VUE ENTERTAINMENT INTERNATIONAL LIMITED

Registered number: 00106780

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2023

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COMPANY INFORMATION

Directors	J. Timothy Richards Alison Cornwell
Company Secretary	Euan Sutton
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Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Vue Entertainment International Limited

STRATEGIC REPORT

The directors present their Strategic Report for Vue Entertainment International Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 30 November 2023.

The Vue Entertainment International Limited annual report and financial statements for the year ended 30 November 2023 has been prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with the Companies (Jersey) Law 1991. Where references are made throughout the annual report and financial statements to the UK Companies Act 2006 this is to provide comparability with reporting undertaken in previous years for the Vue International Group.

The Directors believe references to the UK Companies Act for reporting provide the following benefits:

- Comparability to prior year consolidated accounts for the Vue International Group
- Comparability to other large UK private companies. The largest Vue International subsidiary operates in the UK.

The Vue International Group completed a restructuring on 26 January 2023 which resulted in a change in the consolidating entity from Vue International Bidco plc (a UK incorporated company) to Vue Entertainment International Limited (a Jersey incorporated company). Further details regarding the restructuring are provided below.

Following the restructuring, the Group headed by Vue Entertainment International Limited has prepared its first set of audited consolidated financial statements for the year ended 30 November 2023. Accordingly, the comparative information for the year ended 30 November 2022 is unaudited.

On 26 January 2023, a financial restructuring of the Vue International Bidco plc Group (the consolidated Group prior to the restructuring) took effect with 100% consent from all its stakeholders (shareholders and lenders). It included the following core elements:

- The shares of Vue Entertainment International Limited (the "Company") were sold to a new holding company, Vue International Investment Limited (formerly Jubilee Newco Limited). Vue International Investment Limited (formerly Jubilee Newco Limited) is a company incorporated in Jersey and is a wholly-owned subsidiary of Vue International Holdings Limited (formerly Jubilee Topco Limited).
- Vue International Holdings Limited (formerly Jubilee Topco Limited) became the new ultimate parent company of the Vue International Group.
- A debt-for-equity swap was implemented with approximately £470m of debt removed from the balance sheet.
- Vue International Investment Limited (formerly Jubilee Newco Limited) issued secured floating rate debt, consisting of a €648.6m reinstated senior facility provided by participating senior lenders, with a maturity date of 31 December 2027, stapled to equity in Vue International Holdings Limited (formerly Jubilee Topco Limited)
- The €648.6m reinstated senior facility was novated to the Company.
- The existing interest rate cap related to the EUR denominated portion of the debt in Vue International Bidco Plc (the Company's former parent) was novated to the Company.

As a result of the above, the FY22 comparative information for the VEIL Group (being the consolidated Group headed by Vue Entertainment International Limited) will, most materially in relation to Borrowings (note 26), be significantly different to the FY22 information relating to the Vue International Bidco plc

Group. External debt in FY22 was held in Vue International Bidco plc (the former parent company, now liquidated following the restructuring).

Following the financial restructuring, the Group has one financial covenant (a minimum liquidity covenant of £35m unrestricted cash) which is tested at the end of each month. Information obligations include certain monthly, quarterly and annual reporting, including a discussion of the performance of the Group.

In the Strategic Report and the accompanying Directors' Report, the directors present further information on the principal activities of the business, an analysis of the development and performance of the business during the year and position as at 30 November 2023 and a description of the principal risks and uncertainties facing the Group.

For increased transparency in our financial and narrative reporting, we have voluntarily opted to comply with "The Walker Guidelines for Disclosure and Transparency in Private Equity" ("The Walker Guidelines"). As part of its commitment to becoming a net zero business, we have also voluntarily chosen to include a Sustainability Report that aligns with the new NFSIS (non-financial and sustainability information statement) requirements.

The Strategic Report and Directors' Report contain certain forward-looking statements with respect to the financial condition, results, operations and business of the Group. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied in forward-looking statements and forecasts as they can be affected by a wide range of variables not wholly within the Group's control.

The forward-looking statements reflect the knowledge and information available at the date of approval of the Strategic Report, Directors' Report and financial statements. Nothing in the Strategic Report, Directors' Report and financial statements should be construed as a profit forecast.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the development and operation of state-of-the-art multiplex cinemas. The principal activity of the Company during the year was that of a financing holding company.

As at 30 November 2023, the Group operates 225 (2022: 227) cinema sites. 88 (2022: 88) of these sites are in the UK, 35 (2022: 36) in Italy, 45 (2022: 45) in Poland, 30 (2022: 31) in Germany, 19 (2022: 19) in the Netherlands, 3 (2022: 3) in Denmark, 3 (2022: 3) in Eire and 1 (2022: 1) in each of Lithuania and Taiwan. In January 2024, the Group concluded the sale of its operations in Taiwan, resulting in a reduction of 1 cinema site.

The Company is controlled by its immediate parent undertaking, Vue International Investment Limited (formerly Jubilee Newco Limited), a company incorporated in Jersey.

The immediate and ultimate parent undertaking of Vue International Investment Limited (formerly Jubilee Newco Limited) and its ultimate controlling party is the Jersey incorporated Vue International Holdings Limited (formerly Jubilee Topco Limited), an investment vehicle for participating senior lenders in Vue Entertainment International Limited. There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

BUSINESS MODEL

The Group generates its revenue mainly through the sale of tickets for audiences to view film screenings within its cinemas and from the sale of food and beverages, as well as revenues from screen advertising.

The main costs relate to film rental payments to distributors for the right to screen films within its cinemas, purchasing of concession goods for resale, rental expense to landlords for cinemas, utilities, site maintenance and the cost of employing staff working at cinemas. Traditional products such as popcorn, hot dogs, nachos, pick and mix and soft drinks continue to be popular food and beverage choices for audiences. Investment in product range, execution, self-service, foyer and retail layout refurbishments and the introduction of bar seating areas have increased demand.

On-screen advertising continues to provide a consistent source of additional revenue per visitor. In addition, the Group has continued to develop other revenue streams including business to business revenue from the hire of auditoria for corporate and private events and off-screen advertising.

STRATEGY

The Group has identified multiple levers for continued margin improvement and Adjusted EBITDAaL (as defined in “Key performance indicators” section below) growth through proven initiatives to drive market development and market share growth. Operational levers include AI content scheduling, digital products and marketing, price optimisation and rollout of site best practices across the Territories. Further Adjusted EBITDAaL growth will be delivered through investments in technology, new sites and site refurbishments.

Content Scheduling

Introduction of AI scheduling software has been proven to drive admissions’ market share growth in the UK. The software creates algorithm-driven automated film schedules to show the right films at the right time to drive admissions and maximise operating profits. Extension of this software to other territories is planned commencing with Italy in 2024.

Digital Products and Marketing

Vue’s online ticket sales have increased significantly in the last five years thanks to targeted investments in technology and digital marketing capability. Vue has continued to capitalise on the acceleration of ecommerce that has been observed since the pandemic. Vue will be able to leverage:

- A culture of continuous improvement that enables sustained growth in traffic (visits) and conversion rate (ticket sales) via user experience, search engine optimisation, email, pay per click advertising and social media

- Technologies including Point of Sale Systems, Content Management Systems, Website Analytics and Email Service Providers that enable customer personalisation, micro targeting and performance optimisation

- Digital marketing partnerships with major studios

Price Optimisation

Pricing is a dynamic initiative enabled by in-house expertise, systems and processes. Price optimisation has long been a core competence for Vue and enables the Group to offer agile pricing strategies to customers that optimise admissions and profit. In response to sustained inflationary pressure on the business, Vue expanded dynamic pricing reach in the UK, Germany and Poland with the introduction of higher priced seating categories and revised seating layouts. Dynamic Pricing innovation continued in FY23 with implementations in Italy and Denmark, and will continue in the Netherlands in FY24.

Operational Best Practice

The Group remains focussed on ensuring continuous improvement in operational costs to achieve efficiencies.

The introduction of Auto Staff Rostering (ASR) software to optimise staff schedules based on daily admissions forecasts has driven a better-balanced use of cinema operational service hours in the UK. Service hour optimisation models were introduced across the Group to improve alignment of variable staff costs to admissions forecasts resulting in reduced costs during low volume periods and ASR rollout is expected to expand throughout 2024.

The Group has continued to leverage its scale in negotiating and securing enhanced supply contracts. High inflation across all food and drink categories remains a challenge and Vue has benefitted from its long-standing relationships with key partners which enabled it to secure minimal price increases that lie below prevailing headline price increases for raw materials.

The Group continues to proactively review and manage lease contracts to ensure rent costs, length of lease and space rented are all optimally configured. During the year, several leases were re-geared to deliver additional value for the Group, inclusive of the securing of Landlord funding to support major site refurbishments, including the introduction of full recliner seating.

Technology

The major re-engineering of Vue website technology has been successfully delivered in the UK. This resilient new website based on Sitecore10 and hosted in Microsoft Azure Cloud will now be replicated for all other territories in 2024 and beyond, allowing all circuits to share and benefit from advanced web functionality.

Systems standardisation continues across the Vue Group. In Germany, a pilot for the Vista Cinema Operations System has been established in Kiel, where extensive tests have been made to prepare for a rollout across all German sites in 2024.

In Denmark all sites have been successfully converted to the Vista Cinema Operations System bringing this smaller territory more in line with the rest of the group which will considerably help with support and maintenance requirements.

In the UK, the Contact Centre’s Operations System was migrated to a new Five9s/Jem platform which will also help with support and maintenance requirements.
Cinema technology changes were made in the UK and Denmark where the deployment of unique theatre management tools was completed. This allows for the consistent control of film content out into the cinema circuits.

Site Refurbishments

The Group continues to offer and operate a high-quality multiplex estate and customer experience with a number of cinema refurbishments successfully completed in the year, which includes installation of full recliner leather seating and upgrading the foyer retail and bar offering, auditoria screens, sound and projector technology. Seven existing cinemas were fully refurbished with new recliner seating in 2023 taking the total number of recliner sites across the Group (including the new site) to 51 with 500 screens, 23% of the total portfolio.

New Sites

1 new recliner site opened in Enschede, Netherlands, in December 2022.

STAKEHOLDER ENGAGEMENT

The Directors value contact with the Group's shareholders and loan investors. Any party that holds at least 10% of our equity is entitled to have an Observer Seat on our Board. Throughout FY23, three such parties were entitled to have an Observer Seat on our Board and chose to do so. The Board is kept up to date at its regular meetings and receives reports on the operational performance of the Group. In addition, presentations are given to loan investors and ratings agencies following each quarter-end close and separate announcements of all material events are made as necessary, ensuring that regular contact is maintained.

The Directors of the Vue International Group continue to work to promote the success of the Group for the benefit of the members as a whole having regard to the interests of stakeholders including customers, employees, suppliers and the wider community in which it operates.

Read more about:

(a) the likely consequences for the Group of any decision in the long term, on pages 4 to 13;

(b) the interests of the Group's employees, on pages 29 to 32

(c) the need to foster the Group's business relationships with suppliers, customers and others, on page 4;

(d) the impact of the Group's operations on the community and the environment on pages 27 and 28;

(e) the desirability of the Group maintaining a reputation for high standards of business conduct, on pages 6 and pages 8 to 10; and

(f) the need to act fairly between members of the Group on page 6.

REVIEW OF THE BUSINESS

Market Environment Trends and Factors Affecting Current and Future Performance

Admissions and Gross Box Office Revenues (GBOR)

The recent trends of market Admissions and GBOR for the five key territories within the Group are shown in the tables below:

Full year Market Admissions (m)	***2023***	*2022*	***2023 vs. 2022***
UK & Ireland	**133.9**	133.5	**0.3%**
Germany	**91.3**	71.1	**28.4%**
Italy	**69.4**	43.5	**59.5%**
Poland	**49.9**	43.4	**15.0%**
Netherlands	**28.9**	21.0	**37.6%**

Full year Market GBOR	***2023***	*2022*	***2023 vs. 2022***
UK & Ireland (£m)	**1,056.9**	1,005.6	**5.1%**
Germany (€m)	**904.9**	647.1	**39.8%**
Italy (€m)	**490.7**	296.0	**65.8%**
Poland (PLNm)	**984.1**	798.4	**23.3%**
Netherlands (€m)	**312.3**	216.3	**44.4%**

Source: Market Admissions for UK, Italy and the Netherlands sourced from Cinema Advertising Association ("CAA"), Cinetel and Rentrak respectively. Germany and Poland sourced from Rentrak through www.IBOE.com and www.boxoffice.pl respectively. Market GBOR for UK & Ireland, Germany and the Netherlands sourced from Rentrak through www.IBOE.com, Poland from www.boxoffice.pl and Italy from Cinetel.

FY23 saw strong recovery in revenue, with Adjusted EBITDAaL of £45.4m exceeding the FY23 budget and delivering a significant increase on FY22 Adjusted EBITDAaL of £29.0m. Admissions increases from FY22 to FY23 were particularly strong in Italy and Netherlands.

COVID-19 significantly affected the production of theatrical films and the associated lockdowns also affected consumer demand from 2020 until the start of 2022. In addition, during this time, certain studios experimented with direct-to-streaming or 'day and date' (streaming / cinema same time). However, since then studios have returned to the standard theatrical window model.

The film industry continued to recover post pandemic, with projected Global Box Office for 2023 achieving 29% growth on 2022 (Gower Street Analytics).

The Group experienced a continuous uplift in admissions through FY23 with Q3 FY23 being the strongest quarter since COVID and with the business continuing to gain market share. The supply of theatrical films increased from c 65% of pre-COVID levels in FY22 to 80% in FY23, with successful titles such as No Time To Die, Spiderman: Homecoming, Top Gun Maverick in FY22 and Avatar: The Way of Water, Mario, Barbie and Oppenheimer in FY23.

Rare strike actions by SAG-AFTRA (Screen Actors Guild) and WGA (Writers Guild of America), halted production for six months during 2023 having an impact on releases initially scheduled in Q4 FY23 due to the lack of talent available for promotion with a continued impact through FY24.

Key performance indicators

The Board monitors Admissions, Group Turnover, Box Office Revenue, Adjusted EBITDAaL and Liquidity on a monthly basis. All figures stated below reflect the results of the Group:

	Year ended 30 November 2023	Year ended 30 November 2022
Admissions	**72.3m**	63.3m
Group Turnover	**£759.1m**	£602.2m
Box Office Revenue	**£418.9m**	£327.3m
Adjusted EBITDAaL	**£45.4m**	£29.0m
Unrestricted Cash	**£105.9m**	£119.8m

An admission is represented by a redeemed cinema ticket. The number of people that choose to visit the cinema has a major influence on industry revenue and profit levels. Higher numbers of cinema admissions increase box office revenue and support higher concession sales and as a result this measure is a key indicator of performance that is reviewed closely by the business.
Group turnover includes box office revenue, concessions income, screen advertising and other income.

Box office revenue relates to cinema ticket sales only. See note 5 for further information.

The Group defines Adjusted EBITDAaL as operating profit before depreciation, amortisation, onerous leases, remeasurement gains / losses on right-of-use assets, and other defined gains and losses, but after an operating lease equivalent rent expense for IFRS16 leases.

The reconciliation of Adjusted EBITDAaL to statutory operating profit / (loss) is as follows:

	Year ended 30 November 2023 £000	Year ended 30 November 2022 £000
Operating profit / (loss)	**101,949**	(12,538)
Depreciation	**96,653**	101,733
Amortisation of intangible assets	**1,431**	2,261
Remeasurement gains on right-of-use assets	**(4,277)**	(7,733)
Operating lease equivalent rent expense for IFRS16 leases	**(145,024)**	(130,987)
Other defined gains and losses		
Corporate and organisational restructuring costs	**1,439**	9,190
Acquisition and transaction-related costs	**266**	-
Property costs	**(43)**	316
Net impairments	**6,880**	61,472
(Profit) / loss on disposal of property, plant and equipment	**(14,748)**	172
COVID-19 related costs	**437**	2,494
Other separately reported items	**420**	2,601
Adjusted EBITDAaL	**45,383**	28,981

Corporate and organisational restructuring costs

During the year, the Group incurred £1.4m (2022: £9.2m) of costs mainly relating to organisational restructuring, including the financial restructuring of the Group which took effect on 26 January 2023.

Acquisition and transaction-related costs

Costs predominantly related to acquisition activity.

Property costs

For the year ended 30 November 2023, net property income mainly related to compensation received for damage to a site in Italy. For the year ended 30 November 2022, net property costs mainly related to pre-opening costs for a site in Poland.

(Profit) / loss on disposal of fixed assets

The profit for the year ended 30 November 2023 mainly related to a £16.1m profit on disposal of a freehold site (Warsaw, Ursynow) in Poland partially offset by £1.4m of losses on asset disposals across territories.

Impairments

Impairments are recorded against the value of assets recorded on the Group's balance sheet arising from management's impairment assessment. In the current year management recorded net impairment charges of £0.2m (2022: £5.0m) against property, plant and equipment, £6.3m (2022: £23.6m) against right-of-use assets and £0.4m (2022: £32.9m) against intangible assets.

Refer to notes 15 to 17 for further details.

COVID-19 related costs

During 2023, the Group made an additional provision of £0.4m relating to the possible repayment of government subsidies received. During 2022, the Group incurred £2.5m in additional costs that related to the ongoing recovery from the COVID-19 pandemic. This included £0.1m of stock wastage due to temporary site closures and £2.4m of additional staff costs for COVID-19 compliance and safeguarding to ensure customer safety. Where the Group believes that COVID-19 costs have become a normal cost of operation (e.g., regular cleaning and sanitation), these are not classified as other defined gains and losses.

Other separately reported items

For the year ended 30 November 2023, this predominantly comprised consultancy fees related to a new payroll system in the UK. For the year ended 30 November 2022, costs predominantly related to actions taken as a result of COVID-19 (including gift voucher breakages and government assistance received).

RESULTS FOR THE YEAR

The Group reported revenue of £759.1m (2022: £602.2m), an increase of 26% year-on-year. The £156.9m improvement was principally driven by higher admissions.

Gross profit improved by 25% to £487.4m (2022: £390.0m) and gross profit margin was 64% (2022: 65%).

The Group recognised an operating profit of £101.9m (2022: £12.5m loss) reflecting recovery from the economic and trading impact of COVID-19.

Adjusted EBITDAaL for the year was a gain of £45.4m (2022: £29.0m). The £16.4m improvement was primarily due to growth in admissions, box office and concessions revenue.

Finance expenses for the year were £203.7m (2022: £240.6m) reflecting decreased borrowings arising from the financial restructure in January 2023.

Income tax credit decreased to £2.7m (2022: £4.5m credit) due to a £0.9m increase in the current year tax charge and the 2022 tax credit including a £0.9m over-provision in respect of prior years, which was not present in 2023.

The Group’s loss for the year was £71.1m (2022: £248.5m).

As at 30 November 2023, the Group had total assets of £1,911.9m (2022: £2,126.2m) and total liabilities of £1,749.5m (2022: £3,005.7m), resulting in a net asset position of £162.4m (2022: £879.4m net liability position).

Total net cash outflow for the year amounted to £15.9m (2022: £10.1m).

Net cash inflow from operating activities for the year was £177.8m (2022: £82.3m). The increase in inflow was driven by an increase in box office and concessions sales.

Net cash outflow from investing activities was £7.9m (2022: £47.0m). Capital investment in cinemas and related assets was £44.3m (2022: £44.8m).

Net cash outflow from financing activities was £185.7m (2022: £45.4m). The outflow was driven by interest paid of £30.0m (2022: £1.2m), lease liability payments of £132.5m (2022: £126.3m) and fees paid in relation to debt restructuring of £26.4m (2022: £17.2m), partially offset by proceeds from external borrowings of £nil (2022: £83.8m) and loans from parent undertaking of £3.2m (2022: £15.6m).

During the year, the Group continued to benefit from government support schemes in Germany, Italy and Poland. During the year, £1.0m (2022: £36.8m) of such government support was recognised in the Consolidated Income Statement. This was reported primarily through other income but also against relevant cost lines where applicable.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for risk management and internal controls, and for reviewing their effectiveness. The Audit Committee of Vue International Holdings Limited (formerly Jubilee Topco Limited)) reviews the adequacy and effectiveness of the risk management process, approves internal and external audit plans and monitors risk reporting.

The Group's internal control environment is designed to facilitate the identification, assessment and management of risk, the protection of shareholders' investments and the Group's assets.

The Group has implemented a Group Risk Management Policy to manage the challenges that present threats or opportunities to the business and, as part of good business practice, how risks are identified, assessed, and managed across the Group.

The annual risk management process concludes with the Board’s assessment of the Group’s Principal Risks and Uncertainties disclosure, including those that would threaten its business model, future performance, solvency or liquidity, and the completion of an annual internal controls certification.

The key business risks affecting the Group are set out below:

Film production and quality risk

The number and quality of the films released in any reporting period is the main determinant of the Group's admissions which in turn drive revenue and profitability. There is an inherent reliance on major US studios and local film industries to continue to develop successful films and franchises that ensure a reliable and recurring stream of revenue. The reliance and impact of these factors were reflected in the impact that the SAG-AFTRA strikes had on the Company’s performance (as discussed in the Review of the Business section above).

The Group maintains close relationships with studios and local distributors to understand, as early as possible, the upcoming film release calendar and likely film performance. The Group has also significantly increased exposure to local, non-Hollywood film demand through increasing its presence in European markets. This helps to provide a robust hedging mechanism during phases where Hollywood content may not be as appealing to cinema audiences.

Competition risk

The Group operates in a competitive market place. Other operators have sites within the catchment areas of many of the Group’s cinemas.

To mitigate this risk the local operational teams monitor the services provided to customers with a focus on continual improvement. Additionally, the Group invests in maintaining and improving its cinema estate resulting in a high proportion of state-of-the-art, stadium seated, high quality multiplexes within its portfolio and improved customer facing digital platforms. Together these enhance the customer experience from awareness, choice and booking through to ticket collection and the screening experience itself.

Out-of-home entertainment continues to play an important part in people’s lives. Independent research shows that the number of cinema goers that have returned to the cinema post pandemic has increased from FY21 to FY22 and again in FY23 although numbers still remain below pre-pandemic levels.

Supplier risk

The Group’s main suppliers are the distributors of the films that drive admissions and the suppliers of branded food, drink and confectionery items offered at cinemas.

The relative importance of each distributor varies over time, in line with the relative success of the individual films that they release each year and this relationship is managed by the Group's Screen Content teams. The territory teams report in to the Group Director for Screen Content which ensures a consistent approach to strategy and delivery.

The Group has continued to develop its procurement capability for non-film purchasing activity and has no significant reliance on any one supplier.

Health and safety risk

The Group places paramount importance on ensuring its cinemas are physically safe environments and that its food and beverage products are maintained and served in accordance with food safety regulations. The Group employs ongoing compliance monitoring methods within its cinemas and conducts frequent and unannounced operational audits as part of its monitoring programme.

Information security and data protection risk

The possibility of critical system interruptions, data breaches (cyber or otherwise) and system attacks that undermine security measures designed to protect the storage of confidential and proprietary information (including movie content) resulting in unauthorised access or the loss or disclosure of this information could significantly impact the Group’s performance by potentially exposing it to a reduction in service availability for customers, potentially significant regulatory penalties, claims and fines and ultimately reputational damage.

To mitigate these risks Vue International continuously reviews the security of its data, systems, and services with ongoing assessments of Group-wide data privacy requirements. To further develop this work, VUE International looks to partner with a global, industry leading firm to build upon previous GDPR projects, increasing VUE International’s capability to manage data related risks. Our individual territories continue to evolve their country specific plans with local subject matter experts in line with local legislation all whilst adhering to Group-wide requirements. Group-wide planning is ongoing to harmonise data protection policy and procedural frameworks to ensure VUE International’s ongoing governance of data related risks are fit for the future.

Cyber security threats to VUE International are assessed on a continuous basis so that associated risks to the company can be evaluated accurately, allowing the business to take appropriate and proactive measures. Group-wide cyber service reviews have been conducted and steps are underway to engage a globally managed Security Service partner. Investment has continued in security engineering and development to ensure VUE International’s digital systems & services are built with security by design from the start, enhancing our resilience to modern day cyber challenges. VUE International looks to make further improvements to its Cyber Security Incident Response Team (CSIRT) to reflect a varying threat landscape. VUE international continues to embed its policy and procedural frameworks to ensure a Group-wide standardisation to cyber security measures.

Continuity Risk

A major incident, pandemic, catastrophic event or material litigation could affect the Group's ability to trade and access financing. This could lead to financial loss, customer loss, or full or partial business closure.

The Group has standard operating procedures designed to protect cinemas, staff, visitors and customers in the event of a fire or similar major incident. Group management review these procedures periodically. In the event of any unplanned or unforeseen events, senior management is convened to manage the response and any associated risk to the business.

The biggest impact to business continuity in recent years related to cinema closure as a result of the COVID-19 pandemic. The ability for the company to continue all critical activity and respond to the crisis was hugely successful with the mobilisation of task forces and the implementation of technology tools to maintain continuity.

People risk

Staffing levels have become more stable in FY23 however it remains very challenging in urban settings and other highly competitive markets. Lower admissions have meant that resourcing requirements have been reduced and this is expected to continue during 2024, easing the pressure for recruitment.

Despite these challenges, the Vue management team have been able to respond with agility and develop strategies to limit the impact on operational performance.

The business continues to review and improve organisational structures for the ongoing needs of the business.

The Group's HR function establishes methods for overall talent management that include succession planning and effective recruitment.

The Group is an equal opportunity employer and in employment-related decisions, the business complies with all relevant legislation, including that which is specifically targeted at preventing discrimination, and such principles are embedded through the business.

FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include liquidity, interest rate and foreign exchange risks. The Group has mechanisms in place that seek to limit the impact of adverse effects of these risks on the financial performance of the Group.

Liquidity risk

Both short-term and long-term liquidity continued to remain a key priority for the Group throughout 2023.

The business monitors liquidity very closely. Detailed annual and monthly cash flow forecasts are prepared and analysed to ensure the Group can efficiently access all funds available and meet liabilities as they fall due. The Board reviews forecasts regularly and these have formed an integral part of the Group's recent financial restructuring process.

Interest rate cash flow risk

Interest rate risk arises from the Group's borrowing facilities in which a variable rate of interest is charged. Exposure to interest rate risk is monitored through several measures, including sensitivity and scenario testing and a cost benefit analysis of entering into interest rate hedges to mitigate this risk. This is reported to the Board and reviewed alongside the Group's liquidity forecasts.

During the year the Group benefited from a Euro interest rate swap entered into in 2019 that mitigated the impact of the increase in Euribor.

Foreign exchange risk

The Group has foreign currency assets and liabilities. The Directors keep exposure to currency fluctuations under constant review and have natural hedges in place where currency exposure risk is reduced by matching Euro denominated costs with Euro denominated debt and income generated in Euros and by matching Pound Sterling denominated overheads with income generated in Pounds Sterling.

Inflation risk

2023 continued to see a significant increase in global inflation impacting all industries. Exposure to increased inflation has resulted in an increase to underlying operating costs as well as influencing the pricing strategy for the Group. This is monitored very closely and strategic initiatives have been put in place to mitigate against the impact of rising costs including dynamic pricing models, driving efficiencies in energy usage and optimisation of service hours based on admissions forecasts.

Group Internal Audit

The Group Head of Internal Audit reports to the Audit Committee and to the Group Chief Financial Officer functionally and administratively, (i.e., in day-to-day operations). The Group Head of Internal Audit oversees Group-wide auditing capability across the territories covering corporate, operational, financial, and strategic risk areas.

Group Internal Audit provides the Audit Committee and management with independent and objective assurance on the adequacy and effectiveness of governance, risk management, and internal controls through the delivery of risk-based internal audit reviews and a cinema compliance audit programme.

This includes assessing the design and effectiveness of financial and operational controls, standards and procedures, and compliance with laws, regulations and associated Group policies such as Anti-Bribery and Corruption, Health and Safety and Whistle-Blowing.

Group Internal Audit reports the results of Internal Audit activities, together with key themes and trends, to the Audit Committee and management.

The scope of Internal Audit includes, but is not limited to, the assessment and reporting (to the Audit Committee and to management as appropriate) on:

- the adequacy and effectiveness of financial and operational controls;
- compliance with laws, regulations, and contracts;
- opportunities for improving efficiency and reducing costs;
- Group wide policies, standards and procedures including their use and appropriateness;

- the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation;
- the integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss;
- designated advisory projects for management, if they do not threaten the actual or perceived independence of Internal Audit from management; and
- cases of suspected financial crime, employee fraud, and malpractice.

FUTURE OUTLOOK

Due to the writers and screen actors' guild strikes during 2023, film production of major film releases was halted and talent publicity was not available for those films scheduled for release. Whilst the guilds have come to an agreement, the impact has resulted in many films being rescheduled from FY24 release dates to FY25 and market admissions are projected to be 70.0% of the 3-year average (2017 to 2019).

FY24 has started strongly with four of the top fifteen titles for the year released in December 2023 (*Wish, Wonka, Migration* and *Aquaman and the Lost Kingdom*) followed by a lack of strong films in January and February before *Dune 2* is released in March. Q3 FY24 is expected to be particularly strong, supported by a number of recognised and successful franchises such as *Inside Out 2, Bad Boys 4, Despicable Me 4* and *Deadpool 3*. Q4 FY24 is still under-populated at this stage although, unlike FY23, includes a major international release in *Joker.*

This report was approved by the Board on 26 March 2024 and was signed on its behalf by

Alison Cornwell
Director

INTRODUCTION

The governance of the Group during the financial year operated in accordance with the governance structures established by the Group's ultimate parent company, Vue International Holdings Limited (formerly Jubilee Topco Limited), and it is this overall governance structure which is described in this report. The Group is committed to maintaining business integrity, high ethical values, its corporate responsibility and professionalism. This section of the report outlines the approach adopted having consideration of and applying the principals in the Walker Guidelines to the extent considered appropriate by the directors given the context of being a private company.

BOARD LEADERSHIP AND GROUP PURPOSE

The Role of the Board

The Board was responsible to the Group's shareholders and loan investors for the direction, performance and oversight of the Group to ensure the continued long-term success of its operations, and for contributing to the wider community in which it operates. The role and responsibilities of the Board are clearly defined, and an executive management team was responsible for day-to-day business conduct. As well as the main Group Board, there are Territory Boards that also meet regularly and consist of Group Executives and the local Executive teams.

Other core board activities included, but were not limited to the following:

- setting the levels of delegated authority, whilst retaining overall responsibility for the governance of the Group; and
- obtaining assurance that material risks to the Group are identified, defining the Group's appetite for risk and ensuring that appropriate systems of risk management and internal control exist.

Purpose, Values and Strategy

The Group's vision is simple – to be the best in big screen entertainment. An integral part of successfully delivering the Group's vision and core strategic objectives is ensuring that effective governance underpins the corporate culture.

To ensure that the Group's purpose, values and strategy continue to align with our corporate culture, Group HR conducts regular reviews of the Group's corporate culture to identify opportunities for further development and alignment.

Resources, Controls and Risk Management

The Board, supported by the Audit Committee and senior management, had overall responsibility for establishing, monitoring and maintaining effective risk management and internal control. During the year, the Board directly, and through delegated authority to senior management and the Audit Committee, oversaw and reviewed the performance and evolution of the approach to risk management and internal control.

Resources, Controls and Risk Management *(continued)*

Following the financial restructure on 26 January 2023 outlined on page 3, new Board members, Audit Committee and Remuneration Committee members were appointed. A new non-executive Director, Stella David (Chair of the Board), was appointed on 26 January 2023 and an additional non-executive Director, Tom Singer (Audit Committee Chair), was appointed on 13 February 2023. In their capacity as non-executive directors, Katrina Cliffe and Henry Birch (both appointed on 1 May 2023) served as members of the Audit Committee. As a result, the Audit Committee operated under an updated terms of reference that reflected the new Group structure (see page 26, Ownership) from Q2 FY23. On 12 December 2023, Stella David resigned and Katrina Cliffe was appointed as acting Chair of the Board.

The Group has a Group Risk Management Policy to manage the challenges that present threats or opportunities to the business and, as part of good business practice, how risks are identified, assessed, and managed across the Group (see Audit, Risk and Internal Control on page 23).

In addition, Group Internal Audit (page 15) is an independent review function set up as a service to all levels of management and the Board that assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and enhancing the effectiveness of the Group's governance, risk management, and internal control.

The Board confirms that the Group's risk management and internal control processes have been in place for the year under review, and were regularly reviewed by senior management and the Board (see Principal Risks and Uncertainties on pages 12 to 15). In addition, the Group Head of Internal Audit presents Group-wide risks, controls findings and mitigation plans to the Audit Committee at least annually (see Audit Risk and Internal Control page 23).

Stakeholder Engagement

The Board met regularly and received reports on the operational performance of the Group. The Board and Executive Directors were committed to maintaining an effective engagement with shareholders, loan investors, and wider stakeholders to ensure a mutual understanding of objectives and to deal with issues as they arose. Executive Directors presented to loan investors and ratings agencies following each quarter-end close and made separate announcements of all material events as required.

Under its new structure, the Group continues to work to promote the success of the Group for the benefit of the members as a whole having regard to the interests of stakeholders including customers, employees, suppliers, and the wider community in which it operates (see Stakeholder Engagement on page 7).

As per the Strategic Report (pages 3 to 16) the Board also continued to support initiatives to enhance the Group's digital and technology offerings, optimise pricing, and offer high quality across state-of-the-art multiplex estate and customer experience with a number of cinema refurbishments successfully completed in the year. Customer engagement shows continued support of refurbishments that deliver full recliner leather seating and upgrading of the foyer retail and bar offering, auditoria screens, and sound and projector technology.

Workforce Policies and Practices

The Group has workforce policies and practices in place that are consistent with the Group's values and support its long-term sustainable success. Key Group policies and practices available to employees include:

- All new employees receive a copy of the Group's Code of Conduct that describes the framework and guidance for employees, and therefore the Group, to conduct its business in accordance with the expected ethical and moral standards. To ensure that the Group's Code of Conduct remains up to date with latest best practice and legislation, Group HR conduct periodic reviews of the policy and update as required.

- In accordance with the Group's disclosure obligations under the Modern Slavery Act 2015, the Group has published its Slavery and Human Trafficking Statement on the Vue International website.

- The Group has an Anti-Bribery and Corruption Policy in place designed to ensure compliance with the UK Bribery Act 2010, and other international regulations and best practice relating to the prevention of corruption.

- The Group is committed to conducting its business with honesty and integrity and expects all employees to maintain its high standards. The Group encourages the raising of any genuine and justified concerns personnel have about suspected wrongdoing or inappropriate action by fellow employees without fear of reprisal in accordance with its Whistle-blowing Policy. The General Counsel and Group Head of Internal Audit routinely review the whistle-blowing telephone line and email inbox, available to all employees, and escalate any reports arising to the Audit Committee and Board as applicable to ensure independent investigation of such matters, supported by follow-up action as required.

- An Employee Assistance Programme is available to all employees designed to help employees deal with personal and professional problems that could be affecting their home or work life, health and general wellbeing. Services available include formal counselling, in the form of either face-to-face or telephone sessions, and a health and wellbeing portal.

- The Group is an equal opportunity employer and seeks to recruit, retain and promote staff based on their qualifications, skills, aptitude and attitude. Wide ranges of applicants are encouraged to apply for all roles. In employment-related decisions, the business complies with all relevant legislation, including that which is specifically targeted at preventing discrimination, and such principles are embedded through the business by requisite policies.

- The Group promotes a philosophy of access for all by offering accessible cinemas for disabled employees and customers that show a wide range of films. Many of our cinemas offer audio-descriptive and subtitled performances, and the Group ensures customers with disabilities can be accompanied by a carer, free of charge.

DIVISION OF RESPONSIBILITIES

The Role of Chair

The Chair leads the Board and is responsible for its overall effectiveness in directing the Group. In addition, the Chair facilitated constructive Board relations within the Board and the effective contribution of all non-executive directors and ensured that directors received accurate, timely and clear information as set out below. The Chair was not previously the Chief Executive of the Group.

Board Balance and Division of Responsibilities

Information about the Board members is set out on pages 26 to 27. At the balance sheet date, the Board comprised three experienced executive directors namely, the Group CEO and the Group CFO, the Group COO and four non-executive directors. The Board have extensive knowledge and expertise and update their skills as required in continuing to fulfil their role on the Board.

Principal Risks, Risk Management and Internal Control

Risk management is a continuous process involving risk identification, risk assessment, identifying actions to manage risk, and consideration of residual risks after implementation of controls. The management of the business and the execution of the Group’s strategy are subject to a number of risks. Understanding the risks that the Group faces and managing them appropriately, enhanced the Board’s ability to make better decisions, deliver objectives, manage performance, and meet business obligations.

The Group policy towards managing risk is as follows:

- the management of risk is integrated into the day-to-day management of the business;
- all colleagues actively engage in risk management in their own areas of responsibility;
- risk is primarily assessed and managed by the Territory/ function conducting the business which gives rise to the risk;
- the escalation of risk information is timely, accurate and gives full visibility of the key risks, to support management decision making at all levels;
- an appropriate risk management framework and risk assessment process is in place that is aligned to the business strategy. This is supported by an appropriate organisational structure; and
- an assessment on an ongoing basis of the effectiveness of the risk management framework is integral to the continuous improvement of our risk management capabilities.

Principal Risks, Risk Management and Internal Control *(continued)*

Management considers risks within day-to-day activities ensuring that initiatives and appropriate processes are in place to monitor and mitigate them. A number of guiding principles that determine how the Group put risk management into practice at all levels underpins the policy. These principles are as follows:

- based on the principle of delegated authority for managing and taking risk at all levels, the Board will be responsible for decisions where risks are seen to present a potentially significant impact to the Group as a whole;
- business as usual (i.e., core operations) related risks are primarily managed and monitored at a Territory and functional level;
- management need to have confidence in the effectiveness of the framework at all levels of the business to ensure that the Group meets corporate governance best practices;
- management support, involvement, and enforcement is fundamental to the success of the framework;
- key risks are continuously monitored by management through risk maps and registers (where appropriate) and are mitigated to an acceptable level; and
- the risk management processes are dynamic rather than static, to accommodate a constantly changing business environment.

The purpose of the risk management structure is to ensure that risk is considered from both a ‘top-down’ and ‘bottom-up’ perspective. In addition to the Principal Risks and Uncertainties (pages 12 to 15), the Group maintains Territory level risk maps and registers, and operational risk registers for key support functions, cinema operations and specific projects as required. At the Territory level, the risk assessment process, facilitated by Internal Audit, is based on key steps including the following:

- risk identification, assessment of inherent risk impact and likelihood;
- identification of existing key controls;
- assessment of residual risk impact and likelihood; and
- development and implementation of actions to reduce or mitigate risk exposure.

Group Internal Audit considers Group and Territory key risks identified when developing the Group Internal Audit Plan and maps all Internal Audit activities to Group and Territory risk maps. The Group Internal Audit plan is a combination of Group-wide risk-based audits (providing assurance over the key controls relied upon for the Group and Territory risk maps and registers), financial and information technology controls testing and additional specific reviews requested by Management (see page 15, Group Internal Audit).

The Audit Committee had oversight of the internal and external assurance activities to allow for its ongoing review of the effectiveness of internal control (see page 23, Audit, Risk and Internal Control). Details of the responsibilities and activities of the Audit Committee during the year are set out below on pages 23 to 24. The delivery of this activity is undertaken by the Group Internal Audit team, which is supported by specialist advisers as required.

The Role of the Non-Executive Directors

Non-executive directors had sufficient time to meet their Board responsibilities. They provided constructive challenge, strategic guidance, offered specialist advice and held management to account.

Policies, Processes, Information, Time and Resources

The Chair, working with the Group Company Secretary, and in consultation with the Group CEO and other Board members set the agenda for Board meetings and encouraged an open and constructive debate, ensuring that members had the policies, processes, information, time and resources it needed in order to function effectively and efficiently.

The standing agenda items considered at every meeting included:

- reports from senior management on strategic and business developments, together with relevant operational updates, and the key actions taken since the previous Board meeting;

- reports from the Group CFO which included all aspects of liquidity management, commentary and highlights from the latest available management accounts, budgets and forecasts; and

- Board papers prepared for capital investment projects requiring Board approval.

COMPOSITION, SUCCESSION AND EVALUATION

Board Appointments, Succession Planning and Diversity

A shareholder agreement governed the Group and stated those matters that required Board approval, including Board appointments. All senior nominations were discussed and agreed by members of the Remuneration Committee.

The Board, supported by Group HR, were developing succession plans based on objective criteria and, within this context, aimed to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Board Skills, Experience, Knowledge and Tenure

These financial statements detail who served on the Board together with details of member skills, expertise, and experience. The Board considered that the skills and experience of its individual members, particularly in the areas of entertainment, hospitality, film, corporate finance, governance, and risk management, have provided both support and challenge to the Chair, and the Executive Management team during the year. This is in terms of the Group strategy as well as significant commercial projects and contracts.

Board Evaluation

The Board considered its overall size and composition to be appropriate, having regard to the experience and skills that individual Board members brought to their duties.

AUDIT, RISK AND INTERNAL CONTROL

The Group's internal control environment is designed to facilitate the identification, assessment and management of risk, the protection of shareholders' investments and the Group's assets. The Board delegated responsibility for reviewing and monitoring the Group's internal control environment to the Audit Committee. All members had relevant financial experience, and as a whole, had competence relevant to the sector in which the Group operates.

The key features of the Group's internal control systems are set out in the Audit Committee Terms of Reference. The main roles and responsibilities of the Audit Committee are:

- to assess the integrity of the financial statements of the Group, and any formal announcements and practices related to the Group's financial performance;
- to review and monitor the effectiveness of the Group's internal financial controls and to review the Group's internal control and risk management systems;
- to assess the effectiveness of the Internal Audit function;
- to assess the independence and objectivity of the external auditor and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- to make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor; and
- to report to the Board on how it has discharged its responsibilities.

Internal and External Auditor Independence and the Integrity of Financial Statements

The Audit Committee met on three occasions during FY23. The members of the Audit Committee, who were also directors of Vue International Holdings Limited (formerly Jubilee Topco Limited), were Tom Singer, Katrina Cliffe and Henry Birch. The Chair of the Audit Committee was Tom Singer. See page 18 for changes to Board and Audit Committee members following the restructure that became effective on 26 January 2023. The 3 non-executives are not directors of Vue Entertainment International Limited but exercise group wide responsibility as directors of the ultimate parent Vue International Holdings Limited (formerly Jubilee Topco Limited) from where the governance of the group operates.

The Audit Committee monitored the integrity of the financial statements of the Group, reviewing and reporting to the Board on significant financial reporting issues and judgements therein, having regard to matters communicated to it by the external auditor. In particular, during the period, the Audit Committee reviewed and challenged where necessary:

- the consistency of, and any changes to, significant accounting policies;
- significant issues and how these were addressed;
- significant estimates and judgements;
- the clarity and completeness of disclosure in the Group's annual report and the context in which the statements are made;
- the assumptions or qualifications in support of the going concern statement; and
- material information presented in the annual report and corporate governance statements related to audit and risk management.

Through the attendance of Group Internal Audit, Group Financial Control, Group Technical Services and other key functional Directors as required, and review of risk and control information presented, the Audit Committee also reviewed and monitored the adequacy and effectiveness of the internal financial controls and internal control and risk management systems of the Group.

The Audit Committee monitored, reviewed, and approved the remit of the Group Internal Audit function and ensured it has the necessary resources and access to information to enable it to fulfil its mandate.

During the year, the Audit Committee approved the annual Group Internal Audit plan and received reports at each meeting on the results of the work of Group Internal Audit.

The Audit Committee continued to assess the relationship with the external auditor and determined and agreed their terms of engagement and their remuneration (including fees for audit and non-audit services), so as to ensure that the level of fees was appropriate to enable an effective and high-quality audit to be undertaken. In addition, the Audit Committee reviewed the results of the audit with the external auditor including the management letter and management's response to the external auditor's findings and recommendations, and reviewed any representation letters requested by the external auditor before they are signed by management.

REMUNERATION AND NOMINATION

Policies and Practices

Group remuneration policies and practices are designed to support strategy and promote long-term sustainable success. The Remuneration Committee members consisted of four non-executive directors, with the Group CEO, CFO and CPO also in attendance. Their responsibilities included the following:

- all aspects concerning the terms of employment of any senior employee (including the terms of their bonus or other remuneration, termination or dismissal);
- any other arrangement between a Group Company and a senior employee or persons connected with a senior employee; and
- review and assessment of all senior nominations.

The Remuneration Committee met on seven occasions during the financial year.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023

The Directors present their report and the audited consolidated financial statements of Vue Entertainment International Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 30 November 2023.

RESULTS AND DIVIDENDS

The consolidated loss for the financial year after tax amounted to £71.1m (2022: £248.5m loss). Further discussion of the results and performance of the Group is provided in the Strategic Report on pages 3 to 16.

The Directors do not recommend that a dividend be paid (2022: £nil).

FUTURE DEVELOPMENTS

A discussion of future developments of the Group and Company has been included in the Strategic Report and Going Concern notes on pages 58 and 125.

EMPLOYEE AND STAKEHOLDER ENGAGEMENT

The directors have always recognised the importance of engagement with suppliers, customers and employees. Actions taken in pursuit of this are cross referenced in the Strategic Report on page 7 under the Stakeholder Engagement section.

GOING CONCERN

As at 30 November 2023 the Group had significant liquidity comprising £105.9m of unrestricted cash (total cash of £108.7m less £2.8m cash in escrow in support of landlord guarantees in Germany and the Netherlands).

The Group's liquidity position was further bolstered by a financial restructuring, undertaken due to the reduction in film supply caused by the SAG-AFTRA actors strike which halted production for 6 months in 2023. The restructuring completed on 20 February 2024 the terms of which included the receipt of cash of EUR 58.7m through the issuance of a EUR 63.7m super senior term loan, an equitisation of EUR 354.8m of senior debt, the provision of flexibility in enabling the Group to capitalise a significant portion of its interest for a period of 2 years from 20 February 2024 and an increase in the Group's borrowing capacity due to an increase in the super senior debt basket from £25m to £50m (see note 37 on page 120 for further details).

Following the restructuring, the Group has one financial covenant, a minimum liquidity covenant of £35m unrestricted cash which is tested at the end of each month.

The financial restructuring has delivered additional liquidity, a substantial deleveraging of the balance sheet and a robust capital structure to enable the Group to manage through the short-term film supply issues caused by the recent strikes. It is notable that the process was delivered with 100% consent from all of the Group's stakeholders (shareholders and lenders).

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

GOING CONCERN (continued)

In considering the going concern position of the Company and the Group, a liquidity model has been developed which has been used to generate a Base Case and a 'Severe but Plausible' Downside Case (the "Downside Case"). The key assumptions underpinning these scenarios are set out in note 3.

The Group does not project any potential covenant breaches or additional liquidity needs during the period to 31 May 2025 in its Base Case or in its Downside Case.

The Group's positive net asset position of £162.4m further supports the Directors' view on the going concern of the business.

OWNERSHIP

On 26 January 2023, the Company's shares were sold to a new holding structure. As a result, the Group became majority owned by the senior lenders.

The Company is controlled by Vue International Holdings Limited (formerly Jubilee Topco Limited), a company incorporated in Jersey. Vue International Holdings Limited (formerly Jubilee Topco Limited) is an investment vehicle for the participating senior lenders.

There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

DIRECTORS

The Directors who held office during the period and up to the date of signing these financial statements were as follows:

- J. Timothy Richards
- Alison Cornwell
- Stephen Knibbs (resigned on 31 August 2023)
- Claire Arksey (appointed on 31 August 2023 and resigned on 30 January 2024)

J. Timothy "Tim" Richards - Founder and Chief Executive Officer

Prior to entering the entertainment industry, Tim was a Wall Street lawyer engaged in international finance and cross-border mergers and acquisitions. In 1999, Tim left Warner Bros. Studio in Los Angeles and founded the start-up cinema exhibition company now known as Vue International.

Over the course of the past 30 years Tim has developed extensive international experience in all major markets. In December 2020, Variety Magazine named Tim as one of the 500 most influential business leaders shaping the global $2 trillion entertainment industry. The Hollywood Reporter named Tim as one of the top five entertainment innovators of the Year and The Independent newspaper named Tim as one of the "20 Most Influential People in Film". In February 2021, the UK Government appointed Tim as Chair of the British Film Institute (BFI) for a three-year term.

Tim and his wife Sylvie have supported a number of charities through their family charitable foundation. In 2015, Tim was awarded the Variety International Children's Fund Humanitarian Award for his charitable work.

DIRECTORS (continued)

Alison Cornwell – Chief Financial Officer

Alison joined Vue as Chief Financial Officer in 2014.

She is a Chartered Accountant and spent five years in corporate finance before joining The Walt Disney Company where she was Senior Vice President and CFO for Disney's TV distribution, Disney Channel and TV equity portfolio driving its expansion in all markets outside the USA.

Subsequently Alison became CFO of a private equity backed international broadcasting business which was transformed and sold to NBC Universal in 2007. Following this, she was appointed CFO of another private equity backed business operating in the international film distribution and film financing sectors investing in notable titles including 'The Woman in Black' starring Daniel Radcliffe. She led the successful sale of the business to eOne in 2013 before joining Vue.

Alison is a former Governor of the British Film Institute and was also the Chair of its audit committee. She is currently a non-executive director of Moonriver TV Ltd, a high-end TV production company, and is also a member of the Governing Council of the Institute of Chartered Accountants of Scotland.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the period to 30 November 2023 and to the date of approval of the financial statements, the Company and Group maintained liability insurance for its directors and officers.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political contributions (2022: £nil) or charitable contributions (2022: £nil) were made in the financial year.

SOCIAL AND COMMUNITY ISSUES

As a cinema operator, responsibility to the community is very important to the Group. A variety of special screenings are run to facilitate accessibility to the diverse communities within which we operate including autism friendly, subtitled, audio description and family friendly morning screenings. Vue UK is part of the national CEA card scheme which provides free tickets to carers of disabled cinema guests and is also a proud supporter of Medicinema, a charity that provides relief to hospital patients through the power of film.

It is important to the Group to represent the diverse nature of the communities in which we operate and we work hard to attract people to fill vacancies from those communities.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group continues to invest in the design, maintenance and operation of its sites in order to ensure customers are provided with the ultimate guest experience every time they visit one of the Group's cinemas.

Areas of development include food and beverage products, ensuring a state-of-the-art audio and visual experience through the latest technologies, investing to remain at the cutting edge of our digital offering and software solutions, such as automated scheduling and cinema operating systems, as well as continued improvement in guest comfort from providing enhanced premium seating offers.

ENVIRONMENTAL MATTERS

The Group considers the consequences of its operations on the environment. The Group territories measure energy consumption (see Energy and Carbon Report on page 33) and through operational excellence seek to deliver reductions in usage and minimise adverse impacts on the environment from its activities. Similarly, through working with suppliers and customers, the Group territories continue to increase the percentage of waste that is diverted from landfill to be recycled, whilst continuing to address health, safety and economic issues through various initiatives.

See the Non-Financial Sustainability Information Statement on page 34 for further details.

POST BALANCE SHEET EVENTS

See note 37 on page 120 for further details.

FINANCIAL RISK MANAGEMENT

The Board regularly reviews the financial requirements of the Group and the risks associated therewith. Full details of the Group's principal risks and uncertainties are set out in the Strategic Report.

CORPORATE GOVERNANCE

The Group's corporate governance framework, and how it is applied, is set out on pages 17 to 24.

EMPLOYEE INVOLVEMENT

Our people

People are at the core of delivering the best cinema experience across all the territories in which we operate. Therefore, creating and retaining high performing teams and individuals is a key focus.

During 2022 in compliance with COVID-19 induced working from home policies, the business adopted hybrid working policies to help to facilitate head office employees returning to the office. The hybrid working model continued throughout 2023. These policies are being constantly evaluated and will continue to evolve to ensure they meet both business and employee needs in an ever-changing landscape.

Aligned organisational structures

In order to maximise international synergies and local opportunities in each of our markets, we develop global strategies which we tailor and roll out to each of our operating businesses such that we capitalise quickly on local prospects. To deliver this strategy and to ensure that organisational structures continue to meet business requirements, our structures are reviewed on an ongoing basis and continuously evolve within each territory.

Developing and retaining talented employees is a fundamental part of the Group strategy. With similar organisational structures in place across all territories, we can improve the way in which we offer employee career paths across the Group and also maximise commercial opportunities by identifying, sharing and implementing best practice.

Employee recognition and reward

The Group's reward and recognition strategy is designed to ensure that employees are aligned to the Group's goals and are rewarded for the contribution that they make to the Group's success. Performance is driven by ensuring that incentive and recognition plans align all employees to the delivery of key business priorities and targets. Pay and benefit structures are competitive and are regularly benchmarked against relevant external data.

The incentive plans that are in place include both a company and personal element. Employees are rewarded on the basis of both overall company performance and individual business contribution. Where teams have direct responsibility for specific revenue lines and profitability, bonuses have been designed to share with the team a percentage of the incremental revenue and profit that they generate.

Within our territories, there are local recognition and incentivisation schemes that reward great customer service and sales within our busiest periods. We continue to build on this.

Communication and engagement

The Group seeks to engage all employees in both its short and long-term goals. This is achieved through a number of two-way communication methods.

Weekly cascade forums take place that enable the Group Executive leadership team to communicate with each of the country General Managers and they cascade relevant information within their businesses.

Senior management liaise regularly with employee forums and work councils on new initiatives and business updates.

Cinema Management teams come together annually to hear key messages from Senior Leadership, discuss priorities for the year and network with colleagues.

Film Days are held each year to enable Cinema operators to meet with representatives from the film studios and experience previews of future films to be released in the year ahead.

Finding and developing our top talent

The Group is committed to finding and appointing top talent as well as providing training and ongoing development aligned to business and employee needs.

Designing effective recruitment tools and clearly defining role accountabilities, skills and capabilities are a prime focus across all territories.

As part of our standardised cinema operational excellence model, we are committed to continue building on what currently exists across the Group. This includes the modular training frameworks that help create clear career paths, ensuring that teams fulfil their potential and continue to develop their skills and ability within their current position but also for potential future opportunities. As the organisation continues to change, develop and grow, focused internal training and development programmes are delivered in order to support employees with the acquisition of business skills and capabilities. There are also bespoke and targeted development programmes for employees in the internal talent pools that support cinema management succession plans. Examples of these development programmes include Leadership, Personal Impact and Commercial Acumen. The talent pipelines ensure that critical vacancies are filled quickly and cost effectively.

Employee involvement and implementation of best practice

The Group seeks to engage all employees in both its short and long-term goals. This is achieved through a number of two-way communication methods including senior management briefings, employee forums and work councils.

Best practice is proactively identified and implemented across the Group using various methods such as setting up regular workshops that bring together key specialist managers from each territory in areas such as, but not limited to, Retail, Pricing, Marketing, Screen Content, HR and Finance.

Equality of opportunity and human rights

The Group is committed to its obligations under the Equality Act 2010 and the Modern Slavery Act 2015 and has policies in place to ensure an ethical and legal framework is provided to employees.

The Group is committed to making full use of the talents within the business and therefore provides equal opportunities for all. Employment decisions which include recruitment, promotion, compensation, benefits, performance management and training are based on an individual's skills, performance and behaviour and how these relate to the requirements of the business. The Group seeks to treat all its employees with dignity and respect.

The procurement teams manage many suppliers across food and beverage and take responsibility to manage the supply base and source ethically.

The Group procurement policy provides guidance that, any potential supplier must provide confirmation that no instance of modern slavery or human trafficking has occurred (or is occurring) within their business and they must also demonstrate that they have in place suitable procedures and safeguards to prevent such issues occurring.

The Group's whistle-blowing policy details how any member of staff with concerns about a potential issue (including potential occurrences of modern slavery or human trafficking) should bring the matter to the attention of senior management. This includes an option to raise the matter through a confidential whistle-blowing hotline and email contact address.

Further details around the Group's commitments to human rights can be found on the Vue website.

Gender breakdown

The average monthly gender diversity within the Group during the year ended 30 November 2023 was:

Level	Definition	Male No.	Male %	Female No.	Female %	Total No.
Board directors	Statutory Board Members	2	67%	1	33%	**3**
Senior Managers	Group Executive Directors, Territory Managing Directors ("MDs") and Directors reporting to the above	64	66%	33	34%	**97**
Employees	All employees excluding those mentioned above	4,287	51%	4,180	49%	**8,467**
Total		**4,353**	**51%**	**4,214**	**49%**	**8,567**

Gender breakdown *(continued)*

The average monthly gender diversity within the Group during the year ended 30 November 2022 was:

Level	Definition	Male No.	Male %	Female No.	Female %	Total No.
Board directors	Statutory Board Members	2	67%	1	33%	**3**
Senior Managers	Group Executive Directors, Territory Managing Directors ("MDs") and Directors reporting to the above	43	73%	16	27%	**59**
Employees	All employees excluding those mentioned above	4,154	49%	4,394	51%	**8,548**
Total		**4,199**	**49%**	**4,411**	**51%**	**8,610**

DISABLED EMPLOYEES

It is the policy of the Group that disabled people, whether registered or not, should receive full and fair consideration when applying for job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The Group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

STATEMENT OF DISCLOSURE TO AUDITORS

Each Director in office at the date the Directors' Report is approved, confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed

This report was approved by the Board on 26 March 2024 and signed on its behalf by:

Alison Cornwell
Director

ENERGY AND CARBON REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2023

The Group's Streamlined Energy and Carbon Reporting (SECR) disclosures for the current financial year are shown below. Only businesses registered in the UK are considered within scope. Please refer to note 2 of the financial statements for more details.

		2023	2022	
Energy consumption used to calculate emissions: *Transport combustion of fuel has been estimated from business mileage claims, and cannot be reliably converted to kWh.	**Gas**	**32,082,128**	31,014,462	kWh
	Electricity	**54,722,166**	55,253,517	kWh
	Transport fuel	**436,240**	638,622	miles*

	FY23 (tCO_2e)	FY22 (tCO_2e)
Emissions from combustion of gas	**5,868.75**	5,661.38
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	**114.93**	169.90
Emissions from purchased electricity (location based)	**11,331.55**	10,684.93
Total gross emissions	**17,315.23**	16,516.21
Emissions from purchased electricity (market based)	**954.23**	1,053.24
Emissions from combustion of gas	**5,868.75**	5,661.38
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	**114.93**	169.90
Total gross emissions	**6,937.90**	6,884.53

	FY23 (tCO_2e per 1000 admits)	FY22 (tCO_2e per 1000 admits)
Intensity ratio (location based)	0.5593	0.5117
Intensity ratio (market based)	0.2241	0.2133

Methodology (location based)

The UK uses an energy management company that has provided gas and electricity consumption statistics for all sites. A small number of cinema sites have their energy managed by landlords. In this case, we have estimated consumption based on other similarly sized sites. Mileage has been collected from business mileage expense claims.

We have used the UK Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting (2023 edition) for emissions factors used for calculations. Emissions factors for natural gas have used a gross calorific value (CV) basis. The methodology used is consistent with the prior year.

Methodology (market based)

The majority of the UK's electricity is supplied by zero carbon, 100% renewable electricity sourced solely from solar, wind and hydro power. All sites supplied in this way have reported zero carbon emissions for electricity consumption in Scope 2 in line with the Greenhouse Gas Protocol market-based method. Sites that are landlord managed are reported using location based conversion factors.

NON-FINANCIAL SUSTAINABILITY INFORMATION STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2023

The UK Companies and Limited Liability Partnerships Climate Related Disclosure Regulations 2022 (UK Climate Regulations) was published in January 2022. Vue Entertainment International Limited, as a private Jersey incorporated company, falls outside the scope of these regulations, however, the Group takes its responsibilities on climate related matters seriously and is committed to providing enhanced disclosure on climate related matters. The following disclosures comply with the UK climate related financial disclosure regulations para 414CB(2A) a) through to e) only. The decision to omit disclosures related to para 414CB(2A) f) through to h) are explained in more detail on page 42.

Whilst reporting frameworks surrounding sustainability are still being developed and are evolving, the UK Climate Regulations are closely aligned to those set out in the guidelines published by the Task Force on Climate-related Financial Disclosures (TCFD) and set out how Vue incorporates climate-related risks and opportunities into governance, strategy and risk management and what we are doing to reduce our environmental impact.

GOVERNANCE AND RISK MANAGEMENT

Climate-related risks are embedded within our overall integrated risk management framework. See the **Corporate Governance** section for more detail.

The **Board** has overall responsibility for risk management and internal controls, and for reviewing their effectiveness. The **Audit, Risk and Governance Committee** reviews the adequacy and effectiveness of the risk management process, approves internal and external audit plans and monitors risk reporting. The **Climate Team** was established in late 2021 and provides periodic updates to the **Audit, Risk and Governance Committee** on key climate related matters. The Climate Team is responsible for the following:

- Reducing the environmental impact of our business
- Protecting the customer and colleague experience, balancing sustainability with Vue's commercial goals
- Staying ahead of statutory requirements

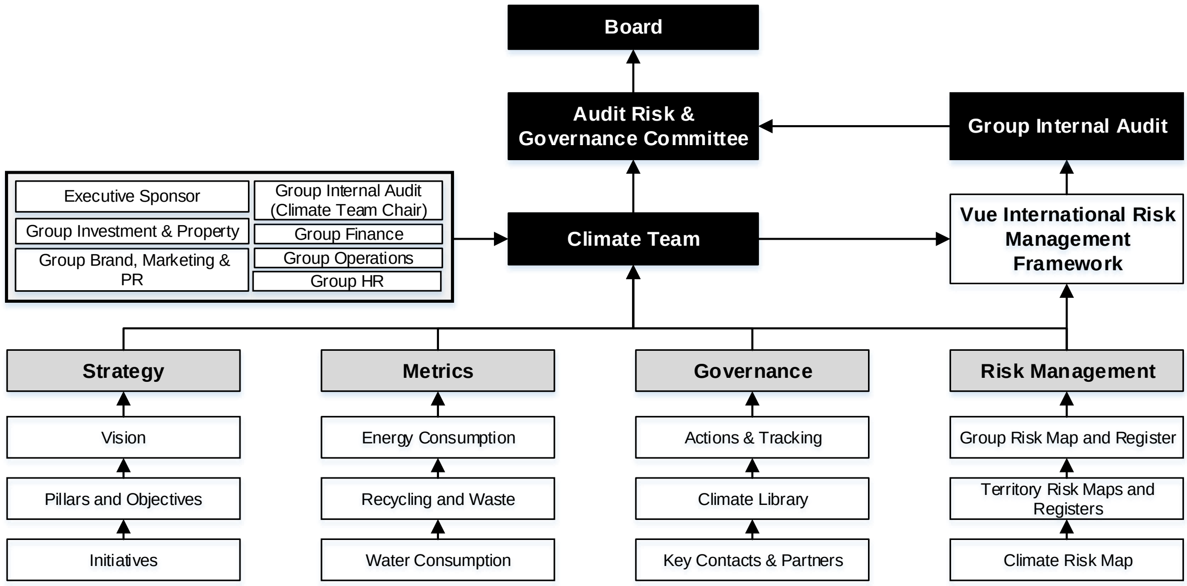
Members of the Climate team during FY23 included the Group CFO (as executive sponsor), Group Head of Internal Audit (as chair), Group COO, Chief Investment and Property Officer, Executive Director of Brand, Marketing and PR, Group Head of Customer Experience and Insight, UK&I General Manager, Director of Project Management Office, Group Director of Talent and Culture, Group Director of Financial Planning and Analysis, Group Head of Procurement and Group Facilities Manager.

The Climate Team met 4 times during FY23. See the **Strategy** section below for more details of these meetings.

Internal Audit is responsible for supporting and challenging the risk management activity within the Group and for facilitating the risk management process, working closely with management across both head office and subsidiary level.

Internal Audit monitors risks identified by management and the actions taken to reduce the impact and likelihood of risks identified.

The Group Head of Internal Audit, as Climate Team Chair, presents climate related matters including key risks and actions to the **Audit, Risk and Governance Committee** supported by the Group CFO, Group Director of Financial Control and external advisors as required.



Climate related risks are managed within the overall Group Risk Management Policy and Framework. The purpose of the Group Risk Management Policy is to outline the Group's approach to managing the challenges that present threats or opportunities to the business and, as part of good business practice, how risk is identified, assessed, and managed across the Group.

The **Audit, Risk and Governance Committee** met 4 times during 2023 and discussed the following matters in relation to ESG:

- The results of a maturity assessment performed in late 2022 by a third-party specialist with the support of Internal Audit engaged by the previous board (see page 3 for details of the 2023 reorganisation). The scope and outcome of this assessment is detailed below.
- The role of the **Vue Climate Team**, their vision, pillars, objectives and key actions through 2023 and beyond.
- Recruitment of a dedicated ESG lead.
- Details of the Group's strategy, principal risks, risk appetite, governance structure and processes for ongoing monitoring and review and reporting of key risks to ensure effective risk management including potential risks to the business from climate change. See below for details of the risks and opportunities identified.
- ESG Reporting Insights from advisors covering the non-financial and sustainability information statement & linkage to TCFD, other ESG regulatory developments such as the announcements from the International Sustainability Standards Board (ISSB), EU Corporate Sustainability Reporting Directive (CSRD), US SEC proposals and UK Government proposals.

The Group has implemented a Group Risk Management Policy to manage the challenges that present threats or opportunities to the business and, as part of good business practice, how risks are identified, assessed, and managed across the Group. The Group policy towards managing risk is as follows:

- The management of risk is integrated into the day-to-day management of the business
- All colleagues actively engage in risk management in their own areas of responsibility
- Risk is primarily assessed and managed by the Territory / function conducting the business which gives rise to the risk

- The escalation of risk information is timely, accurate and gives full visibility of the key risks, to support management decision making at all levels
- An appropriate risk management framework and risk assessment process is in place that is aligned to the business strategy. This is supported by an appropriate organisational structure
- An assessment on an ongoing basis of the effectiveness of the risk management framework is integral to the continuous improvement of our risk management capabilities

Territories are broadly aligned to the country of operation. Countries such as Lithuania (1 cinema) and Ireland (3 cinemas) are managed through the management teams of the UK and Poland respectively.

Internal Audit facilitates risk workshops at least annually with head office and territory management teams and documents risks identified by management within risk maps and registers using the task management software, Jira. The software is used to capture key risks and controls and the actions identified to reduce those risks.

Climate related risks are identified through the risk management process facilitated by Group Internal Audit and discussed amongst members of the Climate Team to determine the course of action required and timescales for resolution when considering both the potential timing and impact of the risk. The Group Head of Internal Audit and Risk also sits as Chair of the Climate Team, providing the appropriate level of oversight across the process.

Head office and Territory key risks identified are considered when developing the Internal Audit Plan which maps all Internal Audit activities to the maps and registers which facilitate the disclosures of the Principal Risks and Uncertainties within the financial statements of the Group.

The principal documents to facilitate the identification, assessment, and recording of risks are risk maps and registers. The risk maps and registers detail significant risks, associated controls, and supporting actions identified to reduce risk exposure.

The risk management processes at Vue are dynamic rather than static and include updating and maintaining risk maps and registers. Management assess the impact and likelihood of risks materialising using a scale of 1 to 5 respectively – 1 being ‘trivial’ and 5 being ‘severe’. A risk score risk is then calculated by multiplying the impact and likelihood. To determine a risk score, management consider factors such as the level of certainty and expected timeframe in which a risk may materialise together with the impact of the risk materialising, for example in relation to profitability, the climate, the health and safety of our customers and employees, and our data and systems.

STRATEGY

During our review, we identified risks and opportunities to the business from the impact of climate change being principally the disruption to the trade and supply chain from extreme weather conditions and focused on initiatives that would reduce our carbon footprint.

Our analysis of specific risk and opportunities can be summarised as physical (e.g., damage to infrastructure from extreme weather events) and transition risks (changes in regulations, consumer preferences towards environmentally friendly entertainment options, etc.)

Opportunities include adopting sustainable practices, enhancing brand image and capitalising on green financing options.

Climate-Related Risks

Physical

Damage to Infrastructure

The potential vulnerability to extreme weather events, such as flooding or storms, which can damage physical assets like cinemas and equipment. All our cinemas are located in Europe. During FY24 we intend to perform an additional review to identify which cinema sites maybe be more susceptible to floods.

Supply Chain Disruptions

Severe weather can disrupt supply chains, affecting the delivery of essential goods and services. Vue has the ability to manage physical risks to the supply chain via a diverse supplier base and agile procurement practices. We have raised awareness across the group / our suppliers about the need to track key metrics in our supply chain operations.

Supplier Performance

We continuously evaluate supplier performance to maintain strong relationships and ensure the quality and reliability of our supply chain. All new supplier agreements include questionnaires related to sustainability and anti-slavery policies and existing contracts are being updated retrospectively. During FY24 we intend to review these contracts to determine whether additional information should be collected in order to prepare for additional disclosures anticipated in future reporting periods.

Lead Time

We are implementing processes to track lead times for various products to minimise delays and improve our ability to source alternatives in the event of supply constraints caused by environmental incidents, labour disputes and regulatory changes.

Inventory Turnover

We monitor our inventory turnover rate and wastage levels to optimize our stock levels, reduce transport requirements and improve efficiency whilst balancing against any potential impact from supply side issues.

Mitigation and Resilience Measures

We invest in strategies and technologies that enhance our resilience to ESG-related disruptions, such as diversifying suppliers and implementing sustainability practices such as those detailed above under supplier performance.

Transition

Regulatory Changes

Anticipated stricter environmental regulations could impose additional compliance costs. Legislation requiring lower carbon emissions could necessitate investments in energy-efficient technologies. New regulations are raised, discussed and monitored through the Climate Team and Audit and Governance Committee. Reporting requirements under UK Climate Regulations, IFRS sustainability standards and the EU Corporate Sustainability Reporting Directive will impact the company’s ESG disclosures and we continue to monitor regulations that affect our cost base such as single-use plastic tax and adopt alternatives where feasible to transition in the most cost effective, proactive way.

Consumer Preferences and reputational risk

There is a growing consumer preference for environmentally sustainable entertainment options. Failing to adapt might see a decline in patronage, especially amongst environmentally conscious demographics. Inadequate response to climate change can lead to reputational damage, influencing customer loyalty and investor confidence. Messaging our commitment to sustainability initiatives has been a core theme during the year. Examples include improved messaging in cinemas to support recycling and energy saving initiatives and developing strategies to bring sustainability to our brand and engaging consumers and employees.

Climate-Related Opportunities

Adoption of Sustainable Practices

- Investing in energy-efficient technologies not only reduces carbon footprint but also leads to long-term cost savings. During the year, 134 projectors were replaced with energy efficient alternatives across sites in Italy, Poland and the Netherlands. HVAC air conditioning units were replaced with newer more energy efficient models across 8 sites in Italy.
- Sustainable Building Design: Refurbishing cinemas with sustainable materials and designs can decrease energy consumption and appeal to eco-conscious patrons. Where possible during refurbishments furniture and fittings are re-used or re-housed. During the year, 4 sites in Italy installed solar panels and another 4 are scheduled for 2024.
- Enhancing Brand Image: Eco-Friendly Initiatives in cinemas have been a core focus this year across Energy, Water, Recycling and Net Zero. Implementing and promoting green initiatives, such as waste reduction programs or partnerships with environmental organizations, can enhance brand image and attract a broader audience.
- Sustainability Reporting: Transparent reporting on sustainability efforts can bolster public trust and investor confidence and have a positive impact on a wide range of stakeholders including employees, suppliers and consumers.
- Government Incentives: Taking advantage of government incentives for sustainable practices can reduce the financial burden of transitioning to greener operations. In response to the energy market disruption caused by Russia's invasion of Ukraine, the European Commission launched the REPowerEU Plan. Under REPowerEU, EU countries are updating their recovery and resilience plans with new measures to save energy and diversify the EU's energy supplies. Our Italian subsidiary, TSC, benefited from €6.5m of funding from the EU that contributed towards the replacement of old projectors and HVAC systems to more energy efficient alternatives.
- Circular Economy and Waste Reduction: In line with supporting a transition to a circular economy, Vue continues to focus on reducing waste through recycling initiatives, and has made successful transitions to digital ticketing and advertising over recent years.

We used the following time periods with to assess the principal climate related risks and opportunities for Vue:

- Short-Term: 2023 to 2027 - this is aligned to existing forecasting processes considered by management which are reviewed annually
- Mid-Term: 2027 to 2037
- Long-Term: 2038 to 2050

At the end of 2022, a third party ESG specialist completed an ESG maturity assessment with the support of internal audit.

The scope of the assessment covered the following:

- Environmental Footprint Management
- Climate Change Risks and Opportunities
- Employee Engagement and Development
- Diversity & Inclusion
- Health & Safety and Risk Management
- External Stakeholder Relations
- Ethics & Compliance
- Cybersecurity
- Data Protection and Privacy

The key recommendations of this assessment across Environmental Footprint Management and Climate Change Risks and Opportunities are defined below:

a) The development of a climate / environmental taskforce / committee with assigned roles and responsibilities
b) Extend the baseline greenhouse gas assessment in line with recognised standards to all locations (currently only focused on the UK)
c) Undertake an assessment of potential physical and transitional climate risks and opportunities
d) Use the above assessments to develop a formal climate strategy and roadmap with mitigation initiatives
e) Include a plan for science-based emission reduction targets
f) Consider measuring scope 3 for Science-Based Target setting.

During FY23 recommendations a) through to d) above from the 2022 ESG assessment were completed through the following actions via the work of the Climate Team:

- A Climate Team was formally established with meetings held 4 times during the year
- Scope 1 and 2 emissions data collected across the group for the years FY19 to FY22
- Climate Data dashboard developed and shared with management across the Group
- Assessment of Group-wide financial and regulatory reporting requirements identified the mandatory application of climate reporting for in scope UK registered companies.
- Assessment and completion of inbound information requests from stakeholders
- Development of Climate Vision, Pillars and Objectives described below

The Vue Group is committed to reducing carbon emissions to tackle climate change. As outlined above, severe weather disruptions could cause disruption to the supply chain for food and beverages and create the potential for floods in areas of risk. Whilst these are more medium to long-term risks, corrective action needs to be taken immediately to reduce emissions to mitigate the potential longer-term impact. Whilst more work is needed to be done to quantify the financial impact of such disruptions, the risks identified during our review are more likely to present themselves in the medium or long-term and we believe that there is no material financial risk or threat to our business model in the short-term. Material being defined as being significant enough to impact financial decision making.

As noted above, Vue's Climate Vision involves playing our part in reducing carbon emissions to tackle climate change. Our strategy will continue to evolve through 2024, however, our focus has been on 4 core pillars:

i) Energy - monitor, produce, procure and optimise energy management to reduce Scope 1 and 2 emissions
ii) Recycling and Waste – Measure and manage waste and increase recycling to reduce waste to landfill
iii) Water – Measure, manage and reduce water usage
iv) Path to Net Zero – Measure Scope 1, 2 and 3 emissions to set Science Based Targets and publish Vue's commitments and plan to reach net zero

Specific objectives identified through the year to deliver on the pillars are presented below:

		Physical Risks	Transition Risks	
Short Term	**Build on Existing Activities**	**Extreme Weather[1]**	**Regulatory**	**Reputational**
	Meet climate related regulatory requirements		✓	✓
	Remove single use plastics where required		✓	✓
	Develop a comprehensive carbon reduction plan with specific targets and timelines	✓		
	Implement energy and waste management practices to improve consumption and recycling levels	✓		
	Develop formal climate strategy document	✓	✓	✓
Medium Term	**Deliver Change**			
	Reduce Group greenhouse gas (GHG) emissions/ energy consumption year-on-year	✓		
	Increase recycling/ reduce waste year-on-year	✓		
	Sustainable packaging. Remove or reuse plastic where possible	✓	✓	✓
	Minimise the use of water in our own operations	✓		
	Make it easier for our customers to recycle	✓		✓
	Establish a green purchasing policy to prioritise sustainable products e.g. including cleaning supplies, office materials, and concession packaging	✓		
Long Term	**Progress to Net Zero**			
	Reduce Scope 1 and 2 GHG emissions to Net Zero	✓		
	Reduce Scope 3 GHG emissions in our value chain	✓		
	Transition all territories to 100% renewable energy sources	✓		
	Expand use of sustainable materials	✓		
	Zero waste to landfill	✓		
	Develop an employee training program on sustainability practices and encourage employee engagement in green initiatives	✓		✓
	Use sustainable materials for refurbishments	✓		
	Offer sustainable and plant-based food options	✓		✓

1 Actions that reduce our carbon footprint contribute to global efforts to mitigate the impact of greenhouse gas emissions on climate change

Specific milestones have been achieved in the area of energy and waste management as noted below having both an immediate financial benefit from cost reduction as well as an impact on reducing Vue's carbon footprint.

Recycling and Waste

- Increase Group-wide recycling / reduce waste year-on-year
- Introduction of a new waste management strategy and policy
- Introduction of new bins including recycling bins and undertaking capacity reviews pre and post the introduction of recycling rates
- Creation of standard operating protocols for waste improvement
- Improved training, signage and posters
- Introduction of waste audits and dashboard reporting
- Remove single use plastics where required and remove or reuse plastic where we can
- Expand use of sustainable materials e.g., in site refurbishments

Energy

- Transition all territories to 100% renewable energy sources. Move to sustainable energy suppliers
- Reduce Group energy consumption year-on-year

Water

- Reduce Group water consumption year-on-year

An analysis of the resilience of Vue's business model and strategy, taking into consideration different physical climate-related scenarios such as an increase in global temperatures by 2 degrees will be performed in 2024.

METRICS AND TARGETS

In order to reduce the risks associated with Climate change and particularly those in relation to the impact of severe and adverse weather conditions Vue is committed to reducing its overall carbon footprint. In order to achieve that it is important to understand the current carbon footprint, to establish a baseline, to develop a plan to reduce its footprint and to track progress against that baseline. This is an important step to ensure the group can continue to meets its future reporting obligations under climate related regulations.

During the year, Scope 1 and 2 usage data was collated across the Group in relation to Electricity, Gas, Water and Travel for the periods FY19 to FY22 and shared with management for analysis and to raise awareness of usage and drive internal initiatives and behaviours to reduce it. The collation of the data was manually intensive and time consuming and efforts through FY24 will be focused on improved data collection, capture, accuracy and reporting capabilities.

During the year, the UK Cinema Association engaged the Zero Carbon Forum to develop an industry roadmap to net zero with the following project objectives:

- Standardise how the sector calculates emissions
- Identify the sector's top emissions hotspots
- Create a plan to decarbonise
- Map the best initiatives with the quickest paybacks
- Create a flight path and interim milestones
- Align on a timeline to net zero
- Support key stakeholders to reduce emissions

- Highlight opportunities for collaboration
- Seek Government Support

Vue UK is a phase 1 participant along with selected UKCA members including Odeon and Cineworld and a number of smaller cinema operators. Phase 1 focuses on initial carbon footprint data collection of the UK cinemas.

Data collection includes usage data of F-GAS, electricity, supplier spend by type, sales of food and beverage, amount of waste, water usage, business travel, employee commuting, travel and distribution and investments for the purpose of calculating Vue's emissions footprint in line with GHG reporting standards.

The project is expected to conclude in the first half of 2024 and deliver a pathway to net zero with key reduction initiatives for the UK business. The template will then be rolled out across the remaining international businesses in the Vue Group.

The Group is committed to reducing energy consumption through education and improved operating protocols. Formal targets are expected to be set in 2024 as we work through the current data set with a view to setting a baseline and targets for reducing scope 1 and 2 emissions over the coming months. Scope 3 data collection will be a focus area for FY24.

The Group's Streamlined UK Energy and Carbon Reporting (SECR) disclosures for the current financial year are shown on page 33.

The Group intends to set targets and KPI's to manage climate related risks and opportunities following the completion of the data collection and roadmap exercise noted above.

The Company has chosen to omit disclosures permitted under CA 2006 S414 CB 2A f) through to h) below, as these were not deemed necessary for an understanding of the business in FY23. The impact of climate risks is considered long-term in nature, and the business priority and focus over the last four years have been directed towards managing an unprecedented level of immediate and medium-term risks faced by the Group and maintaining adequate liquidity, which was severely impacted by the effects of the COVID-19 pandemic, increased energy prices, economic volatility, and the writers' and screen actors' strike in quick succession. It is these areas and their impact that are considered necessary for an understanding of the business during the current period and the medium-term outlook. Despite this, the Group has delivered climate-related initiatives in recent years (see pages 40 and 41). The climate initiatives delivered have been incorporated into the Group's business model, with a particular focus on those initiatives that have an immediate benefit to maintaining fiscal responsibility during a period of continued liquidity challenge.

The areas not disclosed in this report are:

(f) an analysis of the resilience of the company's business model and strategy, taking into account consideration of different climate-related scenarios

(g) a description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and

(h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2023

The directors are responsible for preparing the group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) for the directors to fulfil their internal governance obligations.

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 for that period. In preparing the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company.

This responsibility statement was approved by the Board of Directors on 26 March 2024 and is signed on its behalf by:

Alison Cornwell

Director

Independent auditors' report to the directors of Vue Entertainment International Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Vue Entertainment International Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 November 2023 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the company financial statements have been properly prepared in accordance with FRS 101 "Reduced Disclosure Framework"; and.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Balance Sheets as at 30 November 2023; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 10, we have provided no non-audit services to the company in the period under audit.

Independent auditors' report to the directors of Vue Entertainment International Limited (continued)

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Agreeing the underlying cash flow projections in the Base Case scenario to the latest Board approved forecasts, assessing how these forecasts are prepared and comparing them to external data sources (including industry forecasts) and historical company data (including cinema admissions and margins);
- Considering the sensitivities applied to the Base Case scenario to develop a 'Severe but Plausible' Downside Case that appropriately reflects potential risks within the Base Case scenario;
- Reading the latest debt facility agreements to understand the terms of the facilities (including covenants) and confirming that these have been appropriately considered in management's going concern assessment;
- Checking the mathematical accuracy of the spreadsheet model used to support management's Base Case and 'Severe but Plausible' Downside case;
- Considering the mitigating actions that have been modelled in the 'Severe but Plausible' Downside Case to understand the extent to which they are within management's control; and
- Considering the information gathered from other audit procedures to assess the completeness of management's going concern assessment
- Reviewing the disclosures presented in Note 3 to determine whether these accurately reflect the process performed by the Directors and that the disclosure adequately captures the key assumptions in management's assessment, including the potential mitigating actions available to the group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the directors of Vue Entertainment International Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection regulation (including GDPR) and employment laws (including health and safety legislation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK and international tax legislation.

Independent auditors' report to the directors of Vue Entertainment International Limited (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting for estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit, and internal legal counsel, including consideration of non-compliance with laws and regulation and fraud;
- Review of minutes of meetings for those charged with governance;
- Agreeing financial statement disclosures to underlying supporting documentation to assess compliance with applicable laws and regulations;
- Testing of assumptions and judgements made by management in making significant accounting estimates; and
- Identifying and testing journal entries, in particular any revenue journal entries posted with unusual account combinations or by individuals with superuser access to systems.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors as a body to discharge your stewardship obligations and fiduciary responsibilities in accordance with our engagement letter dated 12 October 2023 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Other matters

We draw attention to the fact that these financial statements have not been prepared under article 105 of the Companies (Jersey) Law 1991 and are not the company's statutory financial statements.

The financial statements for the year ended 30 November 2022, forming the corresponding figures of the financial statements for the year ended 30 November 2023, are unaudited.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
26 March 2024

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2023

	Note(s)	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Revenue	**5, 6**	**759,073**	602,196
Cost of sales		**(271,693)**	(212,151)
Gross profit		**487,380**	390,045
Other operating income	**7**	**21,992**	39,288
Administrative expenses		**(407,423)**	(441,871)
Operating profit / (loss)	**8**	**101,949**	(12,538)
Finance income	**12**	**28,035**	240
Finance expenses	**12**	**(203,744)**	(240,563)
Net finance costs		**(175,709)**	(240,323)
Share of equity-accounted investees, net of tax		**(9)**	(161)
Loss before tax		**(73,769)**	(253,022)
Taxation	**13**	**2,670**	4,485
Loss for the year		**(71,099)**	(248,537)
Attributable to:			
- Owners of the parent		**(71,099)**	(248,537)

The notes on pages 55 to 121 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2023

	Year ended 30 November 2023 £000	(Unaudited) Year ended 30 November 2022 £000
Loss for the year	**(71,099)**	(248,537)
Items that will not subsequently be reclassified to profit or loss		
Net remeasurement (loss) / gain on retirement benefit obligations	**(39)**	243
Items that may subsequently be reclassified to profit or loss		
Translation gain on net investments	**5,589**	6,326
Other comprehensive gain for the year, net of tax	**5,550**	6,569
Total comprehensive loss for the year	**(65,549)**	(241,968)
Attributable to:		
- Owners of the parent	**(65,549)**	(241,968)

The notes on pages 55 to 121 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2023

	Note(s)	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Non-current assets			
Property, plant and equipment	**15**	**239,747**	237,058
Right-of-use assets	**16**	**504,549**	521,426
Goodwill and other intangible assets	**17**	**836,678**	830,937
Investments accounted for using the equity method	**18**	**74**	126
Deferred tax assets	**19**	**107,098**	97,150
Total non-current assets		**1,688,146**	1,686,697
Current assets			
Inventories	**20**	**7,201**	6,504
Trade and other receivables	**21**	**78,223**	303,538
Derivative financial instruments	**29**	**7,976**	-
Cash and cash equivalents	**22**	**108,675**	123,792
		202,075	433,834
Assets classified as held for sale	**23**	**7,957**	5,696
Total current assets		**210,032**	439,530
Total assets		**1,898,178**	2,126,227
Current liabilities			
Trade and other payables	**24**	**209,331**	227,293
Corporate tax payable	**25**	**4,503**	2,111
Borrowings	**26**	**553**	1,831,729
Lease liabilities	**16**	**75,704**	111,318
Other financial liabilities	**27**	**2,620**	2,621
Provisions	**28**	**752**	307
		293,463	2,175,379
Liabilities directly associated with assets classified as held for sale	**23**	**11,027**	-
Total current liabilities		**304,490**	2,175,379
Non-current liabilities			
Trade and other payables	**24**	**-**	5,035
Borrowings	**26**	**639,416**	76,057
Lease liabilities	**16**	**785,322**	745,344
Provisions	**28**	**1,389**	1,445
Deferred tax liabilities	**19**	**5,202**	2,411
Total non-current liabilities		**1,431,329**	830,292
Total liabilities		**1,735,819**	3,005,671
Net assets / (liabilities)		**162,359**	(879,444)

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2023

	Note(s)	**30 November 2023 £000**	*(Unaudited)* 30 November 2022 £000
Equity			
Share capital	**31**	**3**	3
Share premium	**31**	**6,367**	6,367
Capital contribution	**31**	**1,107,314**	-
Foreign currency translation reserve	**31**	**15,531**	4,699
Accumulated losses		**(966,856)**	(890,513)
Total equity		**162,359**	(879,444)

The notes on pages 55 to 121 are an integral part of these consolidated financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 March 2024 and are signed on its behalf by:

Alison Cornwell
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2023

	Note	Share capital £000	Share premium £000	Capital contribution £000	Foreign currency translation reserve £000	Accumulated losses £000	Total equity £000
Balance at 1 December 2021 *(unaudited)*		3	6,367	-	(1,627)	(642,219)	(637,476)
Loss for the year *(unaudited)*		-	-	-	-	(248,537)	(248,537)
Other comprehensive gain for the year *(unaudited)*		-	-	-	6,326	243	6,569
Total comprehensive loss for the year *(unaudited)*		-	-	-	6,326	(248,294)	(241,968)
Balance at 30 November 2022 *(unaudited)*	**31**	3	6,367	-	4,699	(890,513)	(879,444)
Balance at 1 December 2022		**3**	**6,367**	**-**	**4,699**	**(890,513)**	**(879,444)**
Loss for the year		**-**	**-**	**-**	**-**	**(71,099)**	**(71,099)**
Other comprehensive gain / (loss) for the year		**-**	**-**	**-**	**5,589**	**(39)**	**5,550**
Total comprehensive loss for the year		**-**	**-**	**-**	**5,589**	**(71,138)**	**(65,549)**
Capital contributions		**-**	**-**	**1,107,314**	**-**	**-**	**1,107,314**
Liquidation of subsidiaries		**-**	**-**	**-**	**5,243**	**(5,205)**	**38**
Balance at 30 November 2023	**31**	**3**	**6,367**	**1,107,314**	**15,531**	**(966,856)**	**162,359**

The notes on pages 55 to 121 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2023

	Note(s)	**Year ended 30 November 2023 £000**	*(Unaudited)* Year ended 30 November 2022 £000
Operating profit / (loss)		**101,949**	(12,538)
Adjusted for:			
Depreciation	**8**	**96,653**	101,733
Amortisation of intangible assets	**8**	**1,431**	2,261
Impairments	**8**	**19,395**	61,472
Remeasurement gains on right-of-use assets	**8**	**(4,277)**	(2,807)
Reversal of impairments	**8**	**(12,514)**	-
Remeasurement (loss) / gain on retirement benefit obligation		**(39)**	243
(Profit) / loss on disposal of property, plant and equipment	**8**	**(14,748)**	172
Other non-cash items		**-**	472
Increase / (decrease) in provisions		**355**	(1,397)
Increase in inventories		**(666)**	(925)
Decrease in trade and other receivables		**24,179**	2,870
Decrease in trade and other payables		**(32,302)**	(68,865)
Cash generated from operations		**179,416**	82,691
Income taxes paid		**(1,644)**	(435)
Net cash inflow from operating activities		**177,772**	82,256
Cash flows from investing activities			
Interest received		**14,795**	240
Acquisition of property, plant and equipment	**15**	**(44,260)**	(44,803)
Proceeds from the sale of property, plant and equipment	**7,15**	**21,826**	-
Acquisition of intangible assets	**17**	**(305)**	(2,466)
Net cash outflow from investing activities		**(7,944)**	(47,029)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2023

	Note(s)	**Year ended 30 November 2023 £000**	*(Unaudited)* Year ended 30 November 2022 £000
Interest paid		**(30,049)**	(1,221)
Payment of lease liabilities	**16**	**(132,505)**	(126,293)
Proceeds from parent undertakings		**3,213**	15,565
Proceeds from borrowings	**26**	**52**	83,771
Fees paid on debt restructuring		**(26,389)**	(17,196)
Net cash outflow from financing activities		**(185,678)**	(45,374)
Net decrease in cash and cash equivalents		**(15,850)**	(10,147)
Cash and cash equivalents at the beginning of the year		**123,792**	134,063
Exchange gain / (loss) on cash and cash equivalents		**951**	(124)
Cash and cash equivalents at the end of the year	**22**	**108,893**	123,792

The notes on pages 55 to 121 are an integral part of these consolidated financial statements.

1. General information

Vue Entertainment International Limited ("the Company") is a limited liability company domiciled and incorporated in Jersey. The address of the Company's registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The Company, together with its subsidiaries and other related undertakings (the "Group"), develop and operate state-of-the-art multiplex cinemas. Further information on the principal activities of the Group and its operations are set out in the Strategic Report.

2. Subsidiaries and other related undertakings

Details of the Company's subsidiaries and other related undertakings held directly or indirectly at 30 November 2023 are as follows:

Name of undertaking	Country of registration	Proportion of voting and ownership interest 2023	Proportion of voting and ownership interest 2022 *(unaudited)*	Address of registered office
Direct subsidiary undertakings				
Vue Holdings (Jersey) Limited	Jersey	100%	100%	44 Esplanade, St Helier, Jersey, JE4 9WG
Indirect subsidiary undertakings				
Vue Holdings (UK) Limited	UK	100%	100%	10 Chiswick Park 566 Chiswick High Road London, W4 5XS
Vue Entertainment Investment Limited	UK	100%	100%	
Vue Booking Services Limited	UK	100%	100%	
Vue Entertainment Holdings Limited	UK	100%	100%	
Vue Entertainment Holdings (UK) Limited	UK	100%	100%	
A3 Cinema Limited	UK	100%	100%	
Aurora Holdings Limited	UK	100%	100%	
Aurora Cinema Limited	UK	100%	100%	
Ster Century (UK) Limited	UK	100%	100%	
SBC Portugal Limited	UK	100%	100%	
Vue Theatres (UK) Limited	UK	100%	100%	
Vue Cinemas Limited	UK	100%	100%	
Vue Cinemas (UK) Limited	UK	100%	100%	
Apollo Cinemas Limited	UK	100%	100%	
Vue Services Limited	UK	100%	100%	
Shake UK Newco Limited	UK	100%	100%	
Treganna Bidco Limited	UK	100%	100%	
Vue Properties Limited	UK	100%	100%	
Tulip UK Newco Limited	UK	100%	100%	
Vue Entertainment Limited	UK	100%	100%	

2. Subsidiaries and other related undertakings *(continued)*

Name of undertaking	Country of registration	Proportion of voting and ownership interest 2023	Proportion of voting and ownership interest 2022 *(unaudited)*	Address of registered office
Indirect subsidiary undertakings				
CinemaxX Danmark A/S	Denmark	100%	100%	Kalvebod Brygge 57 1560 Copenhagen V. Denmark
CinemaxX Entertainment GmbH & Co. KG	Germany	100%	100%	Valentinskamp 18-20 20354 Hamburg Germany
CinemaxX MaxXtainment GmbH	Germany	100%	100%	
CinemaxX Movietainment GmbH	Germany	100%	100%	
CinemaxX Cinema GmbH & Co. KG	Germany	100%	100%	
Verwaltung CinemaxX Cinema GmbH	Germany	100%	100%	
CinemaxX Cinetainment GmbH	Germany	100%	100%	
CinemaxX Holdings GmbH	Germany	100%	100%	
CinemaxX Entertainment Verwaltungsgesellschaft GmbH	Germany	100%	100%	
Vue Beteiligungs GmbH	Germany	100%	100%	
Multikino Media Sp. z o.o.	Poland	100%	100%	2 ul. Przesko Warsaw 00-032 Poland
Multikino S.A.	Poland	100%	100%	
SBC Taiwan Limited	Taiwan	100%	100%	4F, 5F, 6F and 7F. No.501, Sec. 2 Zhongyuan Rd. Zhongli Dist. Taoyuan City 320 Taiwan
UAB Multikino Lietuva	Lithuania	100%	100%	Ozo g. 18-310 Vilniaus m. sav. Lietuva
The Space Cinema 1 SpA	Italy	100%	100%	Piazza Augusto Imperatore 00186 Roma
Vue Nederland B.V.	Netherlands	100%	100%	Danzigerkade 2D 1013 AP Amsterdam The Netherlands
Vue Cinemas B.V.	Netherlands	100%	100%	
Vue Kerkrade B.V.	Netherlands	100%	100%	
Vue Deventer B.V.	Netherlands	100%	100%	
Vue Steenwijk B.V.	Netherlands	100%	100%	
Vue Meppel B.V.	Netherlands	100%	100%	
Vue Hoogeven B.V.	Netherlands	100%	100%	
Vue Deutschland B.V.	Netherlands	100%	100%	Valentinskamp 18-20 20354 Hamburg Germany

2. Subsidiaries and other related undertakings *(continued)*

Name of undertaking	Country of registration	Proportion of voting and ownership interest 2023	Proportion of voting and ownership interest 2022 *(unaudited)*	Address of registered office
Indirect subsidiary undertakings				
Aurora Cinema (Ireland) Limited	Ireland	100%	100%	6th Floor South Bank House Barrow St Dublin 4 Ireland
Vue Entertainment Holdings (Ireland) Limited	Ireland	100%	100%	
Showtime Cinemas (Ashbourne) Limited	Ireland	100%	100%	
Showtime Cinemas (Limerick) Limited	Ireland	100%	100%	
Joint Ventures				
Digital Cinema Advertising – DCA S.r.l	Italy	50%	50%	Piazza Duse Eleonora 2 20122 Milan Italy
Associates				
Kino.dk A/S	Denmark	26%	26%	Kalvebod Brygge 57 1560 Copenhagen V. Denmark
Multiplex-Kino GmbH & Co. Objekt Veitschochheimer Staße KG	Germany	5.5%	5.5%	Nonnenstraße 44 04229 Leipzig Germany

During the year ended 30 November 2023, the Company disposed of the following undertakings held directly or indirectly at 30 November 2022:

Name of undertaking	Country of registration	Proportion of voting and ownership interest 2022 *(unaudited)*	Method of disposal	Address of registered office
Indirect subsidiary undertakings				
Spean Bridge Luxembourg S.a.r.l	Luxembourg	100%	Dissolved	2bis Rue Astrid L-1143 Luxembourg
Spean Bridge Luxembourg Investments S.a.r.l	Luxembourg	100%	Dissolved	
Spean Bridge Taiwan S.a.r.l	Luxembourg	100%	Dissolved	
CinemaxX Multiplex Mülheim GmbH	Germany	100%	Legal merger with CinemaxX Cinetainment GmbH	Valentinskamp 18-20 20354 Hamburg Germany

3. Accounting Policies

Basis of preparation

The Vue International Group completed a restructuring on 26 January 2023 which resulted in a change in the consolidating entity from Vue International Bidco plc to Vue Entertainment International Limited. Following the restructuring, the Group headed by Vue Entertainment International Limited has prepared its first set of audited consolidated financial statements for the year ended 30 November 2023. Accordingly, the comparative information for the year ended 30 November 2022 is unaudited.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in compliance with the Companies (Jersey) Law 1991.

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except as disclosed in the accounting policies below.

The consolidated financial statements and the related notes are presented in Pounds Sterling, rounded to the nearest thousand (GBP'000) unless otherwise stated, as it is the currency of the primary economic environment in which the Group operates.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements. The Directors have considered the principal risks and uncertainties set out in the Strategic Report alongside the balance sheet, cash flows, borrowing capacity and liquidity position.

As at 30 November 2023 the Group had significant liquidity comprising £105.9m unrestricted cash (total cash of £108.7m less £2.8m cash in escrow in support of landlord guarantees in Germany and the Netherlands).

The Group's liquidity position was further bolstered by a financial restructuring, undertaken due to the reduction in film supply caused by the SAG-AFTRA actors strike which halted production for 6 months in 2023. The restructuring completed on 20 February 2024 the terms of which included the receipt of cash of EUR 58.7m through the issuance of a EUR 63.7m super senior term loan, an equitisation of EUR 354.8m of senior debt, the provision of flexibility in enabling the Group to capitalise a significant portion of its interest for a period of 2 years from 20 February 2024 and an increase in the Group's borrowing capacity due to an increase in the super senior debt basket from £25m to £50m (see note 37 on page 120 for further details).

Following the restructuring, the Group has one financial covenant, a minimum liquidity covenant of £35m unrestricted cash which is tested at the end of each month.

The financial restructuring has delivered additional liquidity, a substantial deleveraging of the balance sheet and a robust capital structure to enable the Group to manage through the short-term film supply issues caused by the recent strikes. It is notable that the process was delivered with 100% consent from all of the Group's stakeholders (shareholders and lenders).

3. Accounting Policies *(continued)*

Going concern (continued)

In assessing the going concern position of the Group, the Directors have considered the performance of the Group's business operations in each territory together with the upcoming film slate and external factors such as energy costs, inflation and cost of living pressures.

The Group has developed a Base Case liquidity model which runs to 31 May 2025. The key assumptions supporting this forecast include the following:

- Forecast commencing 1 March 2024 and running to 30 November 2024 prepared by month by Territory supported by a detailed new film release model (updated for strike impacted delays). The market admissions represent approximately 70% of the 3yr.Av. market size FY17-FY19. Vue admissions are determined by applying the latest admissions share to the market size by territory.

- For the 6 months ending 31 May 2025 Territory market admissions represent 82% of the 3yr. Av. market size FY17-FY19. The market estimate represents a mid-point between FY23 which delivered 77% and FY26 which is expected to return to levels of 88% (ie 85% of 3yr Av. FY17-FY19 admissions in UK&I and 90% in the European territories).

- Pricing strategy delivers inflationary increases in ATP/SPP whilst maintaining and/or increasing market share with further optimisation through 2024. FY25 assumes 2% and 5.5% year on year inflationary increase respectively.

- Property rent is the largest fixed cost within the business and is based on long leases agreed with landlords with specific indexation clauses. FY24 and FY25 include contractual indexation inflation assumptions. In addition, the plan assumes the delivery of various rent reduction and deferral targets as well as the exit from a small number of predominantly loss-making sites.

- The liquidity projections reflect the recently agreed financial restructuring including the receipt of EUR 58.7m of new cash funding in February 2024, as well as the revised cash interest amounts which are applicable to the new loan structure as follows:

  - EUR 95.1m existing super senior new money (Euribor + 8% cash pay)
  - EUR 63.7m new super senior new money facility (Euribor + 4% cash pay and 5% PIK)
  - EUR 127.4m reinstated 1.5L facility (0.1% cash pay and Euribor plus 8.4% PIK)
  - EUR 227.4m reinstated facility (0.1% cash pay and Euribor plus 8.4% PIK)
  - EUR 13.5m Euro interest rate swap proceeds due to be received in April 2024 on expiry of the swap

The Base Case demonstrates sufficient headroom in respect of the minimum cash liquidity throughout the assessed period.

3. Accounting Policies *(continued)*

Going concern (continued)

The Group has also developed a 'Severe but Plausible' Downside Case (the "Downside Case") to stress test the Group's financial projections. This case includes the impact of:

- A 10% reduction in market admissions from December 2024 to May 2025 to reflect a conservative trading position. This reduces the market size to 74% (from 82%) of the 3yr. Av market size FY17-FY19. This compares to 77% achieved in FY23 and 70% FY24 Budget which already includes a significant impact from strikes and film title delays and lack of releases in FY24. Vue admissions are determined by applying the latest admissions share to the reduced market size by territory.
- A reduction of £5m in the targeted property deferrals in FY24.

In the Downside Case, the Group's liquidity also remains above the minimum liquidity covenant of £35m.

Although the Directors consider further mitigating actions are unlikely to be required, the following incremental sources of liquidity may be available to the Group:

- The new financing agreement includes a super senior debt basket of £50m. This does not represent committed financing and a process would require to be undertaken to raise these additional funds.
- The Group owns three freehold properties in Poland which could be marketed for sale to realise funds.
- Further negotiation of rent and supplier payments, following successful negotiations with landlords and suppliers over several years during and after the COVID pandemic.

Finally, it is also important to emphasise that the equity and the loan investors are essentially one and the same with the equity and loans being stapled for a period of at least 2 years from 20 February 2024. These stakeholders have been, and remain, very supportive with 100% consent being received during the recent financial restructuring.

Taking the above into consideration, the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of this report. Accordingly, the Company and the Group continue to adopt the going concern basis in preparing these financial statements.

Changes in accounting policies

In the preparation of these consolidated financial statements, the Group followed the same accounting policies and methods of computation as compared to those applied in the previous period, except for the adoption of new standards and interpretations and revision of the existing standards noted below.

3. Accounting Policies *(continued)*

New and amended standards adopted by the Group in 2023

The following amendments to existing standards and interpretations were effective in the year ended 30 November 2023, but were either not applicable or did not have a material impact on the Group:

- Amendments to IAS 16 *Property, Plant and Equipment*
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*
- Amendments to IFRS 3 *Business Combinations*
- Annual Improvements to IFRS Standards 2018-2020 Cycle – minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41

New and amended standards not applied

The following standards and interpretations in issue are not yet effective for the Group and have not been adopted by the Group:

	Effective dates[1]
Amendments to IAS 1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors:* Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 *Income Taxes:* Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 12 *Income Taxes:* International Tax Reform – Pillar two Model Rules	1 January 2023
IFRS 17 *Insurance Contracts*	1 January 2023
Amendments to IFRS 17 *Insurance Contracts*	1 January 2023
Amendments to IAS 1 *Presentation of Financial Statements:* Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures:* Supplier Finance	1 January 2024
Amendments to IFRS 16 *Leases:* Lease Liability in a Sale and Leaseback	1 January 2024
IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*	1 January 2024
IFRS S2 *Climate-related Disclosures*	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025

[1] The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations.

Due to the 30 November year end, the above standards and interpretations effective from 1 January 2023 will become effective for the Group from 1 December 2023 and reflected in the Group's FY24 financial statements.

The Directors do not expect the adoption of these standards and interpretations to have a material impact on the consolidated financial statements.

3. Accounting policies *(continued)*

Significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the subsidiaries controlled by the Company for the years ended 30 November 2023 and 30 November 2022. The Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee, (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiary financial statements are prepared for the same reporting period as the Parent Company and are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profit arising from them are eliminated in full.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control of a subsidiary it:

i) Derecognises the assets (including goodwill) and liabilities of the subsidiary,
ii) Derecognises the carrying amount of any non-controlling interest,
iii) Derecognises the cumulative translation differences recorded in equity,
iv) Recognises the fair value of the consideration received,
v) Recognises the fair value of any investment retained,
vi) Recognises any surplus or deficit in profit or loss, and
vii) Recognises the parent's share of any components previously recognised in other comprehensive income, to profit or loss or retained earnings, as appropriate

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The cost of any acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquirer’s identifiable net assets. Costs directly attributable to business combinations are recognised as an expense in the income statement as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially recognised at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest, over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units (“CGUs”) that are expected to benefit from the combination, irrespective of whether assets or liabilities of the acquisition are assigned to those units.

Where goodwill forms part of a CGU, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control is similar to those necessary to determine control over subsidiaries.

The Group’s investments in its joint ventures are initially recognised in the consolidated balance sheet at cost. Subsequently, joint ventures are accounted for using the equity method, where the Group’s share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated income statement and consolidated statement of comprehensive income (except for losses in excess of the Group’s investment in the joint venture, unless there is an obligation to make good those losses).

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated balance sheet at cost. Subsequently, associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated income statement and consolidated statement of comprehensive income (except for losses in excess of the Group's investment in the associate, unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The Group's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value if the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired, is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Revenue recognition

The Group recognises revenue from the following major sources:

- Box office
- Concessions
- Screen advertising
- Booking fees
- Corporate partnership
- Gift cards

Revenue is measured based on the fair value of the consideration received or receivable, taking into account contractually-defined terms of payment in relation to when the performance obligation is met, and excludes amounts collected on behalf of third parties.

The transaction price represents the price to which the Group expects to be entitled, consistent with contractually defined terms, in return for delivering goods and/or services to its customers. Revenue from contracts with customers is recognised when the Group transfers control of a product or service to a customer or when it meets the performance obligations specified or implied in the contract.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Revenue recognition (continued)

Box office

Box office revenue is recognised at a point in time when control of the services has transferred to the customer, being at the point the services have been performed. Services are deemed to have been performed on the date of the showing of the related film. Payment for box office services is due from the customer at the time of purchasing the related ticket.

Where payment for box office services is in the form of advance payments from customers (e.g. purchase of advanced bulk tickets), a contract liability is recognised for revenue relating to box office services at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Concessions

Revenue arising from the sale of concessions is recognised at a point in time when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Payment for concessions is due from the customer at the time of purchase.

Screen advertising

Revenue relating to screen advertising is recognised over time based on the stage of completion of the contract. The stage of completion is determined as the proportion of the total number of advertisements expected to be aired to perform the service that have been shown in the cinema at the end of the reporting period. Payment for screen advertising is not due from the customer until the activities are complete. Consequently, a contract asset is recognised over the period in which the activities are performed, representing the Group's right to consideration for the services performed to date.

Where payment for screen advertising is in the form of advance payments from customers, a contract liability is recognised for revenue relating to screen advertising at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Corporate partnership

Revenue related to corporate partnership events is recognised at a point in time when control of the services has transferred to the customer, being at the point the services have been performed. Services are deemed to have been performed on the date that the corporate event takes place. Payment for corporate partnership events is mostly in the form of advance payments from customers. A contract liability is recognised for value related to corporate partnership events at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Revenue recognition (continued)

Booking fees

Revenue relating to booking fees is recognised at a point in time when control of the services has transferred to the customer, being at the point the services have been performed. Services are deemed to have been performed on the date that the booking takes place. Payment for booking fees is due from the customer at the time of making the booking.

Gift cards

Revenue arising from the sale of gift cards is recognised at a point in time, being at the point the gift cards are redeemed by the customer. Payment for gift cards is in the form of advance payments from customers. A contract liability is recognised for revenue relating to unredeemed gift cards at the time of receipt of the funds from the customer. The contract liability represents the Group's obligation for services still to be performed.

Revenue relating to unredeemed gift cards is recognised over time on a straight-line basis based on a proportion of gift card redemptions. The proportion of unredeemed gift card redemptions is estimated primarily based on the Group's historical experience.

Barter transactions

The Group engages in certain non-monetary barter transactions where cinema on-screen advertising space is exchanged for external advertising on other third-party mediums.

In accounting for barter transactions, the associated sales and cost of sales are valued at the weighted average sales price achieved for equivalent cash sales of the Group's own on-screen advertising space.

Net Financing Costs

Net financing costs comprise interest payable, amortisation of financing costs, unwind of discount on property provisions, finance lease interest, interest receivable on funds invested and net foreign exchange gains or losses on financing activities.

Retirement benefit costs

The Group operates a number of defined contribution schemes for its employees. The assets of the plans are held separately from those of the Group in independently administered funds. The Group retains no obligations in respect of these independent funds. Contributions to these funds are made by employees and are supplemented by contributions from the Group which are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group also participates in mandatory government schemes in applicable territories. In such cases an obligation is retained by the Group until retirement of the employees and any resulting liability is held as a provision calculated on an actuarial basis.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Leases

From 1 December 2019, the Group applied IFRS 16 using the modified retrospective approach.

The Group's lease portfolio relates, predominantly, to property leases for each cinema site, however also includes other assets such as motor vehicles.

Under IFRS 16, at inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date the identified asset is available to the Group a right-of-use asset and a lease liability is recognised.

The Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, less any lease incentives receivable; and
- Variable lease payments that depend on an index or a rate.
- Future increases in variable lease payments based on an index or rate, are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The incremental borrowing rate is defined as the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rates applied to leases ranged between 4.8% and 15.2% (2022: 4.8% and 15.2%). The weighted average incremental borrowing rate applied to leases was 10.5% (2022: 10.5%).

Movement in the lease liability results from:

- Increasing the carrying amount to reflect interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Re-measuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is re-measured when there are changes to lease payments or lease length and the corresponding adjustment is made to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement thought the Consolidated Income Statement.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Leases (continued)

The cost of the right-of-use asset is calculated as:

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised immediately before the date of initial application; and
- Any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are depreciated over the lease term on a straight-line basis and reported through the Consolidated Income Statement within Administrative expenses.

Right-of-use assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss which is recognised in the income statement.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Where leases have been modified, resulting in a reduction in the carrying value of the right-of-use asset, the impairment loss reversal will not exceed the modified carrying amount.

Interest on the lease liability in each period during the lease term is charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Both principal and interest are recognised within financing cash flows in the Consolidated Statement of Cash Flows.

<u>Low value and short-term exempt leases</u>

Payments associated with short-term leases and leases of low-value assets are exempt from IFRS 16 and as such continue to be recognised on a straight-line basis as an expense in the Consolidated Income Statement. Short-term leases are leases with a lease term of 12 months or less or leases on adoption date which has a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office and cinema equipment.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Leases (continued)

Lease incentives

Lease incentives predominantly relate to rent free periods or cash contributions from landlords for agreed investment in property, plant or equipment.

Where the Group receives contributions and incentives from landlords at the start of the lease or later following subsequent negotiations, these are recorded against the right-of-use asset. Where conditions are met after the start of the lease, these are reflected in the future lease payments resulting in a re-measurement of lease liability and adjustment to right-of-use asset.

Lease incentives are only recognised once all conditions of the incentive are met.

Variable lease payments

Some property leases contain variable payment terms that are linked to performance measures generated from a particular cinema site. Variable payment terms are common in the cinema and retail industries in the countries where the Group operates. Variable lease payments are recognised in administrative expenses within the Consolidated Income Statement in the period in which the condition that triggers those payments occurs.

Foreign Currencies

For each group company the presentation currency used in the individual financial statements is the same as the company's functional currency. For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in Pounds Sterling, which is the functional currency of the Company.

In preparing the financial statements of the individual companies and the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date and income and expense items are translated at the average exchange rates for the period.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate). Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rate. Exchange differences arising are recognised in other comprehensive income.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Taxation (continued)

Deferred tax *(continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current Tax and Deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Goodwill

Goodwill is initially recognised and measured as set out in the business combinations accounting policy above.

The Group considers each cinema site to be a cash-generating unit ("CGU"). For the purpose of goodwill impairment testing, the Group considers each territory to be the smallest group of CGUs at which goodwill is monitored for internal management purposes and that are expected to benefit from the synergies of the business combination.

Goodwill is allocated to each territory and is reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

The need for an impairment is assessed by a comparison of the carrying value of each territory with its recoverable amount, being the future value in use to the business. The value in use is assessed with reference to the future business forecasts of the Group making certain adjustments as required by the accounting standard.

The discount rate used in assessing the value in use is the estimated weighted average cost of capital employed by the Group, adjusted as necessary for any particular risks of the territory being reviewed. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a territory, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets other than goodwill

The Group holds the following intangible assets:

- customer relationships
- software

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Intangible assets other than goodwill (continued)

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recorded at their fair value at the acquisition date. Following initial recognition, these assets are carried at cost less any accumulated amortisation or impairment losses, on the same basis as intangible assets that are acquired separately. The useful economic lives of acquired intangible assets are estimated based on discounted future cash flows of the acquired business.

Computer software is initially recorded at cost. Where these assets have been acquired through a business combination, this will be the fair value allocated in the acquisition accounting. Where these have been acquired other than through a business combination, the initial cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Customer relationships	6 years
Computer software	3 - 7 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in the income statement when the asset is derecognised.

Intangible assets are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are measured on a similar basis to property, plant and equipment and recognised in the income statement. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Inventories

Inventories are valued on a first-in, first-out (FIFO) basis and are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving inventory. Inventory cost includes all direct costs.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Provisions

Provisions for property, restructuring or other legal costs are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material), discounted using an appropriate discount rate to reflect the risks of those cash flows.

Financial Instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments, and are initially recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through income statement) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Income Statement are recognised immediately in the Income Statement.

Financial Assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, credit and debit card debtors, short-term deposits and other short-term highly liquid investments with original maturities of three months or less held for the purpose of meeting short-term cash commitments. Bank overdrafts are presented in current liabilities to the extent that there is no right of offset with cash balances.

Trade and other receivables

Trade receivables are measured at amortised cost using the effective interest method, less any impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on aging. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the year end. The carrying amount of other receivables is reduced by the impairment loss directly and a charge is recorded in the income statement. Intercompany receivables balances with the Group are assessed for impairment under IFRS 9.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Financial Instruments (continued)

Financial Assets *(continued)*

Impairment of financial assets

Loss allowances will be measured on either of the following bases: 12-month expected credit losses ('ECLs') are the ECLs that result from possible default events within 12 months after the reporting date; and ii. Life time ECLs which are ECLs that result from all possible default events over the expected life of a financial instruments. The Group measures expected credit losses using a lifetime expected loss allowance for all intercompany receivables. The expected loss rates are based on historical loss rates which reflect current and forward-looking information on macroeconomic factors.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Trade and other payables

Trade and other payables are initially measured at fair value. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables where the recognition of interest would be immaterial. Trade and other payables principally comprise of amounts owed to suppliers, accrued expenses and social security and other taxes.

Interest-bearing loans

Interest-bearing loans are initially measured at fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, loan capital and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Cash flow hedges

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement, within Finance Expenses.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss, with the exception of freehold land which is not depreciated. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement to write assets down to their residual values on a straight-line basis over the estimated useful lives on the following basis:

Freehold Buildings	10 - 40 years
Long-term Leasehold Land and Buildings	15 - 40 years
Short-term Leasehold Land and Buildings	Over the life of the lease capped at 25 years
Furniture, Fittings and Equipment	3 -15 years
Freehold land	Not depreciated

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Assets under construction are not depreciated until projects are completed and brought into use.

Property, plant and equipment are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss which is recognised in the income statement.

An impairment is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Pre-opening and initial site development expenses

Start up, pre-opening and pre-operating costs are written off in the period in which they are incurred.

Expenditure of capital nature, as set out in IAS 16, is not incurred until the Board approves the development of the cinema site.

3. Accounting policies *(continued)*

Significant accounting policies (continued)

Government assistance

Government assistance is recognised in the income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Where government assistance has been received in relation to specific costs the expenses are recognised net of the government assistance. All other government assistance is recognised as other income when there is reasonable assurance and it is virtually certain that they will be received, and the Group will comply with the conditions associated with the grant.

Non-current assets classified as held for sale

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets.

Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations.

Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including anticipated future events and market conditions, that are considered to be relevant and available when the consolidated financial statements were prepared. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

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

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Key judgements

Assessment of lease term

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations.

In assessing whether the Group is reasonably certain, at the lease commencement date, to exercise an option to extend the lease, the Group has considered the following factors and circumstances that create an economic incentive for the Group to exercise the option to extend the lease:

(a) contractual terms and conditions for the optional periods compared with market rates, including:

    (i) the amount of payments for the lease in the optional period;
    (ii) the amount of any variable payments for the lease or other contingent payments;
    (iii) the terms and conditions of the options that are exercisable after the initial optional periods;

(b) significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract that are expected to have significant economic benefit for the Group when the option to extend the lease becomes exercisable;
(c) costs relating to the termination of the lease, including the costs of identifying another underlying asset suitable for the Group's needs and the costs associated with returning the helicopters in a contractually specified condition or to a contractually specified location;
(d) the importance of the sites / assets to the Group's operations; and
(e) conditionality associated with exercising the option and the likelihood that those conditions will exist.

The term "reasonably certain" is not defined in IFRS, but it is considered a high probability (i.e., almost certain).

Having considered the above factors and circumstances, the Directors have concluded that, at the lease commencement date, break or extension options are not typically considered reasonably certain to be exercised, unless there is a valid business reason otherwise.

4. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a materially different outcome to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of non-financial assets

Where there are indicators of impairment, or on an annual basis for goodwill, management performs an impairment test. Recoverable amounts are determined by estimating the value-in-use of the cash-generating units to which the assets are allocated.

Value-in-use is calculated using a discounted cash flow model from cash flow projections based on the Group's 2024 updated Long Range Plan approved by the Board of Directors in November 2023.

In measuring value-in-use, management have:

- Based cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of property, plant and equipment, right-of-use assets, and intangible assets.
- Based cash flow projections on the Group's 2024 updated Long Range Plan approved by the Board of Directors in November 2023. These forecasts cover a period of five years to FY28.
- Estimated cash flow projections beyond the period of five years by extrapolating the projections based on the forecasts using an estimate of long-term growth rates for subsequent years. This rate reflects the average of the long-term growth rate for the countries in which the CGU operates.

In estimating cash flow projections for each CGU, management have used the "single most likely cash flow" approach to estimate the cash flows associated with a range of economic conditions that may exist over the next four years. The "single most likely cash flow" approach differs from the "expected cash flow" approach in that it does not use all expectations about possible cash flows.

In estimating the single most likely cash flow for each CGU, management have used the cash flow forecasts contained in the Group's long-range plan approved by the Board of Directors as the base case scenario.

Several other reasonably plausible scenarios have been considered but have not been adjusted for. Instead, the impact of these scenarios has been evaluated through the sensitivity analysis.

Estimated future cash flows reflect assumptions that are consistent with the way the discount rate is determined. Consequently, estimates of future cash flows are determined on a post-tax basis as the discount rate is determined on a post-tax basis.

The discount rate for each CGU is estimated from the Group's weighted average cost of capital using the Capital Asset Pricing Model, after considering the risk-free rate, beta, equity market risk premium, country risk premium, small stock premium, pre-tax cost of debt, tax rates, and the debt to capital ratio applicable to the CGU.

4. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

Key sources of estimation uncertainty (continued)

Impairment of non-financial assets (continued)

The terminal value for each CGU has been estimated by applying the Gordon Growth formula to the forecasted cash flows using the respective discount rate and long-term growth rate.

The recoverable amount is most sensitive to the discount rate, the expected future cash inflows, and the growth rate used for extrapolation purposes.

The carrying amount of each CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. Consequently, the carrying amount of each CGU includes property, plant and equipment, right-of-use assets, intangible assets, and corporate assets allocated to each CGU.

The key assumptions and estimates used to determine the recoverable amount for different CGUs, together with sensitivities, are disclosed in notes 15-17.

Determination of discount rate for leases

The discount rate used to calculate the lease liability is the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessees' incremental borrowing rate is used. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Incremental borrowing rates are determined semi-annually, or when new borrowings are made, and depend on the term, country, currency and start date of the lease.

The incremental borrowing rate is determined based on a series of inputs including the risk-free rate based on government bond rates, a country-specific risk adjustment, and a credit risk adjustment.

Recognition of deferred tax assets

Timing, applicable corporate income tax rates and availability of future taxable profits against which deferred tax assets could be utilised, are the most critical estimates in determining the recoverability of the Group's deferred tax assets.

The estimation uncertainty arises because the Group operates in a complex national and international tax environment. The areas of uncertainty can include, inter alia, transfer pricing arrangements relating to the Group's operating activities and the deductibility of management recharges.

Further uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income available against which deferred tax assets could be utilised.

The carrying value of tax assets and liabilities could therefore be impacted by changes in tax legislation and availability of future taxable profits for which the impact can be significant.

5. Revenue

The Group derives revenue from the following major sources:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Box office	**418,886**	327,283
Concessions	**236,341**	188,871
Screen advertising	**28,734**	25,662
Corporate partnership	**24,987**	21,831
Booking fees	**24,508**	20,153
Web advertising	**9,910**	2,980
Gift cards	**3,296**	8,221
Other	**12,411**	7,195
Total	**759,073**	602,196

Other revenue includes revenue from the sale of 3D glasses, property rental income, and other sundry revenue.

The Group derives revenue from the following geographical regions:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
United Kingdom & Ireland	**325,380**	310,385
Continental Europe	**428,783**	288,117
Rest of World	**4,910**	3,694
Total	**759,073**	602,196

The Group derives revenue from the transfer of goods and services over time and at a point in time. The timing of revenue recognition is split as follows:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
At a point in time	**711,555**	567,015
Over time	**47,518**	35,181
Total	**759,073**	602,196

6. Barter transactions

The value recognised in revenue during the year was £0.2m (unaudited 2022: £0.3m) in relation to barter transactions. This was as a result of 23 (unaudited 2022: 71) individual transactions.

7. Other operating income

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Government assistance received	**968**	31,044
Insurance claims proceeds	**617**	511
Profit on disposal of property, plant and equipment (note 23)	**16,130**	-
Remeasurement gains on right-of-use assets	**4,277**	7,733
Total	**21,992**	39,288

Government assistance received relates to various government support schemes put in place in response to COVID-19. See note 3 for further details on the Group's recognition policy.

In line with the Group policy, £1.0m (unaudited 2022: £31.0m) of the government assistance received has been recognised within other operating income and the remaining £nil (unaudited 2022: £5.8m) has been recognised against costs for which the schemes are intended to compensate.

8. Operating profit / (loss)

Included in operating profit / (loss) for the year are the following:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Government assistance received	**(1,000)**	(36,842)
Realised foreign exchange losses	**299**	1,009
Depreciation of property, plant and equipment (note 15)	**42,004**	41,109
Depreciation of right-of-use assets (note 16)	**54,649**	60,624
Remeasurement gains on right-of-use assets (note 7)	**(4,277)**	(7,733)
Impairment of property, plant and equipment (note 15)	**7,608**	5,012
Impairment reversal of property, plant and equipment (note 15)	**(7,407)**	-
Impairment of right-of-use assets (note16)	**11,399**	23,596
Impairment reversal of right-of-use assets (note 16)	**(5,102)**	-
Impairment of intangible assets (note 17)	**389**	32,864
Impairment reversal of intangible assets (note 17)	**(4)**	-
(Profit) / loss on disposal of property, plant and equipment	**(14,748)**	172
Amortisation of intangibles assets	**1,431**	2,261
Lease costs (note 16)	**5,560**	6,701
Staff costs (note 9)	**142,818**	109,085
Auditors' remuneration (note 10)	**1,466**	1,240

9. Staff costs

The average monthly number of employees during the year, including directors and part-time employees, was as follows:

	Year ended 30 November 2023	*(Unaudited)* Year ended 30 November 2022
	No.	No.
Cinema	**8,116**	8,161
Administration	**458**	453
Total	**8,574**	8,614

Their aggregate remuneration comprised:

	Year ended 30 November 2023	*(Unaudited)* Year ended 30 November 2022
	£000	£000
Wages and salaries	**123,877**	94,505
Social security costs	**15,917**	12,523
Other pension costs	**3,024**	2,057
Total	**142,818**	109,085

During the year the Group received government assistance for staff costs due to COVID-19 of £nil (unaudited 2022: £3.0m). The figures in the table above are shown net of government assistance received.

Directors' remuneration

Included in the above is directors' remuneration of:

	Year ended 30 November 2023	*(Unaudited)* Year ended 30 November 2022
	£000	£000
Wages and salaries	**4,100**	3,767
Social security costs	**552**	524
Pension costs	**5**	5
Total	**4,657**	4,296

The highest paid director received remuneration of £1.7m (unaudited 2022: £1.6m) excluding company paid social security costs of £0.2m (unaudited 2022: £0.2m) and company pension contributions of £5k (unaudited 2022: £5k).

The executive directors of the Company are remunerated in respect of their executive management services to both the Company and Group as a whole. Their remuneration is borne by the Company and a portion is recharged to some of the Group undertakings as part of a management service fee.

9. Staff costs *(continued)*

Directors' remuneration (continued)

Non-executive directors are remunerated in respect of their services to the Group as a whole. Their remuneration is borne by the Company and is included in the above amounts.

Retirement benefit schemes

The Group operates a number of defined contribution retirement benefit schemes for its employees. The assets of the schemes are held separately from those of the Group in funds under the control of independent trustees. The Group retains no obligations in respect of these independent retirement benefit schemes. Contributions to these retirement benefit schemes are made by employees and are matched by equal contributions from the Group. The amount charged to the income statement in respect of these retirement benefit schemes for the year ended 30 November 2023 was £1.9m (2022: £1.6m).

The Group participates in a mandatory government scheme in Italy where obligations are retained to the date that employees leave the Group. The amount charged to the income statement for the year ended 30 November 2023 was £0.9m (2022: £0.8m).

10. Auditors' remuneration

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Fees payable to the Company's auditors for the audit of the Group and Company financial statements	**498**	420
Fees payable to the Company's auditors and its associates in respect of:		
- Audit of the financial statements of the subsidiaries	**862**	778
- Other non-audit services	**106**	42
Total audit and non-audit fees	**1,466**	1,240

Revisions to the Ethical Standard (ES 2019) were introduced by the Financial Reporting Council (FRC) in 2020 for Other Entities of Public Interest (OEPI). As the company is an OEPI, the statutory auditor is restricted from providing non-audit services (other than required by law or regulation and permissible under ES 2019) for the period beyond 15 December 2020. The other non-audit services related to regulatory confirmation, including matters in relation to certain COVID-related claims in the previous financial year. All services are permitted services allowed to be performed by the Statutory auditor.

11. Adjusted EBITDAaL and Net Debt

In the reporting of financial information, the Directors make use of various Alternative Performance Measures ("APMs") in addition to those measures reported in accordance with International Financial Reporting Standards ("IFRS") as key performance measures for the business.

These measures are not defined by IFRS and therefore may not be directly comparable with other companies' APMs, including those in the Group's industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

The Directors believe that these APMs assist in providing additional useful information on the trends, performance and position of the Group and are important when assessing the underlying financial and operating performance of the Group.

The APMs aid comparability between geographical units and between reporting periods. Adjusting for certain costs or income that derive from events or transactions that fall within the normal activities of the Group but which, by virtue of their size or nature, are adjusted, can provide a helpful alternative perspective on year-on-year trends, performance and position that aids comparability over time.

The alternative view presented by these APMs is consistent with how management views the business, and how it is reported internally to the Board for performance analysis, planning, reporting, decision-making and incentive-setting purposes. The APMs are also presented externally to meet investors' requirements for further clarity and transparency of the Group's financial performance.

The Group uses Adjusted EBITDAaL and Net Debt as APMs.

Adjusted EBITDAaL

The Group defines Adjusted EBITDAaL as operating profit before depreciation, amortisation, onerous leases, remeasurement gains / losses on right-of-use assets, and other defined gains and losses, but after an operating lease equivalent rent expense for IFRS16 leases.

Other defined gains and losses are items of expenditure or income which are significant and / or non-recurring in nature. These include, but are not limited to, those items of expenditure or income associated with restructuring programmes, acquisitions or disposals, incremental costs associated with COVID-19, property exit costs and impairment reversals and charges. These items warrant separate additional disclosure in the financial statements in order to fully understand the underlying performance of the Group and accordingly are adjusted for in the calculation of Adjusted EBITDAaL.

11. Adjusted EBITDAaL and Net Debt *(continued)*

Net Debt

The Group defines Net Debt as interest bearing loans and borrowings and lease liabilities, offset by cash and cash equivalents.

Net Debt is calculated as follows:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Interest bearing loans and borrowings (note 26)	**639,969**	1,907,786
Lease liabilities (note 16)	**861,026**	856,662
Cash and cash equivalents (note 22)	**(108,675)**	(123,792)
Net Debt	**1,392,320**	2,640,656

12. Finance income and expenses

Finance income	**Year ended 30 November 2023 £000**	*(Unaudited)* Year ended 30 November 2022 £000
Interest on bank deposits	**398**	240
Interest on interest rate swap	**14,072**	-
Foreign exchange gains on borrowings	**13,565**	-
Total finance income	**28,035**	240

Finance expenses	**Year ended 30 November 2023 £000**	*(Unaudited)* Year ended 30 November 2022 £000
Interest on bank loans	**71,946**	2,868
Interest on shareholder loan	**22,415**	147,950
Interest on lease liabilities	**96,659**	88,523
Change in fair value of interest rate swap	**11,965**	-
Factoring fees	**619**	128
Other interest expense	**140**	(176)
Foreign exchange losses on borrowings	**-**	1,270
Total Finance Expenses	**203,744**	240,563

Unrealised foreign exchange gains and losses arise on the translation of the Euro denominated Reinstated Senior Facility Debt and Super Senior Facility Debt and are classified as financing items.

12. Finance income and expenses *(continued)*

Factoring fees relate to fees paid by The Space Cinema 1 SpA under non-recourse factoring arrangements. Under these arrangements, The Space Cinema 1 SpA sells its receivables from the Italian Revenue Authorities for recoverable VAT and government tax credits to third parties at a discount in return for the immediate receipt of cash.

13. Taxation

Corporation tax	**Year ended 30 November 2023 £000**	*(Unaudited)* Year ended 30 November 2022 £000
Current year	**907**	3
Over-provision for prior years	**(11)**	(905)
Overseas tax charge	**3,222**	3,227
Total current tax charge	**4,118**	2,325
Deferred tax		
Timing differences, origination and reversal	**2,296**	4,507
Adjustment attributable to changes in tax rates and laws	**(99)**	(1,087)
Over-provision for prior years	**(8,985)**	(10,230)
Total deferred tax credit	**(6,788)**	(6,810)
Total tax credit	**(2,670)**	(4,485)

UK Corporation tax is calculated at 23% (unaudited 2022: 19%) of the estimated taxable profit for the year. The UK Finance Act 2021 enacted a change in the UK corporation tax rate from 19% to 25% from 1 April 2023. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

13. Taxation *(continued)*

The tax charge for the year can be reconciled as follows:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Loss before tax	**(73,769)**	(253,022)
Tax at the UK corporation tax rate of 23% (2022: 19%)	**(16,967)**	(48,074)
Expenses not deductible for tax	**25,076**	30,790
Non-taxable income	**(5,202)**	(1,691)
Effect of different tax rates of foreign subsidiaries and branch	**(508)**	761
Adjustment attributable to changes in tax rates and laws	**185**	(1,730)
Tax over-provided in prior periods	**(8,996)**	(11,135)
Derecognition of deferred tax asset	**7,681**	12,502
Tax losses (utilised) / carried forward	**(3,939)**	8,107
Group relief	**-**	5,985
Total tax credit	**(2,670)**	(4,485)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 30 November 2023, the current weighted averaged tax rate was 23%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

14. Segmental information

The Group considers the Board to be the Chief Operating Decision Maker.

The Board examines the Group's performance both from a major source and geographic perspective, and has identified seven reportable segments as follows: United Kingdom & Ireland, Germany, Poland, Italy, Netherlands, Denmark, and Taiwan.

Each revenue generating operating segment is managed separately, as each of these segments requires different marketing approaches.

All inter-segment transfers, including the recharge of centrally incurred costs from Corporate to other operating segments, are carried out at transfer prices set on an arm's length basis in a manner similar to transactions with third parties. Inter-segment sales are not material and have not been disclosed.

The measure of revenue reported to the Chief Operating Decision Maker to assess the performance is based on external revenue for each operating segment and excludes intra-group revenues.

14. Segmental information *(continued)*

The measure of adjusted EBITDAaL reported to the Chief Operating Decision Maker to assess the performance is based on operating profit before depreciation, amortisation, onerous leases, remeasurement gains / losses on right-of-use assets, and other defined gains and losses, but after an operating lease equivalent rent expense for IFRS16 leases, for each operating segment and excludes intra-group profits. Other defined gains and losses are items of expenditure or income which are significant and / or non-recurring in nature. These include, but are not limited to, those items of expenditure or income associated with restructuring programmes, acquisitions or disposals, incremental costs associated with COVID-19, property exit costs and impairment reversals and charges.

Corporate costs have also been included in the information in order to reconcile to total adjusted EBITDAaL for the Group. Corporate costs consist of expenses and central costs incurred by non-trading Group entities.

The Directors consider the performance and financial position of the operating segments to be commercially sensitive and have therefore disclosed the required information at a geographic market level.

Reconciliation of segmental to overall Group performance is as follows:

Revenue by geographical market	**Year ended 30 November 2023**	*(Unaudited)* Year ended 30 November 2022
	£000	£000
United Kingdom & Ireland	**325,380**	310,385
Continental Europe	**428,783**	288,117
Rest of World	**4,910**	3,694
Total	**759,073**	602,196

The geographical location of non-current assets is as follows:

Non-current assets	**30 November 2023**	*(Unaudited)* 30 November 2022
	£000	£000
United Kingdom & Ireland	**1,095,331**	1,114,496
Continental Europe	**592,815**	562,670
Rest of World	**-**	9,531
Total	**1,688,146**	1,686,697

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, goodwill, other intangible assets, investments accounted for using the equity method and deferred tax assets.

The Taiwan segment (which is disclosed within 'Rest of World') was sold on 30 January 2024. Please refer to note 23 for details.

15. Property, plant and equipment

Cost *(unaudited)*	Freehold Land and Buildings £000	Long Leasehold Land and Buildings £000	Short Leasehold Land and Buildings £000	Furniture, Fixtures and Equipment £000	Assets under Construction £000	Total £000
At 1 December 2021	6,328	88,051	281,108	190,915	9,189	575,591
Additions	-	206	7,160	19,594	21,236	48,196
Disposals	-	-	(374)	(3,384)	(28)	(3,786)
Transfers (note 17)	-	49	9,038	8,368	(18,062)	(607)
Reclassification to assets held for sale (note 23)	-	(7,914)	-	(1,427)	(40)	(9,381)
Foreign exchange movement	68	1,145	1,324	2,726	295	5,558
As at 30 November 2022	6,396	81,537	298,256	216,792	12,590	615,571
Accumulated depreciation and impairment *(unaudited)*						
At 1 December 2021	3,653	58,347	145,563	127,738	-	335,301
Charge for the year	131	605	28,073	12,300	-	41,109
Impairment	-	-	2,697	2,315	-	5,012
Disposals	-	-	(371)	(2,478)	-	(2,849)
Reclassification to assets held for sale (note 23)	-	(2,705)	-	(980)	-	(3,685)
Foreign exchange movement	27	1,022	1,141	1,435	-	3,625
As at 30 November 2022	3,811	57,269	177,103	140,330	-	378,513
Cost						
At 1 December 2022	**6,396**	**81,537**	**298,256**	**216,792**	**12,590**	**615,571**
Additions	**-**	**370**	**7,861**	**15,713**	**17,676**	**41,620**
Disposals	**(4)**	**(297)**	**(4,101)**	**(1,444)**	**43**	**(5,803)**
Transfers	**221**	**(115)**	**13,178**	**10,468**	**(23,898)**	**(146)**
Reclassification to assets held for sale (note 23)	**-**	**-**	**-**	**(8,808)**	**-**	**(8,808)**
Foreign exchange movement	**43**	**1,194**	**2,625**	**3,551**	**(115)**	**7,298**
As at 30 November 2023	**6,656**	**82,689**	**317,819**	**236,272**	**6,296**	**649,732**
Accumulated depreciation and impairment						
At 1 December 2022	**3,811**	**57,269**	**177,103**	**140,330**	**-**	**378,513**
Charge for the year	**137**	**246**	**22,979**	**18,642**	**-**	**42,004**
Impairment	**-**	**229**	**4,032**	**3,347**	**-**	**7,608**
Impairment reversal	**-**	**-**	**(6,121)**	**(1,286)**	**-**	**(7,407)**
Disposals	**-**	**97**	**(3,519)**	**(1,714)**	**-**	**(5,136)**
Transfers	**-**	**-**	**788**	**(788)**	**-**	**-**
Reclassification to assets held for sale (note 23)	**-**	**-**	**-**	**(8,041)**	**-**	**(8,041)**
Foreign exchange movement	**(2)**	**333**	**1,580**	**533**	**-**	**2,444**
As at 30 November 2023	**3,946**	**58,174**	**196,842**	**151,023**	**-**	**409,985**
Net Book Value						
At 30 November 2023	**2,710**	**24,515**	**120,977**	**85,249**	**6,296**	**239,747**
At 30 November 2022 *(unaudited)*	2,585	24,268	121,153	76,462	12,590	237,058

15. Property, plant and equipment *(continued)*

Assets under construction mainly relates to assets placed into new cinema sites that had yet to commence trading at the date of these consolidated financial statements. No items have been reclassified as intangible assets during the year (unaudited 2022: £0.6m). Refer to note 17 for further details.

The Directors do not consider that there to be a material difference between the fair value and carrying value of freehold land and buildings.

Impairment

In the current year there is an indication that the Group’s property, plant and equipment may be impaired.

Property, plant and equipment do not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Consequently, recoverable amount for these assets is determined for the cash-generating unit (“CGU”) to which they belong.

Cash-generating units

The Group considers each cinema site to be a CGU. Each CGU is reviewed annually for indicators of impairment.

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are as follows:

- Cash flow projections are based on the most recent financial forecasts, being the Group’s 2024 updated Long Range Plan approved by the Board of Directors in November 2023. These forecasts cover a period of five years
- Key assumptions and estimates used in the financial forecasts include distributor film slate data, market size, competitor behaviour, initiatives related to pricing, and cost efficiencies
- For those cinema sites that have a remaining lease term beyond the five year period covered by the most recent financial forecasts, a long-term growth rate applicable to the country in which the cinema site operates is applied to estimate the cash flows beyond the forecast period up to the end of the life of the asset
- The discount rate reflects the current market assessment of the risks specific to each CGU and is estimated from the weighted average cost of capital using the Capital Asset Pricing Model, after considering the risk-free rate, equity market risk, beta, country risk, small stock premium, pre-tax cost of debt, tax rates, and the debt to capital ratio applicable to each CGU

The values assigned to the key assumptions represent management’s assessment of future trends in the industry and have been based on current and historical data from both external and internal sources.

15. Property, plant and equipment *(continued)*

Impairment (continued)

Key assumptions used in the value-in-use calculations (continued)

The following long-term growth rates and discount rates applicable to the country in which the cinema site operates have been used in the value-in-use calculations:

	Year ended 30 November 2023	*(Unaudited)* Year ended 30 November 2022
Long-term growth rates		
United Kingdom and Ireland	**1.5%**	0.4%
Germany	**1.6%**	1.5%
Poland	**3.2%**	2.1%
Italy	**1.2%**	1.9%
Netherlands	**1.4%**	2.2%
Denmark	**1.5%**	2.0%
Post-tax discount rates		
United Kingdom and Ireland	**12.7%**	11.2%
Germany	**12.5%**	11.4%
Poland	**14.1%**	13.9%
Italy	**14.7%**	11.8%
Netherlands	**11.8%**	10.9%
Denmark	**12.1%**	11.1%
Equivalent pre-tax discount rates		
United Kingdom and Ireland	**14.7%**	12.4%
Germany	**13.6%**	12.3%
Poland	**15.8%**	15.3%
Italy	**16.8%**	13.4%
Netherlands	**13.6%**	12.4%
Denmark	**13.6%**	12.4%

Impairment review outcome

An impairment charge of £7.6m (unaudited 2022: £5.0m) against property, plant and equipment has been recognised during the year. An impairment reversal of £7.4m (unaudited 2022: £nil) against property, plant and equipment has been recognised during the year.

15. Property, plant and equipment *(continued)*

Sensitivity to changes in assumptions

Denmark territory

The recoverable amount of the Denmark territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Denmark territory is £28.5m (unaudited 2022: £43.4m)

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	(47)	(21)	5	31	57
	-0.5%	(49)	(23)	3	29	54
	0.0%	(58)	(26)	-	26	52
	0.5%	(579)	(28)	(3)	23	49
	1.0%	(1,076)	(31)	(5)	20	46

Germany territory

The recoverable amount of the Germany territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Germany territory is £231.8m (unaudited 2022: £220.0m).

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	(1,411)	3	1,341	2,416	3,085
	-0.5%	(2,346)	(643)	654	1,951	2,696
	0.0%	(3,235)	(1,258)	-	1,258	2,327
	0.5%	(4,285)	(2,100)	(622)	598	1,818
	1.0%	(5,429)	(2,907)	(1,215)	(31)	1,154

15. Property, plant and equipment *(continued)*

Sensitivity to changes in assumptions (continued)

Italy territory

The recoverable amount of the Italy territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Italy territory is £191.0m (unaudited 2022: £230.1m).

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	(788)	(198)	200	540	742
	-0.5%	(951)	(368)	99	436	661
	0.0%	(1,109)	(533)	-	334	581
	0.5%	(1,263)	(695)	(135)	235	504
	1.0%	(1,413)	(852)	(297)	138	429

Netherlands territory

The recoverable amount of the Netherlands territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Netherlands territory is £119.3m (unaudited 2022: £126.5m).

The recoverable amount calculated indicates significant headroom over the carrying value. There are no reasonably possible changes in the key assumptions that will result in an impairment.

15. Property, plant and equipment *(continued)*

Sensitivity to changes in assumptions (continued)

Poland territory

The recoverable amount of the Poland territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Poland territory is £143.0m (unaudited 2022: £168.9m).

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	(497)	(84)	132	344	544
	-0.5%	(611)	(147)	65	274	471
	0.0%	(839)	(259)	-	207	400
	0.5%	(1,063)	(373)	(63)	142	332
	1.0%	(1,278)	(543)	(123)	79	266

United Kingdom and Ireland territory

The recoverable amount of the United Kingdom and Ireland territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the United Kingdom and Ireland territory is £660.1m (unaudited 2022: £615.6m).

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	(1,756)	(236)	616	1,163	1,606
	-0.5%	(2,287)	(758)	347	1,007	1,442
	0.0%	(2,834)	(1,287)	-	783	1,283
	0.5%	(3,390)	(1,811)	(487)	518	1,129
	1.0%	(3,927)	(2,316)	(957)	149	922

16. Leases

Right-of-use assets	Land and Buildings £000	Other £000	Total £000
At 1 December 2021 *(unaudited)*	575,907	1,421	577,328
Additions	4,188	296	4,484
Lease modifications	19,424	-	19,424
Disposals	-	(79)	(79)
Foreign exchange movement	5,004	(515)	4,489
Impairment	(23,596)	-	(23,596)
Depreciation	(60,385)	(239)	(60,624)
As at 30 November 2022 *(unaudited)*	520,542	884	521,426
At 1 December 2022	**520,542**	**884**	**521,426**
Additions	**7,922**	**247**	**8,169**
Lease modifications	**41,498**	**-**	**41,498**
Disposals	**(1,558)**	**-**	**(1,558)**
Reclassification to assets held for sale (note 23)	**(6,050)**	**-**	**(6,050)**
Reclassification	**595**	**(595)**	**-**
Foreign exchange movement	**1,922**	**88**	**2,010**
Impairment	**(11,399)**	**-**	**(11,399)**
Impairment reversal	**5,102**	**-**	**5,102**
Depreciation	**(54,485)**	**(164)**	**(54,649)**
As at 30 November 2023	**504,089**	**460**	**504,549**

Lease liabilities	Land and Buildings £000	Other £000	Total £000
At 1 December 2021 *(unaudited)*	859,806	831	860,637
Additions	5,176	288	5,464
Interest expense related to lease liabilities	88,480	43	88,523
Lease modifications	15,547	-	15,547
Foreign exchange movement	12,763	21	12,784
Repayment of lease liabilities	(125,558)	(735)	(126,293)
As at 30 November 2022 *(unaudited)*	856,214	448	856,662
At 1 December 2022	**856,214**	**448**	**856,662**
Additions	**8,845**	**223**	**9,068**
Interest expense related to lease liabilities	**96,615**	**44**	**96,659**
Lease modifications	**43,166**	**25**	**43,191**
Disposals	**(4,001)**	**(150)**	**(4,151)**
Reclassification to liabilities directly associated with assets held for sale (note 23)	**(7,469)**	**-**	**(7,469)**
Foreign exchange movement	**(529)**	**100**	**(429)**
Repayment of lease liabilities	**(132,284)**	**(221)**	**(132,505)**
As at 30 November 2023	**860,557**	**469**	**861,026**

Lease liabilities *(unaudited)*	Land and Buildings £000	Other £000	Total £000
Current	111,047	271	111,318
Non-current	745,167	177	745,344
As at 30 November 2022	856,214	448	856,662

Lease liabilities			
Current	**75,547**	**157**	**75,704**
Non-current	**785,010**	**312**	**785,322**
As at 30 November 2023	**860,557**	**469**	**861,026**

16. Leases *(continued)*

Maturity analysis of undiscounted contractual lease payments	Land and Buildings £000	Other £000	Total £000
Less than one year	151,650	194	151,844
Between one and five years	538,311	417	538,728
Over five years	1,146,011	-	1,146,011
As at 30 November 2023	1,835,972	611	1,836,583

Lease commitments for short-term and low value leases	Total £000
Less than one year	**1,648**
Between one and five years	**57**
Over five years	**44**
As at 30 November 2023	**1,749**

Impairment

In the current year there is an indication that the Group's right-of-use assets may be impaired.

Right-of-use assets do not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Consequently, the recoverable amount for these assets is determined for the CGU to which they belong.

Cash-generating units

The Group considers each cinema site to be a CGU. Each CGU is reviewed annually for indicators of impairment.

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are disclosed in note 15.

Impairment review outcome

An impairment charge of £11.4m (unaudited 2022: £23.6m) against right-of-use assets has been recognised during the year. An impairment reversal of £5.1m (unaudited 2022: £nil) against right-of-use assets has been recognised during the year.

Sensitivity to changes in assumptions

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount.

The sensitivity analysis disclosed in note 15 shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

16. Leases *(continued)*

Amounts recognised in income statement

The Consolidated Income Statement shows the following amounts relating to leases:

	Year ended 30 November 2023 £000	*(Unaudited)* Year ended 30 November 2022 £000
Depreciation - right-of-use assets	**54,649**	60,624
Impairment - right-of-use assets	**11,399**	23,596
Remeasurement gains on right-of-use assets	**(4,277)**	(7,733)
Impairment reversal of right-of-use assets	**(5,102)**	-
Expenses relating to short-term leases	**199**	333
Expenses relating to low-value asset leases	**4,014**	2,692
Expenses relating to variable lease payments	**1,347**	3,676
Charge to operating profit / (loss)	**62,229**	83,188
Interest on lease liabilities	**96,659**	88,523
Charge to loss before tax	**158,888**	171,711

17. Goodwill and other intangible assets

Cost	**Goodwill £000**	**Customer relationships £000**	**Computer software and other development costs £000**	**Total £000**
At 1 December 2021 *(unaudited)*	850,203	5,301	29,092	884,596
Additions	-	-	2,304	2,304
Transfers (note 15)	-	-	607	607
Foreign exchange movement	7,507	71	344	7,922
At 30 November 2022 *(unaudited)*	857,710	5,372	32,347	895,429
Additions	1	-	304	305
Disposals	(1,262)	-	(46)	(1,308)
Foreign exchange movement	7,992	(3)	85	8,074
At 30 November 2023	**864,441**	**5,369**	**32,690**	**902,500**

Amortisation and accumulated impairment losses	**Goodwill £000**	**Customer relationships £000**	**Computer software and other development costs £000**	**Total £000**
At 1 December 2021 *(unaudited)*	-	5,301	23,266	28,567
Amortisation	-	-	2,261	2,261
Impairment	32,833	-	31	32,864
Foreign exchange movement	-	71	729	800
At 30 November 2022 *(unaudited)*	32,833	5,372	26,287	64,492
Amortisation	-	-	1,431	1,431
Disposals	(421)	-	(45)	(466)
Impairment	358	-	31	389
Reversal of impairment	-	-	(4)	(4)
Foreign exchange movement	1	(3)	(18)	(20)
At 30 November 2023	**32,771**	**5,369**	**27,682**	**65,822**

17. Goodwill and other intangible assets *(continued)*

Carrying amount				
At 30 November 2022 *(unaudited)*	824,877	-	6,060	830,937
At 30 November 2023	**831,670**	**-**	**5,008**	**836,678**

Impairment

Goodwill

Goodwill acquired in a business combination is allocated to each of the territories that are expected to benefit from the synergies of the combination based on the ownership of intellectual property. This represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

Cash-generating units

Territories represent groups of CGUs for the purposes of goodwill impairment testing. Each territory is reviewed annually for impairment.

For impairment testing, the carrying value of goodwill, other intangible assets, right-of-use assets, property, plant and equipment, and assets held for sale have been allocated to the Group's territories as follows:

30 November 2023	**Denmark and Germany £000**	**Italy £000**	**Netherlands £000**
Goodwill	**203,499**	**74,203**	**59,555**
Other intangible assets	**2,072**	**353**	**-**
Right-of-use assets	**139,758**	**74,006**	**40,408**
Property, plant and equipment	**27,939**	**36,946**	**18,603**
Assets held for sale	**-**	**-**	**-**
Value-in-use headroom	**7,149**	**115,810**	**54,178**

30 November 2023 *(continued)*	**Poland £000**	**Taiwan £000**	**United Kingdom and Ireland £000**	**Total £000**
Goodwill	**120,027**	**-**	**374,386**	**831,670**
Other intangible assets	**1,096**	**-**	**1,424**	**4,945**
Right-of-use assets	**38,496**	**-**	**211,881**	**504,549**
Property, plant and equipment	**40,134**	**-**	**116,124**	**239,746**
Assets held for sale	**-**	**7,957**	**-**	**7,957**
Value-in-use headroom	**11,756**	**-**	**247,882**	

30 November 2022 *(unaudited)*	**Denmark and Germany £000**	**Italy £000**	**Netherlands £000**
Goodwill	203,979	75,081	59,591
Other intangible assets	1,882	530	-
Right-of-use assets	136,166	75,824	45,946
Property, plant and equipment	48,521	31,862	17,937
Assets held for sale	-	-	-
Value-in-use headroom	-	136,971	64,323

17. Goodwill and other intangible assets *(continued)*

Impairment (continued)

Goodwill (continued)

Cash-generating units *(continued)*

30 November 2022 *(unaudited) (continued)*	**Poland £000**	**Taiwan £000**	**United Kingdom and Ireland £000**	**Total £000**
Goodwill	111,837	-	374,389	824,877
Other intangible assets	1,239	-	2,409	6,060
Right-of-use assets	33,225	7,439	222,826	521,426
Property, plant and equipment	33,683	1,561	103,494	237,058
Assets held for sale	5,696	-	-	5,696
Value-in-use headroom	11,280	-	66,610	

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are disclosed in note 15. In addition to these assumptions, the terminal value for each CGU is estimated by applying the Gordon Growth formula to the forecast cash flows using the respective discount rate and long-term growth rate.

Impairment review outcome

An impairment charge of £0.4m (unaudited 2022: £32.9m) against goodwill has been recognised during the year.

Sensitivity to changes in assumptions

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

Denmark and Germany territory

The recoverable amount of the Denmark and Germany territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Denmark and Germany territory is £380.4m (unaudited 2022: £425.9m).

The post-tax discount rate applied to cash flow projections is 12.5% (unaudited 2022: 11.4%) and cash flows beyond the five-year period are extrapolated using a 1.6% (unaudited 2022: 1.5%) growth rate. The equivalent pre-tax discount rate would be 13.6% (unaudited 2022: 12.3%).

17. Goodwill and other intangible assets *(continued)*

Impairment (continued)

Goodwill (continued)

Sensitivity to changes in assumptions *(continued)*

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDA delivery in the cash flow projections used in the impairment review models.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	5,415	26,704	47,993	69,282	90,572
	-0.5%	(13,857)	6,361	26,580	46,799	67,017
	0.0%	(31,345)	(12,098)	7,149	26,396	45,643
	0.5%	(47,285)	(28,924)	(10,562)	7,799	26,160
	1.0%	(61,873)	(44,322)	(26,771)	(9,220)	8,331

Italy territory

The recoverable amount of the Italy territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Italy territory is £301.3m (unaudited 2022: £320.2m).

The post-tax discount rate applied to cash flow projections is 14.7% (unaudited 2022: 11.8%) and cash flows beyond the five-year period are extrapolated using a 1.2% (unaudited 2022: 1.9%) growth rate. The equivalent pre-tax discount rate would be 16.8% (unaudited 2022: 13.4%).

The recoverable amount calculated indicates significant headroom over the carrying value. There are no reasonably possible changes in the key assumptions that will result in an impairment.

Netherlands territory

The recoverable amount of the Netherlands territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Netherlands territory is £172.7m (unaudited 2022: £187.7m).

The post-tax discount rate applied to cash flow projections is 11.8% (unaudited 2022: 10.9%) and cash flows beyond the five-year period are extrapolated using a 1.4% (unaudited 2022: 2.2%) growth rate. The equivalent pre-tax discount rate would be 13.6% (unaudited 2022: 12.4%).

The recoverable amount calculated indicates significant headroom over the carrying value. There are no reasonably possible changes in the key assumptions that will result in an impairment.

17. Goodwill and other intangible assets *(continued)*

Impairment (continued)

Goodwill (continued)

Sensitivity to changes in assumptions *(continued)*

Poland territory

The recoverable amount of the Poland territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the Poland territory is £211.5m (unaudited 2022: £197.0m).

The post-tax discount rate applied to cash flow projections is 14.1% (unaudited 2022: 13.9%) and cash flows beyond the five-year period are extrapolated using a 3.2% (unaudited 2022: 2.1%) growth rate. The equivalent pre-tax discount rate would be 15.8% (unaudited 2022: 15.3%).

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The following sensitivity analysis shows the impact on the headroom of different post-tax discount rates and EBITDA delivery in the cash flow projections used in the impairment review models.

£000

		EBITDAaL deviation compared to projections				
		-10.0%	-5.0%	0.0%	5.0%	10.0%
Post-tax discount rate deviation	-1.0%	9,724	22,524	35,324	48,124	60,924
	-0.5%	(1,389)	10,793	22,976	35,158	47,341
	0.0%	(11,487)	135	11,756	23,378	34,999
	0.5%	(20,702)	(9,592)	1,517	12,627	23,737
	1.0%	(29,145)	(18,505)	(7,865)	2,776	13,416

United Kingdom and Ireland territory

The recoverable amount of the United Kingdom and Ireland territory has been determined based on its value-in-use using discounted cash flows based on cash flow projections from the Group's five-year internal forecasts approved by the Board of Directors. At 30 November 2023, the recoverable amount of the United Kingdom and Ireland territory is £951.7m (unaudited 2022: £793.2m).

The post-tax discount rate applied to cash flow projections is 12.7% (unaudited 2022: 11.2%) and cash flows beyond the five-year period are extrapolated using a 1.5% (unaudited 2022: 0.4%) growth rate. The equivalent pre-tax discount rate would be 14.7% (unaudited 2022: 12.4%).

The recoverable amount calculated indicates significant headroom over the carrying value. There are no reasonably possible changes in the key assumptions that will result in an impairment.

17. Goodwill and other intangible assets *(continued)*

Other intangible assets

In the current year there is an indication that the Group's other intangible assets may be impaired.

Other intangible assets do not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets. Consequently, recoverable amount for these assets is determined for the CGU to which they belong.

Cash-generating units

The Group considers each cinema site to be a CGU. Each CGU is reviewed annually for indicators of impairment.

Key assumptions used in the value-in-use calculations

The key assumptions and estimates used in the value-in-use calculations are disclosed in note 15.

Impairment review outcome

An impairment charge of £31k (unaudited 2022: £31k) against computer software and other development assets has been recognised during the year. An impairment reversal of £4k (unaudited 2022: £nil) against computer software and other development assets has been recognised during the year.

Sensitivity to changes in assumptions

Reasonably possible changes in key assumptions could cause the carrying amount to exceed the recoverable amount. The sensitivity analysis disclosed in note 15 shows the impact on the headroom of different post-tax discount rates and EBITDAaL delivery in the cash flow projections used in the impairment review model.

18. Investments accounted for using the equity method

Details of the Group's investments accounted for using the equity method at both 30 November 2023 and 30 November 2022 are listed in note 2. An analysis of the investments' values are as follows:

	Investments in associates £000	Investments in joint ventures £000	Total £000
At 1 December 2022 *(unaudited)*	**76**	**50**	**126**
Share of loss	**-**	**(9)**	**(9)**
Disposals	**-**	**(42)**	**(42)**
Foreign exchange movement	**(2)**	**1**	**(1)**
At 30 November 2023	**74**	**-**	**74**

19. Deferred tax

	Assets		Liabilities		Net	
	30 November 2023	30 November 2022	**30 November 2023**	30 November 2022	**30 November 2023**	30 November 2022
	£000	£000	**£000**	£000	**£000**	£000
Fixed assets	**22,454**	28,128	**(250)**	(661)	**22,204**	27,467
Provisions	**2,828**	2,776	**-**	-	**2,828**	2,776
Tax losses	**39,639**	33,248	**(145)**	-	**39,494**	33,248
Intangible assets (including goodwill)	**-**	-	**(1,779)**	(1,750)	**(1,779)**	(1,750)
Lease accounting differences	**37,367**	27,209	**(2,955)**	-	**34,412**	27,209
Other temporary differences	**4,810**	5,789	**(73)**	-	**4,737**	5,789
Total	**107,098**	97,150	**(5,202)**	(2,411)	**101,896**	94,739

	As at 1 December 2022	Recognised in income	Foreign exchange	Reclassified as assets held for sale	As at 30 November 2023
	£000	£000	£000	£000	£000
Fixed assets	27,467	(5,307)	44	-	**22,204**
Provisions	2,776	57	(5)	-	**2,828**
Tax losses	33,248	5,818	428	-	**39,494**
Intangible assets (including goodwill)	(1,750)	(30)	1	-	**(1,779)**
Lease accounting differences	27,209	7,114	374	(285)	**34,412**
Other temporary differences	5,789	(864)	(65)	(123)	**4,737**
Total	**94,739**	**6,788**	**777**	**(408)**	**101,896**

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period and reduces them to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised.

The Group recognises deferred tax assets for any unused tax losses carried forward on the basis of the Group's forecasted future profits and it is considered probable that there will be sufficient future taxable profit against which the recognised carried forward losses can be utilised.

The Group continues to not recognise a deferred tax asset in relation to interest expenses restricted by the UK Corporate Interest Restriction provisions, as these are not expected to be recoverable in future periods. The deferred tax asset unrecognised at 30 November 2023 is £64.3m (30 November 2022: £52.8m).

20. Inventories

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Consumables	**7,228**	6,504
Reclassified as assets held for sale (note 23)	**(27)**	-
Total	**7,201**	6,504

The Directors consider that the carrying value of inventories is approximately equal to their fair value.

During the year ended 30 November 2023, £1.1m (unaudited 2022: £1.1m) was charged to the Consolidated Income Statement for slow moving and obsolete inventories.

The cost of inventories recognised as an expense in the Consolidated Income Statement amounted to £53.8m (unaudited 2022: £37.7m).

21. Trade and other receivables

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Trade receivables	**31,236**	20,846
Reclassified to assets held for sale (note 23)	**(2)**	-
	31,234	20,846
Loss allowance for expected credit losses	**(4,592)**	(4,413)
	26,642	16,433
Accrued income	**5,546**	7,919
Reclassified to assets held for sale (note 23)	**(473)**	-
	5,073	7,919
Amounts receivable from parent undertakings	**-**	204,979
Prepayments	**13,279**	33,465
Other receivables	**33,241**	40,742
Reclassified to assets held for sale (note 23)	**(12)**	-
	33,229	40,742
Total	**78,223**	303,538
Non-current	**-**	-
Current	**78,223**	303,538
Total	**78,223**	303,538

The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

21. Trade and other receivables *(continued)*

Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms usual for the markets in which the Group operates.

Trade receivables include amounts which are past due at the reporting date but against which the Group has not recognised a specific loss allowance for expected credit losses because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The ageing of trade receivables is as follows:

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Less than 30 days	**18,442**	12,306
31-90 days	**2,446**	1,689
Greater than 90 days	**10,346**	6,851
Total	**31,234**	20,846

Loss allowance for expected credit losses

As there is no significant financing component to trade receivables, the Group has elected to apply the IFRS 9 simplified approach to measuring expected credit losses, using a lifetime expected credit loss provision for trade receivables. In arriving at the loss allowance for expected credit losses, the gross receivable amount is analysed according to risk and including a consideration of any credit insurance in place. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The loss rates applied to each ageing bracket also reference historical credit loss experience, as well as current and future expected economic conditions.

No loss allowance for expected credit losses is recognised in respect of accrued income, amounts receivable from parent undertakings, and other receivables.

At the reporting date, the Group carried an expected credit loss allowance of £4.6m (unaudited 2022: £4.4m) in respect of trade receivables.

The ageing of the Group's impairments of trade receivables is as follows:

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Less than 30 days	**12**	-
31-90 days	**-**	-
Greater than 90 days	**4,580**	4,413
Total	**4,592**	4,413

21. Trade and other receivables *(continued)*

Movements in the loss allowance for expected credit losses are as follows:

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
At 1 December	**4,413**	4,442
Impairment losses recognised in income statement	**115**	133
Impairment reversal recognised in income statement	**(18)**	(29)
Amounts written off as uncollectible	**125**	(164)
Recovery of previously written-off receivables	**(56)**	-
Foreign exchange movements	**13**	31
At 30 November	**4,592**	4,413

Accrued income

Accrued income is expected to be billed within the next twelve months.

Amounts receivable from parent undertakings

Amounts receivable from parent undertakings are unsecured, non-interest bearing, and repayable on demand. The £205m decrease from the prior year relates to the clear down of balances from parent undertakings that were liquidated as part of the restructuring that took place in January 2023.

Other receivables

Other receivables include amounts receivable for government assistance, other taxes and social security, and rental deposits.

22. Cash and cash equivalents

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents include cash on hand and in banks.

Cash and cash equivalents at the reporting date as shown in the Consolidated Cash Flow Statement can be reconciled to the related items in the Consolidated Balance Sheet as follows:

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Cash and bank balances	**108,893**	123,792
Reclassified as assets held for sale (note 23)	**(218)**	-
Total	**108,675**	123,792

Cash and bank balances includes £2.7m (unaudited 2022: £4.0m) of restricted cash, mainly relating to landlord guarantees in Germany, Netherlands, and the United Kingdom.

22. Cash and cash equivalents *(continued)*

Cash and cash equivalents are denominated in the following currencies:

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Danish Krone	**5,159**	5,430
Euro	**60,330**	47,098
Polish Zloty	**12,714**	10,767
Sterling	**30,472**	60,191
Taiwan Dollar	**-**	306
Total	**108,675**	123,792

23. Assets classified as held for sale

In December 2022, the Board of Directors took the decision to dispose of the Group's operations in Taiwan, and initiated a program to identify and actively engage with a potential buyer for the business.

On 3 November 2023, the Board of Directors received an offer to purchase the entire share capital of the Group's Taiwan subsidiary, SBC Taiwan Limited. The offer was accepted by the Board of Directors and on 22 December 2023 the Sale and Purchase Agreement for the sale of SBC Taiwan Limited was signed. The completion of the transaction was subject to obtaining the necessary approval for the transaction from the local ministry. On 30 January 2024 the required approval from the local ministry was obtained.

The associated assets and liabilities of the Group's Taiwan operations have consequently been disclosed as assets and liabilities classified as held for sale in these financial statements.

The carrying amounts of assets and liabilities that have been reclassified as held for sale as of 30 November 2023 in relation to the planned sale of SBC Taiwan Limited are as follows:

	30 November 2023 £000
Assets classified as held for sale	
Property, plant and equipment (note 15)	**767**
Right-of-use assets (note 16)	**6,050**
Deferred tax asset (note 19)	**408**
Inventories (note 20)	**27**
Trade and other receivables (note 21)	**487**
Cash and cash equivalents (note 22)	**218**
Total	**7,957**
Liabilities directly associated with assets classified as held for sale	
Trade and other payables (note 24)	**3,558**
Lease liabilities (note 16)	**7,469**
Total	**11,027**

The proceeds from the sale of SBC Taiwan Limited took the form of a cash receipt.

23. Assets classified as held for sale *(continued)*

The operations of SBC Taiwan Limited meet the definition of a discontinued operation as:

- the operations and cash flows of SBC Taiwan Limited represent a separate major line of business and geographical area of operation, and
- the sale of the entire share capital of SBC Taiwan Limited represents a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

However, as the Directors do not consider the loss for the year for SBC Taiwan Limited to be material to the consolidated financial statements, the Directors have decided not to present the results of the operations of SBC Taiwan Limited as discontinued operations in the Consolidated Income Statement. The results of the operations of SBC Taiwan Limited are presented within the Rest of World geographic market.

During 2022, management committed to a plan to sell a Polish long leasehold property at Warsaw (Ursynow). Accordingly, the property and the related assets were presented in the 2022 consolidated balance sheet as an asset classified as held for sale. As the agreed consideration was greater than the carrying value of the asset classified as held for sale, no impairment loss was recognised. The sale concluded in March 2023, resulting in a gain of £16.1m.

24. Trade and other payables

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Trade payables	**64,979**	59,879
Accrued expenses	**105,348**	135,535
Reclassified to liabilities directly associated with assets held for sale (note 23)	**(2,915)**	-
	102,433	135,535
Deferred income	**35,834**	28,961
Reclassified to liabilities directly associated with assets held for sale (note 23)	**(643)**	-
	35,191	28,961
Other taxation and social security	**2,026**	3,034
Other payables	**4,702**	4,919
Total	**209,331**	232,328

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Non-current	**-**	5,035
Current	**209,331**	227,293
Total	**209,331**	232,328

Trade payables and accrued expenses principally comprise amounts outstanding for trade purchases and ongoing costs. Trade payables are non-interest bearing and are generally on credit terms usual for the territories in which the Group operates.

24. Trade and other payables *(continued)*

The Group has financial risk management policies in place that target settlement within agreed credit terms.

The Directors consider that the carrying amount of trade payables is approximately equal to their fair value.

Deferred income includes gift vouchers of £20.5m (unaudited 2022: £15.3m).

Other payables include wages payable, payroll deductions, and pension payables.

25. Current tax payable

	30 November 2023 £000	*(Unaudited)* 30 November 2022 £000
Current tax liability as of 1 December	**(2,111)**	(537)
Tax credit relating to prior years	**11**	905
Current tax expense	**(907)**	(3)
Overseas tax charge	**(3,222)**	(3,227)
Payments during the year	**1,644**	435
Foreign exchange differences	**82**	316
Current tax liability as of 30 November	**(4,503)**	(2,111)

Analysed as:		
Tax prepayments as of 30 November	**-**	-
Current tax liability as of 30 November	**(4,503)**	(2,111)
Net current tax liability as of 30 November	**(4,503)**	(2,111)

26. Borrowings

The terms and conditions of outstanding loans as at 30 November were as follows:

	Current		**Non-Current**		**Total**	
		(Unaudited)		*(Unaudited)*		*(Unaudited)*
	30 November 2023 £000	30 November 2022 £000	**30 November 2023 £000**	30 November 2022 £000	**30 November 2023 £000**	30 November 2022 £000
Reinstated Senior Facility Debt (€648.6m)	**-**	-	**585,892**	-	**585,892**	-
Super Senior Facility Debt (€94.8m)	**-**	-	**81,885**	81,935	**81,885**	81,935
External loans (FFA)	**553**	414	**449**	536	**1,002**	950
Loans payable to parent undertakings	**-**	1,831,315	**-**	-	**-**	1,831,315
Total	**553**	1,831,729	**668,226**	82,471	**668,779**	1,914,200
Less:						
Reinstated Senior Facility Debt capitalised fees	**-**	-	**(24,072)**	-	**(24,072)**	-
Super Senior Facility Debt capitalised fees	**-**	-	**(4,738)**	(6,414)	**(4,738)**	(6,414)
Interest bearing loans and borrowings net of capitalised fees	**553**	1,831,729	**639,416**	76,057	**639,969**	1,907,786
Lease Liabilities	**75,704**	111,318	**785,322**	745,344	**861,026**	856,662
Interest-bearing loans and other liabilities	**76,257**	1,943,047	**1,424,738**	821,401	**1,500,995**	2,764,448

Reinstated Senior Facility Debt
On 26 January 2023, the Group issued a €648.6m Reinstated Senior Facility Debt, maturing on 31 December 2027, with a variable margin of EURIBOR + 800 bps. During the first two years of the debt, a payment-in-kind option is available to the Group at a rate of 650 bps (with a cash pay rate of EURIBOR + 200 bps). A zero percent floor applies to EURIBOR.

Super Senior Facility Debt
On 23 September 2022, the Group issued a €94.8m Super Senior Facility Debt, maturing on 30 June 2027, with a variable margin of EURIBOR + 800 bps. A zero percent floor applies to EURIBOR.

External loans
External loans relate to loans from the German Federal Film Fund. These loans have a variety of maturity dates with the last due to be repaid in 2026.

Loans payable to parent undertakings
Loans payable to parent undertakings bore interest at 11.0% and had a maturity date of 9 August 2033. As a result of the Group's organisational restructuring during 2023, these loans were settled prior to the maturity date.

26. Borrowings *(continued)*

Security

The Super Senior Facility Debt and the Reinstated Senior Facility Debt are secured by cross guarantees and charges over certain of the Group's shares and assets.

Capitalised issue costs

Costs incurred in issuing the Super Senior Facility Debt and the Reinstated Senior Facility Debt are capitalised and allocated to the Consolidated Income Statement over the life of the related debt facility. As at 30 November 2023, borrowings are stated net of unamortised issue costs of £28.8m (unaudited 2022: £6.4m).

Financial restructuring

On 20 February 2024, the Group undertook a further restructuring process with its external lenders in order to reduce its debt burden and address its capital structure. Refer to note 37 for further details.

27. Other financial liabilities

	30 November 2023	*(Unaudited)* 30 November 2022
	£000	£000
Deferred consideration	**2,620**	2,621
Total	**2,620**	2,621

Deferred consideration relates to the acquisition of the Italy territory in 2014. The amounts due to the selling party consist of Value Added Tax receivables under litigation in the Italian Court of Cassation, the fair value of which was estimated at the time of acquisition. It is unknown when the court will rule on the litigation and therefore it cannot be estimated when the deferred consideration will be paid.

28. Provisions for liabilities

Analysis of total provisions

	30 November 2023	*(Unaudited)* 30 November 2022
	£000	£000
Current	**752**	307
Non-current	**1,389**	1,445
	2,141	1,752

	Jubilee retirement £000	**Other provisions £000**	**Total £000**
At 1 December 2022 *(unaudited)*	1,445	307	**1,752**
Additions during year	344	484	**828**
Utilised / released during the year	(402)	(71)	**(473)**
Foreign exchange movement	2	32	**34**
At 30 November 2023	**1,389**	**752**	**2,141**

28. Provisions for liabilities *(continued)*

Jubilee retirement provision

This provision is for one-off payments to Italian employees upon retirement as required by Italian law. The provision is calculated by local Italian actuaries annually with reference to assumptions on final salary, employee movements and inflation rates. Actuarial gains and losses are recorded in other comprehensive income with the provision being discounted at the Italian actuarial rate.

Other provisions

Other provisions relate to claims currently going through legal process.

29. Financial instruments

(a) Derivative financial instruments

	30 November 2023		*(Unaudited)* 30 November 2022	
	Fair value	**Notional**	Fair value	Notional
	£000	**£000**	£000	£000
Interest rate swap	**7,976**	**547,448**	-	-
Total	**7,976**	**547,448**	-	-

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group's accounting policy for its cash flow hedges is set out in note 3.

Derivatives not in a formal hedge relationship are valued at fair value through profit or loss.

(b) Fair value of financial instruments

Financial assets and liabilities as defined by IFRS 9 and their estimated fair values are as follows:

Financial assets as at 30 November 2023	**Assets at amortised cost**	**Assets at fair value through profit and loss**	**Book value**	**Fair value**
	£000	**£000**	**£000**	**£000**
Trade and other receivables excluding prepayments (note 21)	**64,944**	**-**	**64,944**	**64,944**
Cash and cash equivalents (note 22)	**108,675**	**-**	**108,675**	**108,675**
Derivative financial instruments	**-**	**7,976**	**7,976**	**7,976**
Total	**173,619**	**7,976**	**181,595**	**181,595**

29. Financial Instruments *(continued)*

(b) Fair Value of Financial Instruments (continued)

Financial liabilities as at 30 November 2023	**Liabilities at amortised cost**	**Liabilities at fair value through profit and loss**	**Book value**	**Fair value**
	£000	**£000**	**£000**	**£000**
Borrowings (note 26)	**639,969**	**-**	**639,969**	**639,969**
Lease liabilities (note 16, 26)	**861,026**	**-**	**861,026**	**861,026**
Trade and other payables excluding deferred income (note 24)	**174,140**	**-**	**174,140**	**174,140**
Total	**1,675,135**	**-**	**1,675,135**	**1,675,135**

Financial assets as at 30 November 2022 *(unaudited)*	**Assets at amortised cost**	**Assets at fair value through profit and loss**	**Book value**	**Fair value**
	£000	**£000**	**£000**	**£000**
Trade and other receivables excluding prepayments (note 21)	270,073	-	270,073	270,073
Cash and cash equivalents (note 22)	123,792	-	123,792	123,792
Total	393,865	-	393,865	393,865

Financial Liabilities as at 30 November 2022 *(unaudited)*	**Liabilities at amortised cost**	**Liabilities at fair value through profit and loss**	**Book value**	**Fair value**
	£000	**£000**	**£000**	**£000**
Borrowings (note 26)	1,907,786	-	1,907,786	1,907,786
Lease liabilities (note 16, 26)	856,662	-	856,662	856,662
Trade and other payables excluding deferred income (note 24)	203,367	-	203,367	203,367
Total	2,967,815	-	2,967,815	2,967,815

<u>Trade and other receivables excluding prepayments</u>

Trade and other receivables are carried at recoverable amount, less provisions for any amount where recovery is doubtful. All trade and other receivables are expected to be short-term and therefore no discounting of future cash flow is required. Due to the short-term nature of trade and other receivables, their carrying amount is considered to be the same as their fair value.

29. Financial Instruments *(continued)*

(a) Fair Value of Financial Instruments (continued)

Cash and cash equivalents
The fair value of cash and cash equivalents is estimated at their carrying amount.

Interest-bearing borrowings and lease liabilities
The fair values of interest-bearing borrowings and lease liabilities are not materially different from their carrying amounts, since the interest payable on those borrowings and lease liabilities is close to current market rates.

Trade and other payables excluding deferred income
Trade and other payables are carried at the face value of the payable. All trade and other payables are expected to be short-term and therefore no discounting of future cash flow is required. Due to the short-term nature of trade and other payables, their carrying amount is considered to be the same as their fair value.

30. Risk management

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk

The Group's principal financial liabilities are borrowings and lease liabilities. The Group also has trade and other receivables, trade and other payables, and cash and cash equivalents that arise directly from operations. This note provides further detail on financial risk management and includes quantitative information on the specific risks.

The Board has overall responsibility for determining 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.

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 exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including cash balances with banks.

Trade receivables

Customer credit risk is managed by each territory subject to the Group's established policy, procedures, and controls relating to customer credit risk management. The Group endeavours to only deal with creditworthy counterparties. Outstanding customer receivables and the Group's exposure to credit risk is regularly monitored.

30. Risk management *(continued)*

Credit risk (continued)

Trade receivables (continued)

The credit quality of trade receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available, otherwise historical information relating to counterparty default rates is used. The status of outstanding balances due from customers are monitored regularly to ensure that they are within the approved limits and that there are no significant concentrations of credit risk. As a result, the Group's experience of bad debts is not significant.

At 30 November, the maximum exposure to credit risk is the carrying amount of trade receivables disclosed in note 21.

The carrying amount of trade receivables is reduced by the loss allowance for expected credit losses, with any change in the loss allowance and any impairment losses on trade receivables recognised within the Consolidated Income Statement. Refer to note 21 for details of trade receivables which are past due and loss allowance for expected credit losses.

Other receivables

Other receivables include amounts receivable for government assistance, other taxes and social security, and rental deposits.

As the counterparties for amounts receivable for government assistance and other taxes and social security are Revenue and Customs Authorities in the various jurisdictions in which the Group operates, credit risk is considered to be minimal and therefore no further analysis has been performed. The Group deposits cash for rental deposits with reputable financial institutions, from which management believes the risk of loss to be remote. The maximum exposure to credit risk as regards other receivables is the carrying amounts disclosed in note 21.

Cash balances

Credit risk from balances with banks is managed in accordance with the Group's policy. The Group deposits cash with reputable financial institutions, from which management believes the risk of loss to be remote. The Group's maximum exposure to credit risk on cash and cash equivalents is the carrying amounts as disclosed in notes 22.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate cash reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The tables below summarise the maturity profile of the Group's undiscounted financial liabilities at 30 November 2023 and 30 November 2022.

30. Risk management *(continued)*

Liquidity risk (continued)

30 November 2023	**Carrying amount £'000**	**Contractual cash flows £'000**	**Less than 1 year £'000**	**1-5 years £'000**	**More than 5 years £'000**
Super senior facility debt	**77,147**	**(81,885)**	**-**	**(81,885)**	**-**
Reinstated senior facility debt	**561,820**	**(585,892)**	**-**	**(585,892)**	**-**
Leases	**861,026**	**(1,836,583)**	**(151,844)**	**(538,728)**	**(1,146,011)**
Trade and other payables excluding deferred income	**174,140**	**(174,140)**	**(174,140)**	**-**	**-**
External loans	**1,002**	**(1,002)**	**(553)**	**(449)**	**-**
Total	**1,675,135**	**(2,679,502)**	**(326,537)**	**(1,206,954)**	**(1,146,011)**

(Unaudited) 30 November 2022	Carrying amount £'000	Contractual cash flows £'000	Less than 1 year £'000	1-5 years £'000	More than 5 years £'000
Super senior facility debt	75,521	(81,935)	-	(81,935)	-
Loans payable to parent undertakings	1,831,315	(1,831,315)	(1,831,315)	-	-
Leases	856,662	(2,265,073)	(181,405)	(652,061)	(1,431,607)
Trade and other payables excluding deferred income	203,367	(203,367)	(203,367)	-	-
External loans	950	(950)	(414)	(536)	-
Total	2,967,815	(4,382,640)	(2,216,501)	(734,532)	(1,431,607)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's exposure is primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Financial instruments affected by market risk include borrowings and derivative financial instruments.

Interest rate risk

The Group is exposed to interest rate risk as its interest-bearing borrowings are subject to variable interest rates based on EURIBOR. The Group recognises that movements in interest rates might affect the amounts recorded in its profit and loss for the year. Therefore, the Group has assessed:

- Reasonably possible changes in interest rates at the end of the reporting period; and
- The effects on profit or loss if such changes in interest rates were to occur.

The Group holds an interest rate swap which matures in April 2024 to mitigate some of the risk of increasing interest rates on its external debt.

30. Risk management *(continued)*

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared based on the average liability held by the Group over the year. A 0.1% increase or decrease in interest rates represents management's assessment of the reasonably possible changes in interest rates at the reporting date.

If interest rates had been 0.1% higher and all other variables were held constant, the Group's loss for the year ended 30 November 2023 would increase by £0.7m (unaudited 2022: £0.5m).

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies and is consequently exposed to exchange rate fluctuations, in particular, to Sterling and Euro exchange rate fluctuations. The Group seeks to reduce foreign exchange exposures arising from transactions in various currencies through a policy of matching, as far as possible, receipts and payments across the Group in each individual currency.

In addition, the Group has operations in Ireland, Continental Europe and Taiwan where businesses buy and sell goods and services in their local currencies rather than Pounds Sterling. As a result, the value of the Group's non-Sterling revenues, purchases, financial assets and liabilities, and cash flows can be affected by movements in exchange rates. The majority of income and expenditure for foreign operations are within the functional currency of the foreign operator, thereby providing natural hedging in these currencies. The Board does not consider there to be any significant unmitigated foreign currency risk in relation to the Group's operating activities.

In 2023, the Group's interest-bearing borrowings are denominated in Euro and are predominantly held by the Company, which has a functional currency of Pounds Sterling. As a result, the Company and Group financing activities are affected by movements in exchange rates.

Foreign currency sensitivity analysis

In managing currency risks, the Group aims to reduce the impact of short-term fluctuations on its earnings. A decrease of €0.01 in the GBP:EUR exchange rate applied to the Group's borrowings as at the balance sheet date would decrease profit or loss for a full year by £5.8m (unaudited 2022: £5.4m).

30. Risk management *(continued)*

Capital management

The Group manages its capital to ensure that the Company and its subsidiaries will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings and obligations under leases disclosed in note 26, cash and cash equivalents and equity (comprising issued capital, reserves and accumulated profit as disclosed in the consolidated statement of changes in equity).

On 26 January 2023, a financial restructuring of the Vue International Group took effect with 100% consent from all its stakeholders (shareholders and lenders). It included the following core elements:

- The Company's shares were sold to a new holding company, Vue International Investment Limited (formerly Jubilee Newco Limited)
- Vue International Investment Limited (formerly Jubilee Newco Limited) issued secured floating rate debt, consisting of a €648.6m reinstated senior facility provided by participating senior lenders, with a maturity date of 31 December 2027
- The €648.6m reinstated senior facility was novated to the Company
- The existing interest rate swap related to the EUR denominated portion of the debt in Vue International Bidco Plc (the Company's former parent) was novated to the Company.

The Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital, against the purpose for which the capital is intended.

31. Share capital and reserves

		(Unaudited)
	30 November 2023	30 November 2022
Allotted, issued and fully paid	**£000**	£000
2,941,177 Ordinary shares of £0.001 each	**3**	3
Total	**3**	3

The Company has one class of ordinary shares. The holders of the ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

Capital contribution

As part of the Group's restructuring transaction that took effect on 26 January 2023, the Company received capital contributions totalling £1,107.3m from its parent company.

32. Distributions made and proposed

No dividends have been declared and paid in 2023 (unaudited 2022: £nil).

33. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its other related parties are disclosed below.

Key management personnel comprise members of the Group Executive Leadership Team who are not statutory directors.

Key management remuneration

The remuneration of key management personnel of the Group is set out below. Refer to note 9 for Directors' remuneration.

	Year ended 30 November 2023	*(Unaudited)* Year ended 30 November 2022
	£000	£000
Wages and salaries	**3,325**	3,407
Social security costs	**445**	468
Pension contributions	**29**	42
Total	**3,799**	3,917

Other related party transactions

The Company was party to a management services agreement with OMERS Private Equity Inc., PE12GV (Artist) Limited and PE12PX (Artist Management) Limited, as service providers. Each service provider provided corporate finance, strategic corporate planning and other services. The agreement was terminated on 26 January 2023 and there was no charge for the year ended 30 November 2023. The charge for the year ended 30 November 2022 was waived.

During the year the Group paid £15k (unaudited 2022: £77k) to AIMCo for recharged professional fees relating to the financial restructuring.

During the year the Group incurred interest charges of £22.4m (unaudited 2022: £148.0m) to former parent companies. As at 30 November 2023, £nil (unaudited 2022: £1,831.3m) was owed to those former parent companies in respect of shareholder loans.

34. Ultimate parent company and controlling party

At 30 November 2023, the immediate parent undertaking of the Company is Vue International Investment Limited (formerly Jubilee Newco Limited).

At 30 November 2023, the immediate and ultimate parent undertaking of Vue International Investment Limited (formerly Jubilee Newco Limited) (and its ultimate controlling party) is Vue International Holdings Limited (formerly Jubilee Topco Limited), an investment vehicle for participating senior lenders in the Company. There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

This set of consolidated financial statements, with the Company as parent undertaking, is the largest group of undertakings for which consolidated financial statements are drawn up.

35. Commitments for capital expenditure

Capital commitments

The Group had capital commitments as follows:

	As at 30 November 2023 £000	(Unaudited) As at 30 November 2022 £000
Contracted for but not provided for in these financial statements	**17,099**	11,731
Total	**17,099**	11,731

Operating lease commitments

Following adoption of IFRS 16, the Group has recognised right-of-use assets for these operating leases, except for short-term leases.

Commitments for short-term leases at 30 November 2023 was £1.7m (unaudited 2022: £0.2m).

36. Contingent liabilities

The Group had no contingent liabilities as at 30 November 2023 (unaudited 2022: nil).

37. Events after the balance sheet date

Sale of Taiwan subsidiary

On 3 November 2023, the Board of Directors received an offer to purchase the entire share capital of the Group's Taiwan subsidiary, SBC Taiwan Limited. The offer was accepted by the Board of Directors and on 22 December 2023 the Sale and Purchase Agreement for the sale of SBC Taiwan Limited was signed. The completion of the transaction was subject to obtaining the necessary approval for the transaction from the local ministry. On 30 January 2024 the required approval from the local ministry was obtained.

Financial restructuring

The cinema sector has continued to face challenges, most notably arising from the Hollywood SAG-AFTRA actors strike which halted film production for 6 months from July 2023 to December 2023 and prevented actors from marketing completed films such as Dune 2, which was delayed as a consequence from November 2023 to March 2024. Although the impact of the strikes on trading in FY23 was limited to a few titles being delayed from Q4 FY23 into FY24, and even though film production resumed in early 2024, the impact of the strikes will be at their most material in 2024 and into 2025 due to a lower number of completed films being available for theatrical release. Accordingly, the Group has undertaken a further restructuring process with its external lenders to enhance liquidity, reduce its senior loans, and enhance its capital structure.

37. Events after the balance sheet date *(continued)*

Financial restructuring (continued)

The financial restructuring of the Group took effect on 20 February 2024 with 100% consent from all of its stakeholders (shareholders and lenders) and included the following core elements:

- €354.8m (i.e. 50%) of the reinstated senior facility debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited).
- The terms of the remaining €354.8m (inclusive of accrued interest) of reinstated senior facility debt were amended and restated, pursuant to which the rate of cash pay interest has been temporarily reduced to a flat rate of 0.1% for a period of 2 years until 20 February 2026. Previously, this facility attracted interest at a rate of Euribor plus 8% or Euribor plus 2% cash interest and 6.5% capitalised interest for a period of 2 years from 26 February 2023.
- The Company issued secured floating rate debt, consisting of a €63.7m super senior new money facility with a maturity date of 30 June 2027, to participating senior lenders. The super senior new money facility bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of Euribor plus 4%. If the Company makes this election, then a premium of 1% is added to the interest rate (i.e. 5%) used to calculate the amount of interest capitalised. The Company received cash of €58.7m on 22 February in respect of this new facility.
- Lenders that participated in the €63.7m super senior new money facility had €127.4m of the remaining €354.8m of reinstated senior facility debt re-tranched (the “reinstated 1.5L facility”) and elevated in ranking such that it ranks junior to the super senior facilities, but senior to the remaining unelevated tranche (€227.4m) of the reinstated senior facility debt.
- The reinstated 1.5L facility has a maturity date of 31 December 2027 and bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of 0.1%. If the Company makes this election, then a premium of 0.5% is added to the interest rate (i.e. Euribor plus 8.4%) used to calculate the amount of interest capitalised.
- The remaining unelevated tranche of the reinstated senior facility has a maturity date of 31 December 2027 and bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of 0.1%. If the Company makes this election, then a premium of 0.5% is added to the interest rate (i.e. Euribor plus 8.4%) used to calculate the amount of interest capitalised.
- A portion of the existing EUR-denominated preference shares issued by Vue Holdings (Jersey) Limited to the Company were redeemed in consideration for the issuance of new GBP ordinary shares of equivalent value.

The existing super senior contingency basket that the Group is able to drawdown on under the Amended and Restated Senior Facilities Agreement (subject to it receiving the required levels of shareholder consent) was increased from £25m to £50m.

Vue Entertainment International Limited

PARENT COMPANY BALANCE SHEET
AS AT 30 NOVEMBER 2023

Non-current assets	Note	As at 30 November 2023 £000	As at 30 November 2022 £000
Property, plant and equipment	4	1	-
Intangible assets	5	61	-
Investments	6	1,272,767	8,663
Deferred tax asset		13	-
Trade and other receivables	7	885,430	785,479
Total non-current assets		**2,158,272**	794,142
Current assets			
Trade and other receivables	7	370	933,900
Derivative financial instruments		7,976	-
Cash and cash equivalents	8	19,989	41,081
Total current assets		**28,335**	974,981
Total assets		**2,186,607**	1,769,123
Current liabilities			
Trade and other payables	9	15,020	8,405
Interest-bearing loans and other liabilities	10	315,492	1,550,997
Total current liabilities		**330,512**	1,559,402
Non-current liabilities			
Interest-bearing loans and other liabilities	10	652,487	75,520
Total non-current liabilities		**652,487**	75,520
Total liabilities		**982,999**	1,634,922
Net assets		**1,203,608**	134,201
Equity			
Share capital	11	3	3
Share premium		6,367	6,367
Capital contribution reserve	11	1,107,314	-
Retained earnings		89,924	127,831
Total equity		**1,203,608**	134,201

The Company loss for the year was £37.9m (2022: £11.8m profit).

The financial statements on pages 122 to 132 were authorised for issue by the Board of directors on 26 March 2024 and are signed on its behalf by:

Alison Cornwell
Director

Vue Entertainment International Limited

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2023

	Note	Share capital £000	Share premium £000	Retained earnings £000	Capital contribution £000	Total equity £000
Balance at 1 December 2021		3	6,367	115,994	-	122,364
Profit for the year		-	-	11,837	-	11,837
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	11,837	-	11,837
Balance at 30 November 2022	11	3	6,367	127,831	-	134,201
Balance at 1 December 2022		**3**	**6,367**	**127,831**	**-**	**134,201**
Loss for the year		**-**	**-**	**(37,907)**	**-**	**(37,907)**
Other comprehensive loss for the year		**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year		**-**	**-**	**(37,907)**	**-**	**(37,907)**
Capital contribution		**-**	**-**	**-**	**1,107,314**	**1,107,314**
Balance at 30 November 2023	**11**	**3**	**6,367**	**89,924**	**1,107,314**	**1,203,608**

1. General information

The Company is a limited liability company incorporated and domiciled in Jersey. The address of the registered office is 44 Esplanade, St Helier, Jersey, JE4 9WG. Further information on the principal activities of the Group and its operations are set out in the Strategic Report.

The Company acts as an intermediate holding entity.

2. Accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with the Financial Reporting Standard 101, *Reduced Disclosure Framework* (“FRS 101”).

The financial statements have been prepared under the historical cost convention as applicable to companies using FRS 101. The accounting policies have been applied consistently with the prior year.

The following exemptions from the requirements of IFRS have been applied in these financial statements, in accordance with FRS 101:

- IFRS 7 *Financial instruments: Disclosures*
- Paragraphs 91-99 of IFRS 13 *Fair value measurement* (disclosure of valuation techniques and inputs used for the fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1 *Presentation of financial statements* to present comparative information requirements in respect of:
    - Paragraph 79 (a)(iv) of IAS 1
    - Paragraph 73(e) of IAS 16 *Property, plant and equipment*
    - Paragraph 118(e) of IAS 30 *Intangible assets* (reconciliations between carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 *Presentation of financial statements*:
    - 10(d), (statement of cash flows),
    - 10(f), (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements,
    - 16 (statement of compliance with all IFRS),
    - 38A (requirement of minimum two primary statements, including cash flow statements),
    - 38B-D (additional comparative information),
    - 40A-D (requirements for a third statements of financial position),
    - 111 (cash flow statement information), and
    - 134-136 (capital management disclosures)
- IAS 7 *Statement of cash flows*

2. Accounting policies *(continued)*

Basis of Preparation (continued)

- Paragraph 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 *Related party disclosures* (key management compensation)
- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions entered into between two or more members of a group.

Going concern

As a holding company, the Company is reliant on the overall financial support of the wider VEIL Group. In addition, the Company has provided a cross guarantee and share and asset security in support of the financing of the debt of the wider VEIL Group. The directors have adopted the going concern basis of preparation in preparing these financial statements. The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. See the Going Concern section of note 3 to the consolidated financial statements.

Significant policies

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Taxation

Current tax including UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investment in subsidiary undertakings

Investments in subsidiaries are held at cost, less any provision for impairment.

Trade and other receivables

Trade receivables are measured at amortised cost using the effective interest method, less any impairment. The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on aging. The expected loss rates are based on the Company’s historical credit losses experienced over the three-year period prior to the year end. The carrying amount of other receivables is reduced by the impairment loss directly and a charge is recorded in the income statement. Intercompany receivables balances with the Group are assessed for impairment under IFRS 9.

2. Accounting policies *(continued)*

Significant policies (continued)

Interest-bearing loans, capital and borrowings

Interest-bearing loans, capital and borrowings are initially measured at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, loan capital and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3. Critical accounting estimate and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions including about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical estimates and judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Carrying value of investments

The Company is required to make certain assumptions about the carrying value of investments. In doing so the Company has made certain assumptions about cash flows to be generated from each subsidiary. The resulting conclusion is therefore sensitive to these assumptions in respect of future cash flows. However, where amounts are not deemed to be recoverable due to the Corporate Restructuring (see page 3), impairments are recognised.

3. Critical accounting estimate and judgements *(continued)*

Recoverability of trade and other receivables

The Company is required to make certain assumptions to assess the recoverability of trade and other receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables (see note 1). In doing so the Company has made certain assumptions about cash flows to be generated from each debtor.

The resulting conclusion is therefore sensitive to these assumptions in respect of future cash flows. However, the directors consider that the assumptions made represent their best estimate of the future cash flows generated by each debtor, and of the discount rate used to calculate the present value of those cash flows.

Where amounts are not deemed to be recoverable due to the Corporate Restructuring (see page 3), impairments are recognised.

4. Property, Plant and Equipment

	As at 30 November 2023 £000
Cost	
Additions - Furniture, fittings and equipment	**14**
Accumulated depreciation	
Charge for the year - Furniture, fittings and equipment	**(13)**
Net book value	
Furniture, fittings and equipment	**1**

5. Intangible Assets

	As at 30 November 2023 £000
Cost	
Additions - Computer software	**61**
Accumulated amortisation	
Charge for the year - Computer software	**-**
Net book value	
Computer software	**61**

6. Investments

	30 November 2023 £000	30 November 2022 £000
Cost and net book value		
Balance at beginning of year	**8,663**	8,663
Additions – capital contributions	**1,264,104**	-
Balance at end of year	**1,272,767**	8,663

As part of the Group's restructuring transaction that took effect on 26 January 2023, the Company made capital contributions totalling £1,264.1m to its directly held subsidiary.

Refer to note 2 in the consolidated financial statements for a list of subsidiaries.

7. Trade and other receivables

	30 November 2023 £000	30 November 2022 £000
Non-current	**885,430**	785,479
Current	**370**	933,900
Total	**885,800**	1,719,379

	30 November 2023 £000	30 November 2022 £000
Amounts receivable from group undertakings	**332,307**	1,719,379
Preference shares receivable from group undertakings	**553,493**	-
Total	**885,800**	1,719,379

Amounts receivable from group undertakings includes £95.4m of loan and trade balances that are unsecured, bear no interest and are repayable on demand. The remaining £236.9m of loan balances are unsecured, bear interest at rates between 5.5% and 15.3%, and have maturity dates between November 2025 and September 2033.

Preference shares receivable from group undertakings relate to preference shares held in the Company's direct subsidiary, Vue Holdings (Jersey) Limited.

Receivables are classified as non-current when, at the balance sheet date, there is no expectation to receive settlement of the receivables in the next 12 months.

8. Cash and Cash Equivalents

	30 November 2023 £000	30 November 2022 £000
Cash and cash equivalents	**19,989**	41,081
Total	**19,989**	41,081

9. Trade and other payables

	30 November 2023 £000	30 November 2022 £000
Amounts payable to group undertakings - trade	**-**	2,233
Accrued expenses	**15,020**	6,172
Total	**15,020**	8,405

Amounts payable to group undertakings are trading balances which are unsecured, repayable on demand and non-interest bearing.

10. Interest-bearing loans and borrowings

	Current		**Non-Current**		**Total**	
	30 November 2023 £000	30 November 2022 £000	**30 November 2023 £000**	30 November 2022 £000	**30 November 2023 £000**	30 November 2022 £000
Reinstated Senior Facility Debt (€648.6m)	**-**	-	**585,892**	-	**585,892**	-
Super Senior Facility Debt (€94.8m)	**-**	-	**81,885**	81,934	**81,885**	81,934
Amounts owed to group undertakings – loan	**315,492**	1,550,997	**13,520**	-	**329,012**	1,550,997
Total	**315,492**	1,550,997	**681,297**	81,934	**996,789**	1,632,931
Less:						
Reinstated Senior Facility capitalised fees	**-**	-	**(24,072)**	-	**(24,072)**	-
Super Senior Facility capitalised fees	**-**	-	**(4,738)**	(6,414)	**(4,738)**	(6,414)
Total interest-bearing loans and borrowings net of capitalised fees	**315,492**	1,550,997	**652,487**	75,520	**967,979**	1,626,517

Reinstated Senior Facility Debt

On 26 January 2023, the Group issued a €648.6m Reinstated Senior Facility Debt, maturing on 31 December 2027, with a variable margin of EURIBOR + 800 bps. During the first two years of the debt, a payment-in-kind option is available to the Company at a rate of 650 bps (with a cash pay rate of EURIBOR + 200 bps). A zero percent floor applies to EURIBOR.

Super Senior Facility Debt

On 23 September 2022, the Group issued a €94.8m Super Senior Facility Debt, maturing on 30 June 2027, with a variable margin of EURIBOR + 800 bps. A zero percent floor applies to EURIBOR.

Amounts owed to group undertakings

Amounts owed to group undertakings includes £315.5m of loan balances that are unsecured, bear interest at rates between 0% and 8.8%, and are repayable on demand. The remaining £13.5m loan balance is unsecured, bears interest at 11.4%, and has a maturity date of July 2028.

11. Share capital

	30 November 2023	30 November 2022
Allotted, issued and fully paid	**£000**	£000
2,941,177 Ordinary shares of £0.001 each	**3**	3
Total	**3**	3

The Company has one class of ordinary shares. The holders of the ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

Capital contribution

As part of the Group's restructuring transaction that took effect on 26 January 2023, the Company received capital contributions totalling £1,107.3m from its parent company.

12. Related parties

The Company has taken advantage of the exemption under IAS 24 available to parent companies not to disclose transactions with its wholly owned subsidiaries within its financial statements on the grounds that 100% of the voting rights of these companies are controlled within the Group, and the companies are included in note 2 of the notes to the consolidated financial statements.

Other related party transactions

During the year the Company incurred interest charges of £21.2m (2022: £126.9m) to former parent companies. As at 30 November 2023, £nil (2022: £1,551m) was owed to those former parent companies in respect of shareholder loans.

13. Subsidiaries and other related undertakings

Refer to note 2 in the consolidated financial statements for a list of subsidiaries.

14. Distributions made and proposed

No dividends have been declared and paid in 2023 (2022: £nil).

15. Commitments for capital expenditure

The Company had no commitments for capital expenditure as at 30 November 2023 (2022: £nil).

16. Contingent liabilities

The Company had no contingent liabilities as at 30 November 2023 (2022: £nil).

17. Ultimate parent company and controlling party

At 30 November 2023, the immediate parent undertaking of the Company is Vue International Investment Limited (formerly Jubilee Newco Limited).

At 30 November 2023, the immediate and ultimate parent undertaking of Vue International Investment Limited (formerly Jubilee Newco Limited), and its ultimate controlling party is Vue International Holdings Limited (formerly Jubilee Topco Limited), an investment vehicle for participating senior lenders in Vue Entertainment International Limited. There is no single controlling party of Vue International Holdings Limited (formerly Jubilee Topco Limited).

18. Events after the balance sheet date

Financial restructuring

The cinema sector has continued to face challenges, most notably arising from the Hollywood SAG-AFTRA actors strike which halted film production for 6 months from July 2023 to December 2023 and prevented actors from marketing completed films such as Dune 2, which was delayed as a consequence from November 2023 to March 2024. Although the impact of the strikes on trading in FY23 was limited to a few titles being delayed from Q4 FY23 into FY24, and even though film production resumed in early 2024, the impact of the strikes will be at their most material in 2024 and into 2025 due to a lower number of completed films being available for theatrical release. Accordingly, the Group has undertaken a further restructuring process with its external lenders to enhance liquidity, reduce its senior loans, and enhance its capital structure.

The financial restructuring of the Group took effect on 20 February 2024 with 100% consent from all of its stakeholders (shareholders and lenders) and included the following core elements:

- €354.8m (i.e. 50%) of the reinstated senior facility debt was novated from the Company to Vue International Holdings Limited (formerly Jubilee Topco Limited) and equitised as a capital contribution of €354.8m from Vue International Investment Limited (formerly Jubilee Newco Limited).

- The terms of the remaining €354.8m (inclusive of accrued interest) of reinstated senior facility debt were amended and restated, pursuant to which the rate of cash pay interest has been temporarily reduced to a flat rate of 0.1% for a period of 2 years until 20 February 2026. Previously, this facility attracted interest at a rate of Euribor plus 8% or Euribor plus 2% cash interest and 6.5% capitalised interest for a period of 2 years from 26 February 2023.

- The Company issued secured floating rate debt, consisting of a €63.7m super senior new money facility with a maturity date of 30 June 2027, to participating senior lenders. The super senior new money facility bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of Euribor plus 4%. If the Company makes this election, then a premium of 1% is added to the interest rate (i.e., 5%) used to calculate the amount of interest capitalised. The Company received cash of €58.7m on 22 February in respect of this new facility.

18. Events after the balance sheet date *(continued)*

Financial restructuring (continued)

- Lenders that participated in the €63.7m super senior new money facility had €127.4m of the remaining €354.8m of reinstated senior facility debt re-tranched (the "reinstated 1.5L facility") and elevated in ranking such that it ranks junior to the super senior facilities, but senior to the remaining unelevated tranche (€227.4m) of the reinstated senior facility debt.

- The reinstated 1.5L facility has a maturity date of 31 December 2027 and bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of 0.1%. If the Company makes this election, then a premium of 0.5% is added to the interest rate (i.e., Euribor plus 8.4%) used to calculate the amount of interest capitalised.

- The remaining unelevated tranche of the reinstated senior facility has a maturity date of 31 December 2027 and bears interest at a rate of Euribor plus 8%. The Company may elect to capitalise a portion of the interest for a period of 2 years until 20 February 2026 and only cash pay interest of 0.1%. If the Company makes this election, then a premium of 0.5% is added to the interest rate (i.e., Euribor plus 8.4%) used to calculate the amount of interest capitalised.

- A portion of the existing EUR-denominated preference shares issued by Vue Holdings (Jersey) Limited to the Company were redeemed in consideration for the issuance of new GBP ordinary shares of equivalent value.

The existing super senior contingency basket that the Group is able to drawdown on under the Amended and Restated Senior Facilities Agreement (subject to it receiving the required levels of shareholder consent) was increased from £25m to £50m.