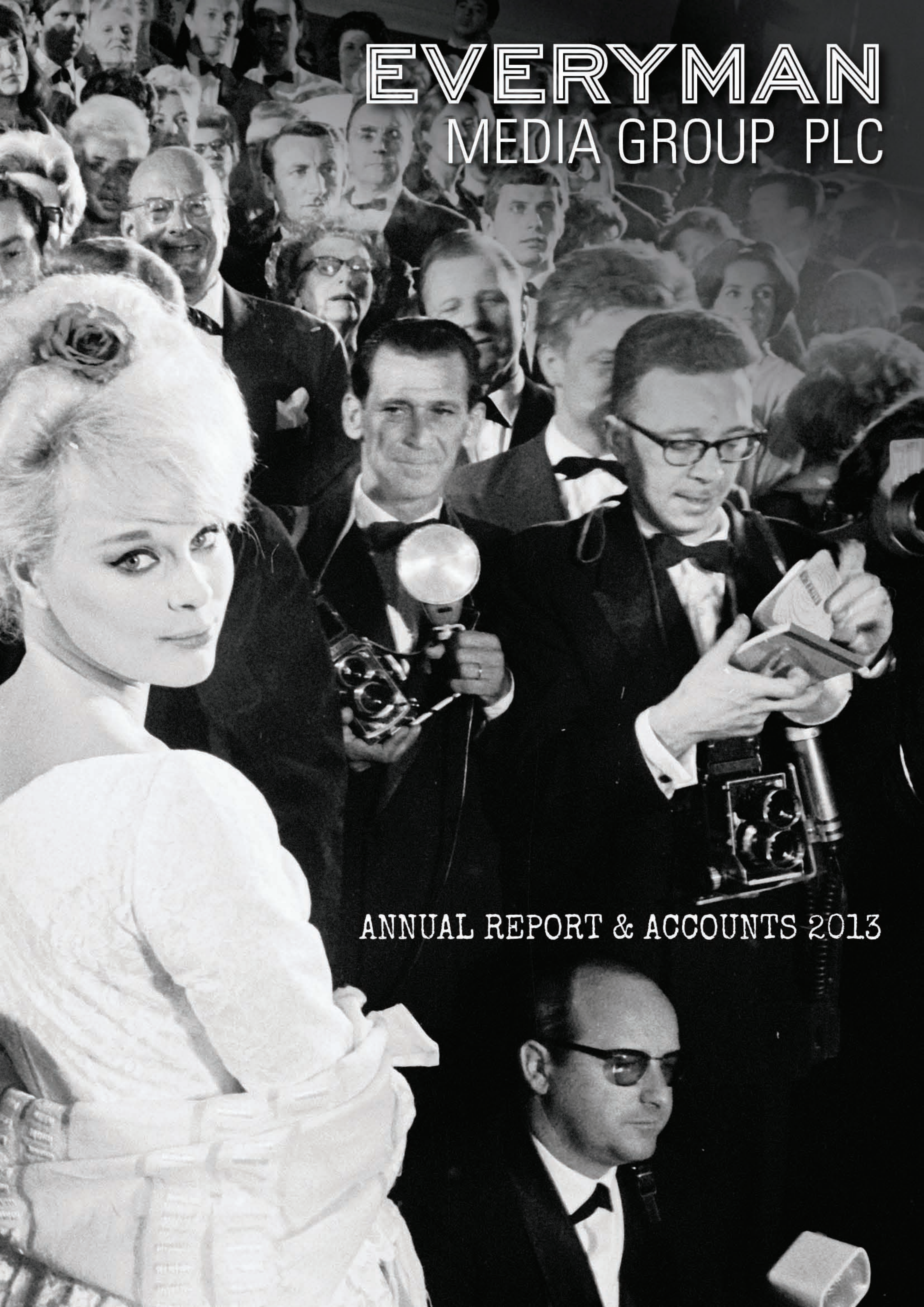
EVERYMAN MEDIA GROUP PLC



ANNUAL REPORT & ACCOUNTS 2013

Everyman Media Group plc

Annual Report and Financial Statements

31 December 2013

Everyman Media Group plc
Annual report and financial statements 2013

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DIRECTORS, SECRETARY AND ADVISERS

Directors

Paul Wise	Executive Chairman
Andrew Myers	Chief Executive Officer
Adam Kaye	Executive Director
Charles Dorfman	Non-Executive Director
Philip Jacobson	Independent Non-Executive Director
Michael Rosehill	Non-Executive Director

Company Secretary

Andrew Myers

Registered Office of the Company	Studio 4 2 Downshire Hill London NW3 1NR
Registered in England & Wales number	08684079
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Auditors to the Company	BDO LLP 55 Baker Street London W1U 7EU
Solicitors to the Company	Howard Kennedy Fsi LLP 19 Cavendish Square London W1A 2AW
Registrars to the Company	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

Chairman's Statement

I am pleased to report the Group's results for the year ended 31 December 2013. In November 2013 the Group became a public company, successfully listing on AIM. A new venue was opened in Leeds which coupled with the refurbishment of existing sites, has helped grow revenue 27% to £11.5m.

The Group's underlying operating profit before pre-opening expenses, exceptional items and share-based payments was £365,000 (2012: £550,000). The Group incurred a loss for the year of £704,000 (2012: profit of £117,000). Overall, the financial performance of the Group after all expenses and taxation is in line with Board's expectations.

Review of the business

We are one of the leading independent cinema groups in the UK in terms of cinema venues, screens and admissions, with a portfolio of ten venues and 20 screens operating under the 'Everyman' brand. Based on market information available, the Group's portfolio of ten venues in the United Kingdom represents approximately 0.46 percent of the total number of screens in the United Kingdom. In 2013, the Group received 0.74 percent of all box office revenues for cinemas in the United Kingdom (Source: Rentrak EDI). The Board believes there is significant growth potential for an independent cinema chain within the UK.

The 'Everyman' brand continues to be positioned at the premium end of the UK cinema market. The Group offering focuses on smaller capacity venues that prioritise customer comfort and service.

In addition to the Group's commitment to expand the estate, the Board is confident that there is scope to increase box office sales, retail spend per customer and other revenue streams from its existing venues through general marketing, advertising and promotion of the 'Everyman' brand.

Results

Revenue for the year was up 27% on last year to £11,515,000 (2012: £9,102,000).

The result for 2013 includes two exceptional charges: IPO expenses of £282,000 relating to the flotation on AIM and an additional share-based payment expense of £250,000 arising from the acceleration on listing of the Group's previous share-option plan.

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

Openings

In April 2013, the Group opened a new three screen site as well as a private screening lounge, outdoor terrace and bar and restaurant in the heart of Leeds city centre.

The Group will be opening new sites at the Mailbox in Birmingham (late 2014), and Canary Wharf in London (mid 2015). There are a number of other sites which are already in the pipeline and at various stages of negotiation. Additionally the Group has acquired additional space adjacent to our existing site in Hampstead which will be used to expand the food offer.

Chairman's Statement continued

Cash flows
Cash flows from operating activities increased to £2,390,000 (2012: £897,000). Net cash outflow for the year before financing was £1,793,000 (2012: £790,000). This is largely represented by capital expenditure on the expansion of the business through the opening and acquisition of the above sites and inflows from financings.

Cash held at the end of the year was £8,883,000 (2012: £3,630,000). The cash held will be invested in the continuing development and expansion of the Group's business in 2014.

Pre-opening costs
Pre-opening costs, which have been expensed within administrative expenses, were £125,000 (2012: £33,000). These costs include expenses, net of the effect of rent free periods, which are necessarily incurred in the period prior to a new unit being opened, but which are specific to the opening of that unit.

Staff
As ever, our dedicated staff have contributed significantly to the development of the Group throughout the year and I would like to take this opportunity of thanking them again for their hard work and effort.

Current Trading
Since the year end trading has been in line with expectations and there remains a strong pipeline of new opportunities.

……………………………………

Paul Wise

Chairman

14 March 2014

Strategic report

The Directors present their strategic report for the Group for the year ended 31 December 2013.

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 company was incorporated on 10 September 2013 under the name of Finlaw Two PLC. On 29 October 2013, the Company's name was changed to Everyman Media Group plc and it became the new holding company of the Group. This was put into effect through a share-for-share exchange of one ordinary share of 10 pence in the Company for one ordinary share of 10 pence in Everyman Media Holdings Limited formerly Everyman Media Group Limited ("EMHL"), the previous holding company for the Group. The introduction of the new holding company has been accounted for as a capital reorganisation and therefore the consolidated financial statements of the Company are presented as if the Company has always been the holding company for the Group.

The results of the Group for the years ending 31 December 2012 and 31 December 2013 are presented by including the annual results of all companies within the Group as if these businesses were owned for the whole of these periods. The Group made a loss after taxation of £704,000 (2012: profit of £117,000). The loss for 2013 includes IPO expenses incurred in the year of £282,000 and a share-based payment expense of £250,000 arising from the acceleration of the previous share option scheme established by EMHL.

Further details are shown in the Chairman's statement and consolidated statement of comprehensive income on page 17 together with the related notes to the financial statements.

Development of the Group's business

The Group is a leading independent cinema group in the UK in terms of the numbers of cinema venues, screens and admissions, with a portfolio of venues and 20 screens operating under the 'Everyman' brand. The Group currently owns and operates ten venues based in London, the South East of England and Leeds. The cinemas owned by the Group are operated under the 'Everyman' brand. The Company raised £7.0 million gross by means of a placing of shares in the year. The net proceeds will be used principally to expand the number of cinemas in the chain and also to refurbish existing cinemas owned by the Group.

In 2013 the UK cinema market turned over approximately £1.2 billion of gross box office receipts (Source: Rentrak EDI). UK box office revenues have grown over the past ten years. The Directors believe that the cinema market sector will continue to grow, with takings from niche and/or independent operators being the highest growth segment of the market.

Based on market information available to the Directors, the Group's portfolio of ten sites in the United Kingdom represents approximately 0.46 percent of the total number of screens in the United Kingdom. In 2013, the Group received 0.74 percent of all box office revenue to cinemas in the United Kingdom (Source: Rentrak EDI).

The Directors believe there is significant growth potential for an independent cinema chain within the UK.

Strategic report continued

The Group currently has cinemas in the following locations:

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

The Group has recently exchanged contracts on new leases for sites in Birmingham, Bristol and Canary Wharf.

The Everyman Offering
The Everyman brand is positioned at the premium end of the UK cinema market. The Group offering focuses on smaller capacity venues which prioritise customer comfort and service.

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

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

The Everyman cinema experience enables the Company to achieve a higher box office and food and beverage spend per head than a number of its competitors. The Directors believe both box office receipts and food and beverage spends across the chain will continue to increase in the future.

Growth Strategy
The Directors believe the opportunities for independent cinema chains within the UK are significant. Continuing expansion thereafter may require further financing. The Directors will also consider the acquisition of other competing independent cinema groups or portfolios of cinemas if they become available.

Strategic report continued

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

Finally, the Board believe there is scope to increase box office sales, retail spend per customer and other revenue streams from its existing cinema estate from general marketing, advertising and promotion of the 'Everyman' brand.

Key Performance Indicators (KPIs)

The Group uses the following key performance indicators to monitor the progress of the Group's activities:

	31 December Group 2013	**31 December Group 2012**
Admissions	771,323	668,536
Booking office spend per head	£9.25	£8.96
Food & Beverage spend per head	£3.82	£3.36
Total spend per head	£13.07	£12.32

Competition
The Board believes there are three major exhibitors in the UK cinema industry, Odeon UCI, Cineworld (including the Picturehouse brand) and Vue. The remainder of the market consists of smaller circuits and independent cinema operators. The Board does not believe the Group competes with the three major exhibitors' multiplex offering on either price or new site location. Everyman cinemas are predominately located on the high street with the offering focused on the cinema experience as opposed to relying exclusively on the film quality.

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

Strategic report continued

Principal risks and uncertainties

Risk relating to the Group's business

The Group's revenues are dependent on box office revenues. The majority of the Group's revenues are generated by box office sales. As a result, the Group's financial position is largely dependent on the continued popularity and the overall quantity and quality of the films which it shows. The Group's ability to license films on acceptable terms is also largely dependent on its relationships with film distributors. The arrival of alternative media channels may introduce new competitive forces for the film-going audience. Film piracy (aided by technological advances) may also have long-term implications for the cinema industry generally.

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

The Group's business could suffer as a result of extreme or unseasonal weather conditions or other exceptional events. Cinema admissions are affected by periods of abnormal, severe or unseasonal weather conditions, such as exceptionally hot weather or heavy snowfall. In addition, cinema admissions may occasionally be impacted by large events such as the football World Cup or similar major events.

Retail sales of confectionary items, food and drinks form an important part of the revenues of the Group. The Group's retail sales generally fluctuate in line with admissions.

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 the event that admissions do not meet a specified threshold.

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

Certain towns and cities in the United Kingdom have relatively few cinema screens per person. 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.

The Group is dependent on certain key contracts and arrangements.

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

The reputation of the Everyman brand is a key requirement to ensure the successful future performance and growth.

Strategic report continued

Principal risks and uncertainties continued

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 has a long-term interest rate derivative designed to fix the interest rate of long-term borrowing commitments taken out in 2008 which have subsequently been replaced by a five-year facility in the year. No other similar derivative instruments have been contracted and it is not the Group's policy to do so.

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

On behalf of the Board

A Myers
Director
14 March 2014

Directors' report

The Directors present their annual report and the audited financial statements for the period ended 31 December 2013. The Company was incorporated on 10 September 2013 under the name of Finlaw Two PLC. The name of the Company was changed to Everyman Media Group plc on 29 October 2013.

Results and dividends

The results of the Group are included in the Strategic report. Further details are shown in the consolidated statement of comprehensive income on page 17 and the related notes.

The Directors do not recommend the payment of a dividend (2012: £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 on page 4. The principal activity of the Company is that of a holding company.

Capital structure

On 29 October 2013 the Company issued share capital of £2.8 million comprising 27,857,290 ordinary shares of 10 pence per share in exchange for an equivalent number of ordinary shares of 10 pence each in Everyman Media Holdings Limited (EMHL), representing all of the issued share capital of EMHL, which was the previous parent undertaking of the Group. The Company became the new parent undertaking of the Group from this date.

On 7 November 2013 the Company issued 8,433,734 ordinary shares of 10 pence pursuant to a placing raising £7.0 million gross, £6.3 million net. The funds raised will be used by the Group to fund its growth strategy. The number of ordinary shares in issue at 31 December 2013 is 36,291,024.

The Company has also issued options over the share capital of the Company to members of the Board and to certain employees which amounted to 3,296,441 ordinary shares which if exercised would comprise 9% of the current issued share capital of the Company. See also Directors' interests below and note 26. Of these 1,928,582 are represented by 'A' ordinary shares issued by EMHL which are convertible into ordinary shares of the Company subject to certain market conditions.

The shares of the Company were admitted to the London AIM market on 7 November 2013.

Directors' report continued

Directors

The Directors of the Company are:

Name	*Function*	*Date of Appointment*
Paul Louis Wise *1, *2, *3	Executive Chairman	10 September 2013
Andrew Leon Myers	Chief Executive Officer	10 September 2013
Adam Kaye	Executive Director	8 October 2013
Charles Samuel Dorfman *1, *2	Non-Executive Director	8 October 2013
Philip Ronald Jacobson *1, *2,*3	Independent Non-Executive Director	8 October 2013
Michael Henry Rosehill	Non-Executive Director	8 October 2013
Filex Nominees Limited	Initial Director	10 September 2013, resigned 8 October 2013
Katherine Maria Claydon	Initial Director	10 September 2013, resigned 8 October 2013

*1 Member of the remuneration committee

*2 Member of the nominations committee

*3 Member of the audit committee

Directors' interests in the Company

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

* Of the 4,847,360 ordinary shares Mr Dorfman is interested in following Admission, 2,543,876 ordinary shares are held by the Lloyd Dorfman Children's Settlement. Mr Dorfman is one of the potential beneficiaries of the Lloyd Dorfman Children's Settlement.

Directors' report continued

Directors' interests in the Company continued

As at the date of this document, the following options over ordinary shares were held by the Directors, as granted on 7 November 2013. Additionally on 29 October 2013 'A' ordinary shares in Everyman Media Holdings Limited were issued to certain directors as follows:

Director	*Number of share options*	*Number of 'A' shares issued by EMHL*
Paul Wise	-	696,432
Andrew Myers	300,000	535,718
Adam Kaye	-	696,432
Charles Dorfman	50,000	-
Philip Jacobson	100,000	-
Michael Rosehill	50,000	-

The benefit of holding 'A' ordinary shares in Everyman Media Holdings Limited has been established to be similar to the benefit of holding an EMI option.

Directors' remuneration for the year to 31 December 2013

Director	**Salary/fees**	**Bonus**	**Gains arising from exercise of share options**	**Total**
	£000	**£000**	**£000**	**£000**
Paul Wise	-	-	143	143
Andrew Myers	103	10	503	616
Adam Kaye	-	-	143	143
Charles Dorfman	-	-	-	-
Philip Jacobson	5	-	-	5
Michael Rosehill	-	-	-	-
	108	10	789	907

Directors' report continued

Directors' remuneration for the year to 31 December 2012

Director	Salary/fees £000	Bonus £000	Gains arising from exercise of share options £000	Total £000
Paul Wise	-	-	-	-
Andrew Myers	155	-	-	155
Adam Kaye	-	-	-	-
Charles Dorfman	-	-	-	-
Philip Jacobson	-	-	-	-
Michael Rosehill	-	-	-	-
	155	-	-	155

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.

Political and charitable donations

The Group made no charitable donations or political donations in the year (2012: £nil).

Post-balance sheet events

The group has signed a lease for a new site located in Bristol.

Auditor

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

- so far as that Director was aware, there was no relevant available information of which the Company's auditor is unaware: and

- that Director has taken all steps that the Director 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.

A resolution to reappoint BDO LLP as auditor to the Company will 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 a number of 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 during the future periods the Board will continuously assess the ongoing need for the strengthening of internal financial controls.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the parent company financial statements in accordance with those standards. 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 Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. In preparing these 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;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

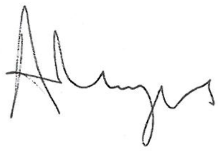
The Directors are responsible for ensuring that the Annual Report and Financial Statements are made available on a website.

STATEMENT OF DIRECTORS' RESPONSIBILITIES continued

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. The Directors' responsibility also extends to ongoing integrity of the financial statements contained therein.

Annual General Meeting

Notice of the Annual General Meeting of the Company for 2013 is on page 53.



On behalf of the Board

A Myers
Director
14 March 2014

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 31 December 2013 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the Company statement of financial position and the Company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

his 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 auditors

As explained more fully in the statement of Directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC'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 the parent Company's affairs as at 31 December 2013 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERYMAN MEDIA GROUP PLC continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Michael Goldstein (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 14 March 2014

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

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £000
Revenue	5	**11,515**	9,102
Cost of sales		**(4,699)**	(3,861)
Gross profit		**6,816**	5,241
Administrative expenses		**(7,102)**	(4,936)
Exceptional items:			
Accelerated share-based payment on listing	11	**(250)**	-
IPO expenses	11	**(282)**	-
Total administrative expenses		**(7,634)**	(4,936)
(Loss)/profit from operations		**(818)**	305
Adjusted profit from operations (before exceptional items, pre-opening expenses, and share-based payment expense)		**365**	550
Exceptional items (as above)		**(532)**	-
Pre-opening expenses		**(125)**	(33)
Share based payment expense		**(526)**	(212)
(Loss)/profit from operations		**(818)**	305
Financial income	12	**120**	53
Financial expenses	13	**(83)**	(103)
(Loss)/profit before taxation	6	**(781)**	255
Income tax credit/(expense)	14	**77**	(138)
(Loss)/profit for the year and total comprehensive income attributable to equity holders of the parent company		**(704)**	117
Basic (loss)/earnings per share – pence	15	**(2.42)**	0.40
Diluted (loss)/earnings per share – pence	15	**(2.42)**	0.40

All amounts relate to continuing activities.
There were no other recognised gains and losses in the year.
The notes on pages 24 to 52 form part of these financial statements.

Consolidated statement of financial position **Registered company number: 08684079**

	Note	31 December 2013 £000	31 December 2012 £000	31 December 2011 £000
Assets				
Non-current assets				
Property, plant and equipment	**16**	**7,988**	4,465	2,634
Goodwill	**17**	**782**	782	782
		8,770	5,247	3,416
Current assets				
Inventories	**19**	**98**	67	44
Trade and other receivables	**20**	**510**	673	443
Cash and cash equivalents		**8,883**	3,630	1,152
		9,491	4,370	1,639
Total assets		**18,261**	9,617	5,055
Current liabilities				
Trade and other payables	**21**	**4,657**	3,028	2,155
Loans and borrowings	**22**	**76**	401	522
Current corporation tax liabilities		**-**	-	-
Total current liabilities		**4,733**	3,429	2,677
Non-current liabilities				
Loans and borrowings	**22**	**254**	-	-
Derivative financial instruments	**23**	**195**	304	342
Deferred tax	**24**	**172**	249	221
		621	553	563
Total liabilities		**5,354**	3,982	3,240
Net assets		**12,907**	5,635	1,815
Equity and liabilities				
Equity attributable to owners of the Company				
Ordinary shares	**25**	**3,629**	2,786	2,786
Share Premium		**5,774**	-	-
Merger reserve		**11,152**	10,569	7,078
Retained deficit		**(7,648)**	(7,720)	(8,049)
Total equity		**12,907**	5,635	1,815

The financial statements were approved by the Board of Directors and authorised for issue on 14 March 2013.

A Myers
Director

The notes on pages 24 to 52 form part of these financial statements.

Consolidated statement of changes in equity	**Note**	**Share capital £000**	**Share premium £000**	**Merger reserve £000**	**Retained deficit £000**	**Total Equity £000**
At 1 January 2012 as originally stated		2,786	-	7,078	(7,711)	2,153
Effect of transition to IFRS	31	-	-	-	(338)	(338)
Balance at 1 January 2012 restated		2,786	-	7,078	(8,049)	1,815
Profit for the year		-	-	-	117	117
Total comprehensive income for the year		-	-	-	117	117
Shares issued by subsidiary undertaking in the period		-	-	3,500	-	3,500
Share issue expenses incurred by subsidiary		-	-	(9)	-	(9)
Share-based payments	26	-	-	-	212	212
Total contributions by owners of the parent		-	-	3,491	212	3,703
Balance at 31 December 2012		2,786	-	10,569	(7,720)	5,635

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

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share-issue expenses.
Merger reserve	Amounts attributable to equity in respect of merged subsidiary undertakings.
Retained deficit	Cumulative loss of the Group attributable to equity shareholders.

The notes on pages 24 to 52 form part of these financial statements.

Consolidated statement of changes in equity continued	**Note**	**Share capital £000**	**Share premium £000**	**Merger reserve £000**	**Retained deficit £000**	**Total Equity £000**
At 1 January 2013 as originally stated		2,786	-	10,569	(7,477)	5,878
Effect of transition to IFRS	31	-	-	-	(243)	(243)
Balance at 1 January 2013 restated		2,786	-	10,569	(7,720)	5,635
Loss for the year		-	-	-	(704)	(704)
Total comprehensive income for the year		-	-	-	(704)	(704)
Shares issued in the period		843	6,157	-	-	7,000
Share issue expenses		-	(383)	-	-	(383)
Shares issued by subsidiary undertaking in the period		-	-	583	-	583
Share-based payments	26	-	-	-	776	776
Total contributions by owners of the parent		843	5,774	583	776	7,976
Balance at 31 December 2013		**3,629**	**5,774**	**11,152**	**(7,648)**	**12,907**

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

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share-issue expenses.
Merger reserve	Amounts attributable to equity in respect of merged subsidiary undertakings.
Retained deficit	Cumulative loss of the Group attributable to equity shareholders.

The notes on pages 24 to 52 form part of these financial statements.

Consolidated statement of cash flows	**31 December**	**31 December**
	2013	**2012**
	£000	**£000**
Cash flows from operating activities		
(Loss)/profit from operations	**(818)**	305
Depreciation	**671**	505
Share-based payment	**776**	212
Corporation tax paid	**-**	-
	629	1,022
Increase in inventories	**(31)**	(23)
Decrease/(increase) in trade and other receivables	**163**	(229)
Increase in trade and other payables	**1,629**	127
Net cash generated from operating activities	**2,390**	897
Cash flows from investing activities		
Purchase of property, plant and equipment	**(4,194)**	(1,702)
Interest received	**11**	15
Net cash generated used in investing activities	**(4,183)**	(1,687)
Proceeds from the issuance of ordinary shares	**7,000**	3,500
Share issue expenses	**(383)**	(9)
Repayment of bank borrowings	**(401)**	(108)
Receipt of bank loans	**330**	-
Repayment of finance lease borrowings	**-**	(12)
Proceeds from issuance of shares in subsidiary undertaking	**583**	-
Interest paid	**(83)**	(103)
Net cash generated from financing activities	**7,046**	3,268
Net increase in cash and cash equivalents	**5,253**	2,478
Cash and cash equivalents at the beginning of the year	**3,630**	1,152
Cash and cash equivalents at the end of the year	**8,883**	3,630

All cash transactions relating to the Company were enacted through subsidiary undertakings and no statement of cash flows is presented for the Company.

The notes on pages 24 to 52 form part of these financial statements.

Registered company number: 08684079

Company statement of financial position

	Note	31 December 2013 £000
Assets		
Non-current assets		
Investments	**18**	**23,643**
Current assets		
Trade and other receivables	**20**	**6,624**
Total assets		**30,267**
Current liabilities		
Trade and other payables	**21**	**288**
Total liabilities		**-**
Net assets		**29,979**
Equity and liabilities		
Equity attributable to owners of the Company		
Ordinary shares	**25**	**3,629**
Share Premium		**5,774**
Merger reserve		**20,336**
Retained deficit		**240**
Total equity		**29,979**

The financial statements were approved by the Board of Directors and authorised for issue on 14 March 2013.

A Myers
Director

The notes on pages 24 to 52 form part of these financial statements.

Company statement of changes in equity	**Share capital £000**	**Share premium £000**	**Fair-value Reserve £000**	**Retained deficit £000**	**Total Equity £000**
At 10 September 2013	-	-	-	-	-
Loss for the period	-		-	(285)	(285)
Total comprehensive income for the year	-	-	-	(285)	(285)
Shares issued in the period	3,629	6,157	-	-	9,786
Share issue expenses	-	(383)	-	-	(383)
Investment in Everyman Media Holdings Limited (note 18)	-	-	20,336	-	20,336
Share-based payments	-	-	-	525	525
Total contributions by owners of the parent	3,629	5,774	20,336	525	30,264
Balance at 31 December 2013	**3,629**	**5,774**	**20,336**	**240**	**29,979**

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

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value less attributable share-issue expenses.
Merger reserve	Amounts attributable to equity in respect of merger relief received.
Retained deficit	Cumulative loss of the Group attributable to equity shareholders.

The notes on pages 24 to 52 form part of these 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. The Company is a public company 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. The Company was incorporated on 10 September 2013 for the purpose of becoming the new parent undertaking of the Group.

2 Basis of preparation and accounting policies

The consolidated financial information, which represents the results of the Company and its subsidiaries, has been prepared in accordance with International Financial Reporting Standards and IFRC Interpretations issued by the International Accounting Standards Board (together "IFRSs) as adopted by the European Union (EU). This is the first time that IFRSs have been adopted and IFRS 1 First-time Adoption of International financial Reporting Standards has been applied. The Company financial statements have been prepared in accordance with IFRSs from the date of incorporation.

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements for the years ended 31 December 2012 and 31 December 2013 are set out below. This is the first year in which IFRSs have been adopted. These policies have been consistently applied to all periods presented.

Companies Act s408 exemption

The Company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Group loss for the year included a loss on ordinary activities after tax of £285,000 in respect of the Company for the period 10 September 2013 to 31 December 2013. The Company had no other items of comprehensive income in the year.

Changes to accounting policies since the last period

The following standards and interpretations, issued by the IASB or the International Financial Reporting Interpretations Committee (IFRIC), are also effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position for the current reporting period:

- IAS 19 'Employee Benefits'.
- Amendment to IAS1 'Presentation of Items of Other Comprehensive Income'.
- Amendment to IAS12 'Deferred Tax: Recovery of Underlying Assets'.
- Amendment to IFRS 7 'Disclosures - Offsetting Financial Assets and Financial Liabilities'.
- Amendment to IFRS 1 'Government Loans'.
- Annual Improvements to IFRSs (2009-2011 Cycle) - Minor amendments to various accounting standards, effective for periods beginning on or after 1 January 2013 onwards.
- IFRS 13 'Fair Value Measurement'.

Basis of preparation and accounting policies continued

Changes to accounting policies since the last period continued

The following standards and interpretations issued by the IASB or IFRIC have not been adopted by the Group as these are not effective for the current year. The Group is currently assessing the impact these standards and interpretations will have on the presentation of its consolidated results in future periods:

- IFRS 10 'Consolidated Financial Statements'. This interpretation has been endorsed for use in the EU (the mandatory effective date for the EU-endorsed version is 1 January 2014).

- IFRS 11 'Joint Arrangements'. This interpretation has been endorsed for use in the EU (the mandatory effective date for the EU-endorsed version is 1 January 2014).

- IFRS 12 'Disclosure of Interests in Other Entities'. This interpretation has been endorsed for use in the EU (the mandatory effective date for the EU-endorsed version is 1 January 2014).

- Amendments to IFRS 10, IFRS 11 and IFRS 12 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance'. This amendment has been endorsed for use in the EU (the mandatory effective date for the EU-endorsed version is 1 January 2014).

- IAS 27 'Separate Financial Statements'. This interpretation has been endorsed for use in the EU (the mandatory effective date for the EU-endorsed version is 1 January 2014).

- IAS 28 'Investments in Associates and Joint Ventures'. This interpretation has been endorsed for use in the EU (the mandatory effective date for the EU-endorsed version is 1 January 2014).

- Amendment to IAS 32 'Offsetting Financial Assets and Financial Liabilities' (effective for accounting periods beginning on or after 1 January 2014). This amendment has been endorsed for use in the EU.

- Amendments to IFRS 10, IFRS 12 and IAS 27 'Investment Entities' (effective for accounting periods beginning on or after 1 January 2014). This amendment has been endorsed for use in the EU.

- IFRS 9 'Financial Instruments' (effective date for accounting periods is to be confirmed). This amendment has not yet been endorsed for use in the EU.

- Amendment to IAS 36 'Recoverable amounts disclosures for non-financial assets' (effective for accounting periods beginning on or after 1 January 2014). This amendment has been endorsed for use in the EU.

- Amendment to IAS 39 'Novation of Derivatives and Continuation of Hedge Accounting' (effective for accounting periods beginning on or after 1 January 2014). This amendment has been endorsed for use in the EU.

- IFRIC 21 'Levies' (effective for accounting periods beginning on or after 1 January 2014). This amendment has not yet been endorsed for use in the EU

Basis of preparation accounting policies continued

Changes to accounting policies since the last period continued

- Amendment to IAS 19 'Defined Benefit Plans: Employee Contributions' (effective for accounting periods beginning on or after 1 July 2014). This amendment has not yet been endorsed for use in the EU.

- Annual Improvements to IFRSs (2010-2012 Cycle) Minor amendments to various accounting standards, effective for periods beginning on or after 1 July 2014 onwards. These amendments have not yet been endorsed for use in the EU.

- Annual Improvements to IFRSs (2011-2013 Cycle) Minor amendments to various accounting standards, effective for periods beginning on or after 1 July 2014 onwards. These amendments have not yet been endorsed for use in the EU.

Management has concluded that there will be no material impact of these changes on the results or net assets 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 obtain benefits from its activities, it is classified as a subsidiary. The statement of financial position at 31 December 2013 incorporates the results of all subsidiaries of the Group for all years and periods, as set out in the basis of preparation.

Capital reorganisation and the merger reserve
On 29 October 2013 the Company was formed to become 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 EMG plc for one ordinary share of 10 pence in Everyman Media Holdings Limited (previously Everyman Media Group Limited) ("EMHL"), the previous holding company for the Group. The value of one share in the Company was equivalent to the value of one share in EMHL.

The accounting treatment for group reorganisations is scoped out of IFRS3. Accordingly, as required under IAS8 Accounting Policies, Changes in Accounting Estimates and Errors the Group has referred to current UK GAAP to assist its judgement in identifying a suitable accounting policy. The introduction of the new holding company has been accounted for as a capital reorganisation using the merger accounting principles prescribed under current UK GAAP. Therefore the consolidated financial statements EMG plc are presented as if EMG plc has always been the holding company for the Group.

The introduction of the new holding company constitutes a Group reconstruction and has been accounted for using merger accounting principles. Therefore the consolidated financial statements are presented as if EMG plc has always been the holding company for the Group and the share capital issued on this date treated as if issued in the earliest year presented.

Basis of preparation accounting policies continued

Capital reorganisation and the merger reserve - continued
The use of merger accounting principles has resulted in a balance on 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 has recognised the value of its investment in Everyman Media Holdings Limited at fair-value based upon the initial share placing price on admission to AIM. This is a Level 2 valuation within the fair-value hierarchy. As permitted by S612 of the Companies Act 2006 the amount attributable to share premium has been 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 and at the time 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.

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

Goodwill
Goodwill represents the excess of the costs of a business combination over the total acquisition date fair values of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is capitalised as an intangible asset and is tested for impairment annually. Any impairment in carrying value is charged to the consolidated statement of comprehensive income.

For business combinations completed prior to 1 January 2010, cost comprised the fair value of assets given, liabilities assumed and equity instruments issued, plus any direct costs of acquisition. Changes in the estimated value of contingent consideration arising on business combinations completed by this date were treated as an adjustment to cost and, in consequence, resulted in a change in the carrying value of goodwill. There are no business combinations after this year.

When the carrying value of goodwill exceeds its recoverable amount, the carrying value of goodwill is written down accordingly in other comprehensive income. The carrying value of goodwill is tested at group level which is the single segment in which the Group operates. An impairment loss recognised for goodwill is not reversed.

Basis of preparation accounting policies continued

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

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

Leasehold improvement	-	Straight line on cost over the remaining life of the lease
Plant and machinery	-	10% to 20% on cost on a straight line basis
Fixtures and fittings	-	10% to 25% on cost on a straight line basis
Motor vehicles	-	20% on cost on a straight line basis

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

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

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

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

Cash and cash equivalents
Cash and cash equivalents comprise cash.

Basis of preparation accounting policies continued

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

Derivative financial instruments

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

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

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

Share Capital
Financial instruments issued by the 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 statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term.

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

Basis of preparation accounting policies continued

Deferred taxation

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

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

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

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

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

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

Share-based payments

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

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘the vesting date’). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the 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.

Basis of preparation accounting policies continued

Share-based payments continued

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.
Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency) which is pounds sterling for each entity within the Group. For the purpose of the consolidated financial statements, the results and financial position of each entity within the Group are expressed in pound sterling which is the presentation currency for the Group and Company financial statements. The functional currency of the Company is pound sterling.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in the income statement for the period.

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

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

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

Operating profit and loss
Operating profit and loss comprises revenues less operating costs. Operating costs comprise adjustments for changes in inventories, employee costs, amortisation, depreciation and impairment and other operating expenses.

Basis of preparation accounting policies continued

Pre-opening expenses

Property rentals and other related overhead expenses incurred prior to a new site opening are expensed to the income statement 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.

3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. The significant estimates or judgements made by the Group include the valuation of share-based payment expenses, the value of its leasehold properties and the value of its goodwill and related impairment charges.

The valuation of the Group's share-option incentive plans requires the use of valuation techniques and assumptions including volatility, market interest rates and the future performance of the Company's share price.

The value of the Group's leasehold properties may vary with market conditions and judgement is required in assessing the effect on the carrying values of related expenditure.

The value of the Group's goodwill and any related impairment charge requires judgement in respect of the expected future performance of the Group's cinemas.

Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

4 Financial instruments – risk management

The Board has overall responsibility for the determination of the 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 does not use derivative financial instruments such as forward currency contracts, interest rate swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

The Group is exposed to the following financial risks:

Credit risk
Liquidity risk
Market interest rate risk

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

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

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

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

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. At 31 December 2013 the Group has trade receivables of £101,000.

The Group is exposed to credit risk in respect of these balances such that, if one or more the customers encounter's 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 contracts with customers with agreed credit terms.

The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2013 and consequently no further provisions have been made for bad and doubtful debts.

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.

Market interest rate risk

Market interest rate risk arises from the Group's holding of an historic 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 market 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 and the re-pricing of its interest-bearing liabilities are set out in note 22.

Financial instruments – risk management continued

Capital Management

The Group's capital is made up of share capital, share premium, merger reserve and retained earnings totalling £12,907,000 (31 December 2012: £5,635,000).

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; and
- 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.

5 Revenue

	31 December 2013 Group £000	31 December 2012 Group £000
Film and entertainment	**7,705**	6,042
Food and beverages	**3,359**	2,235
Other income	**451**	825
	11,515	9,102

6 (Loss)/profit before taxation

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

	31 December 2013 Group £000	31 December 2013 Group £000
Depreciation	**671**	505
Operating lease rentals	**913**	597
Share-based payment expense (note 26)	**776**	212
Employee costs (note 7)	**2,957**	2,260
Fees payable to the Company's auditor (note 9)	**205**	47

7 Employee costs including Directors

	31 December 2013 Group £000	31 December 2012 Group £000
Wages and salaries	**2,707**	2,106
Social Security Costs	**248**	150
Pension costs	**2**	4
Share-based payments	**776**	212
	3,733	2,472

8 Average number of employees

	31 December 2013 Group Number	31 December 2012 Group Number
Management	**34**	34
Operations	**202**	164
	236	198

9 Auditors' remuneration

	31 December 2013 Group £000	31 December 2012 Group £000
Fees payable to the Company's auditor for the audit of the Company's consolidated financial statements	**10**	-
Fees payable to the Company's auditor for the audit of subsidiary undertakings of the Company	**20**	20
Fees payable to the Company's auditor for taxation compliance services to the Group	**20**	6
Fees payable to the Company's auditor for services related to the institutional placing offer	**120**	21
Fees payable to the Company's auditor for other services	**35**	-
	205	47

Of the total auditors' remuneration for the year £27,600 has been charged directly to equity (2012: £nil).

10 Directors' remuneration

	31 December 2013 Group and Company £000	31 December 2012 Group and Company £000
Salaries/fees	**118**	155
Social Security Costs	**16**	19
	134	174
Share-based payments	**76**	25
	210	199
Information regarding the highest paid Director is as follows:	**113**	155

Three Directors made notional gains on the exercise of share options held in Everyman Media Holdings Limited, the previous parent undertaking of the Company:

Director	31 December 2013 Group £000	31 December 2012 Group £000
A Myers	**503**	-
A Kaye	**143**	-
P Wise	**143**	-
	789	-

11 Exceptional items of expenditure

	31 December 2013 Group £	31 December 2012 Group £
Accelerated share-based payment on listing	**250**	-
IPO expenses	**282**	-
	532	-

On 29 October 2013 the previous share option scheme within the Group, based upon ordinary shares within Everyman Media Holdings Limited was accelerated on listing and a new share-incentive scheme put in place. The options related to the previous scheme were exercised, the vesting periods and the associated share-based payments expense being advanced.

On 7 November 2013 the Company was admitted to the AIM market and an associated placing of shares was made. The total costs were £665,000 of which £383,000 were attributed to share premium.

12 Financial income

	31 December 2013 Group £000	31 December 2012 Group £000
Interest receivable	**11**	15
Fair-value gains of financial instruments	**109**	38
	120	53

13 Financial expense

	31 December 2013 Group £000	31 December 2012 Group £000
Interest on bank loans and overdrafts	**83**	102
Interest on finance leases	**-**	1
	83	103

	31 December 2013 Group £000	31 December 2012 Group £000
Net finance income/(expense)	**37**	(50)

14 Income tax

	31 December 2013 Group £000	31 December 2012 Group £000
Current tax (credit)/expense		
Current tax	**-**	111
Deferred tax:		
Origination and reversal of temporary differences	**(77)**	27
Total tax (credit)/expense	**(77)**	138

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

	31 December 2013 Group £000	31 December 2012 Group £000
(Loss)/profit before tax	**(781)**	255
Applied corporation tax rates:	**23.25%**	24.50%
Tax at the UK corporation tax rate of 23.25%/24.5%	**(182)**	63
Expenses not deductible for tax purposes	**65**	75
Net effect of share options exercised	**(65)**	-
Effect of change in tax rates	**9**	-
Under provision in prior years	**106**	-
Effect of other differences	**(10)**	-
Total tax (credit)/expense	**(77)**	138

15 (Loss)/earnings per share

	31 December 2013 Group £000	31 December 2012 Group £000
(Loss)/profit used in calculating basic and diluted (loss)/earnings per share	**(704)**	117
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**29,128,127**	27,857,290
Weighted average number of shares for the purpose of diluted earnings per share	**29,128,127**	27,857,290
Basic (loss)/earnings per share (pence per share)	**(2.42)**	0.40
Diluted (loss)/ earnings per share (pence per share)	**(2.42)**	0.40

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

Where the Group has incurred a loss in a year or period the diluted earnings per share is the same as the basic earnings per share as the loss has an anti-dilutive effect. The diluted loss per share for 2013 is therefore the same as the basic loss per share for the year and the diluted weighted average number of shares is the same as the basic weighted average number of shares.

The Company has 3,296,441 potentially issuable shares all of which relate to the potential dilution from the Group's 'A' shares (see note 26) and share-options issued to the Directors and certain employees (note 26).

16 Property, plant and equipment

	31 December 2013 Group Leasehold improvements £000	31 December 2013 Group Plant & Machinery £000	31 December 2013 Group Fixtures & fittings £000	31 December 2013 Group Total £000
Cost				
At 1 January 2012	1,754	563	2,336	4,653
Acquired in the year	2,105	56	175	2,336
At 31 December 2012	3,859	619	2,511	6,989
Acquired in the year	2,984	604	606	4,194
Disposals	-	(5)	-	(5)
At 31 December 2013	**6,843**	**1,218**	**3,117**	**11,178**
Depreciation				
At 1 January 2012	256	207	1,556	2,019
Charge for the year	102	63	340	505
At 31 December 2012	358	270	1,896	2,524
Charge for the year	282	170	219	671
Disposals	-	(5)	-	(5)
At 31 December 2013	**640**	**435**	**2,115**	**3,190**
Net book value				
At 31 December 2013	**6,203**	**783**	**1,002**	**7,988**
At 31 December 2012	3,501	349	615	4,465
At 31 December 2011	1,498	356	780	2,634

Plant & machinery includes assets held under finance leases amounting to £nil (31 December 2012: £nil, 31 December 2011: £25,000).

17 Intangible assets

	31 December 2013 Group Total
Goodwill	**£000**
Cost	
At 1 January 2012, 31 December 2012 and 31 December 2013	**4,113**
Impairment	
At 1 January 2012, 31 December 2012 and 31 December 2013	**3,331**
Net book value	
At 31 December 2013	**782**
At 31 December 2012	782
At 31 December 2011	782

Value in use was calculated as the net present value of the projected risk-adjusted post tax cash flows plus a terminal value of the cash generating unit. A pre-tax discount rate was applied to calculate the net present value of post-tax cash flows. Value-in-use calculations are performed annually and at each reporting date. This is a Level 3 valuation in the fair-value hierarchy.

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

Sales and cost growth (over a 15 year period): 4%.
Discount rate (the Group's weighted average cost of capital): 6.82%.
Terminal growth rate: 2.00%.

There have been no impairments indicated in the year to 31 December 2013. 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. There have been no significant changes made to the key assumptions used above for reviews conducted subsequently.

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

18 Investments

	31 December 2013 Company £000
At 10 September 2013	-
Nominal value of shares issued	**2,786**
Fair-value adjustment	**20,336**
Share-based payment acquired in respect of subsidiary undertaking	**521**
At 31 December 2013	**23,643**

The investment is in Everyman Media Holdings Limited and is valued at fair-value on 7 November 2013 based upon quoted prices as at the date of the Group reorganisation. This is a Level 2 valuation under the fair-value hierarchy.

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

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

19 Inventories

	31 December 2013 Group £000	31 December 2012 Group £000
Finished goods	**98**	67
Finished goods expensed in the year	955	655

20 Trade and other receivables

	31 December 2013 Group £000	31 December 2012 Group £000	31 December 2013 Company £000	31 December 2012 Company £000
Trade and other receivables	**101**	63	**-**	-
Amounts due from Group undertakings	**-**	-	**6,624**	-
Other debtors	**43**	-	**-**	-
Prepayments and accrued income	**366**	610	**-**	-
	510	673	**6,624**	-

There were no receivables that were past due or considered to be impaired. There is no significant difference between the fair value of the other receivables and the values stated above. The other debtors balances are categorised as loans and receivables. All amounts shown under trade and other receivables are due for payment within one year.

21 Trade and other payables

	31 December 2013 Group £000	31 December 2012 Group £000	31 December 2013 Company £000	31 December 2012 Company £000
Trade creditors	**563**	780	**-**	-
Amounts due to Group undertakings	**-**	-	**288**	-
Social security and other taxes	**359**	166	**-**	-
Accrued expenses	**1,347**	1,384	**-**	-
Lease incentives	**2,126**	443	**-**	-
Deferred income	**262**	255	**-**	-
	4,657	3,028	**288**	-

22 Loans and borrowings

Bank borrowings	31 December 2013 Group £000	31 December 2012 Group £000
Current	**76**	401
Non-current	**254**	-
	330	401

Principal terms and the debt repayment schedule of the Group's loan and borrowings as at 31 December 2013 are as follows:

	Currency	Nominal Rate %	Year of Maturity
Bank loans	Sterling	5.0%	2018

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at 31 December 2013 and the periods in which they mature or, if earlier, are re-priced. Amounts shown for debt include both capital repayments and related interest calculated at year-end rates.

	Effective interest rate %	Maturing within 1 year £000	Maturing between 1 to 2 years £000	Maturing between 2 to 5 years £000
Bank deposits	1.0%	8,883	-	-
Bank loans	5.0%	(90)	(87)	(189)

22 Loans and borrowings continued

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 or loss before tax through the impact on floating rate borrowings and bank deposits and cash flows. There is no impact on the Group's equity.

	Change in rate	**2013 £000**	Change in rate	2012 £000
Bank deposits		**8,883**		3,630
	-0.5%	**(44)**	-0.5%	(18)
	-1.0%	**(89)**	-1.0%	(36)
	-1.5%	**(133)**	-1.5%	(54)
	+0.5%	**44**	+0.5%	18
	+1.0%	**89**	+1.0%	36
	+1.5%	**133**	+1.5%	54

	Change in rate	**2013 £000**	Change in rate	2012 £000
Bank loans		**330**		401
	-0.5%	**(2)**	-0.5%	(2)
	-1.0%	**(3)**	-1.0%	(4)
	-1.5%	**(5)**	-1.5%	(6)
	+0.5%	**2**	+0.5%	2
	+1.0%	**3**	+1.0%	4
	+1.5%	**5**	+1.5%	6

23 Derivative financial instruments

	31 December 2013 Group £000	**31 December 2012 Group £000**
Included in non-current liabilities	**195**	304

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

	31 December 2013 Group £000	**31 December 2012 Group £000**
Notional contract value	**1,169**	1,357

23 Derivative financial instruments continued

The contracts are for a 15 year period commencing 13 March 2008 and ending on 13 March 2023. Initially the contracts were entered into to protect mortgage payments against a property. The property was subsequently sold. The fair value of the derivatives is a level 2 valuation based on valuations received from the Company's bankers.

24 Deferred tax

	31 December 2013 Group £000	31 December 2012 Group £000
Included in non-current liabilities	**172**	249

Deferred tax gross movements	31 December 2013 Group £000	31 December 2012 Group £000
Opening balance	**249**	221
(Credit)/charge to income statement	**(77)**	88
Closing balance	**172**	249

The deferred tax liability comprises:	31 December 2013 Group £000	31 December 2012 Group £000
Temporary differences on property, plant and equipment	**295**	88
Held-over gain	**268**	268
Available losses	**(356)**	(175)
Other temporary and deductible differences	**(35)**	68
Closing balance	**172**	249

Deferred tax is calculated in full on temporary differences under the liability method using the tax rates expected for future periods of 20%. 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 £353,000 at expected tax rates in future periods.

25 Share capital

	31 December 2013 Group and Company	31 December 2012 Group
Ordinary shares of £0.10 each	**£000**	£000
At the beginning of the year	**2,786**	2,786
Issued in the year	**843**	-
At the end of the year	**3,629**	2,786

Number of shares	31 December 2013 Group and Company	31 December 2012 Group and Company
Ordinary shares of £0.10 each	**Number**	Number
At the beginning of the year	**27,857,290**	27,857,290
Issued in the year	**8,433,734**	-
At the end of the year	**36,291,024**	27,857,290

On 29 October 2013 a new holding company, Everyman Media Group plc (EMG plc), was formed for the Group. This was put into effect through a share-for-share exchange of one ordinary share of 10 pence in EMG plc for one ordinary share of 10 pence in Everyman Media Holdings Limited (EMHL), the previous holding company for the Group. The value of one share in EMG plc was equivalent to the value of one share in EMHL.

The introduction of the new holding company constitutes a Group reconstruction and has been accounted for using merger accounting principles. Therefore the consolidated financial statements EMG plc are presented as if EMG plc has always been the holding company for the Group and the share capital issued on this date treated as if issued in the earliest year presented.

Accordingly, the results of the Group for the entire year ended 31 December 2013 and the results for the comparative year ended 31 December 2012 are also prepared on this basis.

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

Share-issue costs of £383,000 have been deducted from the share premium in the year. A further £282,000 has been expensed (note 11).

26 Share-based payment arrangements

Everyman Media Group plc operates an equity-settled share based remuneration scheme for employees. The scheme combines a long term incentive scheme and an unapproved scheme for certain senior management and executive Directors. The scheme was put in place on 29 October 2013. The previous scheme was accelerated, these options treated as fully vested and related shares issued. A subsidiary of the Company has also issued ‘A’ ordinary shares to certain Directors which contain terms equating to an share option conditional upon future performance.

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 on 29 October 2013 are as follows:

Option Scheme conditions:	Performance criteria based upon the Company’s share price	‘A’ shares in subsidiary with performance conditions based upon the Company’s share price	Other options with no performance criteria
Weighted average share price at grant date (pence)	83	83	83
Weighted average option exercise prices (pence)	83	83	83
Expected volatility	40%	40%	40%
Expected option life	5 years	5 years	5 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)	25	23-28	31

	31 December 2013 Group Number	**31 December 2012 Group Number**
Number of options at the beginning of the period	**-**	-
Number of options issued in the year	**1,367,889**	-
Number of options at the end of the year	**1,367,889**	-

26 Share-based payment arrangements continued

Share-based payments charged to profit and loss

	31 December 2013 Group £000	31 December 2012 Group £000
Administration costs:		
Administrative costs (current arrangements)	**25**	-
Share based payment expense (subsidiary undertaking)	**501**	212
Exceptional item (acceleration of previous EMHL option scheme, note 11)	**250**	-
Total expense	**776**	212

The charge in the Company for the period 10 September 2013 to 31 December 2013 was £3,000 after recharging subsidiary undertakings with a charge of £522,000. This is included within administrative costs.

There are no options exercisable at 31 December 2013 in respect of the current arrangements (31 December 2012: nil). None of the above options were exercised in the period. Volatility was determined by reference to movements in the share prices of listed comparable 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 £0.83. The market value conditions, where applicable, have been incorporated into the fair-value calculation using a probability estimate of the potential achievement of the market values for the minimum periods and timescales required.

All share options issued by Everyman Media Holdings Limited (EMHL), a subsidiary of the Company, were exercised in the year. The number of options converted into ordinary shares of EMHL was 2,297,134. These were issued at exercise prices ranging from 17 to 38 pence per share with a weighted average of 25.4 pence. The waiver of the vesting conditions in respect of these shares resulted in an exceptional charge of £250,000 in the Group. See also note 11.

27 Obligations under operating leases

	31 December 2013 Group £000	31 December 2012 Group £000
Land and buildings		
Less than one year	**881**	772
Between one and two years	**881**	889
Between three and five years	**3,726**	2,880
Over five years	**13,568**	15,110
	19,056	19,651
Plant and equipment		
Less than one year	**74**	62
Between one and two years	**73**	74
Between three and five years	**34**	107
Over five years	**-**	-
	181	243
Total operating leases		
Less than one year	**955**	834
Between one and two years	**954**	963
Between three and five years	**3,760**	2,987
Over five years	**13,568**	15,110
	19,237	19,894

The Company did not have any obligations under operating leases at 31 December 2013 or 31 December 2012.

28 Commitments

There were no outstanding capital commitments at 31 December 2013 (31 December 2012: £nil).

29 Events after the balance sheet date

The group has signed the lease for a new site in Bristol.

30 Related party transactions

In the year to 31 December 2013 the Group engaged services from entities related to the Directors and key management personnel of £85,574 (2012: £76,021) comprising consultancy services £43,773 (2012: £50,000) and office rental of £44,801 (2012: £26,201). There were no other related party transactions. The principal trading of the Group is performed through one company. There are no key management personnel other than the Directors. See also note 10.

On 29 October 2013 the company's subsidiary Everyman Media Holdings Limited issued nil paid 642,860 Series 1 ordinary shares, 642,861 Series 2 ordinary shares and 642,861 series 3 ordinary shares. The nominal value was 3 pence. These shares were subsequently redenominated as 'A' Ordinary shares of £0.0001 each. The amount attributable to the reduction of the nominal value has been transferred to a capital reserve. The amounts per share uncalled are 13.5 pence, 11.25 pence and 7 pence respectively. These shares were issued to A Myers, P Wise and A Kaye, who are Directors of the company, as part of the Group's incentive arrangements.

The ‘A’ shares carry ‘put’ rights for EMG plc ordinary shares. The Series 1 shares are convertible into ordinary shares of EMG plc if the share price of EMG plc has remained at or above £1.20 for fifteen consecutive days after the first anniversary of issue. The Series 2 shares are convertible into ordinary shares of EMG plc if the share price of EMG plc has remained at or above £1.40 for fifteen consecutive days after the second anniversary of issue and the Series 2 shares are convertible into ordinary shares of EMG plc if the share price of EMG plc has remained at or above £1.70 for fifteen consecutive days after the third anniversary of issue.

The effect of these arrangements is for the ‘A’ shares to have an inbuilt ‘option arrangement’ which has been valued as a share-based payment with conditional performance options. The amount of the share-based payment charge was £501,000. The expense for the year is allocated as £167,000 to each of A Kaye, A Myers and P Wise who are also Directors of the Company. See also note 26.

31 Transition to IFRS

At 1 January 2012	UK GAAP £000	Intangible assets £000	Derivative financial instruments £000	Deferred tax £000	IFRS £000
Goodwill	743	39	-	-	782
Other intangible assets	127	(127)	-	-	-
Derivative financial instruments	-	-	(342)	-	(342)
Deferred tax	(314)	-	-	92	(222)
	556	(88)	(342)	92	218

Net effect on retained earnings is a reduction of £338,000.

At 1 January 2013	UK GAAP £	Intangible assets £	Derivative financial instruments £	Deferred tax £	IFRS £
Goodwill	684	97	-	-	781
Other intangible assets	115	(115)	-	-	-
Derivative financial instruments	-	-	(304)	-	(304)
Deferred tax	(328)	-	-	79	(249)
	471	(18)	(304)	79	228

Net effect on retained earnings is a reduction of £243,000.The effect on profit after tax for the year ended 31 December 2012 was an increase of £95,000.

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

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

32 Control

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, eleven 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 31 December 2013, together with the auditors' report therein.

Resolutions 2 to 7: 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 his appointment. Furthermore the articles require that one third of the directors retire at each Annual General Meeting. Each of the directors are, therefore, retiring and offering themselves for re-appointment. Biographical details relating to each of the directors can be found in the directors' report accompanying the audited financial statements to 31 December 2013.

Resolution 8: 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 BDO be re-appointed as auditors for the current year.

Resolution 9: Auditors' remuneration
This Resolution authorises the directors to fix the auditor's remuneration.

Special Business

Resolution 10: Directors' power to allot securities
Section 549 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 General Meeting. The directors' general authority to allot shares was granted on 29 October 2013 and is due to expire at the conclusion of the 2014 Annual General Meeting. Resolution 6 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 £362,910.24,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 do not have any present intention of exercising this authority, but they 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 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 2015 or, if earlier, the date which is fifteen months after the passing of the resolution.

Explanatory Notes to the Notice of Annual General Meeting continued

Special business continued

Resolution 11: 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 11 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 £362,910.24, 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 2015 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 11 are in the best interests of the Company 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 first Annual General Meeting of the Everyman Media Group plc will be held at Everyman Cinema Hampstead, 5 Holly Bush Vale, London NW3 6TX on Thursday, 24 April 2014 at 10.00 am for the following purposes:

Ordinary Business

To consider and, if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

1 To receive the report of the directors, the auditor's report and the audited financial statements for the period ended 31 December 2013.

2 To re-appoint Paul Louise Wise as a director of the Company who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-appointment.

3 To re-appoint Andrew Leon Myers as a director of the Company who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-appointment.

4 To re-appoint Adam Kaye as a director of the Company who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-appointment.

5 To re-appoint Charles Samuel Dorfman as a director of the Company who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-appointment.

6 To re-appoint Philip Ronald Jacobson as a director of the Company who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-appointment.

7 To re-appoint Michael Henry Rosehill as a director of the Company who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-appointment.

8 To reappoint BDO LLLP as auditors of the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid before the Company.

9 To authorise the Directors to determine the auditors' remuneration.

Notice of annual General Meeting continued

Special Business

To consider and if thought fit pass the following resolution 10 as an Ordinary Resolution and resolution 11 as a Special Resolution:

10 That the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ('the Act'), to allot relevant securities (as defined in that section)up to an aggregate nominal amount of £362,910.24 (the equivalent of up to 3,629,102 ordinary shares) provided that, the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2015 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) save that the Company may, at any time before such expiry, make an offer, arrangement or agreement which would or might require relevant securities to be allotted after expiry of such period (and the Directors may allot relevant securities in pursuance of such an offer, arrangement or agreement as if such authority had not expired).

11 That, subject to the passing of resolution 10 above and in substitution for all previous powers to the extent unused, the Directors of the Company be and they are hereby empowered pursuant to Section 570 and 573 of the Act, to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the Act) for cash pursuant to the authority referred to in resolution 10 up to an aggregate nominal amount of £362,910.24 as if Section 561(1) of the Act did not apply to such allotment, and this power shall expire on the conclusion of the next Annual General Meeting of the Company to be held in 2015 or, if earlier, the date which is fifteen months after the passing of this resolution save that the Company may, at any time before such expiry, make an offer, arrangement or agreement which would or might require relevant securities to be allotted after expiry of such period (and the Directors may allot relevant securities in pursuance of such an offer, arrangement or agreement as if such authority had not expired).

By Order of the Board

Andrew L Myers
Company Secretary

Registered Office:

Studio 4
2 Downshire Hill
London NW3 1NR

14 March 2014

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 this 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 14 March 2014 the Company's issued share capital was 36,291,024 Ordinary shares of 10 pence and the total voting rights were 36,291,024. For reporting purposes under FSA's Disclosure and Transparency Rules the market should exclude any shares held in Treasury and should use the figure of 36,291,024 when determining the total voting rights.

5. The vote 'Withheld' 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.

Notes continued

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 Section 527 of the Act, 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 Section 437 of the Act. The Company may not require the shareholders requesting any such website publication to cover any costs incurred in complying with Section 527 or 528 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 Section 527 of the Act to publish on a website.

10. Under section 319A of the Act, 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; or

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.

Notes continued

12. Except as provided above, members who have general queries about the meeting should contract the Company's Registrars Computershare by using the following means of communication: Tel. 0870 707 1577 (lines are open from 8.30am to 5.30pm 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)870 707 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 Section 146 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 Meetings and other information required by section 311A of the Companies Act 2006, can be found at www.everymancinema.com/investors.

EVERYMAN

EVERYMAN MEDIA GROUP PLC

www.everymancinema.com

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