

Odeon Cinemas Holdings Limited

**Strategic Report, Directors' Report and
financial statements**

Registered number 3878148

31 December 2022



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Strategic Report

Business review

Odeon Cinemas Holdings Limited ("the Company") is an investment holding company with trading subsidiaries. It is part of AMC Entertainment Holdings, Inc. ("AMC"), which includes other companies in the UK including Odeon Cinemas Group Limited, Odeon Cinemas Limited and United Cinemas International Acquisitions Limited, and companies elsewhere in Europe. Consolidated accounts, which contain a business review and description of KPIs relating to this group of companies, are prepared for AMC and are available at <http://investor.amctheatres.com/sec-filings>.

Financial results and KPIs

The loss after taxation for the year was £nil (2021: £nil).

Principal risks and risk management

The principal risk is that the underlying entities that the Holding company holds investments in do not perform as expected and the key risk impacting the trading activities is a reduction in attendance levels. This is affected by factors including competition, film production and film release. 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.

The conflict between Russia and Ukraine does not have a direct impact on the Company. The Group does not operate cinemas in either Russia or Ukraine. The limited impact and associated risks that this conflict presents on the Group is disclosed publicly in AMC's SEC filings.

High inflation in the countries in which the Group operates has led to cost of living pressures for many consumers, which could adversely impact demand. However, cinema remains relatively inexpensive compared to other out-of-home leisure options. Indeed, in the post-pandemic period, audiences have returned to cinemas in large numbers when significant films have been released; and they continue to do so in these times of higher inflation. Naturally, the business also faces cost increases linked to higher inflation. The Group will continue to monitor the situation and make informed decisions with a view to maintaining a balance between costs and revenues.

Going concern and liquidity management

Liquidity management is performed on a group-wide basis for Odeon Cinemas Group ("the Group") by regularly forecasting and assessing the cashflows of the Group on a country-by-country basis and maximising the cash that is available, whilst complying with any related local legal or regulatory requirements.

Odeon Cinemas Group Limited ("OCGL") acts as the treasury company of the Group. On 6 January 2022, OCGL incorporated a new direct subsidiary called Odeon Finco PLC ("Finco"). Finco maintains the Group's external financing, which is onward lent on the same terms to OCGL. This financing is made available to the subsidiaries of the Group, including the Company, via intercompany loan facility agreements and/or capital contributions.

OCGL also has financing from a parent company, American Multi-Cinema, Inc. ("AMCI"), which is a direct subsidiary of the ultimate parent company, AMC Entertainment Holdings, Inc. ("AMC").

OCGL had an external £400.0m term loan (comprised of separate £140.0m and €296.0m tranches) that was drawn on 19 February 2021 and had a quarterly minimum liquidity covenant of £32.5m. The Group maintained compliance with this covenant since inception of the term loan. This term loan was due to mature on 19 August 2023. On 20 October 2022, the Group fully refinanced it. Finco issued \$400.0m (£351.9m) aggregate principal amount of its 12.75% Odeon Senior Secured Notes due 2027 ("Odeon Notes due 2027") at an issue price of 92.00%. The Odeon Notes due 2027 bear cash interest at a rate of 12.75% per annum, which is payable semi-annually in arrears on 1 May and 1 November, beginning on 1 May 2023. The Odeon Notes due 2027 are guaranteed on a senior secured basis by certain subsidiaries of the Group and do not have a financial maintenance covenant.

The Group used the \$368.0m (£323.7m) net proceeds from the Odeon Notes Due 2027, along with \$146.7m (£129.0m) borrowings from AMC, to fund the full redemption of the Company's existing £400.0m term loan (comprised of separate £140.0m and €296.0m tranches) and to pay related accrued interest, fees, costs, premiums and expenses.

Strategic Report *(continued)*

Going concern and liquidity management *(continued)*

As at the balance sheet date, OCGL had two £130.0m loan facilities in place from AMCI. The principal owed was £130.2m, leaving £129.8m available to be drawn. In addition, on 20 October 2022, two further facilities from AMCI were executed, for \$100.0m and \$50.0m respectively, giving a total of £253.7m available to be drawn (assuming a USD:GBP exchange rate of 1.2103), represented by £129.8m available on the existing facilities and \$150.0m on the new facilities. The funding available from AMC is not limited to this amount. OCGL and all subsidiaries within the Group have received a letter of support from AMC which confirms that AMC has the ability to, and will provide the financial support required for the Company to meet its liabilities as and when they fall due for the period to 30 September 2024.

The Directors have prepared cash flow forecasts for the period to 30 September 2024 (the "Review Period"), including scenarios that take into account severe but plausible downsides. These forecasts indicate that the Group will have sufficient funding available through the facilities that are available from AMC to meet Group funding requirements.

In forming their conclusion, the Directors have also reviewed the cashflow forecasts and going concern evaluation of AMC for the Review Period and are comfortable, based on this information, that it is reasonable to expect that AMC will be able to meet its obligations as they become due within the Review Period. Therefore, the Directors believe that AMC will be able to provide the support the Group will require through the Review Period.

On this basis, the Directors have a reasonable expectation that the support from AMC will continue to be available for the Review Period and therefore the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the Directors have prepared the financial statements on the going concern basis.

Further information is set out in Note 1 to the financial statements.

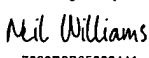
Climate change

Impacts to operations from climate change have been considered by the Group within the 'Operational Risk Factors' section of AMC Entertainment Holdings, Inc. 10-K filing covering the year ended 31 December 2022, however, the Company has determined that there are no material impacts from climate change on its standalone operations.

Section 172(1) Statement

The Company is exempt from providing a statement on how the directors have carried out their Section 172(1) duties because the Company does not meet the definition of a large company under the Companies Act 2006.

By order of the board

DocuSigned by:

7060B8B65209441...
NJ Williams
Director

29 June 2023

8th Floor
1 Stephen Street
London
W1T 1AT

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is that of a holding company.

Directors

The following were directors of the Company during the year and up to the date of this report:

AS Alker
MJ Way
NJ Williams

Ownership

Odeon and UCI Cinemas Holdings Limited is the immediate parent undertaking of the Company.

AMC Entertainment Holdings, Inc., a company incorporated in the United States of America and listed on the New York Stock Exchange (NYSE:AMC, APE), is the ultimate parent undertaking of the Company. No one entity or individual has control of, or significant influence over, AMC Entertainment Holdings, Inc.

Directors' indemnities

Third party indemnity provisions for the benefit of the directors were made during the year and remain in force at the date of this report.

Dividends

The directors do not recommend the payment of a dividend (2021: *nil*).

Financial Instrument Risk

The Company finances its activities through a combination of reinvestment of cash generated and credit provided by fellow group undertakings. Financial instruments such as intergroup debtors and intergroup creditors arise directly from the Company's operating activities. Any risks associated with financial instruments are managed and reviewed at a UK Group level rather than at individual entity level.

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP ("EY") will therefore continue in office.

By order of the board

DocuSigned by:

NJ Williams

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NJ Williams
Director

29 June 2023

8th Floor
1 Stephen Street
London
W1T 1AT

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODEON CINEMAS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Odeon Cinemas Holdings Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODEON CINEMAS HOLDINGS LIMITED *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, anti-bribery and corruption regulations and GDPR.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODEON CINEMAS HOLDINGS LIMITED (continued)

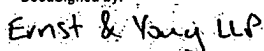
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We understood how Odeon Cinemas Holdings Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures, including the Head of Legal. We corroborated our enquiries through reading the minutes of board meetings and those of the senior leadership team.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. Where the risk was considered to be higher, we performed audit procedures to address each identified risk. These procedures included journal entry testing by selecting samples from the entire population of journals; identifying transactions that did not meet our expectations based on specified criteria and investigating these to gain an understanding and agreement to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiry of senior management, and when applicable, those charged with governance, and reviewing of board meeting minutes to identify any non-compliance. We also verified that the Company's material transactions were recorded in compliance with FRS 102 and, where appropriate, the Companies Act 2006.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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Jamie Dixon (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

29 June 2023

Profit and Loss Account
for the year ended 31 December 2022

	<i>Note</i>	2022 £000	2021 £000
Investment impairment		-	-
		<hr/>	<hr/>
Profit / (Loss) before interest and taxation	3	-	-
Tax on Profit / (Loss)	5	-	-
		<hr/>	<hr/>
Profit / (Loss) for the financial year		-	-
		<hr/>	<hr/>

All operations relate to continuing operations.

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

The notes on pages 11-17 form an integral part of these financial statements.

Balance Sheet
at 31 December 2022

	<i>Note</i>	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Investments	6		206,483		206,483
Creditors: amounts due within one year	7	(126,878)		(126,878)	
Net current liabilities			(126,878)		(126,878)
Net assets			79,605		79,605
Capital and reserves					
Called up share capital	8		9,506		9,506
Share premium reserve			222,942		222,942
Capital Contributions Reserve			-		-
Profit and loss account			(152,843)		(152,843)
Shareholders' funds			79,605		79,605

These financial statements were approved by the board of directors on
 signed on its behalf by:

and

DocuSigned by:

Neil Williams

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NJ Williams
Director

29 June 2023

The notes on pages 11-17 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' equity £000
Balance at 1 January 2021	9,506	222,942	(152,843)	79,605
Total comprehensive loss for the year				
Result for the year	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Balance at 31 December 2021	9,506	222,942	(152,843)	79,605

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' equity £000
Balance at 1 January 2022	9,506	222,942	(152,843)	79,605
Total comprehensive loss for the year				
Result for the year	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Balance at 31 December 2022	9,506	222,942	(152,843)	79,605

The notes on pages 11-17 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Odeon Cinemas Holdings Limited (the "Company") is a company limited by shares and incorporated, domiciled and registered in the UK. The registered number is 3878148 and the registered address is 8th floor, 1 Stephen Street, London, W1T 1AT.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

A parent of the Company, AMC, includes the Company in its consolidated financial statements. 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). The consolidated financial statements (Form 10-K) of AMC are available to the public and may be obtained from Securities and Exchange Commission, Washington, DC 20549, USA. 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 the end of the year;
- cashflow statement and related notes; and
- key management personnel compensation.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern and liquidity management

In common with many other businesses, the COVID-19 pandemic had a major impact on the Company and the Group. However, 2022 can be viewed as a year of recovery. Substantially all of the Group's cinemas were open throughout the year. Early in the year, certain countries had limited seating capacities and F&B restrictions, but by the end of the year all remaining restrictions had been lifted.

Industry attendance continued to be impacted by the COVID-19 pandemic. The pandemic resulted in the suspension of new movie production and studios postponing new film releases. The resultant production backlog resulted in fewer film releases during 2022 than typical pre-pandemic years, and industry attendance did not fully recover to pre-pandemic levels. A more robust slate of major movie releases is scheduled during 2023, which has generated optimism that attendance and revenue levels will continue to improve.

In response to the COVID-19 pandemic, the Group promptly adopted measures aimed at preserving liquidity including eliminating, reducing, and suspending non-essential expenditure and utilising government assistance wherever possible. Where appropriate, the Group continues such measures to further strengthen its financial position.

OCGL had an external £400.0m term loan (comprised of separate £140.0m and €296.0m tranches) that was drawn on 19 February 2021 and had a quarterly minimum liquidity covenant of £32.5m. The Group maintained compliance with this covenant since inception of the term loan. This term loan was due to mature on 19 August 2023. On 20 October 2022, the Group fully refinanced it. Finco issued \$400.0m (£351.9m) aggregate principal amount of its 12.75% Odeon Senior Secured Notes due 2027 ("Odeon Notes due 2027") at an issue price of 92.00%. The Odeon Notes due 2027 bear cash interest at a rate of 12.75% per annum which is payable semi-annually in arrears on 1 May and 1 November, beginning on 1 May 2023. The Odeon Notes due 2027 are guaranteed on a senior secured basis by certain subsidiaries of the Group and do not have a financial maintenance covenant.

Notes (continued)

1 Accounting policies (continued)

1.2 Going concern and liquidity management (continued)

The Group used the \$368.0m (£323.7m) net proceeds from the Odeon Notes Due 2027, along with \$146.7m (£129.0m) borrowings from AMC, to fund the full redemption of the Company's existing £400.0m term loan (comprised of separate £140.0m and €296.0m tranches) and to pay related accrued interest, fees, costs, premiums and expenses.

As at the balance sheet date, OCGL had two £130.0m loan facilities in place from AMCI. The principal owed was £130.2m, leaving £129.8m available to be drawn. In addition, on 20 October 2022, two further facilities from AMCI were executed for \$100m and \$50m, respectively, giving a total of £253.7m available to be drawn (assuming a USD:GBP exchange rate of 1.2103), represented by £129.8m available on the existing facilities and \$150.0m on the new facilities. The funding available from AMC is not limited to this amount. OCGL and all subsidiaries within the Group have received a letter of support from AMC which confirms that AMC has the ability to, and will provide the financial support required for the Company to meet its liabilities as and when they fall due for the period to 30 September 2024.

The Directors have prepared cash flow forecasts for the period to 30 September 2024 (the "Review Period"), based on the known film slate and a realistic expectation of industry recovery following the COVID-19 pandemic, including scenarios that take into account severe but plausible downsides. These forecasts indicate that, through this recovery period, the Group will likely require temporary funding from AMC. In all scenarios, the loan facilities that are available from AMC are more than adequate to cover the funding required.

Therefore, the Company is reliant on the financial support of AMC in order to continue as a going concern. As well as receiving the letter of support from AMC, the Directors have reviewed AMC's going concern evaluation and cashflow forecasts for the Review Period and as a result believe that AMC will be able to provide such support.

As at 31 March 2023, AMC had cash and cash equivalents, excluding restricted cash, of \$495.6m. AMC does not have any significant debt maturities in the Review Period. AMC believes its existing cash and cash equivalents, together with cash generated from operations, will be sufficient to fund its operations, satisfy its obligations, including cash outflows to repay rent amounts that were deferred during the COVID-19 pandemic and planned capital expenditures, and comply with minimum liquidity and financial covenant requirements under its debt covenants related to borrowings for at least the next twelve months.

In conclusion, the Directors have a reasonable expectation that the support from AMC will continue to be available for the Review Period and therefore the Company has adequate resources to continue operating for the foreseeable future. Accordingly, the Directors have prepared the financial statements on the going concern basis.

1.3 Basic financial instruments

Other debtors / creditors

Other debtors are recognised initially at transaction price plus attributable transaction costs. Other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. 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.

Investments

Investments held as fixed assets are stated at cost less provisions for any impairment.

1.4 Expenses

Interest payable

Interest payable and similar charges include intercompany interest payable.

Interest payable is recognised in profit or loss on the accrual basis, using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

1.5 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.

1.6 Investment income

Income is recognised when the Company's right to receive payment is established.

2 Directors' remuneration

The directors did not receive any remuneration from the Company, nor were any amounts recharged from other group companies, during the current year. The Directors who served during the year are also directors of Odeon Cinemas Limited. Although they do receive remuneration in respect of their services to the group, the time spent on this company is inconsequential to the other roles of the directors. Therefore, their remuneration has been disclosed in the accounts of Odeon Cinemas Limited.

3 Profit/(loss) before taxation

Auditor's remuneration

The audit costs for 2022 & 2021 were borne by a fellow subsidiary.

In 2022, the Company's share of Auditor's remuneration was £4,000 (2021: £4,000).

4 Staff numbers and costs

Other than the directors the Company has no employees (2021: nil).

Notes (continued)

5 Taxation

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

	2022 £	2021 £
Profit/(loss) before tax for the year	-	-
Tax using the UK corporation tax rate of 19% (2021: 19%)	-	-
Utilisation of losses	-	-
Prior year adjustment	-	-
Deferred tax not recognised	-	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/>	<hr/>

The Finance Bill 2021 included provisions for the main UK Corporation tax rate to increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021 and therefore is reflected as appropriate in the deferred tax calculations.

Notes (continued)

6 Investments

	Investments in Subsidiary undertakings £000
<i>Cost and net book value</i>	
Balance at 1 January 2022	206,483
Balance at 31 December 2022	206,483

At the year end, a recoverability assessment was performed on the carrying value of the investment using the forecast cashflows of the underlying subsidiaries of the group. A discounted cash flow model was prepared for 25 years, using a discount rate of 12.5%. The model was based on a 5-year plan, for modelling purposes, zero growth from 2028 onwards. As a result of this analysis, there was no indication of an impairment (2021: no impairment).

The principal undertakings in which the Company had a direct* or indirect interest at the year end are shown below. The investments include both ordinary and preference shares.

Name	Registered office address	% interest	Nature of business
Odeon Cinemas Limited*	8 th Floor, 1 Stephen Street London WIT IAT	100% owned	Operation of cinemas
United Cinemas International (UK) Limited*	8 th Floor, 1 Stephen Street London WIT IAT	100% owned	Operation of cinemas
ABC Cinemas Limited*	8 th Floor, 1 Stephen Street London WIT IAT	100% owned	Operation of cinemas
Odeon Cinemas (RL) Limited	8 th Floor, 1 Stephen Street London WIT IAT	100% owned	Operation of cinemas
Bookit Limited*	8 th Floor, 1 Stephen Street London WIT IAT	100% owned	Non-trading

Notes (continued)

6 Investments (continued)

Odeon and UCI Digital Operations Limited	8 th Floor, 1 Stephen Street London W1T 1AT	100% owned	Non-trading
Odeon and Sky Filmworks Limited	8 th Floor, 1 Stephen Street London W1T 1AT	50% owned	Non-trading
Digital Cinema Media Limited	350 London Road Euston NW1 3AX	50% owned	Screen Advertising

7 Creditors: amounts due within one year

	2022 £000	2021 £000
Amounts owed to fellow subsidiary undertakings	126,878	126,878

The amounts owed to fellow subsidiary undertakings are non-interest bearing and payable on demand.

8 Capital

Share capital

Ordinary shares of £1 each

Allotted, called up and fully paid:

At 1 January 2022

At 31 December 2022

	Share Capital No. ('000)	£000
At 1 January 2022	9,506	9,506
At 31 December 2022	9,506	9,506

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 (2021: nil) were proposed by the directors.

9 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.

Notes (continued)

9 Related parties (continued)

Related party transactions

	Interest charged	Interest charged	Expenses incurred from	Expenses incurred from
	2022	2021	2022	2021
	£000	£000	£000	£000
Joint Venture	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Receivables outstanding	Receivables outstanding	Creditors outstanding	Creditors outstanding
	£000	£000	£000	£000
Joint Venture	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Contingencies

As at 31 December 2022, the Company (along with certain other companies of the Odeon Cinemas Group), as continuing security for the payment and discharge of the Odeon Notes due 2027, has charges in favour of US Bank Trust Company, National Association (as Security Agent for itself and the other secured parties) with full title guarantee over certain assets; including shares in all other guarantors, bank accounts, intercompany receivables, certain intellectual property rights and certain other assets including a customary floating charge.

11 Ultimate parent company and controlling party

AMC is the ultimate parent undertaking of the Company.

No one entity or individual has control of, or significant influence over, AMC.

The results of this Company are consolidated into the results of AMC. The registered office is 11500 Ash Street, Leawood, KS 66211, USA. The consolidated financial statements of this group are available to the public and can be obtained from <http://investor.amctheatres.com/sec-filings>. AMC is both the smallest and largest Group of which the Company is a member and for which group financial statements are prepared.