Cicero Investments Limited

Annual report and financial statements
Registered number 5186518
31 December 2015

Contents

Strategic Report

Business review and KPIs

Cicero Investments Limited ("the Company") is an investment holding company with trading subsidiaries via intermediate holding companies. However, consolidated accounts are prepared for its ultimate parent, Odeon & UCI Cinemas Holdings Limited, which contain a business review and description of KPIs relating to its group. Copies of the consolidated accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Financial results

The Company made a loss after taxation of £4,697,000 (*2014: £3,406,000*).

Principal risks and risk management

The main risk and uncertainty to the Company is the risk of not being able to repay the loan interest. However, the Directors feel that the group headed by Odeon & UCI Cinemas Holdings Limited ("the Group") has good future prospects and the Company continues to receive support from its parent.

Going concern and liquidity management

Following a refinancing in May 2011 by the group headed by Odeon and UCI Cinemas Holdings Ltd ("the Group"), senior secured notes totalling £300m and €200m are in issue. The term of the notes is seven years. Furthermore, agreements were entered during May 2011 that provide the Group with a £90m committed Revolving Credit Facility ("RCF") for working capital management and other purposes, which put the Group in a strong liquidity position. The term of the RCF was originally six years, but an agreement was signed on 28 June 2016 to extend this facility by six months to 24 November 2017. Under these new financing arrangements, there are no regular maintenance covenant ratio tests: ratios are tested only upon certain events which are within the control of the Group, such as raising additional external debt.

The directors believe that the current borrowings and RCF facilities could be refinanced under similar or more favourable terms.

Furthermore the Group has shareholder funding in place with a maturity dates of 30 November 2019.

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. Further details are shown in the "Basis of preparation" section of note 1 to the financial statements

By order of the board

AS Alker
Director

St Albans House
57-59 Haymarket
London
SW1Y 4QX

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of Cicero Investments Limited ("the Company") is that of a holding company.

Directors

The following were directors of the Company during the year:

AS Alker
PM Donovan
MJ Way

Post Balance Sheet events

On 12 July 2016, AMC Entertainment Holdings Inc. (AMC Theatres) announced that it had entered into a definitive agreement to acquire Odeon & UCI Cinemas Group from private equity firm Terra Firma. The transaction is expected to be completed in the fourth quarter of 2016; it is conditional upon antitrust clearance by the European Commission and is subject to consultation with the European Works Council.

Dividends

The directors do not recommend the payment of a dividend *(2014: £nil)*.

Political and charitable donations

In both the current and prior years, the Company made no political or charitable donations.

Change in accounting standards

UK GAAP accounting rules have changed. The new UK GAAP (covered by accounting standard FRS 102) is applied in the 2015 financial statements for the first time. As required by FRS 102, the 2014 comparative numbers have been restated in order to show comparisons on a consistent basis.

The financial statements contain notes explaining the impact of the changes in accounting rules.

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

AS Alker
Director

27/10/16

St Albans House
57-59 Haymarket
London
SW1Y 4QX

Statement of directors' responsibilities in respect of the Annual 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 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; 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 LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent Auditor's Report to the members of Cicero Investments Limited

We have audited the financial statements of Cicero Investments Limited for the year ended 31 December 2015 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 31 December 2015 and of its loss for the year 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the members of Cicero Investments 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.

Mick Davies

Mick Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

28/10/2016

Profit and Loss Account

for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Interest receivable and similar income	*5*	**98,470**	86,464
Interest payable and similar charges	*6*	**(103,167)**	(89,870)
Loss on ordinary activities before taxation	*3*	**(4,697)**	(3,406)
Taxation	*7*	**-**	-
Loss on ordinary activities after taxation and for the financial year		**(4,697)**	(3,406)

All losses on ordinary activities related to continuing activities.

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

Balance Sheet
at 31 December 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Fixed assets					
Investments	*8*		**34,278**		34,278
Current assets					
Debtors: amounts due within one year	*9*	**-**		517,516	
Debtors: amounts due after one year	*10*	**940,223**		324,237	
Cash at bank and in hand		**-**		-	
		940,223		841,753	
Creditors: amounts due within one year	*11*	**(103,593)**		(615,384)	
Net current assets			**836,630**		226,369
Total assets less current liabilities			**870,908**		260,647
Creditors: amounts due after more than one year	*12*		**(834,150)**		(219,192)
Net assets			**36,758**		41,455
Capital and reserves					
Called up share capital	*14*		**34,671**		34,671
Profit and loss account			**2,087**		6,784
Shareholders' funds			**36,758**		41,455

These financial statements were approved by the board of directors on 27/10/16 and were signed on its behalf by:

AS Alker
Director

The notes on pages 9-21 form an integral part of these financial statements.

Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total shareholders' equity
	£000	£000	£000
Balance at 1 January 2014	34,671	10,190	44,861
Total comprehensive loss for the period			
Profit or loss	-	(3,406)	(3,406)
Other comprehensive loss	-	-	-
Total comprehensive loss for the period	-	(3,406)	(3,406)
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2014	**34,671**	**6,784**	**41,455**

	Called up share capital £000	Profit and loss account £000	Total shareholders' equity £000
Balance at 1 January 2015	34,671	6,784	41,455
Total comprehensive loss for the period			
Profit or loss	-	(4,697)	(4,697)
Other comprehensive loss	-	-	-
Total comprehensive loss for the period	-	(4,697)	(4,697)
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2015	**34,671**	**2,087**	**36,758**

The notes on pages 9-21 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

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

The Company is exempt by virtue of s400 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.

UK GAAP has changed. The new accounting framework is set out in Financial Reporting Standard 102, which is implemented for the first time in these financial statements.

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"*) as issued in September 2015, and under the historical cost accounting rules. Upon acquisition, assets are included at fair value. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

An explanation of how the transition to FRS 102 has affected both the financial position and financial performance of the Company is provided in note 19.

The Company's ultimate parent undertaking, Odeon and UCI Cinemas Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Odeon and UCI Cinemas Holdings Limited are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland *("FRS 102")* as issued in September 2015 and are available to the public and may be obtained from the address shown in note 17. 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.

As the consolidated financial statements of Odeon and UCI Cinemas Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Change in accounting policy/prior period adjustment

In these financial statements the Company has implemented FRS 102, the new UK GAAP accounting framework. In preparing its FRS102 balance sheet, the company has not needed to make any adjustments.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern and liquidity management

The financial statements have been prepared on a going concern basis. The directors have formally considered and concluded that this remains appropriate. The directors' assessment includes a review of detailed periodic funding requirements and sensitivity analysis. Further detail is set out below.

The business activities of the Company and its future prospects are described within the Strategic Report.

Following a refinancing in May 2011 by the Group, senior secured notes totalling £300 million and €200 million are in issue. The term of the notes is seven years. Furthermore, agreements were entered during May 2011 that provide the Group with a £90 million committed Revolving Credit Facility ("RCF") for working capital management and other purposes, which put the Group in a strong liquidity position. The term of the RCF was originally six years, but an agreement was signed on 28 June 2016 to extend this facility by six months to 24 November 2017. Under these new financing arrangements, there are no regular maintenance covenant ratio tests: ratios are tested only upon certain events which are within the control of the Group, such as raising additional external debt.

The directors believe that the current borrowings and RCF facilities could be refinanced under similar or more favourable terms.

The directors have reviewed forecast monthly cash requirements, including reasonable sensitivities, and are satisfied that there is sufficient headroom under the Group's facilities.

In addition, the Company has the continued financial support of Odeon and UCI Cinemas Holdings Limited to enable it to continue to trade for the foreseeable future, including the provision of additional funds as required and not seeking the repayment of balances already lent to the Company.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 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 (excluding loan notes) 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.

Loan notes

Loan notes are held in the balance sheet at their issued amount less directly attributable issue costs plus the accrued finance charge which has arisen on them. The finance charge accrues at a constant rate over the term of the notes.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss

Preference shares issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Investments

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

Notes *(continued)*

1 Accounting policies *(continued)*

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.

16 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

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

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 102.

2 Remuneration of directors'

In both the current and the prior period the directors' emoluments were borne by Odeon Cinemas Limited. Remuneration is recharged across the Group based on turnover, the Company's split of directors' remuneration is £nil *(2014: £nil)*.

3 Loss on ordinary activities before taxation

Auditor's remuneration

The audit costs for 2015 & 2014 were borne by a fellow subsidiary.

In 2015 the Company's share of auditor's remuneration was £1,000 *(2014: £1,000)*.

4 Staff numbers and costs

Other than the directors the Company has no employees *(2014: none)*.

Notes *(continued)*

5 Interest receivable and similar income

	2015 £000	2014 £000
Loan notes	**84,743**	72,819
Interest receivable from Group undertaking	**13,727**	13,645
	98,470	86,464

6 Interest payable and similar charges

	2015 £000	2014 £000
Interest payable to Group undertaking	**20,001**	18,329
Loan notes	**83,166**	71,541
	103,167	89,870

7 Taxation

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

	2015 £000	2015 £000	2014 £000	2014 £000
Current tax				
Current tax on income for the period		-		-
Adjustments in respect of prior periods		-		-
Total current tax		-		-
Deferred tax (see note 14)				
Origination and reversal of timing differences	-		-	
Total deferred tax		-		-
Total tax		-		-

Notes *(continued)*

7 Taxation *(continued)*

	2015 £000 Current tax	2015 £000 Deferred tax	2015 £000 Total tax	2014 £000 Current tax	2014 £000 Deferred tax	2014 £000 Total tax
Recognised in Profit and loss account	-	-	-	-	-	-
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-
Total tax	-	-	-	-	-	-

Analysis of current tax recognised in profit and loss

	2015 £000	2014 £000
UK corporation tax	-	-
Total current tax recognised in profit and loss	-	-

Reconciliation of effective tax rate

	2015 £000	2014 £000
Loss for the year	(4,697)	(3,406)
Total tax expense	-	-
Loss excluding taxation	(4,697)	(3,406)
Tax using the UK corporation tax rate of 20.25% (2014: 21.50%)	(951)	(732)
Non-deductible expenses	(2,456)	(3,209)
Capital gains allocated across the group	1,599	-
Use of tax losses brought forward	(1,599)	-
Group relief (claimed) / surrendered for nil payment	3,407	3,941
Total tax expense included in profit or loss	-	-

Notes *(continued)*

8 Investments

	Investments in Group undertakings £000
Cost and net book value	
At beginning and end of year	**34,278**

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	Country of incorporation	% interest	Nature of business
Cicero Acquisitions Limited*	Great Britain	100% owned	Holding company
Odeon Equity Co Limited	Great Britain	100% owned	Non trading company
Odeon DDB Co Limited	Great Britain	100% owned	Non trading company
Odeon Bridge Co Limited	Great Britain	100% owned	Non trading company
Odeon Property Acquisition Co (Cayman) Limited	Cayman Islands	100% owned	Holding company
Odeon Limited	Great Britain	100% owned	Non trading company
Odeon Cinemas Group Limited	Great Britain	100% owned	Non trading company
Odeon Cinemas Holdings Limited	Great Britain	100% owned	Holding company
Associated British Cinemas Limited	Great Britain	100% owned	Holding company
Odeon Cinemas Limited	Great Britain	100% owned	Operation of cinemas
United Cinemas International (UK) Limited	Great Britain	100% owned	Operation of cinemas
ABC Cinemas Limited	Great Britain	100% owned	Operation of cinemas
Odeon Cinemas (RL) Limited	Great Britain	100% owned	Operation of cinemas
Bookit Limited	Great Britain	100% owned	Credit & debit card transaction processing
Movitex Signs Limited	Great Britain	100% owned	Non trading company
Odeon Finance Limited	Cayman Islands	100% owned	Non trading company
Hopeart Limited	Great Britain	100% owned	Non trading company
Odeon and UCI Digital Operations Limited	Great Britain	100% owned	Administration & technical support services
UCI Exhibition (UK) Limited	Great Britain	100% owned	Non trading company
UCI Developments Limited	Great Britain	100% owned	Non trading company
United Cinemas International (China) Limited	Great Britain	100% owned	Non trading company
Hollywood Express Limited	Great Britain	100% owned	Non trading company
Digital Cinema Media Limited	Great Britain	50% owned	Screen advertising
Odeon and Sky Filmworks Limited	Great Britain	50% owned	Film distribution
Curzon Cinema (Loughborough) Limited	Great Britain	100% owned	Non trading company

Notes *(continued)*

9 Debtors: amounts due within one year

	2015	2014
	£000	£000
Loan notes	-	517,516

The loan notes are the aggregate issued amounts of £107,704,000 plus discount accrued of £409,812,000 at December 2014. During 2015 the maturity dates were extended to 30 November 2019 (see note 12).

These unsecured discounted 11 year loan notes to a related party were extended during the period (see note 10).

27 August 2004	
Par value	£571.3 million
Issued for	£107.7 million
Interest rate	16.375% pa
Due to be redeemed	26 August 2015

10 Debtors: amounts due after one year

	2015	2014
	£000	£000
Amounts owed by Group companies	**337,964**	324,237
Loan notes	**602,259**	-
	940,223	324,237

The 2015 loan notes are the aggregate issued amounts of £554,928,000 plus discount accrued of £47,331,000 at December 2015.

The following unsecured discounted 4 year loan notes were outstanding during the period to a related party.

17 June 2015	
Par value	£1,091.0 million
Issued for	£554.9 million
Interest rate	16.375% pa
Due to be redeemed	30 November 2019

Intra group loans are due after more than five years. Interest is receivable on intra-group loans at various rates between LIBOR plus 2.817% to LIBOR plus 11.125%.

Notes *(continued)*

11 Creditors: amounts due within one year

	2015 £000	2014 £000
Amounts owed to Group undertakings	**103,593**	103,593
Loan notes	-	511,791
	103,593	615,384

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

The loan notes are the aggregate issued amounts of £107,704,000 plus discount accrued of £404,087,000 at December 2014. During 2015 the maturity dates were extended to 30 November 2019 (see note 12).

These unsecured discounted 11 year loan notes to a related party were extended during the period (see note 12).

27 August 2004	
Par value	£564.6 million
Issued for	£107.7 million
Interest rate	16.25% pa
Due to be redeemed	26 August 2015

12 Creditors: amounts due after more than one year

	2015 £000	2014 £000
Amounts owed to Group undertakings	**239,193**	219,192
Loan notes	**594,957**	-
	834,150	219,192

The 2015 loan notes are the aggregate issued amounts of £548,518,000 plus discount accrued of £46,439,000 at December 2015.

The following unsecured discounted 4 year loan notes were outstanding during the period to a related party.

17 June 2015	
Par value	£1,073.2 million
Issued for	£548.5 million
Interest rate	16.25% pa
Due to be redeemed	30 November 2019

Interest was payable on the intra-group loan at 9%.

Notes *(continued)*

13 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2015	2014
	£000	£000
Creditors falling within one year		
Loan notes	-	511,791
	-	511,791
Creditors falling due after more than one year		
Amounts owed to Group undertakings	**239,194**	219,192
Loan notes	**594,957**	-
	834,150	219,192
Total	**834,150**	730,983

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	2015	2014
				£000	£000
Bond MidCo [1]	GBP	9%	Dec 25	**239,193**	219,192
Cicero Holdings (2015 loan notes)	GBP	16.25%	Nov 19	**594,957**	-
- Par value £1,073.2m [2]					
Cicero Holdings (2004 loan notes)	GBP	16.25%	Aug 15	-	511,791
- Par value £564.6m [3]					
				834,150	730,983

[1] This loan with Bond MidCo, the amount denominated in Sterling including accrued interest, remained outstanding at 31 December 2015.

[2] These loan notes, including accrued interest, issued by Cicero Investments Limited to a parent company Cicero Holdings Limited during 2015, to replace the matured loan notes issued in 2004 as described below, remained outstanding at 31 December 2015.

[3] These loan notes, including accrued interest, issued by Cicero Investments Limited to a parent company Cicero Holdings Limited during 2004, matured during 2015 and were replaced by the loan notes issued during 2015 as described above. These 2004 loan notes were no longer outstanding at 31 December 2015.

Notes *(continued)*

14 Capital

Share capital

	2015	2014
	£000	£000
Allotted, called up and fully paid:		
10,000 Ordinary shares of £1 each	**10**	10
34,661,352 Preference shares (non-redeemable) of £1 each	**34,661**	34,661
	34,671	34,671

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 *(2014: £nil)* were proposed by the directors.

Notes *(continued)*

14 Capital *(continued)*

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.

15 Contingencies

At 31 December 2015 certain group companies acted as guarantors under the terms of the £300m and €200m senior secured notes and the £90m revolving credit facility. Certain group companies also acted as guarantors of rent and other payments for other group companies.

Notes *(continued)*

16 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.

Related party transactions

	Sales to 2015 £000	Sales to 2014 £000	**Expenses incurred from 2015 £000**	Expenses incurred from 2014 £000
Entities with control, joint control or significant influence	-	-	-	-
	-	-	-	-

	Receivables outstanding 2015 £000	Receivables outstanding 2014 £000	**Creditors outstanding 2015 £000**	Creditors outstanding 2014 £000
Entities with control, joint control or significant influence	**337,694**	324,237	**(342,786)**	(322,785)
	337,694	324,237	**(342,786)**	(322,785)

17 Ultimate parent undertaking and controlling party

The Directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity. The ultimate controlling party is Guy Hands.

The largest group to consolidate these financial statements is Odeon & UCI Cinemas Holdings Limited and the smallest group is Odeon & UCI Bond Midco Limited.

Copies of these consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

18 Post Balance Sheet events

On 12 July 2016, AMC Entertainment Holdings Inc. (AMC Theatres) announced that it had entered into a definitive agreement to acquire Odeon & UCI Cinemas Group from private equity firm Terra Firma. The transaction is expected to be completed in the fourth quarter of 2016; it is conditional upon antitrust clearance by the European Commission and is subject to consultation with the European Works Council.

19 Explanation of transition to FRS 102 from previous UK GAAP

As stated in note 1, these are the first financial statements prepared by the Company in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 2015 and the comparative information presented in these financial statements for the year ended 2014.

In preparing its FRS 102 Balance Sheet, the Company has not needed to make any adjustments.