same accounting policies.

Bloom Martin Limited, Bloom Theatres Limited, Mainline Pictures Limited and CISAC Limited are all dormant companies and exempt from the requirement for an audit for the year.

19 Inventories (Group)	**29 December 2016 £000**	**31 December 2015 £000**
Food and beverages	**205**	211
Projection	**40**	16
	245	227
Food and beverages expensed in the year	**2,345**	1,741
Projection stock expensed in the year	**66**	49
	2,411	1,790

Included within inventories is £nil (2015: £nil) expected to be recovered in more than 12 months. Finished goods recognised as cost of sales in the year amounted to £2,411,000 (2015: £1,790,000).The write-down of inventories to net realisable value amounted to £nil (2015: £nil).

20 Cash and cash equivalents (Group)	**29 December 2016 £000**	**31 December 2015 £000**
Per balance sheet	**1,566**	9,173
Per cash flow statement	**1,566**	9,173

21 Trade and other receivables (Group)	**29 December 2016 £000**	**31 December 2015 £000**
Included in current assets	**1,596**	2,825
Included in non-current assets	**199**	-
	1,795	2,825
Trade and other receivables	**521**	211
Other debtors	**474**	1,857
Prepayments and accrued income	**800**	757
	1,795	2,825

Trade and other receivables (Company only)	**29 December 2016 £000**	**31 December 2015 £000**
Included in current assets	**28,890**	25,866
Current assets:		
Amounts due from company undertakings	**28,890**	25,866

21 Trade and other receivables *(continued)*

There were no receivables that were considered to be impaired. There is no significant difference between the fair value of the other receivables and the values stated above. Other debtors include deposits paid in respect of a long-term leases. All other amounts are due for payment within one year. Interest is only charged on inter-company loans to the extent that it is incurred as a result of agreements with third parties (see note 23). The loans are repayable on demand.

22 Trade and other payables (Group)	**29 December 2016 £000**	**31 December 2015 Restated (note 36) £000**	**31 December 2014 Restated (note 36) £000**
Included in current liabilities	**6,575**	5,680	3,801
Included in non-current liabilities	**3,397**	3,098	2,244
	9,972	8,778	6,045
Trade creditors	**545**	589	1,721
Social security and other taxation	**615**	320	345
Other creditors	**34**	-	-
Accrued expenses	**3,858**	4,001	862
Lease incentives	**3,611**	3,248	2,395
Deferred income	**1,309**	620	722
	9,972	8,778	6,045

Included within lease incentives is £3,397,000 (2015: £3,098,000, 2014: £2,244,000) expected to be settled in more than 12 months.

Trade and other payables (Company only)	**29 December 2016 £000**	**31 December 2015 £000**
Amounts due to company undertakings	**6,604**	6,937

Interest is only charged on inter-company loans to the extent that it is incurred as a result of agreements with third parties (see note 23). The loans are repayable on demand.

23 Other interest-bearing loans and borrowings (Group and Company)	**29 December 2016 £000**	**31 December 2015 £000**
Bank borrowings		
Current	**24**	-
Non-current	**3,000**	-
	3,024	-

The Group agreed a loan facility with Barclays Bank PLC for the sum of £8m on 29 March 2016. Interest is charged at LIBOR on the drawn-down balance on a 365/ACT D-basis (the nominal interest rate ranging between 2.65% and 2.77% in 2016). The capital sum is repayable in full on or before 29 March 2019. Commitment fees are charged quarterly on any balances not drawn at a flat rate of 0.9%. The face value is deemed to be the carrying value. The Group drew down £3m of the £8m debt facility in the year to 29 December 2016.

24 Financial assets and financial liabilities

(Group)

In respect of income-earning financial assets and interest-bearing financial liabilities, the following indicates their effective interest rates at the end of the year and the periods in which they mature:

	Effective interest rate %	Maturing within 1 year £000	Maturing between 1 to 2 years £000	Maturing between 2 to 5 years £000
At 31 December 2015				
Bank current and deposit balances	1.0%	9,173	-	-
At 29 December 2016				
Bank borrowings	2.7%	(24)	-	(3,000)
Bank current and deposit balances	1.0%	1,566	-	-

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit and loss before tax through the impact on floating rate borrowings and bank deposits and cash flows:

	Change in rate %	29 December 2016 £000	31 December 2015 £000
Bank borrowings		**(3,024)**	-
	-0.5%	**15**	-
	-1.0%	**30**	-
	0.5%	**(15)**	-
	1.0%	**(30)**	-
	1.5%	**(45)**	-
Bank current and deposit balances		**1,566**	9,173
	-0.5%	**(8)**	(46)
	-1.0%	**(16)**	(92)
	0.5%	**8**	46
	1.0%	**16**	92
	1.5%	**24**	138

25 Other financial liabilities

(Group)

	29 December 2016 £000	31 December 2015 £000
Included in non-current liabilities	**-**	157

The other financial liabilities comprised interest rate swap contracts designated as fair value through the profit and loss. The contracts had a target fixed rate of 5.39% which was compared to the base rate of the provider of the instrument as at each reporting period. The principal contracted amounts outstanding were:

	29 December 2016 £000	31 December 2015 £000
Notional contract value	**-**	976

The contracts were 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. The derivative contract was cancelled on 3 March 2016, giving rise to a loss on derecognition of £19,000 through the profit and loss.

Notes to the financial statements *(continued)*

25 Other financial liabilities *(continued)*

The following table demonstrates the estimated sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit and loss through the impact on the swap liability:

	Change in rate %	29 December 2016 £000	31 December 2015 £000
Interest-rate swap		-	976
	-0.5%	-	(5)
	-1.0%	-	(10)
	0.5%	-	5
	1.0%	-	10
	1.5%	-	15

26 Financial instruments

(Group and Company)

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

	29 December 2016 £000	31 December 2015 £000
Financial liabilities designated as fair value through the profit and loss		
Derivative financial instrument	-	157

The interest-rate swap was settled on 3 March 2016. A payment of £176,000 was made against the fair value of the outstanding liability brought forward of £157,000, resulting in a loss on derecognition of £19,000.

Fair values of financial instruments

The fair value of interest-rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

	29 December 2016 £000	31 December 2015 £000
Financial liabilities measured at amortised cost		
Bank borrowings	**3,024**	-

Financial instruments not measured at fair value

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

Non-derivative financial liabilities	29 December 2016 £000	31 December 2015 £000
Unsecured bank facility		
Carrying amount	**3,024**	-
Contractual cash flows:		
Less than one year	**24**	-
Between one and two years	**-**	-
Between three and five years	**3,000**	-
Over five years	**-**	-

26 Financial instruments *(continued)*

Risk management

(Group)

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group had a liability for an interest-rate swap which was settled during the year. The Group has not issued or used any other financial instruments of a speculative nature and the Group no longer contracts new derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments.

The Group is exposed to the following financial risks:
- Credit risk
- Liquidity risk
- Interest rate risk

To the extent financial instruments are not carried at fair value in the consolidated Balance Sheet, net book value approximates to fair value at 29 December 2016 and 31 December 2015.

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

Cash and cash equivalents are held in sterling and placed on deposit in UK banks.

Trade and other payables are measured at book value and held at amortised cost.

Credit risk

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

At 29 December 2016 the Group has trade receivables of £521,000 (2015: £211,000). The Group is exposed to credit risk in respect of these balances such that, if one or more of the customers encounters financial difficulties, this could materially and adversely affect the Group's financial results. The Group attempts to mitigate credit risk by assessing the credit rating of new customers prior to entering into contracts and by entering into contracts with customers with agreed credit terms. At 29 December 2016 no customer balances were considered impaired. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 29 December 2016 and consequently no provisions have been made for bad and doubtful debts (2015: £nil).

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

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

	29 December 2016 £000	**31 December 2015 £000**
Ageing of past-due but not impaired receivables		
31-60 days	**144**	12
61-120 days	**289**	15
>120 days	**52**	33
	485	60

Notes to the financial statements *(continued)*

26 Financial instruments *(continued)*

In determining the recoverability of trade receivables the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being diverse and unrelated.

There has not been any impairment in respect of trade receivables during the year (2015: £nil).

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances to meet its expected cash requirements as determined by regular cash flow forecasts prepared by management.

Interest rate risk

Interest rate risk arised from the Group's holding of an interest rate swap instrument contracted to fix the variable rate of interest in respect of the Group's previous interest-bearing borrowings. The Group is also exposed to interest rate risk in respect of its cash balances held pending investment in the growth of the Group's operations. The effect of interest rate changes in the Group's interest-bearing assets and liabilities are set out in note 24.

Capital management

The Group's capital is made up of share capital, share premium, merger reserve and retained earnings totalling £32,264,000 (31 December 2015: £31,910,000).

The Group's objectives when maintaining capital are:

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

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

27 Provisions (Group and Company)	**29 December 2016 £000**	**31 December 2015 £000**
Market rent provisions		
Opening balance	**1,501**	-
Additional provisions arising on acquisition	**-**	1,531
Utilised against rent during the period	**(71)**	(30)
Closing balance	**1,430**	1,501

Market rent provisions relate to the fair value of liabilities on leases acquired in 2015. The market rent provisions are being amortised over the term of the individual leases.

Notes to the financial statements *(continued)*

28 Deferred tax

(Group)	29 December 2016 £000	31 December 2015 £000
Included in non-current liabilities	**775**	296
Deferred tax gross movements		
Recognised in the profit and loss		
Opening balance	**296**	354
Arising on loss carried forward	**(814)**	14
Held over gain released	**(6)**	(10)
Other provisions released	**(10)**	(18)
NBV in excess of tax WDV	**982**	(33)
Effect of changes in accounting standards	**-**	(50)
Movement on share option intrinsic value	**66**	(92)
Unrealisable balances on loss carried forward	**240**	2
On derecognition of financial swap instrument	**28**	12
Amortisation of acquisition-related deferred tax	**(7)**	(3)
	775	176
Charge/(credit) to profit and loss	**479**	(178)
Not recognised in the profit and loss		
Arising on acquisition	**-**	120
Closing balance	**775**	296
The deferred tax liability comprises:		
Temporary differences on property, plant and equipment	**1,219**	256
Temporary differences on leases acquired	**111**	118
Held-over gain	**233**	233
Temporary differences on derivative financial instruments	**-**	(28)
Share-option scheme intrinsic value	**(55)**	(120)
Available losses	**(1,001)**	(215)
Other temporary and deductible differences	**268**	52
Closing balance	**775**	296

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates that have been substantively enacted for future periods, being 17%. The deferred tax has arisen due to the timing difference on property, plant and equipment, the deferral of capital gains tax arising from the sale of a property and other temporary and deductible differences. The Group has unutilised tax allowances of £1,001,000 at expected tax rates in future periods. The Company has unutilised tax allowances of £nil at expected tax rates in future periods.

Deferred tax

(Company)	29 December 2016 £000	31 December 2015 £000
Included in non-current liabilities	**110**	117
Deferred tax gross movements		
Opening balance	**117**	-
Arising on acquisition	**-**	120
Amortisation of acquisition-related deferred tax	**(7)**	(3)
Closing balance	**110**	117
Credit/(charge) to profit and loss	**(7)**	117

Notes to the financial statements *(continued)*

28 Deferred tax *(continued)*

	29 December 2016 £000	31 December 2015 £000
The deferred tax liability comprises:		
Temporary differences on property, plant and equipment	**(29)**	(10)
Temporary differences on leases acquired	**111**	118
Available losses	**-**	(25)
Other temporary and deductible differences	**28**	34
Closing balance	**110**	117

29 Share capital and reserves

(Group and Company)	Nominal value	29 December 2016 £000	31 December 2015 £000
Ordinary shares	£0.10		
At the start of the year		**5,982**	3,629
Issued in the year		**-**	2,353
At the end of the year		**5,982**	5,982

Number of shares	Nominal value	29 December 2016 Number	31 December 2015 Number
Ordinary shares	£0.10		
At the start of the year		**59,820,436**	36,291,024
Issued in the year		**-**	23,529,412
At the end of the year		**59,820,436**	59,820,436

On 11 May 2015, pursuant to placing arrangements, the Company issued 23,529,412 Ordinary shares at a price of £0.85 per share. Share-issue costs of £701,000 were deducted from share premium in 2015.

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

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

Dividends
No dividends were declared or paid during the period (2015: £nil).

30 Obligations under operating leases

(Group)	29 December 2016 £000	31 December 2015 £000
Land and buildings		
Less than one year	**2,563**	2,143
Between one and two years	**2,570**	2,126
Between three and five years	**7,811**	6,334
Over five years	**41,194**	32,877
	54,138	43,480
Plant and equipment		
Less than one year	**-**	34
Between one and two years	**-**	-
Between three and five years	**-**	-
Over five years	**-**	-
	-	34

30 Obligations under operating leases *(continued)*

	29 December 2016 £000	31 December 2015 £000
Total operating leases		
Less than one year	**2,563**	2,177
Between one and two years	**2,570**	2,126
Between three and five years	**7,811**	6,334
Over five years	**41,194**	32,877
	54,138	43,514

The Group conditionally entered into new operating leases at Horsham, Durham, Wokingham, Edinburgh, Kings Cross and Stratford-Upon-Avon. Two of these are set to open in 2017. The total commitment of the new leases is £22,130,000. Rentals will commence after the fit-outs have been completed.

Obligations under operating leases (Company)	29 December 2016 £000	31 December 2015 £000
Land and buildings		
Less than one year	**694**	690
Between one and two years	**694**	690
Between three and five years	**2,081**	2,069
Over five years	**10,251**	10,827
	13,720	14,276

31 Share-based payment arrangements

(Group and Company)

Everyman Media Group PLC operates two equity-settled share based remuneration schemes for employees. The schemes combine a long term incentive scheme and an unapproved scheme for certain senior management and executive Directors. A subsidiary of the Company has also issued 'A' ordinary shares to certain Directors which contain terms equating to a share option over the company conditional upon future performance. In 2014 the Company acquired 535,718 'A' ordinary shares in Everyman Media Holdings Limited, a subsidiary of the Company, from A Myers following his resignation as a Director on 1 December 2014. There were no acquisitions in the year ended 29 December 2016. A Myers continues to hold share options over 80,000 ordinary shares (2015: 80,000 options over ordinary shares).

The terms and conditions of the grants are as follows:

Persons entitled	Grant date	Method of settlement	Number of instruments 000	Vesting conditions	Contractual life of options
Management employees, Directors and contractors	29.10.2013	Equity-settled	185	*1	10 years
			170	*2	10 years
			1,393	*4	10 years
			80	*3	10 years
Directors	04.11.2013	Equity-settled	50	*2	10 years
Management employees	11.11.2014	Equity-settled	100	*1	10 years
Directors	01.12.2014	Equity-settled	287	*5	10 years
			257	*6	10 years
Management employees	18.12.2014	Equity-settled	75	*1	10 years
Directors	20.04.2015	Equity-settled	275	*7	10 years
			233	*8	10 years
Management employees, Directors and contractors	29.10.2015	Equity-settled	1,733	*9	10 years
Management employees	15.12.2016	Equity-settled	410	*10	10 years
Management employees	10.01.2017	Equity-settled	130	*10	10 years

*1 EMI options. These vest in equal tranches on the first, second and third anniversaries of the date of grant.

*2 Unapproved options. These vest in equal tranches on the first, second and third anniversaries of the date of grant.

31 Share-based payment arrangements *(continued)*

*3 EMI options. These vest in equal tranches on the first, second and third anniversaries of the date of grant. Each tranche is exercisable if the Company's share price exceeds £1.20, £1.40 and £1.70 respectively for 15 consecutive trading days.

*4 Series 1, 2 and 3 A Ordinary shares in Everyman Media Holdings Limited. Holders of these shares have a right to require Everyman Media Group PLC to purchase the shares at a price essentially equivalent to the market value of an Everyman Media Group PLC Ordinary share less 83p provided that the share price has been, for 15 consecutive trading days after 8 May 2014, £1.20 or more for Series 1 shares, £1.40 or more for Series 2 shares and £1.70 or more for Series 3 shares. The A Ordinary shares will convert into essentially worthless deferred shares to the extent that these targets are not met by 7 November 2023. As such, the Directors consider these shares to be largely equivalent to an option. The rights described above were accounted for as share-based payments.

*5 EMI options. These vest in two tranches: 181,455 on the first anniversary of the date of grant and 105,901 on the second anniversary of the date of grant. The tranches may be exercised if the Company share price is above £1.20 and £1.40 respectively for 15 consecutive trading days.

*6 Unapproved options. These vest in two tranches: 75,554 on the second anniversary of the date of grant and 181,455 on the third anniversary of the date of grant. The tranches may be exercised if the Company share price is above £1.40 and £1.70 respectively for 15 consecutive trading days.

*7 EMI options. These vest in two tranches: 169,358 on the first anniversary of the date of grant and 105,367 on the second anniversary of the date of grant. The tranches may be exercised if the Company share price is above £1.20 and £1.40 respectively for 15 consecutive trading days.

*8 Unapproved options. These vest in two tranches: 63,991 on the second anniversary of the date of grant and 169,358 on the third anniversary of the date of grant. The tranches may be exercised if the Company share price is above £1.40 and £1.70 respectively for 15 consecutive trading days.

*9 Unapproved options. These vest in equal tranches on the first, second and third anniversaries of the date of grant. Each tranche is exercisable if the Company share price exceeds £1.30, £1.50 and £1.80 respectively for 15 consecutive trading days.

*10 Unapproved options. These vest on the third anniversary of the date of grant.

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

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

Option scheme conditions for options issued in the year:	**29 December 2016 Options with no performance criteria**	**31 December 2015 Options with performance criteria**	**31 December 2015 Options with no performance criteria**
Weighted average share price at grant date (pence)	93.5	92.0	85.0
Weighted average option exercise prices (pence)	93.5	85.0	85.0
Expected volatility	34.46%	17.00%	19.00%
Expected option life	5 years	5 years	5 years
Weighted average contractual life of outstanding share options	10 years	6.5 years	8.8 years
Risk-free interest rate	1.4%	1.4%	1.4%
Expected dividend yield	0.0%	0.0%	0.0%
Fair value of options granted in the year (pence)	30.4	18.0 - 19.0	21.0

31 Share-based payment arrangements *(continued)*

	Weighted average exercise price per share 2016 Pence	2015 Pence	29 December 2016 Number	31 December 2015 Number
Options at the beginning of the year	84.1	83.2	**4,853,329**	3,190,088
Options issued in the year	93.5	85.0	**440,000**	2,241,100
Option forfeited in the year	90.0	83.2	**(45,000)**	(577,859)
Options at the end of the year	84.8	84.1	**5,248,329**	4,853,329

No options lapsed in the year (2015: nil). 130,000 options were granted after the year end. These have been factored into diluted earnings per share.

Share-based payments charged to the profit and loss	29 December 2016 £000	31 December 2015 £000
Administrative costs	**293**	15

The charge for the Company was £nil (2015: £15,000) after recharging subsidiary undertakings with a charge of £293,000 (2015: £nil). The relevant charge is included within administrative costs.

There are 385,000 options exercisable at 29 December 2016 in respect of the current arrangements (31 December 2015: 170,000).

No options were exercised in the year.

Volatility for the options issued in 2014, 2015 and 2016 was determined by reference to movements in the share prices of comparable listed companies over five years prior to the grant date. The weighted average exercise price of the options and the option element inherent in the 'A' shares, is £0.85. The market value conditions, where applicable, have been incorporated into the fair-value calculation using an estimate of the potential achievement of the market values for the minimum periods and timescales required.

32 Commitments

There were capital commitments at 29 December 2016 of £1,161,353 (31 December 2015: £553,904).

33 Events after the balance sheet date

On 10 March 2017, the Company confirmed a new loan facility with Barclays for the sum of £20million. This facility incorporates the original £8million agreed in 2016. The Directors have assessed their ability to operate within the requirements of this new facility as stated in the going concern accounting policy (note 2).

34 Acquisition of cinema leases and related assets

Acquisitions in the prior period

On 11 August 2015 the Company acquired four cinema sites from Odeon Cinemas Limited and ABC Cinemas Limited. The acquisition was accounted for as a business combination. The acquisition was part of the Group’s expansion and development plans. The Group has since refurbished each of these sites to varying stages of completion and are all open under the Everyman brand as at the end of the year.

In the 5 months to 31 December 2015 the new sites contributed a net loss of £312,000 (after pre-opening costs of £312,000 and depreciation of £33,000 included within administrative expenses) to the consolidated net profit for the year. If the acquisition had occurred on first day of accounting period, Group revenue would have been an estimated £24,662,400 and net loss would have been an estimated £400,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on first day of accounting period. The following table summarises the consideration paid and the fair value of assets acquired:

Notes to the financial statements *(continued)*

34 Acquisition of cinema leases and related assets *(continued)*

	31 December 2015 £000
Consideration	
Cash	7,100
Fair value of recognised amounts of identifiable assets acquired and liabilities assumed	
Intangible asset in respect of favourable leases contracts	674
Plant and machinery	1,185
Fixtures and fittings	255
Provision in respect of unfavourable lease contracts	(1,531)
Deferred tax	(120)
Total identifiable net assets	463
Goodwill	6,637
Cash consideration paid	7,100
Acquisition expenses recognised as an expense	286
Total cash outlay	7,386

The Company entered into a hive down agreement with its subsidiary, Everyman Media Limited, such that the trade acquired for the four cinema sites along with plant and machinery with a fair value of £700,000 was transferred to this subsidiary on the same date as the transaction.

These sites underwent refurbishment during the period since acquisition. It is the Group's policy to refurbish newly acquired sites to conform to the quality and branding expected from the Group's cinema chain.

35 Related-party transactions

In the year to 29 December 2016 the Group engaged services from entities related to the Directors and key management personnel of £370,000 (2015: £58,192) comprising consultancy services of £58,000 (2015: £nil), office rental of £55,000 (2015: £52,836) and venue rental of £257,000 (2015: £5,356). There were no other related-party transactions. There are no key management personnel other than the Directors.

An amount is included within 'other benefits' attributable to Directors for notional interest calculated at a rate of 4% per annum on the amounts of uncalled share capital due to Everyman Media Holdings Limited due in respect of these shares. The amounts attributable are A Kaye £2,211 and P Wise £2,211.

The Company charged an amount of £293,000 (2015: £nil) to Everyman Media Limited in respect of the share option charge incurred by the Company, £766,000 (2015: £317,000) in respect of rentals of four cinema sites acquired in 2015 and £130,000 (2015: £nil) in respect of interest on bank loan funds provided.

The Group's commitment to new leases is set out in the above notes. Within the total of £22,130,100 is an amount of £4,647,000 relating to Stratford-Upon-Avon. The landlord of the site is Blue Coast Stratford LLP, which is a related party.

Notes to the financial statements *(continued)*

36 Adjustment to prior period

In the comparative periods the total lease incentives balance was recognised as a current liability. As leases expire after more than one year, the liability not pertaining to the subsequent year's release has been classified as a non-current liability. £3,098,000 as at 31 December 2015 and £2,244,000 at 31 December 2014 are included within non-current 'other payables' (previously within current 'trade and other payables'). This adjustment does not affect the net assets as at 31 December 2015 or 31 December 2014, or the profit and loss for the years then ended.

Trade and other payables	31 December 2015 As reported £000	Adjustment £000	31 December 2015 Restated £000
Included in current liabilities	8,778	(3,098)	5,680
Included in non-current liabilities	-	3,098	3,098
	8,778	-	8,778
Trade creditors	589	-	589
Social security and other taxation	320	-	320
Accrued expenses	4,001	-	4,001
Lease incentives	3,248	-	3,248
Deferred income	620	-	620
	8,778	-	8,778

Trade and other payables	31 December 2014 As reported £000	Adjustment £000	31 December 2014 Restated £000
Included in current liabilities	6,045	(2,244)	3,801
Included in non-current liabilities	-	2,244	2,244
	6,045	-	6,045
Trade creditors	1,721	-	1,721
Social security and other taxation	345	-	345
Accrued expenses	862	-	862
Lease incentives	2,395	-	2,395
Deferred income	722	-	722
	6,045	-	6,045

37 Ultimate controlling party

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

Explanatory Notes to the Notice of Annual General Meeting

This year, twelve resolutions are proposed at the Annual General Meeting and the purpose of each of the resolutions is as follows:

Ordinary business

Resolution 1: the accounts and reports

The Directors will present their report and the audited financial statements to 29 December 2016, together with the auditors' report thereon.

Resolutions 2-8: re-election of retiring Directors

The Articles of Association of the Company stipulate that any director shall only hold office until the conclusion of the next annual general meeting following the date of their appointment. Furthermore, the articles require that one third of the Directors retire at each Annual General Meeting. Corporate Governance guidance recommends that each of the Directors retire and offer themselves for re-appointment. Biographical details relating to each of the Directors can be found on the Group's website: http://investors.everymancinema.com.

Resolution 9: appointment of auditors

The Company is required to appoint auditors at each Annual General Meeting at which accounts are laid before shareholders, to hold office until the next such meeting. This resolution proposes KPMG be re-appointed as auditors for the current year. KPMG was appointed during the year by the Directors to fill the vacancy created by the resignation of the Company's previous auditor following a routine review of audit services by the Company.

Resolution 10: auditors' remuneration

This resolution authorises the Directors to fix the auditors' remuneration.

Ordinary business

Resolution 11: Directors' power to allot securities

s549 of the Companies Act 2006 stipulates that Directors cannot allot shares or rights to subscribe for shares in the Company (other than the shares allotted in accordance with an employee share scheme) unless they are authorised to do so by the shareholders in a General Meeting. The Directors' general authority to allot shares was granted on 26 May 2016 and is due to expire at the conclusion of the 2017 Annual General Meeting. Resolution 11 seeks a new general authority from shareholders (to the exclusion of the previous general authority granted) for the Directors to allot Ordinary Shares up to an aggregate nominal value of £598,204.36, representing 10 per cent of the nominal value of the issued ordinary share capital of the Company as at the date of this notice. The Directors consider it desirable that the specified amount of Ordinary Shares be available for issue so that they can more readily take advantage of possible opportunities. Unless renewed, revoked, varied or extended, this authority will expire at the conclusion of the Annual General Meeting of the Company to be held in 2018 or, if earlier, the date which is fifteen months after the passing of the resolution.

Resolution 12: disapplication of pre-emption rights

If the Directors wish to allot any shares for cash, the Companies Act 2006 requires that such shares must be offered first to shareholders in proportion to their existing holdings. These are the pre-emption rights of shareholders. In certain circumstances, it may be in the interests of the Company for the Directors to be able to allot shares for cash without having to offer them first to existing shareholders.

In line with common practice, resolution 12 therefore seeks approval to empower the Directors to allot shares for cash other than in accordance with the statutory pre-emption rights, in connection with a rights issue and other pre-emptive offers and otherwise up to a maximum nominal amount of £598,204.36, representing approximately 10 per cent of the nominal value of the issued ordinary share capital of the Company. Unless renewed, revoked, varied or extended, this authority will expire on the earlier of fifteen months from the date of passing of the resolution or the conclusion of the Annual General Meeting of the Company to be held in 2018 or, if earlier, the date which is fifteen months after the passing of the resolution.

Recommendation

The Directors believe that the proposals in resolutions 1 to 12 are in the best interests of the Group and its shareholders as a whole. Accordingly, the Directors recommend that shareholders vote in favour of each resolution as they intend to do in respect of their own beneficial shareholdings.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Everyman Media Group PLC will be held at Everyman Cinema Hampstead, 5 Holly Bush Vale, London NW3 6TX on Thursday 11 May 2017 at 10:30am for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 11 will be proposed as ordinary resolutions and resolution 12 will be proposed as a special resolution.

Ordinary business

Ordinary resolutions

1 To receive the accounts and the reports of the Directors and the auditors thereon for the year ended 29 December 2016.
2 To elect Mr Paul Louis Wise as a Director.
3 To elect Mr Crispin Lilly as a Director.
4 To elect Mr Adam Kaye as a Director.
5 To elect Mr Charles Samuel Dorfman as a Director.
6 To elect Mr Philip Ronald Jacobson as a Director.
7 To elect Mr Jonathan Steven Peters as a Director.
8 To elect Mr Michael Henry Rosehill as a Director.
9 To reappoint KPMG as auditors of the Company to hold office until the conclusion of the next Annual General Meeting.
10 To authorise the Directors to determine the auditors' remuneration.

Special business

To consider, and if thought fit, pass resolution 11 as an ordinary resolution and resolution 12 as a special resolution.

As an ordinary resolution

11 That the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with s551 of the Companies Act 2006, 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 (relevant securities of the Company as defined in s551 of the Companies Act 2006) up to an aggregate nominal amount of £598,204.36 (being a sum equal to 10% of the issued share capital at the date of the notice of meeting) provided that, the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company or, if earlier, the date which is fifteen months after the passing of this resolution (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.

As a special resolution

12 That the Directors of the Company be and they are hereby empowered pursuant to s570 and s573 of the Companies Act 2006, to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in s560(1)) for cash pursuant to the authority given pursuant to the above resolution 11 up to an aggregate nominal amount of £598,204.36 (representing 10% of the issued share capital) as if s561(1) did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution (or, if earlier, the date which is fifteen months after the passing of this resolution) but so that the Company may, before such expiry, make any offer or agreement which would or might require shares to be allotted or rights granted after such expiry.

On behalf of the Board

J Peters
Company Secretary
13 March 2017

Registered office:
Studio 4, 2 Downshire Hill
London NW3 1NR

Notes

1 A member entitled to attend, speak and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed which, if used, must be lodged at the Company's registrars, Computershare Investor Service PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than forty-eight hours before the meeting. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. To appoint more than one proxy you may photocopy the proxy form. You may appoint a person other than the Chairman as your proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

2 Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members at 6.00pm on the day occurring two working days before the date of the meeting. If the Meeting is adjourned then, to be so entitled, members must be entered on the Company's register of members at 6:00pm on the day occurring two working days before the date of the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice. Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members later than 6:00pm on the day occurring two working days before the date of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.

3 Forms of proxy and the power of attorney or other authority, if any, under which they are signed or notarially certified copy of that power of attorney or authority, should be sent to the address noted on the form of proxy so as to arrive not less than 48 hours before the time fixed for the meeting. The return of a completed proxy form or other instrument of proxy will not prevent you attending the meeting and voting in person if you wish to do so. A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary share of which they are a holder. As a member, you have the right to put questions at the meeting relating to the business being dealt with at the meeting.

4 As at 13 March 2017 the Company's issued share capital was 59,820,436 ordinary shares of 10 pence and the total voting rights were 59,820,436. For reporting purposes under the FCA's Disclosure and Transparency Rules the market should exclude any shares held in treasury and should use the figure of 59,820,436 when determining the total voting rights.

5 The vote 'withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'withheld' vote is not a vote in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.

6 The completion and return of a proxy will not preclude a member from attending the meeting and voting in person.

7 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Computershare Investor Services PLC (whose CREST ID is 3RA50) by the specified latest time(s) for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(A) of the Uncertificated Securities Regulations 2001.

8 Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure and Transparency Rules.

9 Under s527 of the Companies Act 2006, shareholders meeting the threshold requirement set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous AGM at which the annual accounts and reports were laid in accordance with s437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to cover any costs incurred in complying with s527 or s528 and is required to forward any statement placed on a website to the Company's auditors not later than the time when it makes the statement on the website. The business which may be dealt with at the meeting includes any statements that the Company has been required under s527 to publish on a website.

10 Under s319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

a. Answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information.
b. The answer has already been given on a website in the form of an answer to a question
c. It is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

11 Shareholders are advised that, unless otherwise stated, any telephone number, website or email address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

12 Except as provided above, members who have general queries about the meeting should contact the Company's registrars Computershare by using the following means of communication: Tel: 0370 707 1577 (lines are open from 8:30 am to 5:30 pm Monday to Friday). Calls cost 10 pence per minute plus network charges, or visit their online Investor Centre at www.investorcentre.co.uk. For overseas shareholders please call: +44 (0)370 707 1577.

13 If you have disposed of your holding in the Company the report should be passed on to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

14 Any person to whom this Notice is sent who is a person nominated under s146 of the Companies Act 2006 to enjoy information rights (a nominated person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

15 A copy of the notices of meeting and other information required by s311A of the Companies Act 2006 can be found at www.everymancinema.com/investors.