

Bookit Limited

Strategic Report, Directors' Report and
financial statements

Registered number 464880

31 December 2018



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Strategic Report

Business review

The Company continued to trade successfully through 2018. Bookit Limited ("the Company") operates under the Odeon brand as part of the wider Odeon UK Group ("the UK Group") which is a market leader in the UK operating 120 cinemas with 950 screens at the year end date. It also forms a part of Odeon Cinemas Group Ltd, Europe's largest cinema exhibitor, operating in fourteen countries.

Financial results and KPIs

The profit and loss account for the year is set out on page 7. The profit after taxation for the year amounted to £4.6m (2017: £4.7m).

Going concern and liquidity management

The directors believe that the Company has adequate resources to continue operating for the foreseeable future. With this in mind, the directors have formally considered and concluded that the preparation of financial statements on a going concern basis is appropriate.

Principal risk and risk management

Cinema is a well-established and popular out of home leisure activity.

The principal risk facing the business, as part of the wider operating group, is a reduction in attendance levels. This is affected by factors including competition and film production. The company mitigates this risk through our strategies to create the best possible guest experience, drive attendance and loyalty, as well as strategically managing a direct relationship between attendance levels, film costs, and fixed costs.

Our Brexit Preparation Committee assesses that an orderly exit of the UK from the EU will have a low to negligible impact on our business. None of our primary business functions will be materially affected by Brexit. Nevertheless, we have taken all necessary steps to ensure any potential impacts are mitigated. The only material risk to our business from Brexit would be a downturn in consumer confidence, or significant issues with the UK national economy.

Future prospects

The Company continues to benefit from increasing proportions of tickets being booked online/via apps.

By order of the board



NJ Williams
Director

Odeon Stoke Cinema
Marina Way Festival Park
Stoke On Trent
ST1 5SN

28th June 2019

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of Bookit Limited ("the Company") is as a credit and debit card processing business for customers of the Odeon group of companies and the associated administration services for those companies.

Directors

The following were directors of the Company during the year:

AS Alker	
RE Usher	(Resigned 3 April 2018)
MJ Way	
NJ Williams	(Appointed 9 March 2018)

Dividends

The directors do not recommend the payment of a dividend (2017: £nil).

Employee involvement

Employment in the Company decreased by 12% to 58 in 2018 from 66 in 2017 (average number of employees, including part time employees). Meetings are held on a regular basis with employees to review attendance, film slate, financial and operating performance. Information is cascaded from senior management teams to Bookit employees. There are monthly employee team meetings. There is opportunity at these meetings for managers to be questioned about matters which concern the employees.

Employment of disabled people

Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Wherever possible the employment of members of staff who become disabled will be continued under normal terms and conditions and appropriate training and career development will be offered.

Community

The Company is an important part of life in local communities. Bookit managers maintain close contact with local community representatives and businesses.

Health and safety

The policy of the Company is to endeavour at all times to achieve the highest standards of health, safety and welfare for its employees, customers and other visitors. To this end, clearly-defined policies, procedures, roles and responsibilities are in place, and supervision, instruction, information and appropriate training are provided. A full management system including monitoring of safety standards, independent audits and review of all key findings by senior management is in place. The system has been independently reviewed to ensure compliance with the relevant standards.

Environment

The Company has taken steps to reduce its impact on the environment and is committed to continuing to do so. Efficiency savings have been made in gas and electricity consumption, and water consumption has been reduced through the introduction of flow reduction systems. Waste reduction is also a priority, in particular through the sourcing of more recyclable and environmentally-friendly products.

Directors' Report *(continued)*

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office. Elective resolutions are currently in force to dispense with holding annual general meetings, the laying of accounts before the Company in general meetings and the appointment of the auditor annually. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



NJ Williams
Director

28th June 2019

Odeon Stoke Cinema
Marina Way Festival Park
Stoke On Trent
ST1 5SN

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are 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, and 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.



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Manchester
M2 3AE
United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKIT LIMITED

Opinion

We have audited the financial statements of Bookit Limited ("the company") for the year ended 31 December 2018 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOOKIT LIMITED *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Christopher Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE
United Kingdom

2 July 2019

Profit and Loss Account
for the year ended 31 December 2018

	<i>Note</i>	2018 £000	2017 £000
Turnover	2	8,162	8,018
Cost of sales		(1,501)	(1,081)
Gross profit		6,661	6,937
Distribution costs, administration expenses and other operating income		(2,052)	(2,203)
Profit before taxation	4	4,609	4,734
Taxation	6	-	-
Profit for the financial year		4,609	4,734

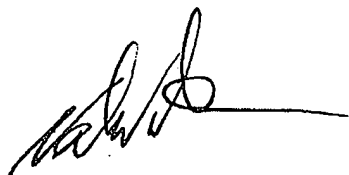
All turnover and profits related to continuing activities.

The Company has no recognised gains or losses other than those shown above and therefore no Statement of Comprehensive income has been presented.

Balance Sheet
at 31 December 2018

	<i>Note</i>	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	7		27		40
Current assets					
Debtors: amounts due within one year	8	67		45,485	
Debtors: amounts due greater than one year	9	51,089			
Cash at bank and in hand		43		28	
		<u>51,199</u>		<u>45,513</u>	
Creditors: amounts due within one year	10	<u>(4,502)</u>		<u>(3,438)</u>	
Net current assets			<u>46,697</u>		<u>42,075</u>
Net assets			<u>46,724</u>		<u>42,115</u>
Capital and reserves					
Called up share capital	12		14		14
Profit and loss account			46,710		42,101
Shareholders' funds			<u>46,724</u>		<u>42,115</u>

These financial statements were approved by the board of directors on 28th June 2019 and were signed on its behalf by:



NJ Williams
Director

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total shareholders' equity £000
Balance at 1 January 2017	14	37,367	37,381
Total comprehensive income for the period			
Profit	-	4,734	4,734
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	4,734	4,734
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	14	42,101	42,115
	<hr/>	<hr/>	<hr/>

	Called up share capital £000	Profit and loss account £000	Total shareholders' equity £000
Balance at 1 January 2018	14	42,101	42,115
Total comprehensive income for the period			
Profit	-	4,609	4,609
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	4,609	4,609
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	14	46,710	46,724
	<hr/>	<hr/>	<hr/>

The notes on pages 10-17 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Bookit Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, AMC Entertainment Holdings Inc includes the Company in its consolidated financial statements. The consolidated financial statements of AMC Entertainment Holdings Inc are prepared in accordance with US GAAP and are available to the public and may be obtained from the address shown in note 13. Those consolidated financial statements are drawn up in a manner equivalent to consolidated accounts and consolidated annual returns drawn up in accordance with the provision of the Seventh Directive (83/349/EEC). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern and liquidity management

The financial statements have been prepared on a going concern basis. The company prepares regular cash flow and profitability forecasts and from this the directors are confident the company can meet its obligations as they fall due, for this reason the preparation of these accounts on a going concern basis continues to be deemed reasonable

Notes (continued)

1 Accounting policies (continued)

1.3 Financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives or depreciation rate are as follows:

- Vehicles, fixtures & equipment 3 – 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Impairment

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed assets of income-generating units may not be recoverable. Indications include the recognition of an onerous lease provision in relation to specific income-generating units. If this or any other such indication exists, the recoverable amount is estimated and an appropriate impairment loss is recognised.

Reversals of impairment

An impairment loss is reversed where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset.

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.

1.6 Turnover

Turnover represents revenue received from processing credit and debit card transactions and provision of other services, both external and internal to the Group. Revenue is recognised at the date of booking.

Notes (continued)

1 Accounting policies (continued)

1.7 Expenses

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

Turnover is attributable to the principal activity of the Company and arises wholly from continuing operations in the United Kingdom. As a result, no segmental analysis has been provided.

3 Directors' remuneration

	2018 £000	2017 £000
Directors' remuneration	25	21
Company contributions to defined contribution pension schemes	2	2
	<hr/> 27	<hr/> 23

In both the current and the prior period the directors' emoluments were borne by the Company. Remuneration is recharged across the Group based on turnover. The remuneration of the highest paid director was £781,000 (2017: £658,000). No contributions to a Group pension scheme were made in relation to the highest paid director (2017: £nil).

Notes (continued)

4 Profit before taxation

	2018 £000	2017 £000
<i>Profit before taxation is stated after charging:</i>		
Depreciation of owned assets	13	26

Auditor's remuneration:

The audit costs for 2018 & 2017 were borne by a fellow subsidiary.

In 2018 the Company's share of the audit of these financial statements was £22,000 (2017: £25,000).

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

	Number of employees	
	2018	2017
Administration	58	66

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	722	767
Social security costs	43	46
Pension costs	13	15
	778	828

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018 £000	2018 £000	2017 £000	2017 £000
<i>Current tax</i>				
Current tax on income for the period		-		-
Adjustments in respect of prior periods		-		-
Total current tax		-		-
<i>Deferred tax (see note 10)</i>				
Origination and reversal of timing differences		-		-
Total deferred tax		-		-
Total tax		-		-

Notes (continued)

6 Taxation (continued)

Reconciliation of effective tax rate

	2018 £000	2017 £000
Profit for the year	4,609	4,734
Total tax expense	-	-
Profit excluding taxation	4,609	4,734
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	876	911
Expenses not deductible for tax purposes	1	2
Group relief claimed for nil payment	(866)	(900)
Utilisation of tax losses	(11)	(13)
Total tax expense included in profit or loss	-	-

Effective from 1 April 2017, the corporation tax rate reduced from 20% to 19%. A further reduction to 18% (effective 1 April 2020) was substantively enacted on 26 October 2016, and an additional reduction to 17% from 1 April 2020 was subsequently enacted on 6 September 2017. This will reduce the Company's future tax charge accordingly. The unrecognised deferred tax asset at 31 December 2018 (see note 10) has been calculated based on the rate of 17% substantively enacted at the Balance Sheet date.

7 Tangible assets

	Vehicles, fixtures & equipment £000
<i>Cost</i>	
At beginning of year	1,135
At end of year	1,135
<i>Depreciation</i>	
At beginning of year	1,095
Charge for the year	13
At end of year	1,108
<i>Net book value</i>	
At 31 December 2018	27
At 31 December 2017	40

Notes (continued)

8 Debtors: amounts due within one year

	2018 £000	2017 £000
Other debtors	6	-
Amounts owed by Group undertakings	-	45,384
Prepayments and accrued income	48	101
Taxation and social security	13	-
	<u>67</u>	<u>45,485</u>

The intra-group loan is non-interest bearing and receivable on demand.

9 Debtors: amounts due greater than one year

	2018 £000	2017 £000
Amounts owed by Group undertakings	51,089	-
	<u>51,089</u>	<u>-</u>

The intra-group loan is non-interest bearing and receivable on demand.

10 Creditors: amounts due within one year

	2018 £000	2017 £000
Trade creditors	56	19
Other creditors	36	7
Taxation and social security	-	248
Accruals and deferred income	568	222
Amounts owed to Group undertakings	3,842	2,942
	<u>4,502</u>	<u>3,438</u>

The intra-group loan is non-interest bearing and payable on demand.

11 Deferred tax assets and liabilities

A deferred tax asset of £44,000 (2017: £54,000) in relation to accelerated capital allowances has not been recognised on the basis that the company is not expected to generate sufficient taxable profits in the future.

12 Capital

Share capital	2018 £000	2017 £000
<i>Allotted, called up and fully paid:</i>		
13,000 Ordinary shares of £0.10 each	1	1
13,000 Preference shares (non-redeemable) of £1 each	13	13
	<u>14</u>	<u>14</u>

Notes (continued)

12 Capital (continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to attend, speak and vote at meetings of the Company (one vote per share).

Dividends

After the balance sheet date no dividends (2017: £nil) were proposed by the directors.

The principal rights attached to the share capital are set out below:

Income

Any profits which the Company may determine to distribute in respect of any financial year shall belong to and be distributed amongst the holders of the preference shares and the holders of the ordinary shares as follows:

- (a) firstly, to the extent that the holders of preference shares have not then received the preferred participation of such shares, in paying to the holders of the preference shares the amount by which the aggregate amount previously paid by the Company to the holders of the preference shares (in that capacity) is less than the preferred participation of such shares. To the extent that the profits that the Company determines to distribute are less than the aggregate preferred participation of all of the preference shares, such profits shall be applied among the holders of the preference shares pro rata to the respective preferred participation of the preference shares held by them; and
- (b) after payment of the preferred participation to the holders of the preference shares, the aggregate amount of profits resolved to be distributed (or balance of them) shall be paid to the holders of ordinary shares as nearly as is practicable pro rata to the amounts paid up on their ordinary shares.

No dividend or other distribution shall be declared or paid on the ordinary shares unless or until the Company shall have paid to the holders of the preference shares the aggregate preferred participation of all of the preference shares. No dividend or distribution shall be declared or paid on any preference shares in excess of the preferred participation of that share.

Voting rights

The ordinary shares confer on each holder thereof the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

The preference shares confer on each holder thereof the right to receive notice of, attend and speak at all general meetings, but not any right to vote.

Capital

On a return of capital on liquidation, dissolution or winding up of the Company either voluntary or involuntary or other return of capital, the surplus assets of the Company remaining after the payment of its liabilities ("the Surplus") shall be applied as follows:

- (a) first, to the extent that the holders of the preference shares have not received the preferred participation of each preference share held by them in paying to the holders of the preference shares the amount by which the aggregate amount previously paid by the Company to the holders of the preference shares (in that capacity) is less than the preferred participation of each preference share held by them and if the Surplus is less than the aggregate preferred participation of all of the preference shares, the Surplus shall be applied among the holders of the preference shares pro rata to the respective preferred participations of the preference shares held by them; and
- (b) the balance (if any) of the Surplus remaining after the payments above shall belong to the holders of the ordinary shares according to the amounts paid on the nominal amount thereof.

Notes (continued)

13 Related parties

Identity of related parties with which the Company has transacted

The Company has taken advantage of the exemption in paragraph 33.1A of FRS 102 *Related Party Disclosures* not to disclose transactions with wholly owned subsidiaries within the same group.

14 Ultimate parent company and controlling party

The Company is a subsidiary undertaking of Dalian Hexing Investment Co Ltd. The ultimate controlling party is Wang Jianlin.

The largest group to consolidate these financial statements is Dalian Hexing Investment Co Ltd. The registered office is 539 Changjiang Road, Xigang District, Dalian, Liaoning Province, People's Republic of China.

The smallest group in which they are consolidated is that headed by AMC Entertainment Holdings Inc. The registered office is 11500 Ash Street, Leawood, KS 66211, USA. These consolidated financial statements are available to the public and can be obtained from the Securities and Exchange Commission, 100F Street, NE Washington, USA, DC 20549.

15 Commitments

The Company is party to a group revolving credit facility entered into on 7 December 2017. The facility is secured by way of a fixed and floating charge over the assets of the company. The balance on the facility at 31 December 2018 was £9,357,000 (2017: £nil).