Everyman Media Group PLC
Registered number: 08684079

Interim Report and Financial Statements (unaudited)
26 weeks ended
2 July 2020

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Executive Chairman's Statement

We entered 2020 with great optimism after an excellent 2019 and our strategy continued to deliver good profitable growth together with a strong pipeline of new venues. Then, with the onset of the pandemic, Everyman moved to face an unprecedented challenge, as did the entire cinema industry. Following a strong start to the year, where we generated revenue growth of 47% year-on-year in the first two months and added 0.55 percentage points to our market share, we closed our venues to guests as required in the middle of March. Further information on our response to this exceptional set of circumstances is laid out below.

Since period end, we commenced re-opening our venues in phases over a six-week period following a demand-based approach, and as confidence in the film release calendar improved. As of 21 August, all 35 of our venues have been fully operational.

Whilst trading was inevitably soft in the early stages of reopening, when there were still no major films released, attendance was encouraging, and Everyman venues were already performing ahead of the general market. More recently, the release of Tenet, a film by Director Christopher Nolan, has driven attendance and is on course to deliver a very encouraging £16-£18m nationally, only slightly below our pre-Covid expectations. For Everyman specifically, our performance far outstripped the market and we delivered over twice our expected share for the film at 9.7%.

Covid-19 Response

Swift implementation of contingency plans

Our key priority throughout the pandemic period has, and continues to be, the health of our staff and our customers. We also focused on ensuring that the business was kept in the strongest possible position to resume trading when allowed, and to deliver growth again in the future.

As previously communicated, following guidance provided by the UK government on 16 March 2020, the Board took the decision to close its venues to guests until further notice the following day.

Throughout the closure period a skeleton central team worked hard to implement new infrastructure across the business to ensure when restrictions were lifted, we would be able to re-open seamlessly, safely, and to continue to offer customers a special Everyman experience. This included changes to IT software to enforce social distancing between bookings, new staff rota protocols to protect our staff in 'bubbles', effective ongoing use of the Government's Job Retention Scheme and the purchasing and implementation of safeguarding equipment such as sanitising stations and masks.

Cost management

During this unprecedented period of business interruption, we focused on reducing costs wherever possible, including Director salary cuts, and we continue to ensure operating expenses are kept to a minimum on an ongoing basis. We also postponed site refurbishments and other capital expenditure projects. Through these initiatives we successfully reduced the Group's operating costs by 40% (excluding payroll).

All but 18 of our staff were furloughed by April and the Government supported 80% of wages up to a maximum of £2,500 per month for people who had been in place since the end of February.

Further government support was received in terms of rates relief, the VAT cut and the Retail, Hospitality and Leisure Business Grant. We are grateful to for the support received thus far and have used it in the spirit it was intended, to protect our business and safeguard its future.

Property costs are the second largest overhead in the business and Everyman has been in discussion with all of its landlords throughout the period to agree variations to lease agreements. Concessions have been agreed on over 60% of the estate, and further discussions are still ongoing. I would like to thank our landlords for their constructive support and partnership approach.

We have agreed with landlords to delay a number of new site openings and, in a few cases, to exit existing Agreements for Lease. These actions have significantly reduced the Group's future capital commitments. The Company has incurred exceptional costs from exiting some of these Agreements amounting to £1.4m, but the Directors believe, in the current climate, a prudent approach to new openings is in the Company's best interests. We therefore now have a pipeline for 2021/22 of 8 new venues compared with the 11 previously expected.

Strengthening our financial position

On 8 April we raised £17.5m gross through an accelerated bookbuild in order to further strengthen the Group's balance sheet, protect its venues against an extended closure period, to ensure prudent levels of debt and to allow the Group to re-engage with its expansion and investment programme in due course. The Placing was oversubscribed, and I would like to take this opportunity to again sincerely thank our shareholders for the support they have shown us throughout this challenging time.

Our banking partners have also been supportive and have made appropriate changes to the covenants on the Group credit facility. The Group will remain within its banking covenants for the next 12 months, and has significant remaining headroom, with Bank net debt at the half year of £4.3m (H1 2019: £9.1m).

Continued engagement with key stakeholders

I am very proud of the work done in engaging with our loyal customer base whilst venues were closed and heartened by the response and level of interaction we received back from our customers. Our Everyman 'lockdown house parties' were particularly successful. The initiative saw us encouraging households to watch the same films simultaneously on a Saturday evening, connecting them via social media to create a sense of a shared experience. We were engaging with over 50,000 people at peak, and as a result of this activity we saw a significant increase in social media engagement from Lockdown to re-opening with our Instagram, Twitter and Facebook followers increasing (Instagram +23% to 82k; Twitter +2% to 34k and Facebook +11% to 125k).

The support of our Members has been extraordinary, and we have been pleased to see their ongoing passion for the brand and for film.

Many of our suppliers and partners volunteered concessions to ongoing contractual arrangements which was gratefully received. In addition, the work carried out by the industry bodies such as the UK Cinema Association and Cinema First, as well as the UK Hospitality Association must be recognised both in their tireless work with Government bodies such as the Department for Digital, Culture, Media, and Sport (DCMS), but also pulling together some strong industry wide initiatives.

People

Throughout this whole period one thing has remained consistent and that has been the passion and care shown by our teams throughout the business for Everyman. Despite the personal impact and immensely different experiences that lockdown has meant for every individual, the enthusiasm and support for the business has shone through. I always take time to recognise the importance of our people to the business in these reports, but never has it been more apparent or more important. Thank you all.

Streisan Bevan stepped down from the Board on 18 April 2020, and post-period end, Crispin Lilly tendered his resignation after almost six years as Group Chief Executive. His contribution to the Group has been vast and we take this opportunity to again thank him for all his efforts at Everyman. The Board is currently undertaking a full search for his replacement.

Environmental, social and governance

We took part in an NHS staff promotion with Blue Light, and we were pleased to be able to welcome and thank NHS staff who have worked so hard over the Lockdown.

We assisted our employees with the transition to furlough with additional financial support by maintaining their wages at 100% throughout April.

The Board has acted quickly to secure the financial position and long term liquidity of the Company. It has embraced video conferencing as a platform to meet and make decisions during Lockdown on a frequent basis to ensure actions have been taken in the best interests of all the business stakeholders.

Performance Review

The Group uses the following key performance indicators, in addition to total revenue, to monitor the progress of the Group's activities. For clarity, we have included these for the period. The figures were impacted by the closure of our venues from 17 March.

		26 weeks ended 2 July 2020	26 weeks ended 4 July 2019	Year ended 2 January 2020
Admissions	-44%	828,945	1,475,425	3,271,166
Box office average ticket	-6%	£10.61	£11.27	£11.37
Food and beverage spend per head	-7%	£6.49	£6.95	£7.13

Trading performance for the first two months of the year pre-lockdown is set out below

		January - February 2020	January – February 2019
Admissions	+43.2%	669,712	467,766
Box office average ticket	-1.8%	£10.59	£10.78
Food and beverage spend per head	+7%	£6.55	£6.12

Admissions were driven by additional venues (five new venues in the second half of 2019) and the film slate. The decline in box office average ticket price in the first two months of the year reflects an increased proportion of members' tickets year on year. Excluding memberships and complimentary tickets, average ticket price increased by 5% year on year.

Trading post-period end

Having introduced new Covid-19 operating, social distancing and cleaning protocols, we began opening our venues on 4 July and all sites were operational by 21 August.

Whilst trading was inevitably soft in the early stages, customer feedback has consistently been very positive, and we have been encouraged by the levels of attendance. We have continued to drive customer engagement through initiatives such as the launch of our 'in venue' House Party, essential worker free tickets through Blue Light and strand programming with library content.

The release of Tenet saw a sharp increase in activity levels. F&B Spend per head has increased by 41% since reopening, which we believe is due to the higher proportionate level of service staff to guests, and customer appetite to make the most of a night out. The roll out of Vista Serve, a mobile ordering platform, across all venues during Lockdown, has also facilitated this increase.

We opened a new venue on King's Road in Chelsea opened on 24 July, and Lincoln on 21 August, both of which have performed strongly enough to place in the top half of our portfolio.

The Everyman offering was once again expanded in the period, with partnerships announced with key brands including Apple, Green & Blacks, Wild Turkey, Grey Goose, Campari, and American Airline. Not only have these initiatives proven to be revenue-generating, but they also broaden our audience reach and enhance the experience they have in venue.

Outlook

Whilst the ability to reopen our venues has undoubtably brought much relief, uncertainty remains, and the recent tightening of restrictions by the government has made the path to 'normality' less clear.
Our business is able to provide a particularly safe and enjoyable experience in the current environment. Our venues are largely located at the heart of residential communities and are generally spacious. We have implemented strong yet pragmatic safeguarding guidelines and worked hard to make sure a visit to an Everyman remains personal, welcoming, and fun.

Whilst the ongoing film slate is uncertain at this time, we remain confident that when people can fully socialise again our business will be well placed to meet the demand. Our newly opened venues have performed well and are a valuable addition to our estate.
We have a strong balance sheet and are confident that our business is both robust and agile, able to withstand whatever conditions we face in the period ahead. When the time comes, we will continue to deliver as we were, driving growth and expanding our footprint through the continued delivery of the exceptional experiences that we are known and respected for.

Paul Wise
Executive Chairman
30 September 2020

Chief Financial Officer's statement

Revenue and Operating Profit

The first half of 2020 is split between two distinct trading periods. The business traded until 16 March 2020 and then was fully closed in Lockdown for the remainder of the period and generated no trading income during this period.

As a result, revenue for the period was down 48.3% on last year to £15.0m (4 July 2019: £28.9m, full year to 2 January 2020: £65.0m). In the period before closure revenue was 47% higher year on year due to the level of admissions and the impact of the five new venues opened in 2019.

Reported gross profit margin is 61.8% in the period and is consistent year on year.

Included within other operating income of £3.3m is government support through the Job Retention Scheme (JRS) and the Business Support Grants (BSG).

The Group's adjusted operating profit before depreciation, amortisation, pre-opening expenses, other exceptional Covid-19 related costs and revenue, and share-based payments was £0.5m (4 July 2019: £6.6m, full year to 2 January 2020: £15.6m).

Operating expenses were £24.9m, (H1 2019 £16.3m). Included in the HI 2020 costs are the following costs/(income) directly attributable to Covid-19

	£'000
Asset impairment	5,635
Costs associated with exiting future venues	1,382
Variable lease payments in the period	(376)
Total	**6,641**

In addition, the five new venues opened in H2 2019, added costs of £1.5m, and the depreciation charge is £1.1m higher in H1 2020. The share-based payment charge was an increase of £0.2m versus H1 2019.

The Board carried out a full impairment review at the half year and as a result an impairment of £5.6m has been made, based on judgement of future cash flows by each venue. The trading landscape is continually changing in terms of government legislation, which in turn has an impact on consumer confidence and film studios assessment of the film slate. The Board fully expects to revisit these assumptions at the year end and to adjust the impairment provision according to the latest outlook.

During the period the Board reviewed all future property commitments and where desirable, and possible, has exited to protect future liquidity by reducing capital commitments. This has resulted in some charges for exiting as well as the write off of costs already incurred on projects. The total of these charges is £1.4m.

Everyman has also taken advantage of the amendment to IFRS16 Covid-19 related rent concessions. Where the rent concession is a direct consequence of the Covid-19 pandemic, the revised consideration for the lease is substantially

the same or less, the reduction affects only payments originally due on or before 30 June 2021 and there were no other substantive changes to the lease then the concessions can be credited to the profit and loss rather than a lease modification. This has resulted in a one-off credit of £376k in the period.

Cost savings achieved through closure amounted to £175k in head office payroll, including a 50% cut in Directors pay, and £230k reduction in venue pay. The impact of these savings was partly offset by the impact of the increase in minimum wage (£0.3m). The rates saving in the period from the rates holiday was £380k and savings were made in other overheads amounting to £0.6m.

Net finance costs

The Group's net bank interest payable was £0.2m in H1 2020 in line with H1 2019.
The Group's non-cash finance charge in H1 2020 was £1.2m (H1 2019 £0.9m), relates to interest charges relating to the unwinding of the IFRS 16 lease liability in the period.

Profit before Taxation

The Group generated a loss for the period of £11.7m (4 July 2019 £0.6m profit, full year to 2 January 2020 £1.8m).

Taxation

The effective tax rate is lower than the standard rate of corporation tax for the six-month period ended 2 July 2020 due to the effect of deferred tax arising from the valuation of share options (both exercised and unexercised).

Share based payments

The share-based payment expense for the period was £0.6m (4 July 2019: £0.4m, full year to 2 January 2020: £0.9m) reflecting share option incentives provided to the Group's management and employees.

Cash flows

Cash flow has been significantly impacted by the Lockdown which resulted in no sales activity from 16 March 2020 to 4 July 2020. In response, a robust approach to cash management was adopted, with all suppliers and landlords contacted to reduce costs and or/extend payments terms.

Net cash outflow from operating activities was £4.4m (4 July 2019 cash inflow: £2.9m from operating activities, full year to 2 January 2020:

Chief Financial Officer's statement

£15.9m generated from operating activities). This includes the negative movement in working capital of £4.0m due to the paying down of creditors, in particular film distributors.

Net cash outflows for the period, before financing, were £10.8m (2 July 2019: £6.0m, full year to 2 January 2020: £8.2m). At the start of Lockdown there were two major projects that were already committed and almost complete, the first being the new venue in Chelsea and the second being the new venue in Lincoln. These were completed and the venues opened in July and August respectively.

The business raised £16.8m net of expenses and paid down £7m of the RCF to reduce it £10m at the half year.

Cash held at the end of the period was £5.7m (4 July 2019: £1.9m, 2 January 2020: £4.3m). Since the period end a further £3m of the RCF has been repaid, bringing the amount drawn down to £7m.

The Group has access to a £30m facility of which £10m was drawn by the end of the period.

Elizabeth Lake
CFO
30 September 2020

EVERYMAN

Consolidated statement of profit and loss and other comprehensive income for the period ended 2 July 2020 (unaudited)

	Note	Six-month period ended 2 July 2020 £000	Six-month period ended 4 July 2019 £000	Year ended 2 January 2020 £000
Revenue	4	**15,006**	28,924	64,955
Cost of Sales		**(5,727)**	(11,076)	(24,937)
Gross profit		**9,279**	17,848	40,018
Other operating income		**3,327**	-	-
Impairment of goodwill, property, plant and machinery		**(5,635)**		
Administrative expenses		**(19,241)**	(16,250)	(35,213)
Operating profit/(loss)		**(12,270)**	1,598	4,805
Financial income		**-**	-	1
Financial expenses		**(1,480)**	(1,153)	(2,510)
Net financing expense		**(1,480)**	(1,153)	(2,509)
(Loss)/Profit before taxation		**(13,750)**	445	2,296
Tax credit/(expense)	5	**2,031**	115	(526)
(Loss)/Profit for the period		**(11,719)**	560	1,770
Other comprehensive income for the period		**(26)**	-	1
Total comprehensive (loss)/income for the period		**(11,745)**	560	1,771
Basic earnings per share (pence)	6	**(18.86)**	0.78	2.45
Diluted earnings per share (pence)	6	**(18.86)**	0.75	2.42

All amounts relate to continuing activities.

Non-GAAP measure: adjusted profit from operations			
Adjusted profit from operations	**539**	**6,631**	15,588
Before:			
Depreciation and amortisation	**(5,159)**	**(4,151)**	(8,763)
Disposal of property, plant and equipment	**(100)**		(52)
Acquisition and incorporation expenses	**-**	(1)	(25)
Pre-opening expenses	**(266)**	(445)	(1,044)
C-19 new termination costs	**(1,382)**		
C-19 IFRS 16 lease concessions	**376**		
C-19 impairment	**(5,635)**		
Share-based payment expense	**(630)**	(370)	(688)
Option-based social security	**(13)**	(66)	(211)
Operating (loss)/profit	**(12,270)**	1,598	4,805

Consolidated balance sheet at 02 July 2020 (unaudited)

	Note	2 July 2020 £000	4 July 2019 £000	2 January 2020 £000
Assets				
Non-current assets				
Property, plant and equipment		**82,399**	71,812	83,499
Right-of-use assets		**57,125**	46,833	58,415
Deferred tax assets		**617**	-	-
Intangible assets		**9,090**	10,326	10,694
Trade and other receivables		**173**	173	173
		149,404	129,144	152,781
Current assets				
Inventories		**420**	404	507
Trade and other receivables		**3,685**	5,144	4,463
Cash and cash equivalents		**5,660**	1,866	4,271
		9,765	7,414	9,241
Total assets		**159,169**	136,558	162,022
Liabilities				
Current liabilities				
Other interest-bearing loans and borrowings		**56**	122	122
Trade and other payables		**9,332**	10,780	14,408
Lease liabilities		**5,041**	2,054	2,386
Corporation tax liabilities		**215**	-	186
		14,644	12,956	17,102
Non-current liabilities				
Other interest-bearing loans and borrowings		**10,000**	11,000	14,000
Other payables		**-**	-	-
Lease liabilities		**73,304**	58,676	74,005
Deferred tax liabilities		**-**	1,431	1,362
		83,304	71,107	89,367
Total liabilities		**97,948**	84,063	106,469
Net assets		**61,221**	52,495	55,553
Equity attributable to owners of the Company				
Share capital		**9,110**	7,234	7,352
Share premium		**57,038**	41,034	41,920
Merger reserve		**11,152**	9,642	11,152
Forex reserve		**1**	-	1
Retained earnings		**(16,080)**	(5,415)	(4,872)
Total equity		**61,221**	52,495	55,553

These financial statements were approved by the Board of Directors on 30 September 2020 and signed on its behalf by:

Paul Wise
Executive Chairman
30 September 2020

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Consolidated statement of changes in equity for the period ended 02 July 2020 (unaudited)

	Note	Share capital £000	Share Premium £000	Merger reserve £000	Forex Reserve £000	Retained earnings £000	Total equity £000
Balance at 4 January 2019		7,099	39,066	11,152	-	(2,880)	54,437
Profit for the period		-	-	-	-	560	560
Shares issued in the period		135	1,968	-	-	-	2,103
Acquisition of NCI with no change in control		-	-	(1,510)	-		(1,510)
Deferred tax on share-based payments		-	-	-	-	(335)	(335)
Share-based payments		-	-	-	-	370	370
IFRS16 accumulated restatement		-	-	-	-	(3,130)	(3,130)
Total transactions with owners of the parent		135	1,968	(1,510)	-	(3,095)	(2,502)
Balance at 4 July 2019		**7,234**	**41,034**	**9,642**	**-**	**(5,415)**	**52,495**
Balance at 5 July 2019		**7,234**	**41,034**	**9,642**	**-**	**(5,415)**	**52,495**
Profit for the period		-	-	-	-	1,210	1,210
Retranslation of foreign currency denominated subsidiaries		-	-	-	1	-	1
Deferred tax on share-based payments		-	-	-	-	335	335
Shares issued in the period		118	886	-	-	-	1,004
Share based payments		-	-	-	-	318	318
Tax on share-based payments		-	-	-	-	(346)	(346)
Acquisition of NCI with no change in control		-	-	1,510	-	(1,510)	
Deferred tax on IFRS16 accumulated restatement		-	-	-	-	536	535
Total transactions with owners of the parent		118	886	1,510	1	543	3,057
Balance at 2 January 2020		7,352	41,920	11,152	1	(4,872)	55,553
Balance at 3 January 2020		7,352	41,920	11,152	1	(4,872)	55,553
Loss for the period		-	-	-	-	(11,719)	(11,719)
Other comprehensive loss		-	-	-	-	(26)	(26)
Shares issued in the period		1,758	15,813	-	-	-	17,571
Share issue expenses		-	(695)	-	-	-	(695)
Share-based payments		-	-	-	-	630	630
Tax on share-based payments		-	-	-	-	(93)	(93)
Total transactions with owners of the parent		1,758	15,118	-	-	511	17,387
Balance at 2 July 2020		**9,110**	**57,038**	**11,152**	**1**	**(16,080)**	**61,221**

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Consolidated cash flow statement for the period ended 02 July 2020 (unaudited)

	Note	2 July 2020 £000	4 July 2019 £000	2 January 2020 £000
Cash flows from operating activities				
Profit/(loss) for the period		**(11,719)**	560	1,770
Adjustments for:				
Financial income		**-**	-	(1)
Financial expenses		**1,480**	1,153	2,510
Income tax (credit)/expense	5	**(2,031)**	(115)	526
Operating profit		**(12,270)**	1,598	4,805
Depreciation and amortisation		**5,159**	4,152	8,764
Impairment of goodwill, property, plant and equipment and right-of-use assets		**5,635**	-	-
Loss on disposal of property, plant and equipment		**830**	51	52
Transfer of property, plant and equipment to profit and loss		**-**	-	5
Rent concessions		**(376)**	-	-
Capitalised financial expenses		**-**	-	68
Loan arrangement fees		**-**	-	(58)
Bad debts		**-**	(105)	(79)
Acquisition and incorporation expenses		**-**	1	25
Equity-settled share-based payment expenses		**537**	370	688
		(485)	6,067	14,270
Changes in working capital				
Decrease/(increase) in inventories		**87**	2	(101)
Increase in trade and other receivables		**777**	(1,987)	(1,333)
Acquisition of rights-of-use assets		**-**	(308)	-
Acquisition of right-of-of-use		**-**	-	-
Decrease in trade and other payables		**(4,798)**	(915)	3,089
Cash generated from/(used in) operating activities		**(4.419)**	2,859	15,924
Corporation tax(paid) refunded		**-**	**-**	**-**
Net cash generated from/(used in) operating activities		**(4,419)**	2,859	15,924
Cash flows from investing activities				
Acquisition and incorporation activities		**-**	(1)	(25)
Acquisition of property, plant and equipment		**(6,143)**	(8,439)	(23,154)
Acquisition of intangible assets		**(271)**	(403)	-
Interest received		**-**	-	1
Net cash used in investing activities		**(6,414)**	(8,843)	(24,131)
Cash flows from financing activities				
Proceeds from the issuance of ordinary shares		**17,571**	446	1,450
Proceeds from bank borrowings		**6,000**	6,000	13,000
Repayment of bank borrowings		**(10,000)**	(2,000)	(6,000)
Share issue expenses		**(695)**	-	-
Lease payments		**(400)**	-	850
Interest paid		**(228)**	(113)	(339)
Net cash generated from/(used in) financing activities		**12,248**	4,333	8,961
Exchange (loss)/gain on cash and cash equivalents		**(26)**	-	-
Net increase/(decrease) in cash and cash equivalents		**1,389**	(1,651)	754
Cash and cash equivalents at the beginning of the period		**4,271**	3,517	3,517
Cash and cash equivalents at the end of the period		**5,660**	1,866	4,271

The notes on pages 6 to 9 form an integral part of these condensed consolidated financial statements

Notes to the financial statements

1. General information

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

2. Basis of preparation and accounting policies

These condensed interim financial statements of the Group for the period ended 2 July 2020 have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements for the year ended 2 January 2020. Amendments made to IFRSs specifically IFRS9 and IFRS15 since 2 January 2020 have not had a material effect on the Group's results or financial position for the period.

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

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's statutory consolidated annual financial statements for the year ended 2 January 2020. The auditor's opinion on these financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

3. Going Concern

As part of the adoption of the going concern basis, Everyman has considered the uncertainty caused by the recent Covid-19 pandemic. From March 16 2020 all of the venues were closed for trade, with a phased re-opening from 4 July to 21 August when all venues were fully operational again. In response to the Covid-19 pandemic, in the period since 16 March 2020, Everyman has put in place the following appropriate measures:
raised £17.5m in cash from shareholders
taken advantage of the business rate relief available until March 2021
claimed furlough income from the Governments JRS
claimed income from the Governments Retail, Leisure and Hospitality Business Grant
renegotiated banking covenants until March 2021
negotiated rent deferrals and rent regears with landlords
postponed new openings, refurbishments and capital expenditure

The Board has looked at a scenario of admissions continuing at 40% of pre-Covid-19 trade, as well as the severe but plausible downside scenario of complete closure for six months and a slow re-opening. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months.

4. Revenue

	Six-month period ended 2 July	Six-month period ended 4 July	Year ended 2 January
	2020	2019	2020
	£000	£000	£000
Film and entertainment	**8,792**	16,629	37,195
Food and beverages	**5,381**	10,261	23,310
Other income	**833**	2,034	4,450
	15,006	28,924	64,955

In additional other operating income was received, furlough income (£3.0m) and income from business support grants (£0.3m).

5. Taxation

	Six-month period ended 2 July 2020	Six-month period ended 4 July 2019	Year ended 2 January 2020
	£000	**£000**	**£000**
Current tax	**67**	-	428
Adjustments in prior years	**(9)**	-	-
	58	-	428
Deferred tax (credit)/expense			
Origination and reversal of temporary differences	**(3,341)**	(222)	(19)
Adjustments in respect of prior years	**1,131**	107	111
Deferred tax not previously recognised	**121**	-	-
Total tax (credit)/charge	**(2,031)**	(115)	520

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 for the period are as follows:

Reconciliation of effective tax rate	Six-month period ended 2 July 2020	Six-month period ended 4 July 2019	Year ended 2 January 2020
	£000	**£000**	**£000**
(Loss)/Profit before taxation	**(13,750)**	445	2,296
Tax at the UK corporation tax rate of 19%	**(2,565)**	84	436
Permanent differences (allowable deductions)/expenses not deductible for tax purposes	**165**	(120)	49
Previously unrecognised corporation tax	**-**	-	6
Deferred tax not previously recognised	**1,266**	107	111
Other short term timing differences (potentially exercisable share options)	**(1,163)**	(69)	32
Effect of change in expected future statutory rates on deferred tax	**266**	(117)	(108)
Total tax (credit)/expense	**(2,031)**	(115)	526

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was 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 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future current tax charge accordingly. The deferred tax at 2 July 2020 has been calculated based in these rates.

6. Earnings Per Share

	Six-month period ended 2 July 2020 £000	Six-month period ended 4 July 2019 £000	Year ended 2 January 2020 £000
(Loss)/Profit used in calculating basic and diluted earnings per share	**(11,719)**	560	1,770
Number of shares (000's)			
Weighted average number of shares for the purpose of basic earnings per share	**62,131**	71,777	72,245
Number of shares (000's)			
Weighted average number of shares for the purpose of diluted earnings per share	**63,234**	74,625	73,179
Basic earnings per share (pence)	**(18.86)**	0.78	2.45
Diluted earnings per share (pence)	**(18.86)**	0.75	2.42

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

The Company has 5.5m potentially issuable shares (2019: 4.3m) all of which relate to the potential dilution from the Group's share options issued to the Directors and certain employees and contractors, under the Group's incentive arrangements.

7. IFRS 16 Covid-19 Related Rent concessions Amendment

Implementation of IFRS16 Leases accounting standard in the period
The Group has adopted the amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to Covid-19 is a lease modification. Where the rent concession is a direct consequence of the Covid-19 pandemic, the revised consideration for the lease is substantially the same or less, the reduction affects only payments originally due on or before 30 June 2021 and there were no other substantive changes to the lease then the concessions can be credited to the profit and loss rather than a lease modification.