

Gresham Considine

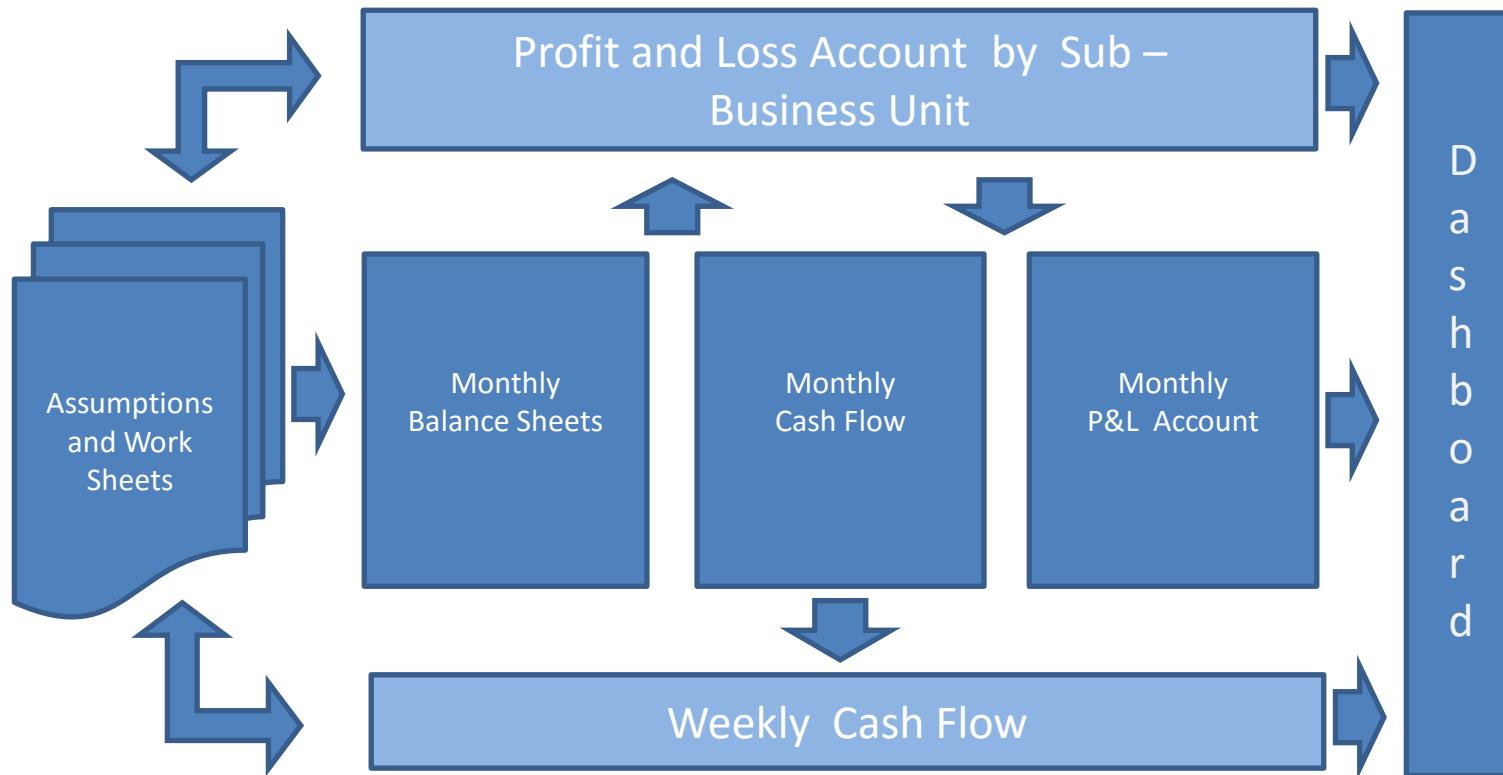
Independent Executives & Advisors

THE POWER OF INTEGRATED FORECASTS

- Financial forecasts are a key element in the decision making process.
- Without integrated financial forecasts the risk that Management and Stakeholders will make the wrong decision is greatly increased.
- Integrated forecasts support the execution of robust commercial judgement and stand the rigours of financial due diligence.
- Integrated forecasts provide critical insight for prompting management action and initiating timely change.

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How Integrated Financial Models are Structured



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THE POWER OF INTEGRATED FORECASTS

- An integrated model looks at the impact of future financial performance expectations across profitability, cash and balance sheet.
- The model is grounded in the key assumptions upon which the business performance is predicated and driven from the Company's balance sheet.
- Cash is forecast on a receipts and payments basis which is more readily understandable across the business than the cash flow basis and enables weekly / daily monitoring against actual.
- Testing of actual results against model outputs provides a regular challenge to management assumptions.

THE FOLLOWING ARE MODEL EXTRACTS

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Period Profit & Loss Account Extract

	P10	P11	P12
	£'000	£'000	£'000
Fees	246	220	285
Rental Revenue	2,211	1,979	2,569
Total Rental Revenue	2,457	2,199	2,854
PV Revenue	374	373	1,057
Retail Revenue	3,292	2,870	8,019
Trade Revenue	895	981	1,424
Total Revenue	7,018	6,423	13,355
Cost of Rental	733	902	964
Cost of PV	206	202	440
Cost of Retail	2,633	2,296	6,415
Cost of Trade	417	501	722
Total Cost	3,989	3,902	8,542
Rental Margin	1,724	1,297	1,890
PV Margin	168	170	617
Retail Margin	658	574	1,604
Trade Margin	478	480	702
Gross Margin	3,028	2,521	4,813
Store Overheads			
Total Personnel	1,441	1,470	1,714
Advertising	151	147	136
Bad Debt	179	138	260
Rent - Gross	626	608	743
Rent - Saving	(226)	(234)	(213)
Other Occupancy	312	312	390
Depreciation	14	14	17
Other Store Costs	473	567	716
	2,971	3,022	3,764
Store Operating Profit/(loss)	57	(501)	1,049

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Balance Sheet Extract

	P8 £'000	P9 £'000	P10 £'000	P11 £'000	P12 £'000
Fixed Assets Total	2,638	2,604	2,651	2,756	2,834
Bank and Cash Total	4,298	3,766	4,684	(1,562)	5,086
Receivables & Prepayments Total	4,646	2,663	2,201	1,844	2,478
Inventory & Rental Library Total	10,221	11,660	12,121	14,625	13,475
Intercompany Total	(11,754)	(12,726)	(12,870)	(13,014)	(13,158)
Current Liability total	(9,427)	(6,422)	(7,208)	(2,853)	(7,757)
Net Assets	622	1,545	1,579	1,796	2,959
Shareholders Funds Total	622	1,545	1,579	1,796	2,959

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Period Cash Flow Extract

Period				
	Start Date	P9	P10	P11
	End Date	26/08/13	30/09/13	28/10/13
		£'000	£'000	£'000
Revenues				
Net Rental Revenues		3,248	2,858	2,708
Net PVP Revenues		625	449	447
Net Retail Revenues		6,661	4,148	8,049
Net Trade In Revenues		819	596	810
Advertising Supplier Contributions		152	187	95
Rental Fees		86	120	166
Haven Deposit		0	0	0
Total Cash Inflows		11,590	8,359	12,276
Expenditure				
Inventory Costs				
Movies		0	207	1,038
Consignment Movies		244	303	377
Games - Software (Release)		3,640	827	6,401
Games - Software (Replen)		256	666	655
Games - Consoles (Release)		107	0	2,897
Games - Consoles (Replen)		69	69	69
Games - Peripherals (Release)		242	137	392
Games - Peripherals (Replen)		454	418	528
Other		149	187	274
Food and Drink		452	425	562
Trade				
Distribution Costs		104	83	83
Total Inventory Costs		5,716	3,321	13,275
Store Overheads				
Personnel - Stores		1,630	1,524	1,445
Advertising		419	256	561
Bad Debt				
Rent - Gross		1,800	314	391
Rent - Saving		(178)	(253)	(306)
Other Occupancy		463	368	375
Other Store Costs		246	687	635
Total Store Overheads		4,379	2,896	3,101

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Weekly Cash Flow Extract

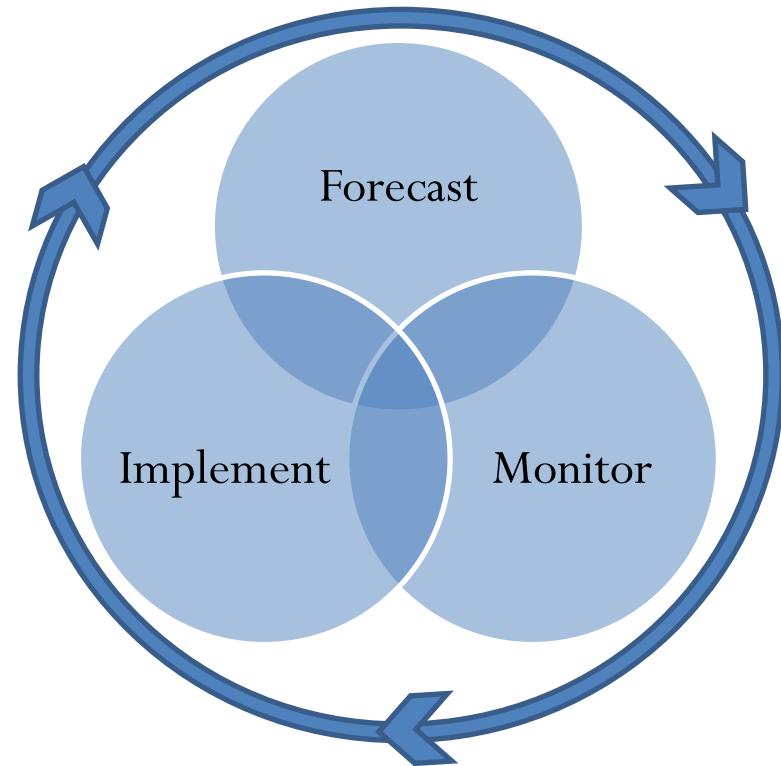
Week	PERIOD 10					PERIOD 11					PERIOD 12					TOTAL		
	40	41	42	43	P10	44	45	46	47	P11	48	49	50	51	52	P12		
	Start Date	30/09/2013	07/10/2013	14/10/2013	21/10/2013		28/10/2013	04/11/2013	11/11/2013	18/11/2013		25/11/2013	02/12/2013	09/12/2013	16/12/2013	23/12/2013		
	End Date	06/10/2013	13/10/2013	20/10/2013	27/10/2013		03/11/2013	10/11/2013	17/11/2013	24/11/2013		01/12/2013	08/12/2013	15/12/2013	22/12/2013	29/12/2013		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Revenues																		
Net Rental Revenues	704	720	585	645	2,654	594	594	594	594	2,375	592	592	592	653	653	3,083		
Net PVP Revenues	109	109	111	120	449	132	113	107	95	447	137	130	219	352	431	1,268		
Net Retail Revenues	1,163	1,022	906	859	3,950	980	(315)	(1,032)	3,811	3,445	3,394	671	1,496	1,881	2,181	9,623		
Net Trade In Revenues	142	144	145	165	596	173	155	148	152	629	88	88	102	157	194	629		
Accounts Receivable (inc. Ads Supplier Cont's/ Sub Tenant Inc)					359	359			60	60					90	90		
Rental Fees - store receivables	23	23	19	21	86	30	30	30	(120)	(31)	(124)	26	26	26	(21)			
Haven Deposit					0				0		0				0	0		
					0				0							0		
Forecast Cash Receipts	2,141	2,019	1,766	2,168	8,093	1,908	577	(153)	4,592	6,924	4,087	1,507	2,436	3,069	3,574	14,672		
Expenditure																		
Inventory Costs																		
Movies	0				0	209				209	1,105					1,105		
Consignment Movies	95	65	64	79	303	92	90	85	111	377	109	98	255	193	265	920		
Games - Software (Releases)	126	70	165	291	653	575	11	417	551	1,554	13					13		
Games - Software (Replen)	84	84	84	84	335	152	152	152	152	607	400					400		
Games - Consoles (Release)	30					30			1,498	1,616	3,114	0				0		
Games - Consoles (Replen)	27	27	27	27	109	45	45	45	45	181	169					169		
Games - Peripherals (Release)	177				177	0				0	0					0		
Games - Peripherals (Replen)	87	87	87	87	350	78	78	78	78	312	398					398		
Other					187	187			274	274					181	181		
Food and Drink	106	106	106	106	425	141	141	141	141	562	96	96	96	96	96	478		
Trade	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Distribution Costs					83	83			83	83					104	104		
Total Inventory Costs	734	440	534	945	2,652	1,291	517	2,416	3,049	7,273	2,290	194	350	289	646	3,769		
Store Overheads																		
Personnel - Stores	365		365	931	1,661	365			365	715	1,445	365		365	292	626	1,648	
Advertising	0				0	179				179	242					242		
Bad Debt					0					0						0		
Rent - Gross					403	403			440	440					1,400	1,400		
Rent - Saving					(271)	(271)			(280)	(280)					(255)	(255)		
Other Occupancy	457				457	471				471	583					583		
Other Store Costs		197	0		197		197	371		567		205		525		730		
Total Store Overheads	822	197	365	1,063	2,447	1,014	197	895	715	2,821	1,190	205	365	1,961	626	4,346		
Settlement of outstanding Purchase Ledger	2,017		700		2,717	909			533	1,442	9					9		
Central Costs																		
Personnel					220	220			339	339					119	220	339	
Head Office/Regional					0	0			0	0					280	280		
Residual costs					0				0						0	0		
Total Central Costs	0	0	0	220	220	0	0	0	339	339	0	0	0	119	500	619		

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THE POWER OF INTEGRATED FORECASTS

Putting the Model to Work

- Integrated monthly forecasts can be phased weekly /daily as appropriate.
- Identifies short and medium term cash demands based upon assumptions and sensitivities.
- Cash Committee monitoring forecasts develops company wide cash culture and control.
- Variance analysis drives appropriate corrective action and/or assumption amendments.
- Implementation of cash generation initiatives via detailed route map.
- Rigour provides confidence to the Board and other Stakeholders.



THE FOLLOWING ARE MODEL EXTRACTS

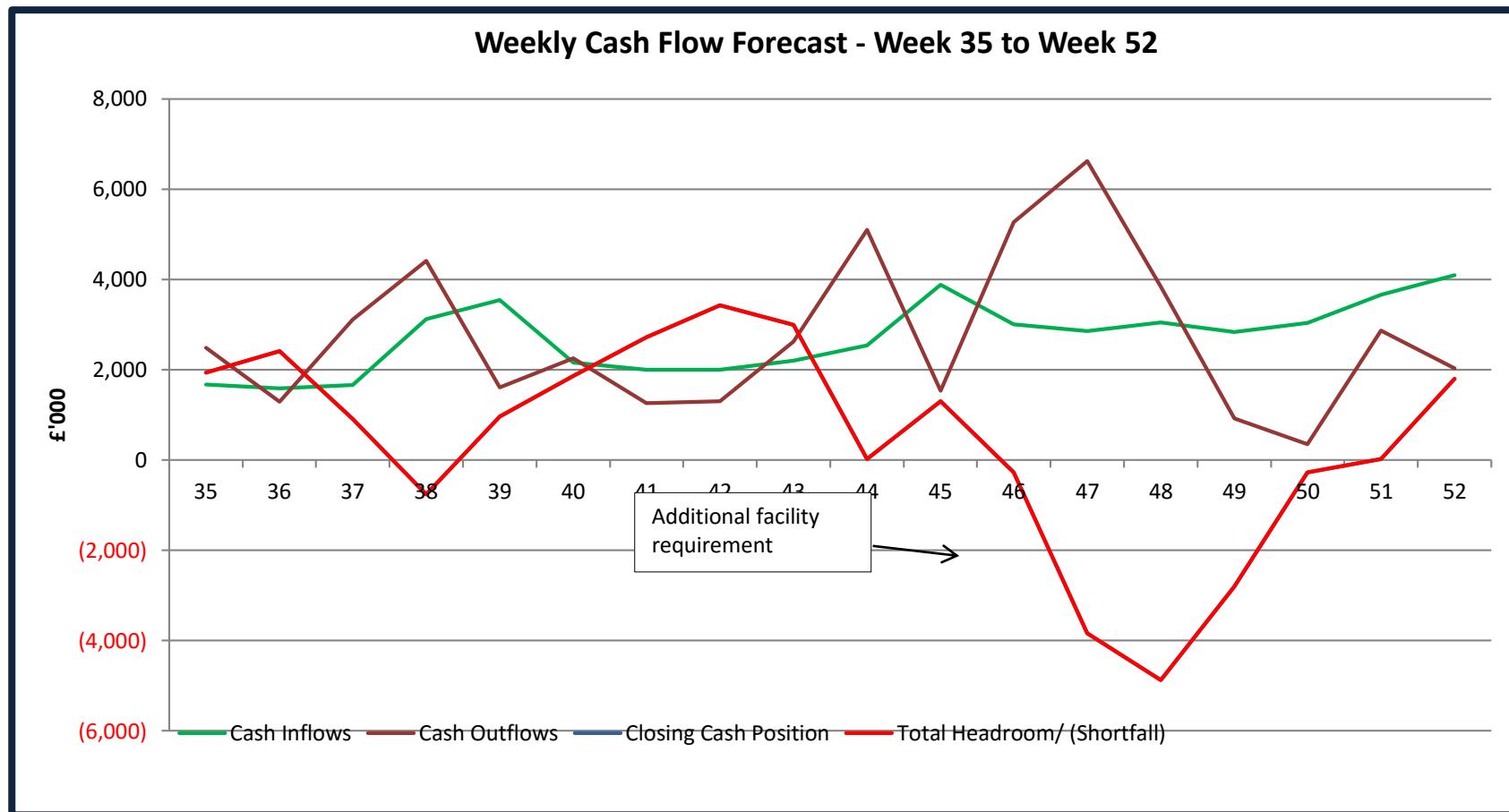
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Weekly Cash Flow Forecast to Actual Overlay Extract

	PERIOD 10					PERIOD 11					PERIOD 12					
	Week	40	41	42	TOTAL	43 P10	44	45	46	TOTAL	47 P11	48	49	50	51	52
		Start Date	30/09/2013	07/10/2013	14/10/2013	21/10/2013	£'000	28/10/2013	04/11/2013	11/11/2013	18/11/2013	£'000	25/11/2013	02/12/2013	09/12/2013	16/12/2013
	End Date	06/10/2013	13/10/2013	20/10/2013	27/10/2013	£'000	03/11/2013	10/11/2013	17/11/2013	24/11/2013	£'000	01/12/2013	08/12/2013	15/12/2013	22/12/2013	29/12/2013
Forecast to Actual Overlay																
Forecast Cash Receipts		2,141	2,019	1,766	2,168	8,093										
Forecast Movement in Cash in Transit		154	98	198	(33)	417										
Forecast Cash Inflow into the Bank		2,295	2,117	1,965	2,135	8,511										
Forecast Cash Outflow		3,572	636	1,599	2,228	8,036										
Drawdown of Facilities																
Forecast Net Cash Flow		(1,277)	1,480	366	(93)	475										
Actual Weekly																
Cash Inflow		2,196	1,738	1,756		5,690										
Cash Outflow		3,298	634	1,219		5,151										
Drawdown of Facilities						0										
Net Actual Cash Flow		(1,102)	1,104	537		539										
Cash Flow Variance																
Weekly Cash Inflow		(99)	(379)	(209)		(686)										
Weekly Cash Outflow		274	2	380		657										
Weekly Cash Flow Variance		175	(376)	171		(29)										
Cumulative Cash Flow Variance		175	(201)	(29)	(29)											
Closing Cash Balance																
Weekly Variance		175	(376)	171												435
Cumulative Variance		175	(201)	(29)	(29)		(29)	(29)	(29)	(29)		(29)	(29)	(29)	(29)	(29)
Revised Closing Cash Balance		658	1,762	2,470	2,206		(89)	839	(2,042)	(6,030)		(5,421)	(2,129)	(1,152)	(958)	406
Facility Headroom		5,100	5,100	5,100	5,100		5,100	5,100	5,100	5,100		5,100	5,100	5,100	5,100	5,100
Total Headroom / (Shortfall)		5,758	6,862	7,570	7,306		5,011	5,939	3,058	(930)		(321)	2,971	3,948	4,142	5,506

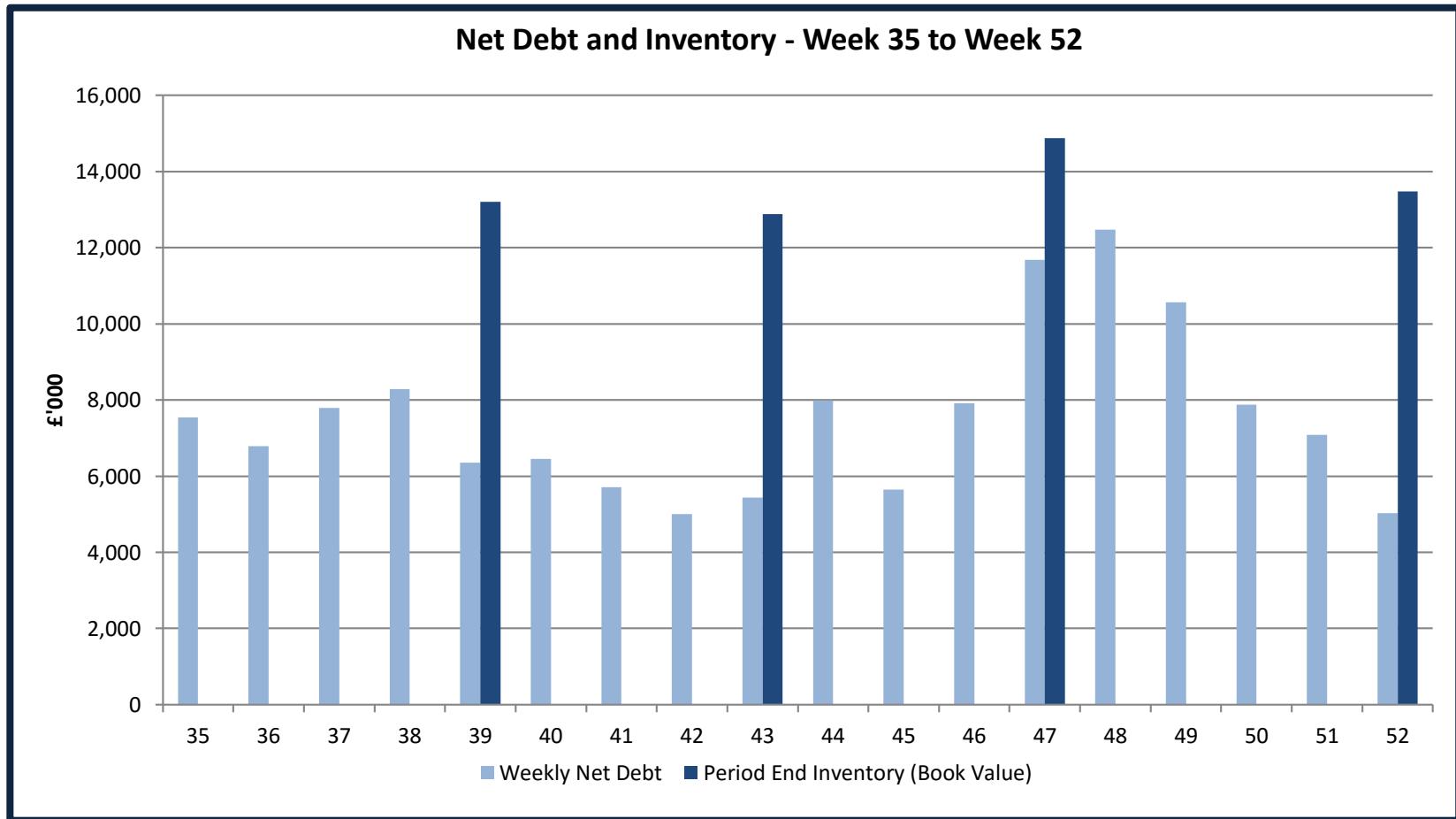
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Dashboard Extract



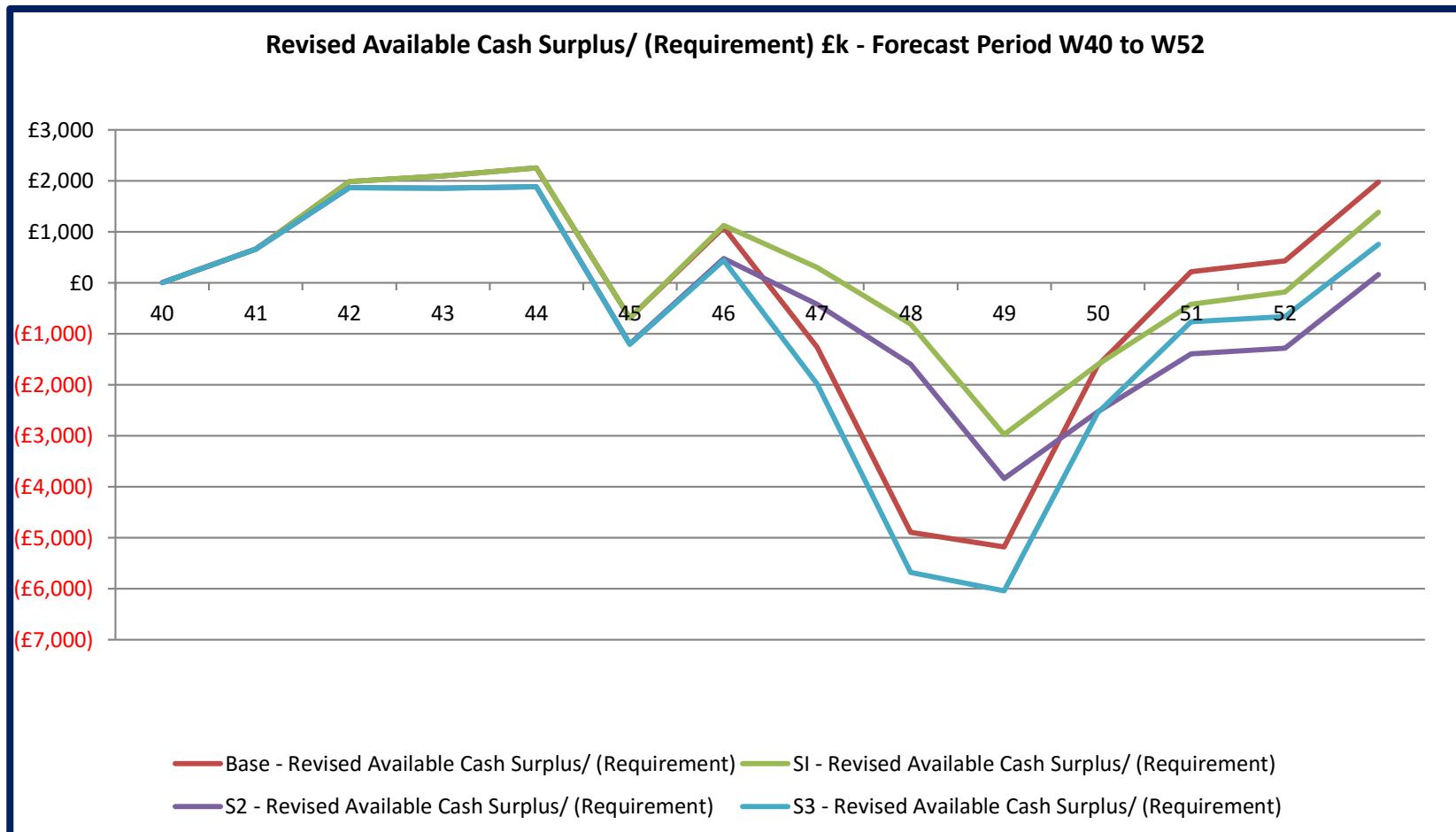
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Dashboard Extract



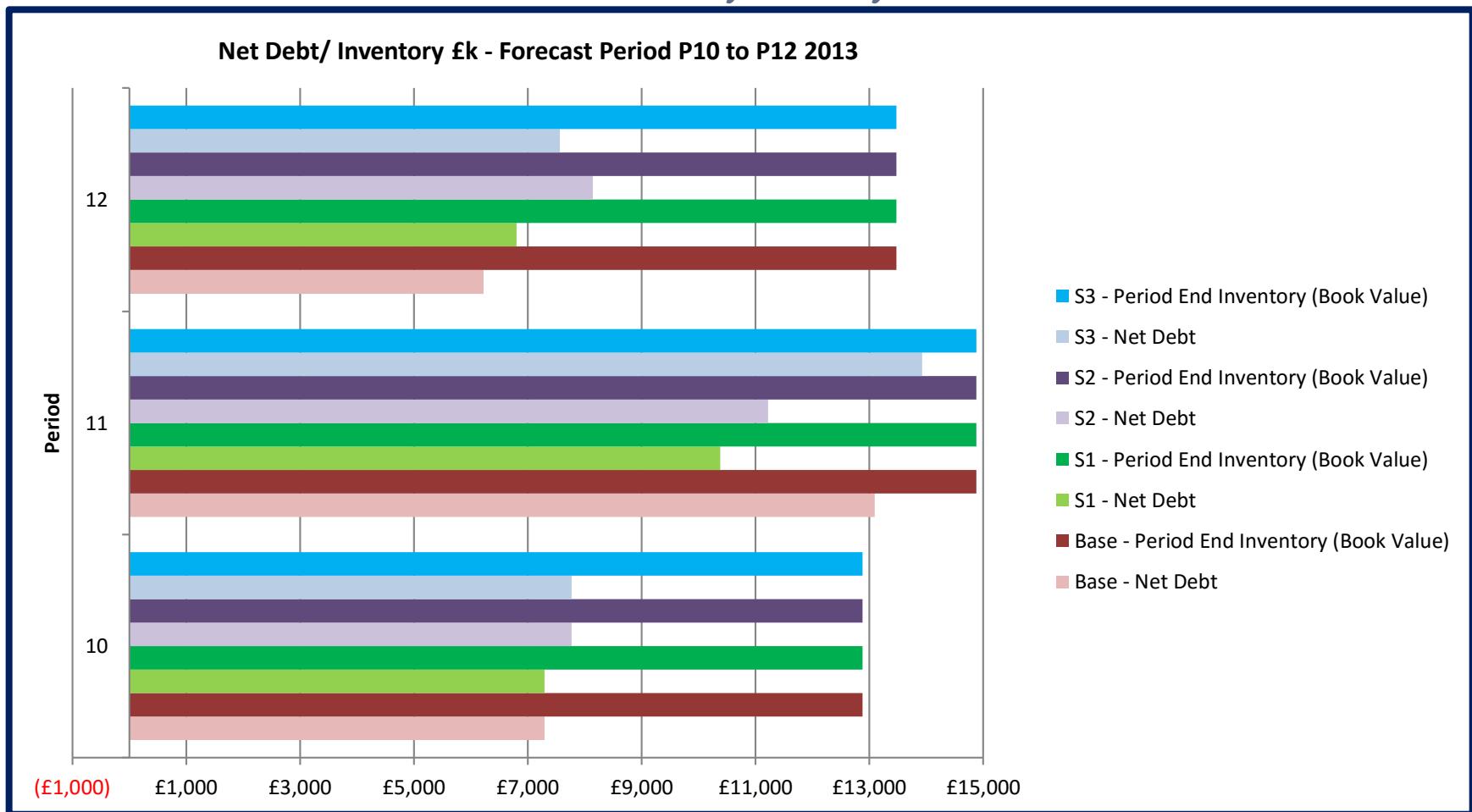
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Dashboard Extract Sensitivity Analysis



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Dashboard Extract - Sensitivity Analysis



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THE POWER OF INTEGRATED FORECASTS SUMMARY

- A robust financial planning framework:
 - Structured such that assumption sheets drive the output sheets of monthly , P&L, Cash Flow and Balance Sheets.
 - Weekly cash flow forecasts developed by phasing the monthly receipts and payments; actual receipts and payments overlays to refine assumptions.
 - A Dashboard as part of the integrated model summarising all key data in tables and graphs as required.
 - Able to withstand the rigour of financial due diligence.
- A powerful tool provided to management:
 - Clear assumptions and supporting data sheets assist in taking a view of the forecast risk.
 - Given the integrated nature of the forecasts, what if scenarios are readily available.
 - Delivers more robust short and medium term forecasts than any other approach.
 - Management instructed on how to use the model thereby providing sustainability.
- An essential insight provided to Lenders:
 - Reduces the risk of inappropriate lending facilities.
 - Lenders security cover position through the forecast periods can be clearly set out.

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