

CINEMAXX DANMARK A/S
KALVEBOD BRYGGE 57, 1560 KØBENHAVN V
ANNUAL REPORT
1 DECEMBER 2020 - 30 NOVEMBER 2021

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 March 2022**

Torben Schøn

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Financial Highlights.....	7
Management Commentary.....	8
Financial Statements 1 December 2020 - 30 November 2021	
Income Statement.....	9
Balance Sheet.....	10-11
Equity.....	12
Cash Flow Statement.....	13
Notes.....	14-16
Accounting Policies.....	17-20

COMPANY DETAILS

Company	CINEMAXX DANMARK A/S Kalvebod Brygge 57 1560 Copenhagen V
	CVR No.: 21 25 24 92 Established: 1 October 1998 Municipality: Copenhagen Financial Year: 1 December 2020 - 30 November 2021
Board of Directors	Toby William Bradon, chairman Ann Marie O'Sullivan Torben Schøn
Executive Board	Helle Delfs Thomassen
Auditor	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of CINEMAXX DANMARK A/S for the financial year 1 December 2020 - 30 November 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 30 November 2021 and of the results of the Company's operations and cash flows for the financial year 1 December 2020 - 30 November 2021.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 30 March 2022

Executive Board

Helle Delfs Thomassen

Board of Directors

Toby William Bradon
Chairman

Ann Marie O'Sullivan

Torben Schøn

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CINEMAXX DANMARK A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 November 2021, and of the results of the Company's operations and cash flows for the financial year 1 December 2020 - 30 November 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of CINEMAXX DANMARK A/S for the financial year 1 December 2020 - 30 November 2021, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Commentary.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

INDEPENDENT AUDITOR'S REPORT

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 auditor's 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 30 March 2022

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
MNE no. mne30221

FINANCIAL HIGHLIGHTS

	2020/21	2019/20	2018/19	2017/18	2016/17
	DKK millions	DKK millions	DKK millions	DKK millions	DKK millions
Income statement					
Gross profit/loss.....	43	37	71	65	66
Operating profit/loss.....	11	1	33	28	27
Financial income and expenses, net.....	0	0	0	0	0
Profit/loss for the year.....	8	1	25	21	21
Balance sheet					
Total assets.....	91	75	79	79	78
Equity.....	33	25	43	36	35
Cash flows					
Cash flows from operating activities.....	22	25	27	31	24
Cash flows from investing activities.....	-2	-1	-2	-2	-6
Cash flows from financing activities.....	-1	-19	-18	-22	-21
Total cash flows.....	19	5	7	7	-3
Investment in property, plant and equipment.....	-2	-1	-2	-2	-6
Key ratios					
Equity ratio.....	36,3	33,3	54,4	45,6	44,9
Return on equity.....	27,6	2,9	63,3	59,2	59,2

The ratios stated in the list of key figures and ratios have been calculated as follows:

Equity ratio:	$\frac{\text{Equity, at year-end} \times 100}{\text{Total assets at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities

The purpose of the company is to operate and manage movie theater business with all the associated operating facilities and apparatus and to carry out all business operations and produce all related services. The company may also conduct business in other business areas that are related to movie theater business, including restaurant business and alcoholic beverage business, and enter into legal transactions that are suitable for furthering the company's purposes. The company may establish branches, including ownership / capital interests in other domestic companies, as well as acquire or establish such companies.

Unusual matters

The financial position at 30 November 2021 of the Company and the results of the activities and cash flows of the Company for the financial year for 2020/21 have not been affected by any unusual events.

Recognition and measurement uncertainty

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Development in activities and financial and economic position

The income statement of the Company for 2020/21 shows a profit of TDKK 8.166, and at 30 November 2021 the balance sheet of the Company shows equity of TDKK 32.722.

Profit/loss for the year compared to the expected development

In 2020/21, the company was very much affected by the Covid 19 pandemic, which led to a forced closure of cinemas from 9 December to 6 May. The reopening period started slowly but was followed by an autumn with record breaking titles. Against this background, the result achieved for the year is considered satisfactory.

Significant events after the end of the financial year

Due to the Covid-19 pandemic the cinemas were closed as part of a national forced closure from 19 December 2021 until 16 January 2022. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (30 November 2021), which is therefore a non-adjusting event to the Company.

Environmental situation

The company works on securing the external environment and Vue International has implemented environmental guidelines which the Company fulfills.

The Danish activities are not assessed to have a special effect on the external environment.

Future expectations

The Company expects its gross profit in 2021-2022 to be in line with the result for 2020-2021. The expectation is that the EBIT and EBITDA margins will remain at the same level as the margins in 2021-2022 based on the film catalogue for the year.

INCOME STATEMENT 1 DECEMBER - 30 NOVEMBER

	Note	2020/21 DKK '000	2019/20 DKK '000
GROSS PROFIT		43.068	37.468
Staff costs.....	2	-24.316	-27.800
Depreciation, amortisation and impairment losses.....		-7.842	-8.306
OPERATING PROFIT		10.910	1.362
Other financial income.....		47	73
Other financial expenses.....		-478	-422
PROFIT BEFORE TAX		10.479	1.013
Tax on profit/loss for the year.....	3	-2.313	-223
PROFIT FOR THE YEAR	4	8.166	790

BALANCE SHEET AT 30 NOVEMBER

ASSETS	Note	2021 DKK '000	2020 DKK '000
Other plant, machinery tools and equipment.....		23.973	30.475
Tangible fixed assets in progress and prepayment.....		1.606	709
Property, plant and equipment.....	5	25.579	31.184
Investments in associates.....		655	655
Financial non-current assets.....	6	655	655
NON-CURRENT ASSETS.....		26.234	31.839
Finished goods and goods for resale.....		1.810	959
Inventories.....		1.810	959
Trade receivables.....		5.730	3.575
Other receivables.....		2.102	2.400
Prepayments.....	7	2.205	2.661
Receivables.....		10.037	8.636
Cash and cash equivalents.....		52.611	33.796
CURRENT ASSETS.....		64.458	43.391
ASSETS.....		90.692	75.230

BALANCE SHEET AT 30 NOVEMBER

EQUITY AND LIABILITIES	Note	2021 DKK '000	2020 DKK '000
Share capital.....	8	562	562
Retained earnings.....		32.160	23.994
EQUITY.....		32.722	24.556
Provision for deferred tax.....	9	2.401	3.132
PROVISIONS.....		2.401	3.132
Other payables.....		0	1.233
Non-current liabilities.....	10	0	1.233
Trade payables.....		10.103	6.833
Debt to Group companies.....		34	824
Corporation tax payable.....		2.137	899
Other liabilities.....		18.964	12.224
Deferred income.....	11	24.331	25.529
Current liabilities.....		55.569	46.309
LIABILITIES.....		55.569	47.542
EQUITY AND LIABILITIES.....		90.692	75.230
 Contingencies etc.	 12		
Related parties	13		
Significant events after the end of the financial year	14		
Consolidated Financial Statements	15		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 December 2020.....	562	23.994	24.556
Proposed profit allocation, 4.....		8.166	8.166
Equity at 30 November 2021	562	32.160	32.722

CASH FLOW STATEMENT 1 DECEMBER - 30 NOVEMBER

	2020/21 DKK '000	2019/20 DKK '000
Profit/loss for the year.....	8.166	790
Depreciation and amortisation, reversed.....	7.842	8.306
Tax on profit/loss, reversed.....	2.313	223
Corporation tax paid.....	-1.806	-400
Change in inventories.....	-851	406
Change in receivables (ex tax).....	-1.401	874
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	7.579	14.367
CASH FLOWS FROM OPERATING ACTIVITY.....	21.842	24.566
Purchase of property, plant and equipment.....	-2.237	-912
CASH FLOWS FROM INVESTING ACTIVITY.....	-2.237	-912
Repayment of payables group enterprises.....	-790	824
Dividends paid in the financial year.....	0	-19.500
CASH FLOWS FROM FINANCING ACTIVITY.....	-790	-18.676
CHANGE IN CASH AND CASH EQUIVALENTS.....	18.815	4.978
Cash and cash equivalents at 1. december.....	33.796	28.818
CASH AND CASH EQUIVALENTS AT 30. NOVEMBER.....	52.611	33.796
Cash and cash equivalents at 30 November comprise:		
Cash and cash equivalents.....	52.611	33.796
CASH AND CASH EQUIVALENTS, NET DEBT.....	52.611	33.796

NOTES

			Note
Other operating income			1
In the Income Statement for 2020/21 an amount of DKK 34,1 million (2019/20: DKK 19,2 million) is recognised in Other operating income. This amount is wage compensation received from the danish government and compensation for fixed costs. The wage compensation and the compensation for fixed costs are part of the Danish economic stimulus packages due to Covid-19.			
	2020/21	2019/20	
	DKK '000	DKK '000	
Staff costs			2
Average number of employees	74	82	
Wages and salaries.....	23.405	25.699	
Pensions.....	357	402	
Other staff costs.....	554	1.699	
	24.316	27.800	
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.			
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	3.047	859	
Adjustment of tax in previous years.....	-3	0	
Adjustment of deferred tax.....	-731	-636	
	2.313	223	
Proposed distribution of profit			4
Retained earnings.....	8.166	790	
	8.166	790	
Property, plant and equipment			5
	Other plant, machinery tools and equipment	Tangible fixed assets in progress and prepayment	
Cost at 1 December 2020.....	95.363	709	
Additions.....	1.340	897	
Disposals.....	-497	0	
Cost at 30 November 2021.....	96.206	1.606	
Depreciation and impairment losses at 1 December 2020.....	64.888		
Reversal of depreciation of assets disposed of.....	-497		
Depreciation for the year.....	7.842		
Depreciation and impairment losses at 30 November 2021....	72.233		
Carrying amount at 30 November 2021.....	23.973	1.606	

NOTES

				Note
Financial non-current assets				6
			Investments in associates	
Cost at 1 December 2020.....			655	
Cost at 30 November 2021.....			655	
Investments in associates (DKK '000)				
Name and domicil	Equity	Profit for the year	Ownership	
Kino.dk A/S, Copenhagen.....	6.534	-1.259	26 %	
Prepayments				7
Prepayments consist of prepaid expenses concerning rent, insurance premiums etc.				
		2021	2020	
		DKK '000	DKK '000	
Share capital				8
Allocation of share capital:				
Shares, 562 unit in the denomination of 1.000 DKK.....		562	562	
		562	562	
Provision for deferred tax				9
The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.				
Deferred tax, beginning of year.....		3.132	3.768	
Deferred tax of the year, income statement.....		-731	-636	
Provision for deferred tax 30 November 2021.....		2.401	3.132	
Long-term liabilities				10
	30/11 2021		Debt	
	total liabilities	Repayment	outstanding	30/11 2020
		next year	after 5 years	total liabilities
Other payables.....	1.304	1.304	0	1.233
	1.304	1.304	0	1.233
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.				

NOTES

			Note
Deferred income			11
Deferred income consists of payments relating to vouchers received in respect of income i subsequent years.			
Contingencies etc.			12
Contingent liabilities			
	2021	2020	
	DKK '000	DKK '000	
Lease obligations under operating leases. Total future lease payments:			
Inden for 1 år.....	37.773	34.671	
Mellem 1 og 5 år.....	117.363	109.094	
Efter 5 år.....	398.614	325.276	
	553.750	469.041	
Guarantee obligations			
CinemaxX Danmark A/S has granted a bank guarantee to Sydbank assecurity for the Company's rental contracts.....	6.250	6.250	
Related parties			13
The Company's related parties include:			
Controlling interest			
CinemaxX Entertainment GmbH & Co. KG, is the principal shareholder.			
Transactions with related parties			
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.			
Significant events after the end of the financial year			14
Due to the Covid-19 pandemic the cinemas were closed as part of a national forced closure from 19 December 2021 until 16 January 2022. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (30 November 2021), which is therefore a non-adjusting event to the Company.			
Consolidated Financial Statements			15
The Company is included in the consolidated financial statements of Vue International Holdco Limited, 44 Esplanade St Helier Jersey, JE4 9WG, Jersey, and CinemaxX Holdings GmbH & Co. KG, Valentinskamp 18-20, 20354 Hamburg, Germany.			

ACCOUNTING POLICIES

The Annual Report of CINEMAXX DANMARK A/S for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

The Financial Statements for 2020/21 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

INCOME STATEMENT

Net revenue

Revenue from sales of tickets and concession is recognised in the income statement if the sales to this years movie performances.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Movie rental, charges and consumables

Movie rental, charges and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise rental of cinema equipment, commercials, rent and other related expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in associates

Dividend from associates is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

ACCOUNTING POLICIES

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-20 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Fixed asset investments

Equity investments in associates are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

ACCOUNTING POLICIES

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

ACCOUNTING POLICIES

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include bank overdraft and cash in hand.