

Classic Cinemas Limited

**Directors' report and financial
statements**

Registered number 03106984

27 December 2012

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Directors' report

The directors present their report and financial statements for the 52 week period ended 27 December 2012

Principal activities and business review

The principal activity of the Company was the provision of card handling services to Cineworld Cinemas Limited and Cine-UK Limited. During the period the Cineworld Group stopped charging booking fees and as such the Company will cease to have such revenue in the next financial year.

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced business review.

Results and dividends

The profit on ordinary activities before taxation for the period ended 27 December 2012 was £200,763 (2011 £2,538,591).

The Company did not pay a dividend for the period ended 27 December 2012 (2011 £nil).

Directors

The directors of the company during the period and to the date of this report were as follows:

S Wiener	(Chief Executive Officer)	
P Bowcock	(Chief Financial Officer)	(Appointed 3 January 2012)
T Yoe		
S Dhadwar		(Resigned 16 November 2012)

Political and charitable donations

The group made no political contributions or charitable donations in the period (2011 £nil).

Auditors

In accordance with section 485 of the Companies Act 2006 a resolution for the re-appointment of KPMG Audit Plc as auditors of the company was passed at the Annual General Meeting.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



S Wiener
Director

7th Floor
90 High Holborn
London
WC1V 6XX

19 June 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG Audit Plc

15 Canada Square
London
E14 5GL
United Kingdom

Independent auditor's report to the members of Classic Cinemas Limited

We have audited the financial statements of Classic Cinemas Limited for the period ended 27 December 2012 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 27 December 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Classic Cinemas Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Summerfield (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date **24** June 2013

Profit and loss account
for the period ended 27 December 2012

	Note	52 week period ended 27 December 2012 £	52 week period ended 29 December 2011 £
Turnover	2	345,773	2,656,797
Cost of sales		(22,704)	-
Gross profit		323,069	2,656,797
Administrative expenses		(122,343)	(118,206)
Operating profit		200,726	2,538,591
Other interest received	3	37	-
Profit on ordinary activities before taxation	4	200,763	2,538,591
Tax credit / (charge) on profit on ordinary activities	7	(4,672)	842,970
Profit on ordinary activities after taxation		196,091	3,381,561

All results are derived from continuing operations

The company has no recognised gains or losses other than the profit for the period and therefore no separate statement of total recognised gains and losses has been presented. The profit on a historical cost basis is the same as the reported profit.

The notes from pages 9 to 12 form part of these financial statements

Balance sheet
at 27 December 2012

	Note	27 December 2012 £	29 December 2011 £
Current assets			
Debtors	8	6,274,688	8,832,900
Cash at bank and in hand		5,362,187	4,248,458
		<u>11,636,875</u>	<u>13,081,358</u>
Creditors: amounts falling due within one year	9	(9,309)	(1,649,883)
		<u>11,627,566</u>	<u>11,431,475</u>
Net current assets			
		<u>11,627,566</u>	<u>11,431,475</u>
Net assets		<u>11,627,566</u>	<u>11,431,475</u>
Capital and reserves			
Share capital	10	2	2
Profit and loss account	11	11,627,564	11,431,473
		<u>11,627,566</u>	<u>11,431,475</u>
Equity shareholders' funds		<u>11,627,566</u>	<u>11,431,475</u>

The notes from pages 9 to 12 form part of these financial statements

The financial statements were approved by the Board of Directors on 19 June 2013 and were signed on its behalf by


S Wiener
Director

Reconciliation of movement in shareholders' funds
for the period ended 27 December 2012

	52 week period ended 27 December 2012 £	52 week period ended 29 December 2011 £
Profit for the period	196,091	3,381,561
Net increase in shareholders' funds	196,091	3,381,561
Opening shareholders' funds	11,431,475	8,049,914
Closing shareholders' funds	11,627,566	11,431,475

Notes from pages 9 to 12 form part of these financial statements

Notes to the financial statements

At 27 December 2012

1 Accounting policies

The accounting policies set out below have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company's business activities are set out in the Principal activities and business review on page 2

The company participates in the ultimate parent, Cineworld Group plc's, centralised treasury arrangements and so shares banking arrangements with the parent and fellow subsidiaries. Cineworld Group meets its day-to-day working capital requirements through a £70 million term loan plus £100 million revolver which matures in 2016. The current economic conditions create uncertainty particularly over the level of demand for the Group's products and the availability of bank finance in the foreseeable future.

The directors, having assessed the responses of the directors of the company's parent Cineworld Group plc, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cineworld Group to continue as a going concern or its ability to continue with the new banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Cineworld Group plc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

Under the provisions of FRS 1 "Cash Flow Statements", the company has not prepared a statement of cash flows as it is a wholly owned subsidiary undertaking and consolidated financial statements are prepared by Cineworld Group plc. These include results of the company and are publicly available (see note 12).

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the aggregate amount of credit card receipts for the provision of telephone booking services to Cineworld Cinemas Limited and Cine-UK Limited. Sales of advance tickets are deferred within creditors until the expiry date of the ticket.

Notes to the financial statements *(continued)*

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom

3 Other interest received

	27 December 2012 £	29 December 2011 £
Other interest received	37	-

4 Profit on ordinary activities before taxation

Auditors' remuneration for 2012 and 2011 was borne by fellow group companies. Classic Cinema's allocation of the group audit fee was £6,240 (2011: £6,210).

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the Company's ultimate parent company, Cineworld Group plc.

5 Directors' emoluments

The directors did not receive any emoluments from the company in either period.

Certain directors received remuneration from other group companies, none of which is considered to be in respect of services rendered to this company.

6 Staff number and costs

The company had no employees at any time in either period.

Notes to the financial statements (continued)

7 Tax on profit of ordinary activities

a) Tax on ordinary activities

	52 week period ended 27 December 2012 £	52 week period ended 29 December 2011 £
Corporation tax	-	-
Adjustments to prior period corporation tax	4,672	(842,970)
Total corporation tax charge / (credit)	<u>4,672</u>	<u>(842,970)</u>

The prior year credit reflects the adjustment of prior year provisions to reflect submitted tax returns

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are reconciled below

	52 week period ended 27 December 2012 £	52 week period ended 29 December 2011 £
Profit on ordinary activities before tax	200,763	2,538,591
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	49,187	672,727
Group relief	(87,150)	(727,130)
Imputed intercompany interest	37,963	54,403
Adjustments relating to prior year	4,672	(842,970)
Total current tax charge / (credit)	<u>4,672</u>	<u>(842,970)</u>

8 Debtors

	27 December 2012 £	29 December 2011 £
Amounts owed by parent and fellow undertakings	<u>6,274,688</u>	<u>8,832,900</u>

The amounts owed by group undertakings from trading activities are repayable on normal trading terms. Loans owed by group undertakings are repayable at any point at the request of the borrower.

Notes to the financial statements(continued)

9 Creditors, amounts falling due within one year

	27 December 2012 £	29 December 2011 £
Other creditors	19	62,622
Amounts owed to group undertakings	9,290	1,587,261
	<u>9,309</u>	<u>1,649,883</u>

The amounts owed to group undertakings are repayable on demand

10 Share capital

	27 December 2012 £	29 December 2011 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

11 Reserves

	27 December 2012 £	29 December 2011 £
Balance at beginning of the period	11,431,473	8,049,912
Profit for the financial period	196,091	3,381,561
	<u>11,627,564</u>	<u>11,431,473</u>

12 Related party disclosures

As the Company is a wholly owned subsidiary of Cineworld Group Plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Cineworld Group Plc, within which this Company is included, can be obtained from the address given in note 13.

Classic Cinemas Limited is one of a number of subsidiary companies in the Cineworld group of companies which acts as a guarantor for the Groups finance facilities.

13 Ultimate parent undertaking

The company's immediate parent undertaking is Cineworld Cinemas Limited, a company incorporated in England and Wales. The smallest and largest group into which the results of the company are consolidated is that headed by Cineworld Group plc. Copies of the accounts are available from Power Road Studios, 114 Power Road, Chiswick, London W4 5PY.