

Vougeot Bidco plc

Annual Report and Consolidated Financial Statements

**for the period from 2 May 2013 (date of
incorporation) to 28 November 2013**

(Registered Number 08514872)



Vougeot Bidco plc
(Registered Number 08514872)

Annual Report and Consolidated Financial Statements
for the period ended 28 November 2013

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Vougeot Bidco plc

(Registered Number 08514872)

Strategic Report for the period ended 28 November 2013

The directors present their strategic report of Vougeot Bidco plc ("the Company") and its subsidiaries ("the Group") for the period from incorporation on 2 May 2013 to 28 November 2013.

There are no comparative results presented for the period, in either the Strategic or Directors' report, as this is the first period of reporting for the Company and the Group.

The Company was incorporated on 2 May 2013.

On 8 August 2013 the Company acquired 100% of the ordinary share capital in Vue Entertainment International Limited, which was the top holding company of the Vue cinema operating group. At this date the Group was formed and trading activity was commenced. Further details of the acquisition are provided in note 34 to the financial statements.

As part of financing of the acquisition the Company issued senior secured fixed and floating notes. The notes require quarterly reporting which includes a discussion of the performance of the Group on a proforma basis. A copy of this reporting is available in the investor section on the Group website which contains unaudited and non-statutory information.

The Company is a company controlled by OPE Vougeot Holdings Ltd, PE12GV (Artist) Ltd. and PE12PX (Artist) Ltd., investment vehicles for OMERS Administration Corporation, OCP Trust and Her Majesty the Queen in right of Alberta. As a result, OPE Vougeot Holdings Ltd, PE12GV (Artist) Ltd. and PE12PX (Artist) Ltd are the new ultimate controlling parties of the Company and the Group. Further details of controlling parties are provided in note 38 to the financial statements.

Principal Activities

The principal activity of the Company is a holding company which provides management services to the Group. The principal activity of the Group is the development and operation of state-of-the-art multiplex cinemas.

At 28 November 2013, the Group operates a chain of 149 cinema sites. 81 of these sites are in the UK, one in Eire, 30 in Germany, three in Denmark, one in Portugal, one in Taiwan, 30 in Poland, one in Latvia and one in Lithuania.

Review of the period

In the Strategic Report and the accompanying Directors' Report, the Company presents a fair review of the business of the Group, including a description of the principal risks and uncertainties facing the Group and an analysis of the development and performance of the business during the period and position at the period end.

Further additional information is provided in accordance with the Walker Guidelines for Portfolio Companies owned by private equity investors.

The Strategic Report, Directors' Report and financial statements contain certain forward looking statements with respect to the financial condition, results, operations and business of the Group. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. No assurances can be given that the forward looking statements are reasonable as they can be affected by a wide range of variables not wholly within the Group's control.

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Strategic Report **for the period ended 28 November 2013 (continued)**

Review of the period (continued)

The forward looking statements reflect the knowledge and information available at the date of preparation of the Strategic Report, Directors' Report and financial statements, and will not be updated during the year. Nothing in the Strategic Report, Directors' Report and financial statements should be construed as a profit forecast.

Acquisitions

On 30 September 2013 the Group acquired 100% of the share capital of Multikino S.A., a leading Polish multiplex operator. Multikino S.A. operates 30 cinemas in Poland and a further two cinemas in Lithuania and Latvia. Further details of the acquisition are provided in note 35.

Subsequent to the balance sheet date an agreement has been made to acquire the remaining 2.52% of the shares in CinemaxX AG that were previously not owned by the Group. Following the acquisition of the shares, CinemaxX AG is now fully delisted from all stock exchanges. Further details of the acquisition are provided in note 37.

Results in the period

Group operating profit for the period was £11.0m.

The retained loss for the Group after taxation, finance costs and minority interest amounted to £18.7m.

Total net cash inflow for the period amounted to £0.2m as set out below.

Net cash inflow from operating activities for the period was £17.4m driven by trading performance of the Group. This includes a £6.9m cash outflow from working capital which was driven by a decrease in creditors.

Net interest paid was £3.8m relating primarily to the senior secured notes. Taxation of £1.5m was also paid.

Net cash outflow on capital expenditure and other investments during the period was £990.1m. The net cost of the acquisition of the Vue Entertainment International Limited and Multikino S.A. totalled £981.0m. Capital investment in the cinemas and related assets, net of landlord contributions, was £9.2m.

Net cash inflow from financing activities was £978.3m. Cash received from the issuing of the senior secured notes and from the revolving credit facility totalled £553.9m. £15.4m of debt issue costs were paid in respect of the new finance. A further £461.2m was received from shareholder loans issued plus £4.7m relating to an issue of shares. A bond previously held by Multikino S.A. of £25.9m and other loans totalling £0.2m were repaid during the period.

Net debt at the end of the period was £961.9m. This comprises £526.6m of senior secured notes, £482.2m of shareholder loans, £6.6m of other loans, £2.0m of revolving credit facility borrowings and £55.5m of cash.

Strategy

The Group's objective is to achieve growth through a combination of business improvements, organic growth and acquisitions. Business improvements have been achieved through such initiatives as the implementation of new pricing policies, digital, 3D, VIP seating and VueXtreme screens.

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Strategic Report
for the period ended 28 November 2013 (continued)

Strategy (continued)

In the UK, Vue opened three sites in 2013; Cramlington in the North East of England opened on 5 July 2013 with nine screens. The cinema is part of a leisure extension to an existing town centre shopping mall that includes new bars and restaurants. Bicester, a town near to Oxford and close to Bicester Outlet Mall opened with seven screens on 11 July 2013. This cinema is part of a revitalised town centre development comprising new retail, bars and restaurants. Glasgow Fort is an existing highly successful out of town Retail Park situated to the North East of Glasgow City Centre at Junction 10 on the M8. This site opened on 23 August 2013 with eight screens. All of these new sites are built to Vue's high standards and include stadium seating and VIP seats in all screens. In Cramlington and Glasgow Fort, a supersized large format 'VueXtreme' screen was introduced as part of the cinema offer, which also includes the new Dolby Atmos 3D sound system which is now part of the VueXtreme screen offer.

In Poland, Multikino opened three sites in 2013; Tychy and Czechowice-Dziedzice are both in the southern region of Silesia, where the largest city is Katowice. Tychy opened with five screens on 15 March 2013 and Czechowice-Dziedzice opened on 24 October 2013 with four screens. The third site to open in Poland in 2013 was Lublin, which is in the western region of Poland. The cinema opened on 9 November 2013 with eight screens. All screens have stadium seating as standard and include Vue's premium priced VIP seating. Consistent with the style of operations employed by Vue in the UK market since 2001, they include a combined Ticket at Any Till operation where all tickets are sold from the retail stands.

The Group has been successful in identifying several further opportunities for multiplex development and plans to open two new state-of-the-art cinemas in Farnborough (UK) & Olsztyn (Poland) in 2014. These sites are in addition to the recent openings at Gateshead (UK) and Katowice (Poland) both of which were opened on 20 December 2013 and have nine and ten screens respectively.

The Group continues to explore appropriate acquisition opportunities as they arise.

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Strategic Report
for the period ended 28 November 2013 (continued)

Market Environment Trends and Factors Affecting Future and Current Performance

Admissions and Gross Box Office Revenues (GBOR)

The recent annual trend of market Admissions and GBOR for the three key territories within the business are shown in the table below¹.

Admissions (m)	FY 2013	FY 2012	FY 2013 vs 2012
UK	163.9	170.6	-3.9%
Germany	127.9	133.7	-4.3%
Poland	35.7	39.1	-8.7%
GBOR	FY 2013	FY 2012	FY 2013 vs 2012
UK (£m)	1,074.8	1,076.5	-0.2%
Germany (€m)	1,008.6	1,003.6	0.5%
Poland (PLNm)	654.0	720.2	-9.2%

Despite UK annual admissions falling by 3.9% in 2013, the GBOR only fell short of the record set in 2012 by 0.2% and exceeded £1.0bn for the fourth year in a row. The abundance of high quality 3D films helped the average ticket price to grow during 2013.

In Germany, annual admissions were down by 4.3%, but helped by the success of 3D films in the market the overall box office was up 0.5% and again exceeded €1.0bn.

In Poland, annual admissions were down by 8.7% suffering mainly from a less appealing kids' films line-up than 2012. With ATP being impacted by the lower priced offerings from one-screen independent cinemas, market GBOR reduced by 9.2%.

Digital

As at 28 November 2013 the Vue Group is 100% digital after the final screens were converted in Germany in July 2013. The Sony 4K projectors installed in 95% of Vue and CinemaxX screens provide audiences with state-of-the-art on-screen presentation - immersive flicker-free 3D and superior 8.8 million pixel 2D quality as compared to the 2K projectors typically in use elsewhere. The conversion of the Group's projection systems to digital represents a long term investment enabling it to offer numerous benefits to its customers. Digital allows: greater variety of films through programming flexibility, greater choice through alternative "event cinema" such as Doctor Who in 3D and Warhorse live from the National Theatre and new and exciting formats such as High Frame Rate film versions (e.g. The Hobbit) which appeal to the true cinema enthusiast.

VueXtreme

The VueXtreme screens are super-sized large format screens with 3D capability. VueXtreme has proven highly popular among cinema-goers as a screen of first choice and due to this success the Group now has converted 14 VueXtreme screens in total in the UK and opened its first VueXtreme screen in Katowice in Poland during December 2013. We will continue to assess opportunities within the acquired circuits to roll these out further.

¹) Source: UK – IBOE; Germany – FFA; Poland – boxoffice.pl (calendar months December to November)

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Strategic Report
for the period ended 28 November 2013 (continued)

Screen Advertising

General economic conditions for screen advertising continue to be challenging across all territories. Along with other advertising media businesses, screen advertising continues to face issues such as the consolidation of the advertising buying base and the continued rise of online/digital advertising. Screen advertising companies are responding by promoting the flexibility of digital projection capabilities, reaffirming the substantial impact associated with advertising on a cinema screen and diversifying their advertising capabilities through alternative channels such as Apps in order to drive brand count and overall spend.

Key performance indicators

The board monitors progress on the overall Group strategy by reference to several key performance indicators which include market share (admissions and GBOR), operating profit margin and Group EBITDA. All figures stated below reflect the results of the Group for the period 2 May to 28 November 2013.

Operating profit margin and Group EBITDA KPI's are shown below:

	Period ended 28 November 2013
Operating profit (non statutory)*	£65.8m
Operating profit margin (non statutory)*	40.8%
Group EBITDA**	£29.0m

* Operating profit per the Group's management accounts excludes depreciation, rent and other property charges and other items.

** Group EBITDA is stated before taking into account depreciation, amortisation, pre-opening, site abandonment costs and other costs.

KPI period results include the results of Multikino S.A. as from the date of acquisition on 30 September 2013.

Future outlook

2014 has a similar look to that seen in the market during 2013. Some of the highlights for 2014 include the second film in The Hobbit trilogy, The Desolation of Smaug, The Lego Movie which could well start a new franchise, the 3rd instalment of the Hunger Games series, Transformers 4, a new Godzilla film, How to Train Your Dragon 2, the film version of the highly successful stage musical Jersey Boys, Dawn of the Planet of the Apes and to close the year the new film from Christopher Nolan, who directed the Dark Knight films and Inception in 2012, who returns with a Sci Fi futuristic thriller called Interstellar.

Highly anticipated local productions in Germany include Fack Ju Göhte, Der Medicus, Männerhort, Doktorspiele and Schossgebiete. In Poland, Jack Strong is expected to perform very well.

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for the period ended 28 November 2013 (continued)

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The management formally reviews risks and appropriate processes are put in place to monitor and mitigate them.

The key business risks affecting the Group are set out below:

Film Quality

The attractiveness of the films released in any period is the main determinant of the Group's admissions, which in turn drives revenues and profitability. The major US studios and the vibrant British film industry continue to develop successful films and new film franchises capable of producing reliable and recurring revenue streams. The film industry in Germany also continues to produce successful films in the German market that help drive the local box office. In addition, the completion of the Group digital projection rollout programme is expected to unlock multiple, as yet untapped, alternative revenue streams including music events, sporting events and gaming activities.

In Poland the film industry is driven by a mix of big foreign productions, films for children and local productions. In 2013, there were less of these productions with a resultant impact on performance.

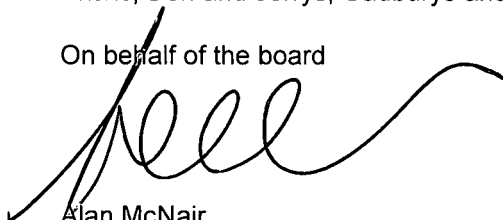
Competition

The Group operates in a competitive market place with other operators having sites within the catchment areas of many of the Group cinemas. To mitigate this risk our operations team regularly monitor the guest visits and customer experience within their local markets. This risk is further mitigated as a result of the high proportion of state-of-the-art, stadium seated, high quality multiplexes within its portfolio. The Group also invests significant amounts in maintaining and improving its cinema estate.

Essential Contractual and Other Arrangements

The Group's main suppliers are the distributors of the film product that drives admissions at the Group's cinemas. The relative importance of each distributor varies over time in line with the relative attractiveness of the individual films that they release each year. The Group has also continued to develop relationships with leading brands in the retail area including Coca Cola, Britvic, Ben and Jerrys, Cadburys and Ritter Sport.

On behalf of the board



Alan McNair
Director
25 March 2014

Vougeot Bidco plc
(Registered Number 08514872)

Directors' Report
for the period ended 28 November 2013

The directors present their report and the audited consolidated financial statements of the Group and the Company for the period from 2 May 2013 to 28 November 2013.

Results and Dividends

The retained loss for the Group after taxation, finance costs and minority interest amounted to £18.7m. Further discussion of the results and performance of the Group is provided in the Strategic Report on pages 2 to 7.

The directors do not recommend that a dividend be paid.

Future developments

A discussion of future developments of the Company and Group has been included in the Strategic Report.

Directors

The directors who held office during the period and up to the date of signing these financial statements, unless otherwise stated, were as follows:

Alnery Incorporations No.1 Limited	Appointed 2 May 2013 Resigned 6 June 2013.
Alnery Incorporations No.2 Limited	Appointed 2 May 2013 Resigned 6 June 2013
Katherine Astley	Appointed 2 May 2013 Resigned 6 June 2013
Peter Teti	Appointed 6 June 2013
Robert Mah	Appointed 6 June 2013
Simon Jones	Appointed 6 June 2013
Michael Redman	Appointed 6 June 2013
Stephen Knibbs	Appointed 8 August 2013
Alan McNair	Appointed 8 August 2013
J. Timothy Richards	Appointed 8 August 2013

J. Timothy Richards – Chief Executive Officer

In the past 24 years in the cinema exhibition industry, Tim has developed extensive international development and operational experience in over 14 major international markets in Europe, South America, Australia and the Far East. Before entering the entertainment industry, Tim was a Wall Street lawyer engaged in international finance and cross-border mergers and acquisitions while based in London and New York. Tim is currently a Governor of the British Film Institute ("BFI"), Director of Skillset and an elected member of the BAFTA Council.

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Directors' Report
for the period ended 28 November 2013 (continued)

Directors (continued)

Alan McNair – Chief Financial Officer & Deputy Chief Executive Officer

Alan has over 35 years in the entertainment and leisure business. He has extensive senior management experience in a wide number of international markets, starting in film distribution in 1979, followed by video distribution and since 1987, in international cinema exhibition. Prior to joining Tim in 1999, Alan held the position of Executive Vice President and CFO of United Cinemas International (UCI) worldwide. Alan joined UCI at its inception in 1989 when the company was only operating a handful of cinemas in the UK and as CFO helped steer them to become one of the largest and most successful cinema operators worldwide. Alan has been named the International Exhibitor of the Year by CineEurope in 2014.

Steve Knibbs – Chief Operating Officer

Steve joined Vue in 2003. Steve has over 25 years experience in the cinema and leisure business starting in 1985 with Allied Lyons covering pubs, restaurants and hotels. His career in cinema began in 1987 when he joined AMC as a Manager of the UK's first purpose built multiplex cinema progressing to Area Manager with AMC. Following the acquisition of AMC by UCI he rapidly progressed to Managing Director of the UK and Ireland where he guided the team that developed the next generation of stadium seated cinemas. In 1999 Steve was appointed Senior Vice President of Northern Europe for UCI where he oversaw operations in the UK, Ireland, Poland, Czech Republic and Hungary. In 2003 he left UCI to join Tim, Alan and the Vue team.

Simon Jones – Non Executive

Simon Jones is a Director at OPE U.K. Simon joined OPE U.K. in February 2010 and has been responsible for transacting and monitoring OPE's investments in HayFin and Vue. Prior to joining OPE U.K., Simon worked within PricewaterhouseCoopers' Corporate Finance advisory practice in London from 2004 to 2010. He has a Bachelor of Science in International Business and French from the University of Warwick and is an ACA Chartered Accountant.

Robert Mah – Non Executive

Robert Mah is Executive Vice President, Private Investments at AIMCo, having joined in December 2010 after 20 years as an investment banker. Prior to AIMCo, Robert has worked at Scotia Capital as Managing Director responsible for Investment Banking and, prior to that, with Rothschild (Canada). He has a Bachelor of Commerce in Finance and Economics from McGill University and a Master's Degree in Business Administration from the University of Toronto's Rotman School.

Mark Redman – Non Executive

Mark Redman is a Senior Managing Director and Head of Europe for OMERS Private Equity. Mark joined OPE U.K. in September 2009 and has led OPE's investments in HayFin, V.Group, Lifeways, Civica and Vue to date. Prior to OPE U.K., Mark worked at Grant Thornton as a corporate finance advisor until 1996, when he joined 3i. During his time at 3i, he helped open and grow 3i's Amsterdam office and also developed its market entry strategy for Turkey. Mark has a Master's Degree in Modern History from Oxford University and is an ACA Chartered Accountant.

Peter Teti – Non Executive

Peter Teti is Senior Vice President, Private Equity and Relationship Investments at AIMCo, having joined in September 2012. Previously, Peter was a Managing Director of Rothschild (Canada) Inc. and has worked in investment banking for 16 years in Toronto and London. He has a Bachelor of Commerce (Honors) from Queen's University and is an ACA Chartered Accountant.

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Directors' Report
for the period ended 28 November 2013 (continued)

Private Equity Ownership

The Company is a subsidiary of Vougeot Holdco Limited. Vougeot Holdco Limited is a Jersey company controlled by private equity funds. These funds are controlled OPE Vougeot Holdings Ltd, PE12GV (Artist) Ltd. and PE12PX (Artist) Ltd., investment vehicles for OMERS Administration Corporation, OCP Trust and Her Majesty the Queen in right of Alberta.

OMERS administers one of the largest pension funds in Canada with over C\$65 billion in net assets as at December 31, 2013. It invests in several asset classes including private equity, infrastructure, real estate, public equity and fixed income. OMERS has been investing in private equity since 1987, with 10.7% of its net investment assets (in excess of C\$7 billion) currently allocated to private equity investments. With 32 investment professionals, the group is headquartered in Toronto with offices in New York and London.

AIMCo is one of the largest public sector asset managers in Canada, with approximately C\$70 billion in assets under management as at March 31, 2013. AIMCo manages capital for Alberta public sector pension plans, Alberta Government endowment funds and the Province of Alberta. AIMCo manages investments across a wide variety of asset classes, including public equities, fixed income, real estate, timberlands, infrastructure and private equity. AIMCo currently has approximately C\$2.5 billion allocated to fund and direct investments within its growing private equity program. AIMCo has over 330 employees located at its head office in Edmonton, Alberta and satellite offices located in Toronto, Ontario and London, United Kingdom.

On 8 August 2013 the Company acquired 100% of the ordinary share capital in Vue Entertainment International Limited, which was the top holding company of the Vue cinema operating group. Vue Entertainment International Limited was previously controlled by private equity funds managed by Doughty Hanson & Co. Doughty Hanson & Co acquired the Vue cinema operating group on 21 December 2010.

Upon issuing of all shares, the main shareholders in Vougeot Holdco Limited will be:

OPE Vougeot Holdings Ltd	39.35%
PE12GV (Artist) Ltd. and PE12PX (Artist) Ltd. combined	39.35%
Employees	21.30%

Directors' Liabilities Insurance

During the period to 28 November 2013 and at the date of approval of the financial statements, the Company and Group maintained liability insurance for its directors and officers.

Post Balance Sheet Events

Post balance sheet events are discussed in note 37 to the financial statements.

Financial Risk Management

The Group operations expose it to a variety of financial risks that include liquidity, interest rate and foreign exchange risks. The Group has mechanisms in place that seek to limit the impact of adverse effects of these risks on the financial performance of the Group.

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Directors' Report
for the period ended 28 November 2013 (continued)

Liquidity Risk

The Group actively manages its finances to ensure that the Group has sufficient funds available for its operations.

Interest Rate Cash Flow Risk

The Group manages its exposure to interest rate movements by way of interest rate swaps as described below. The directors keep the exposure to interest rate fluctuations under constant review.

Foreign Exchange Risk

The Group has foreign currency assets and liabilities. The Group does not currently use financial instruments to manage the risk of fluctuating exchange rates other than for the specific acquisition transactions as mentioned below. As such no hedge accounting is applied. The directors keep these measures under constant review.

Financing

The Group has both short and long term financing in place to meet the ongoing requirements of the business. Short term financing takes the form of cash balances available, a revolving credit facility and certain shareholder loans. The longer term financing of the Group is provided by senior secured floating euro and fixed sterling denominated notes and certain shareholder loans. Further details of the financing facilities can be found in note 20 to the financial statements.

The directors monitor all loan facilities very closely and produce forecasts over their term. These forecasts are updated quarterly and sensitivity analysis is performed regularly to ensure there is adequate covenant headroom over the life of the facilities. Formal covenant reporting is provided to the lenders under both the RCF and senior secured notes.

Financial Instruments

On 8 August 2013 the Company entered into two swaps with Lloyds TSB Bank PLC (Lloyds) and Nomura International PLC (Nomura). Both swaps have a notional value of €115.9m and a termination date of 15 July 2016. Under the Lloyds swap the Company pays a fixed interest rate of 1.147%. Under the Nomura swap the company pays a fixed rate of 1.027%. These swaps replaced the swaps held by the Vue Entertainment International Limited group taken out to hedge its bank facilities in place before the acquisition.

The Company entered into a currency swap to hedge the euro denominated cash flows resulting from the acquisition of the Vue Entertainment International Limited group. This swap has since been settled and is no longer in place at 28 November 2013.

Branch

The Group operates a branch in Dublin, Eire.

Research and Development

The Group continues to invest in the design, maintenance and operation of its cinemas in order to ensure customers are provided with the ultimate guest experience every time they visit one of the Group's cinemas.

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Directors' Report
for the period ended 28 November 2013 (continued)

Social and Community Issues

The Group actively works with local communities in which the business operates and always tries to attract people to fill vacancies from those communities.

Environmental Matters

The management of the Vue operating group acquired were working on initiatives which have been continued by the Group since acquisition. Vue management have continued a programme of capital and operational initiatives during 2013 that has delivered major reductions in the Group's carbon footprint including environmentally beneficial projects in relation to water conservation and waste management.

In the UK, Vue has a long term target to recycle 95% of all waste produced at our cinemas and head office. Following a good start in 2011 of 35%, Vue recycled 60% in 2012, 60% in 2013 and anticipates increasing the level of recycling to 75% for all Vue managed sites in 2014.

During 2012 waterless urinal technology has been fitted to all those cinemas in the UK that did not previously benefit from this. As a result of waterless technology, Vue has reduced water consumption by 28% between 2011 and 2013.

During 2013 Vue continued to implement measures that have led to reductions in our electricity consumption. During 2013, Vue used 9.6% less electricity than in 2012. These reductions were achieved as a result of several major capital projects including energy efficient lighting, enhancements to our heating, ventilation and air conditioning equipment and controls and additional management procedures in relation to operational best practice.

Vue will continue to develop its energy saving strategy during 2014 and plan to roll out these schemes across our acquired sites throughout the Group.

Employees

Creating and Retaining High Performing Employees

Creating and retaining talented employees is a fundamental part of the Group strategy as is our ability to develop transferable skills, retain knowledge within the business and offer employees new career paths and opportunities.

Reward and Recognition

The Group's reward and recognition strategy is designed to ensure that employees are aligned to the Group's goals. Performance is driven by continuously reviewing and improving incentive plans that align all employees to the delivery of key business priorities and targets. Pay and benefit structures are competitive and are regularly benchmarked against relevant external data.

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Directors' Report
for the period ended 28 November 2013 (continued)

Employees (continued)

Learning and Development

The Group is committed to providing training and on-going development that is aligned to business and employee needs. Modular training frameworks create clear career paths for employees, ensuring that they fulfil their potential and have the skills and ability required to effectively perform their roles. In addition to this, as the business continues to change, develop and grow, focused training and development programmes are designed and delivered that support employees with the acquisition of new skills and capabilities. There are also bespoke and targeted development programmes for employees in the internal talent pools that support management succession plans. These talent pipelines ensure that critical vacancies are filled quickly and effectively.

Employee Involvement and Communication

The Group seeks to engage all employees in both its short and long term goals. This is achieved through a number of 2-way communication methods such as senior management briefings, employee forums and newsletters.

The Employee forums are made up of independently elected representatives. A number of regional forums exist that are made up of representatives from each of the business units. These meetings provide the framework for the Group's consultative process; representatives provide invaluable feedback and input on a wide range of issues including customer service, business efficiency, performance improvement and employee benefits.

The Group operates a number of incentive schemes. These reinforce the philosophy of encouraging employees to contribute directly to the achievement of the Group's goals and of rewarding individual and collective success.

Equality of Opportunity

The Group is committed to making full use of the talents within the business and therefore provides equal opportunities for all. Employment decisions which include recruitment, promotion, compensation, benefits, performance management and training are based on an individual's skills, performance and behaviour and how these relate to the requirements of the business.

It is the policy of the Group that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The Group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

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Directors' Report
for the period ended 28 November 2013 (continued)

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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 the directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and the Company and of the profit or loss of the Group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

Each of the persons who is a director in office at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to serve as auditors for the coming period and a resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the next Annual General Meeting.

On behalf of the board

Alan McNair
Director
25 March 2014



Independent Auditors' Report to the Members of Vougeot Bidco plc

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 28 November 2013 and of the Group's loss and cash flows for the period 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements for the period ended 28 November 2013, which are prepared by Vougeot Bidco plc, comprise:

- the Consolidated and Company Balance Sheet as at 28 November 2013;
- the Consolidated Profit and Loss Account and Consolidated Statement of Total Recognised Gains and Losses for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Shareholders' Deficit for the period then ended;
- the notes to the financial statements which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditors' Report to the Members of Vougeot Bidco plc

Opinion on matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 14, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Philip Stokes (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 March 2014

Vougeot Bidco plc

Consolidated Profit and Loss Account for the period ended 28 November 2013

	Notes	Period ended 28 November 2013 £'000
Turnover - acquisitions		161,384
Turnover	2	161,384
Cost of sales		(58,642)
Gross profit		102,742
Administrative expenses		(91,703)
Operating profit - acquisitions	3	11,039
Interest receivable and similar income	6	58
Interest payable and similar charges	7	(30,829)
Loss on ordinary activities before taxation		(19,732)
Tax credit on loss on ordinary activities	8	1,239
Loss on ordinary activities after taxation		(18,493)
Minority interests		(181)
Loss for the financial period		(18,674)

There is no difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents.

The above results relate to acquisitions.

The notes on pages 22 to 50 form an integral part of these financial statements.

Vougeot Bidco plc

Consolidated Balance Sheet as at 28 November 2013

	Notes	As at 28 November 2013 £'000
Fixed assets		
Intangible assets	10	723,692
Tangible assets	11	356,271
Investment in associate	13	238
		1,080,201
Current assets		
Stock	15	2,743
Debtors: amounts falling due within one year	16	39,291
Debtors: amounts falling due after more than one year	16	25,587
Cash at bank and in hand	17	55,491
		123,112
Creditors: amounts falling due within one year		
Loans (net of unamortised issue costs)	18,20	(35,186)
Other creditors	18	(115,572)
		(150,758)
Net current liabilities		(27,646)
Total assets less current liabilities		1,052,555
Creditors: amounts falling due after more than one year		
Loans (net of unamortised issue costs)	19,20	976,068
Other creditors	19	51,066
Provision for liabilities	21	41,118
Capital and reserves		
Called up share capital	23	4,718
Profit and loss account	25	(22,128)
Total shareholders' deficit		(17,410)
Minority interests		1,713
Capital employed		1,052,555

The notes on pages 22 to 50 form an integral part of these financial statements.

Approved by the Board of Directors and signed on its behalf by:


 Alan McNair
 Director
 25 March 2014


Vougeot Bidco plc

Company Balance Sheet as at 28 November 2013

	Notes	As at 28 November 2013 £'000
Fixed assets		
Investments	12	204,976
		204,976
Current assets		
Debtors: amounts falling due within one year	16	816,045
Cash at bank and on hand	17	919
		816,964
Creditors: amounts falling due within one year		
Loans (net of unamortised issue costs)	18,20	(33,203)
Other creditors	18	(28,732)
		(61,935)
Net current assets		755,029
Total assets less current liabilities		960,005
Creditors: amounts falling due after more than one year		
Loans (net of unamortised issue costs)	19,20	975,559
Capital and reserves		
Called up share capital	23	4,718
Profit and loss account	25	(20,272)
Total shareholders' deficit		(15,554)
Capital employed		960,005

The notes on pages 22 to 50 form an integral part of these financial statements.

Approved by the Board of Directors and signed on its behalf by:


Alan McNair
Director
25 March 2014

Vougeot Bidco plc

Consolidated Cash Flow Statement for the period ended 28 November 2013

	Notes	Period ended 28 November 2013 £'000
Operating activities		
Net cash inflow from operating activities	31	17,392
Return on investments and servicing of finance		
Interest received		54
Interest paid		(3,874)
Net cash outflow from returns on investments and servicing of finance		(3,820)
Taxation paid		(1,477)
Cash outflow for capital expenditure and other financial investments		
Payments to acquire tangible assets		(10,470)
Landlord contributions received		1,302
Acquisitions		(1,037,278)
Cash balance acquired on acquisition		56,309
Net cash outflow from capital expenditure and other financial investments		(990,137)
Net cash outflow before financing activities		(978,042)
Financing activities		
Senior secured notes and revolving credit facility received		553,905
Multikino acquired debt repaid		(25,889)
Issue costs paid		(15,429)
Repayment of other loans		(214)
Issue of ordinary shares		4,718
Issue of shareholder loans		461,199
Net cash inflow from financing activities		978,290
Increase in cash	32	248

The notes on pages 22 to 50 form an integral part of these financial statements.

Vougeot Bidco plc

Consolidated Statement of Total Recognised Gains and Losses for the period ended 28 November 2013

	Period ended 28 November 2013 £'000
Loss for the financial period	(18,674)
Foreign exchange movement	(3,454)
Total recognised losses relating to the financial period	(22,128)

Consolidated Statement of Shareholders' Deficit for the period ended 28 November 2013

	Share Capital £'000	Profit and Loss Account £'000	Total Shareholders' Deficit £'000
Balance as at 2 May 2013	-	-	-
Loss for the financial period	-	(18,674)	(18,674)
Foreign exchange movement	-	(3,454)	(3,454)
Net reduction for the period	-	(22,128)	(22,128)
Share capital issued	4,718	-	4,718
Closing Shareholders' deficit as at 28 November 2013	4,718	(22,128)	(17,410)

The notes on pages 22 to 50 form an integral part of these financial statements.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013

1 Accounting Policies

a) Basis of preparation

These financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom ("UK GAAP reporting").

A summary of the more important Group accounting policies is set out below.

The financial statements have been prepared on a going concern basis. The directors deemed it appropriate to prepare the accounts on a going concern basis having given due regard to the trading results and capital structure of the Group. In particular the working capital requirements of the Group are met by the Group's available cash balance combined with the revolving credit facility provided under the agreement with the Company, signed on 8 August 2013. The longer term finance of the Group is provided by senior secured floating and fixed euro and sterling denominated notes (See note 20). These notes have a termination date of 15 July 2020. As a result the directors believe that the Company and all its current subsidiaries will, for the foreseeable future, be able to continue trading and meet all their liabilities as they fall due.

There is no material difference between the fair value of financial assets and liabilities and their carrying amount.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these judgements, estimates and assumptions are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ. Further details regarding areas requiring significant judgements, estimates and assumptions are provided in the accounting policies below and in the relevant note to the financial statements where applicable.

Management have determined that the key areas of judgement, estimate and assumptions to disclose include the nature and obligation of onerous lease provisions, the assessment of the Group's digital investment as prepaid operating lease commitments and the carrying value of tangible fixed assets

b) Accounting reference date

The Company prepares financial statements for either 52 or 53 week periods ending on a Thursday within one week of 30 November. The results of the current period refer to the period from the date of incorporation of the Company (2 May 2013) to 28 November 2013, with trading results commencing from 8 August 2013, the date Vue Entertainment International Limited was acquired. There are no comparative results presented for the period as this is the first period of reporting for the Company and Group.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013

1 Accounting Policies (continued)

c) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings as listed in note 12. A subsidiary undertaking is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Some of the subsidiaries of the Group do not have the same financial year-end reference date. Any such subsidiaries are included in the consolidated results of the Group based on their management account information, adjusted as appropriate to conform with the Group's accounting policies.

Intercompany transactions, balances and unrealised gains or losses on transactions between subsidiaries in the Group are eliminated on consolidation.

d) Acquisitions

The identifiable assets and liabilities of the company acquired are included in the consolidated balance sheet at their fair value at the date of acquisition, and its results included in the profit and loss account from the date of the acquisition. The difference between the fair value of the consideration given and the fair values of the net assets of the entity acquired is accounted for as negative or positive goodwill as applicable.

e) Company profit and loss

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The amount of the loss in the Company financial statements is disclosed in note 9.

f) Revenue recognition

Revenue is reported net of value added tax and comprises primarily ticket and concession sales and screen advertising income. Revenue from ticket sales is reported in the period in which the film is shown. Guaranteed income from screen advertising is recognised evenly over the period to which it relates. Other screen advertising income is recognised as generated. Concession revenue is recognised at the time of sale. Other income is recognised in the period to which it relates.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013

1 Accounting Policies (continued)

g) Depreciation

Depreciation is provided on all tangible fixed assets in use during the period. The rates used are calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life at the following annual rates:

Freehold buildings	–	15 years
Long leasehold land and buildings	–	40 years
Short leasehold land and buildings	–	20 – 25 years (or length of the lease, if shorter)
Other cinema site assets	–	15 years (or length of the lease, if shorter)
Equipment	–	3 – 20 years
Software	–	3 – 7 years

Freehold land is not depreciated.

Construction in progress is not depreciated until projects are completed and brought into use.

h) Impairment of fixed assets

The carrying value of the Group'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. The need for any fixed asset impairment provision is assessed by comparison of the carrying value of an income generating unit. An income generating unit comprises either an individual site or a portfolio of related sites.

The discount rate used in assessing the value in use of the assets is the estimated weighted average cost of capital employed by the Group, adjusted as necessary for any particular risks of the subsidiary being reviewed. The weighted average cost of capital employed by the Group has been calculated as the weighted average of the internal rate of return applied in the equity funding and the Group's external debt interest rate.

i) Intangible fixed assets - goodwill

Goodwill is the difference between the aggregate of the fair value of those separately identifiable assets and liabilities acquired and the fair value of the purchase consideration.

Goodwill is capitalised and amortised over its useful life, which in the opinion of the directors is 20 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill is written back in equal annual instalments over its assumed economic life of 20 years.

j) Fixed asset investments

Investments are stated at cost less provision for impairment. Investments in subsidiaries are reviewed annually for possible impairment.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013

1 Accounting Policies (continued)

k) Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for any obsolete items.

Programming stock held in relation to the Group's distribution business is held at cost less provision for impairment. Impairment is based on the expected returns of the films for the period of distribution.

l) Pensions

Pension contributions, which are made to defined contribution pension plans held within the Group are charged to the profit and loss account as incurred. These contributions are invested separately from the Group's assets.

m) Operating lease arrangements and incentives

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term.

Payments from lessors made for the benefit of the Group, received as a landlord contribution incentive to enter into a lease, should be recognised as deferred income and released to Landlords' Contribution within the profit or loss account on a straight line basis over the shorter of the period of the lease or over the period to the first review date at which rental is expected to be aligned with the prevailing market rate. A payment from a lessor to reimburse capital expenditure is a lease incentive if the expenditure is suitable only for the lessee rather than to enhance the property generally.

Other lease incentives, such as rent free periods, are amortised over the remaining term of the lease.

n) Finance lease arrangements

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future installments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future installments.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013

1 Accounting Policies (continued)

o) Current and deferred taxation

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantially enacted at the balance sheet date, together with any adjustment in respect of tax payable for previous periods.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

p) Translation of foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the period end rate of exchange. All exchange differences arising, whether realised or unrealised, are reported as part of the profit or loss for the period.

In respect of the Company's subsidiaries, profit and loss accounts in currencies other than sterling are translated into sterling at average exchange rates. Balance sheets are translated into sterling at the rates ruling at the period end. Exchange differences arising on consolidation are taken directly to reserves.

q) Pre-opening and initial site development expenses

In accordance with accounting pronouncement Urgent Issues Task Force ("UITF") Abstract 24 - "Accounting for Start up Costs", pre-opening costs are written off in the period in which they are incurred.

Expenditure of a capital nature, as set out in Financial Reporting Standard ("FRS") 15 - "Tangible Fixed Assets", is capitalised from the date at which the Board approves the development of the cinema site.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013

1 Accounting Policies (continued)

r) Financial instruments

Interest rate swaps contracts have been entered into as part the interest rate strategy of the Group in relation to its senior secured notes. The interest received/paid on these contracts is netted against the interest paid on the senior secured notes.

Forward exchange contracts have been used by the Group to manage currency risk in relation to acquisitions made during the period. Any exchange differences arising on settlement of the contracts have been recognised in the profit and loss account at the company level.

Senior secured notes are held on the balance sheet at their issued amount net of unamortised issue costs. Interest accrued on the senior secured notes is shown within accruals.

s) Onerous lease

Provision is made for onerous leases where it is considered that the unavoidable costs of the lease obligations are in excess of the economic benefits expected to be received by it. The unavoidable costs of the lease reflect the net cost of exiting from the contract and are measured as the lower of the net present value of the cost of continuing to operate the lease and any penalties or other costs of exiting from it.

When calculating the provision for onerous leases the Group is required to make certain assumptions about the future cash flows to be generated from that cinema site. It is also required to discount these cash flows using an appropriate discount rate. The resulting provision is therefore very sensitive to these assumptions, however, the directors consider that the assumptions made represent their best estimate of the future cash flows generated by onerous cinema sites, and that of the discount rate to calculate the present value of those cash flows.

t) Related party transactions

The Company has taken advantage of the exemption contained within FRS 8 - "Related Party Transactions" not to disclose related party transactions with other members of the Group, which are wholly owned subsidiaries. Transactions with all other related parties have been disclosed in note 36.

u) Minority interests

Equity minority interests represent the share of the profits less losses on ordinary activities attributable to the interests of equity shareholders in subsidiaries which are not wholly owned by the Group.

v) Share-based payment incentive plan

Vougeot Holdco Limited has an equity-settled share-based payment incentive plan, which grants shares to certain management employees. The fair value is measured at grant date and spread over the period in which the employees are anticipated to realise value from the shares. The fair value of the shares awarded is recognised as an expense with a corresponding increase in equity as applicable.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

2 Segmental Information

Turnover comprises the value of goods and services provided to customers exclusive of value added tax.

	Period ended 28 November 2013 £'000
Turnover	
United Kingdom	87,153
Continental Europe	72,134
Other	2,097
	161,384

All turnover is derived from external customers in the local geographical market from the operation of cinema sites.

In the period ended 28 November 2013, UK turnover includes £2.0m of non-recurring income relating to the reclaim of VAT previously paid on exempt sales.

	Period ended 28 November 2013 £'000
(Loss)/profit before taxation	
United Kingdom	(23,468)
Continental Europe	3,569
Other	167
	(19,732)

	As at 28 November 2013 £'000
(Net liabilities)/net assets	
United Kingdom	(178,334)
Continental Europe	164,699
Other	(3,773)
	(17,408)

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

3 Operating Profit

	Period ended 28 November 2013 £'000
Operating Profit is stated after charging/(crediting):	
Loss on disposal of fixed assets	115
Depreciation on tangible fixed assets (note 11)	11,378
Amortisation of intangible fixed assets (note 10)	10,859
Realised foreign exchange gains	6
Unrealised foreign exchange gains	(10,593)
Provision for liabilities - charge to the profit and loss account (note 21)	3,911
Provision for liabilities - utilised during the period (note 21)	(2,117)
Rentals under other operating leases	29,540
Rentals under operating leases on plant and machinery	792
Pre-opening expenses	170

In 2011 subsidiaries of the Group made upfront payments under a lease for certain equipment. These payments are being spread for accounting purposes over the useful life of the equipment which is estimated to be seven to eight years. These form part of rentals under operating leases on plant and machinery.

4 Auditor remuneration

	Period ended 28 November 2013 £'000
Fees payable to the Company's auditor and its associates for audit of the Group and Company's annual financial statements	30
Fees payable to the Company's auditor and its associates for	
- Auditing of the financial statements of subsidiaries	202
- Fees relating to corporate finance transactions	2,181
- Tax advisory services	72
- All other services	82
	2,567

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

5 Staff Costs

	Period ended 28 November 2013 £'000
Wages and salaries	20,085
Social security costs	1,963
Other pension costs (note 29)	97
	<hr/>
	22,145

The average monthly number of employees during the period was made up as follows:

	Period ended 28 November 2013
Cinema	6,632
Administration	354
	<hr/>
	6,986

Included in the average number of persons employed by the Company are part-time employees. No distinction is made between full-time and part-time employees in the analysis above.

Directors' Emoluments

	Period ended 28 November 2013 £'000
Aggregate emoluments, including benefits in kind	2,441
Defined contribution scheme - Company contributions	8
	<hr/>
	2,449

The directors of the Company are remunerated in respect of their executive management services to both the Company and the Group as a whole. Their remuneration is borne by the Company and recharged to some of the group undertakings that have trading activities as part of a management service fee. Non executive directors are not remunerated for their services to the Company and Group.

Retirement benefits are accruing to one director under a defined contribution scheme.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

5 Staff costs (continued)

	Period ended 28 November 2013 £'000
Highest paid director	
Aggregate emoluments, including benefits in kind	918
Defined contribution scheme - Company contributions	8
	<hr/>
	926

6 Interest Receivable and Similar Income

	Period ended 28 November 2013 £'000
Bank interest	48
Other interest	10
	<hr/>
	58

7 Interest Payable and Similar Charges

	Period ended 28 November 2013 £'000
Senior Secured Notes and Revolving Credit Facility	14,163
Amortisation of capitalised issue costs	767
Unwinding of discount factor on onerous leases (note 21)	987
Shareholder loans - rolled up interest	14,912
	<hr/>
	30,829

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

8 Taxation

	Period ended 28 November 2013 £'000
Analysis of tax for the financial period	
Current tax	
UK corporation tax at 23.00%	-
Group relief payments	112
Overseas tax suffered	182
Total current tax charge	294
Deferred tax	
Origination and reversal of timing differences - UK	(1,580)
Origination and reversal of timing differences - Overseas	47
Total deferred tax	(1,533)
Taxation credit on loss on ordinary activities	(1,239)

Factors affecting current tax charge for the financial period

The standard rate of current tax for the period, based on the UK standard rate of corporation tax is 23%. The current tax charge for the period differs from the standard rate for the reasons in the reconciliation below:

	Period ended 28 November 2013 £'000
Analysis of tax charge for the financial period	
Group	
Loss on ordinary activities before tax	(19,732)
Loss on ordinary activities multiplied by the effective rate of corporation tax in the UK of 23.00%	(4,538)
Effects of:	
Depreciation in excess of capital allowances	523
Expenses not deductible for tax purposes	3,381
Utilisation of brought forward losses	(37)
Foreign branch income not subject to UK tax	(56)
Overseas tax suffered	182
Tax losses carried forward	859
Non-taxable income	(22)
Other timing differences	2
Current tax charge for the financial period	294

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

8 Taxation (continued)

Factors affecting current tax charge for the financial period (continued)

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Group results for this accounting period are taxed at a rate of 23%. Further reductions to 21% (effective from 1 April 2014) and 20% (effective 1 April 2015) were substantially enacted by Parliament that received Royal Assent on 17 July 2013.

Deferred Taxation

Deferred tax is measured on a non-discounted basis at the tax rates which are expected to apply in the periods in which such timing differences reverse based on tax rates and laws substantively enacted at the balance sheet date. No provision has been made for deferred tax on gains recognised on the sale of property where potentially taxable gains are rolled over into replacement assets. The total amount unprovided at 28 November 2013 is £nil. At present it is not envisaged that any such tax will become payable in the foreseeable future. Unrecognised deferred taxation in the current period is £nil.

9 Loss of the Parent Company

The profit and loss account of the Company is not presented separately as a part of these financial statements as the Company has taken advantage of section 408 of the Companies Act. The Company's loss for the financial period ended 28 November 2013 was £20,299k.

10 Intangible Fixed Assets - Goodwill

	£'000
Cost	
At 2 May 2013	-
Acquisitions	734,944
Foreign exchange movements	(396)
At 28 November 2013	734,548
Accumulated amortisation	
At 2 May 2013	-
Charged for the period	(10,859)
Foreign exchange movements	3
At 28 November 2013	(10,856)
Net book value at 28 November 2013	723,692

Goodwill relates to the purchase of 100% of the ordinary share capital in Vue Entertainment International Limited that was made on 8 August 2013, and to the purchase of 100% of the ordinary share capital in Multikino S.A. that was made on 30 September 2013 (notes 34 and 35).

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

11 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Long Leasehold Land and Buildings £'000	Short Leasehold Land and Buildings £'000	Furniture Fixture and Equipment £'000	Construction in Progress £'000	Total £'000
Cost						
At 2 May 2013	-	-	-	-	-	-
Acquisitions	6,588	15,501	249,787	82,434	4,912	359,222
Additions	25	62	4,553	3,294	3,232	11,166
Transfers	-	-	-	706	(706)	-
Disposals	-	-	-	(2,219)	(135)	(2,354)
Foreign exchange movement	(228)	(203)	(683)	(1,747)	(137)	(2,998)
At 28 November 2013	6,385	15,360	253,657	82,468	7,166	365,036
Accumulated Depreciation						
At 2 May 2013	-	-	-	-	-	-
Charge during period	164	87	6,528	4,599	-	11,378
Disposals	-	-	-	(2,079)	-	(2,079)
Foreign exchange movement	(12)	(1)	(269)	(252)	-	(534)
At 28 November 2013	152	86	6,259	2,268	-	8,765
Net book value at 28 November 2013	6,233	15,274	247,398	80,200	7,166	356,271

The additions for the period include an amount of £8.4m of capital expenditure accrued as at 28 November 2013 relating to expenditure on new sites and other projects.

Company

The Company had no tangible fixed assets at 28 November 2013.

Finance lease agreements

Included within the net book value as at 28 November 2013 is £8.4m relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £138k. The finance leases all relate to furniture, fixtures and fittings.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

12 Fixed Asset Investments

	As at 28 November 2013 £'000
Company	
At 28 November 2013	204,976

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The respective statutory financial year-ends of the following subsidiary undertakings is 31 December: Spean Bridge Cinemas (Algarve) Lda, Spean Bridge Luxembourg S.ar.l, Spean Bridge Luxembourg Investments S.ar.l and Spean Bridge (Taiwan) S.ar.l, Vue Beteiligungs GmbH, CinemaxX Aktiengesellschaft, CinemaxX Cinema GmbH & Co. KG, CinemaxX Entertainment GmbH & Co. KG, CinemaxX Movietainment GmbH, CinemaxX Danmark A/S, CinemaxX Cinetainment GmbH, CinemaxX Entertainment Verwaltungsgesellschaft mbH, CinemaxX Filmtheater GmbH, CinemaxX MaxXtainment GmbH, Silencium Betriebs GmbH, Verwaltung CinemaxX Cinema GmbH, Eudialyte Company Sp. zo.o., Multikino Media Sp.zo.o., SBC Taiwan Limited, SIA Multikino Latvia, UAB Multikino Lietuva and Vue Movie Distribution Sp. zo.o

The respective statutory financial year-end of Multikino S.A. is 30 June 2014.

The details of the Company's subsidiary undertakings as at 28 November 2013 are shown overleaf:

Notes to the Financial Statements
for the period ended 28 November 2013 (continued)

Fixed Asset Investments (continued)

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Notes to the Financial Statements for the period ended 28 November 2013 (continued)

13 Investment in associate

	28 November 2013 £'000
As at 2 May 2013	-
Addition	238
As at 28 November 2013	238

14 Employee Benefit Trust

During the period the Group made a capital contribution of £500 to an Employee Benefit Trust (EBT), registered in Jersey. The EBT has no issued shares and the contribution from the Group is its only source of capital.

15 Stock

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Finished goods and goods for resale	2,743	-

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

16 Debtors

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Amounts falling due within one year:		
Trade debtors	11,063	-
Amounts due from shareholders	21	-
Amounts due from group undertakings	-	16,552
Intercompany loans receivable	-	798,822
Other debtors	5,229	671
Prepayments and accrued income	22,978	-
	39,291	816,045
Amounts falling due after more than one year:		
Deferred tax (note 22)	25,587	-
	64,878	816,045

Intercompany loans receivable bear interest of 9% to 11%. The termination date varies per each individual loan. All interest is capitalised on an annual basis to increase the value of the loan.

17 Cash at bank and in hand

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Cash - unrestricted	47,080	919
Cash - restricted	8,411	-
Total Cash at bank and in hand	55,491	919

Restricted cash of £8,411k includes £3,956k of rental deposits held in relation to some of the Group's cinema sites. The remaining amount of £4,455k relates to amounts held for the purchase of the remaining minority interest in the CinemaxX AG subsidiary (note 37).

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

18 Creditors: Amounts Falling Due Within One Year

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Trade creditors	24,720	-
Amounts owed to group undertakings	-	13,703
Other tax and social security	1,283	-
Other creditors	4,239	-
Group relief payable	112	151
Finance leases	1,707	-
Accruals	62,147	14,878
Corporation tax payable	839	-
Deferred income	20,525	-
	115,572	28,732
Loans (net of unamortised issue costs)	35,186	33,203
Loans	35,186	33,203
	150,758	61,935

Amounts owed to group undertakings are interest free and are repayable on demand.

19 Creditors: Amounts Falling Due After More Than One Year

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Deferred income	45,332	-
Other creditors	1,249	-
Finance leases	4,485	-
	51,066	-
Loans (net of unamortised issue costs)	976,068	975,559
Loans	976,068	975,559
	1,027,134	975,559

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

20 Loan Capital and Borrowings

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Revolving Credit Facility	1,983	-
Capitalised Issue Costs	(2,048)	(2,048)
Shareholder Loans	35,251	35,251
Loans: amounts falling due within one year	35,186	33,203
Secured Euro - Floating notes	241,365	241,365
Secured Sterling - Fixed notes	300,000	300,000
Capitalised Issue Costs	(12,743)	(12,743)
External Loans	509	-
Shareholder Loans	446,937	446,937
Loans: amounts falling due after more than one year	976,068	975,559
Total Loans	1,011,254	1,008,762

Movement in loans is analysed as follows:

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
At 2 May 2013	-	-
Issue of Secured Euro - Floating notes	251,923	251,923
Issue of Secured Sterling - Fixed notes	300,000	300,000
Capitalised Issue Costs incurred	(15,397)	(15,397)
Revolving Credit Facility drawdown	1,983	-
Shareholder Loans issued	467,100	467,100
External loans acquired	614	-
External Loans repaid	(76)	-
	1,006,147	1,003,626
Amortisation of Capitalised Issue Costs	606	606
Interest accrued in the period	15,088	15,088
Foreign Exchange movements	(10,587)	(10,558)
At 28 November 2013	1,011,254	1,008,762

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

20 Loan Capital and Borrowings (continued)

Senior Secured Notes

Senior secured fixed rate sterling denominated notes of £300m were issued on 18 July 2013 with a termination date of 15 July 2020. Interest is fixed at 7.875% and payable on a semi-annual basis. The full amount of the notes was received in cash as at 28 November 2013.

Senior secured floating rate euro denominated notes of €290m (£252m) were issued on 18 July 2013 with a termination date of 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 525 bps. Interest is payable on a quarterly basis. Of the cash received, €58,148k (£50,514k) was held in escrow to be used in the acquisition of Multikino S.A. and was repayable to the note holders had the acquisition not taken place. When the acquisition was completed, the cash was released from escrow. The full amount of the notes was received in cash as at 28 November 2013. An OID fee of €1,159k (£1,007k) was paid on the date of issue of the notes.

Revolving Credit Facility

The Group is able to draw down on a £50m multicurrency revolving credit and overdraft facility with Lloyds TSB bank plc. At 28 November 2013 the facility was £1,983k drawn down. The facility is available until August 2019. The facility bears interest at LIBOR, EURIBOR, CIBOR or WIBOR depending on the currency drawn down plus a margin of 3.5%.

Swap Contracts

On 8 August 2013 the Company entered into two swaps with Lloyds TSB Bank PLC (Lloyds) and Normura International PLC (Nomura). Both swaps have a notional value of €115.9m and a termination date of 15 July 2016. Under the Lloyds swap the Company pays a fixed interest rate of 1.147%. Under the Nomura swap the Company pays a fixed interest rate of 1.027%. These swaps replaced the swaps held by the Vue Entertainment International Limited group taken out to hedge its bank facilities in place before the acquisition. A break fee incurred in relation to replacing the swaps was rolled into the rates applied on the new swaps taken out on 8 August 2013.

The Company entered into a currency swap to hedge the euro denominated cash flows resulting from the acquisition of the Vue Entertainment International Limited group. The swap was settled on 8 August 2013 when the acquisition took place and is therefore no longer in place at 28 November 2013.

Capitalised Issue Costs

Costs incurred in issuing the senior secured notes and the revolving credit and overdraft facility totalled £15,471k. The costs are capitalised and are allocated to the profit and loss account over the terms of the related debt facility. At 28 November 2013 borrowings are stated net of unamortised issue costs of £14,791k.

Security

The senior secured notes and revolving credit facility are secured by cross guarantees and charges over certain of the Group's shares and assets.

Shareholder loans due within one year

Shareholder loans relate to the German Trapped Cash Equity Bridge loan. The loan bears interest of 11.0% and has a termination date of 9 August 2033. The loan can be repaid earlier than that date if the remaining shares in CinemaxX AG not owned by the Group have been acquired, subject to a maximum payment of £38.0m for principal and accrued interest in total. Subsequent to the balance sheet date, agreement has been reached to acquire the remaining shares in CinemaxX AG (note 37) and therefore the loan has been classified as due within one year.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

20 Loan Capital and Borrowings (continued)

Shareholder loans due after more than one year

Shareholder loans bear interest of 11.0% and have a termination date of 9 August 2033. Early repayment can be requested but not before the termination of the senior secured notes. All interest is capitalised on an annual basis to increase the value of the loan. At 28 November 2013 accrued interest totalled £13,937k.

21 Provision for Liabilities

	Group As at 28 November 2013 £'000	Company As at 28 November 2013 £'000
Provision at beginning of period	-	-
Onerous lease provision acquired	38,522	-
Charge to the profit and loss account	3,911	-
Utilised during the period	(2,117)	-
Unwinding of discount factor on onerous leases (note 7)	987	-
Foreign exchange movements	(185)	-
Provision at the end of the period	41,118	-

At 28 November 2013, a full review of the onerous lease provision was carried out. £4.8m of the above provision relate to amounts falling due within one year.

22 Deferred Taxation

The deferred tax asset shown in the balance sheet comprises:

	Group As at 28 November 2013 £'000
Recognised at start of period	-
Deferred tax acquired	23,182
Transfers to translation reserve	872
Charged to profit and loss account	1,533
Recognised at end of period	25,587
Analysis of timing differences	
Depreciation in excess of capital allowances	2,524
Tax loss carried forward	23,048
Other timing differences	15
	25,587

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

23 Called up Share Capital

	As at 28 November 2013 £'000
Allotted, issued and fully paid	
At 2 May 2013	-
Issued during the period: 4,718,100 Ordinary shares of £1 each	4,718
At 28 November 2013	4,718

24 Share-based payments

During the period, Vougeot Holdco Limited implemented an equity-settled share-based incentive plan for certain management employees. The plan granted 1,000,000 'D' Ordinary shares. Subject to the relevant employee still being employed by the Group these shares vest as follows, either a) upon grant, b) over a three year period or c) immediately upon a trade sale or listing of the Group.

25 Reserves

	Group Profit and Loss account £'000	Company Profit and Loss account £'000
At 2 May 2013	-	-
Loss for the financial period	(18,674)	(20,299)
Translation (loss)/gain	(3,454)	27
At 28 November 2013	(22,128)	(20,272)

26 Capital Commitments

At 28 November 2013 the Group had capital commitments as follows:

	As at 28 November 2013 £'000
Contracted	10,257

Company

At 28 November 2013, the Company had no capital commitments.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

27 Contingent Liabilities

The Company and Group did not have any contingent liabilities as at 28 November 2013.

28 Commitments under Finance Leases

	As at 28 November 2013 £'000
Finance lease rentals due:	
Within one year	1,707
In two to five years	4,686
Over five years	479
Less interest	(683)
	6,189

29 Commitments under Operating Leases

	Land & Buildings As at 28 November 2013 £'000	Other As at 28 November 2013 £'000
Operating leases which expire:		
Within one year	940	64
In two to five years	9,254	199
Over five years	97,446	-
	107,640	263

At 28 November 2013, the Company had no financial commitments under non-cancellable operating leases.

30 Pensions

The Group operates a defined contribution scheme in the form of a Group Personal Pension Plan for its employees. The assets of the plan are held separately from those of the Group in an independently administered fund. Contributions to the fund made by employees are matched by equal contributions to the fund from the Group. Contributions payable by the Group to the fund in respect of the period ended 28 November 2013 amounted to £97k. At 28 November 2013, there were outstanding contributions of £88k included within creditors.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

31 Reconciliation of Operating Profit to Net Cash Inflow

	Period ended 28 November 2013 £'000
Operating profit	11,039
Depreciation of fixed assets	11,378
Amortisation of goodwill	10,859
Non cash operating items	(8,938)
Increase in stock	(546)
Decrease in debtors	4,710
Decrease in creditors	(11,110)
Net cash inflow	17,392

32 Reconciliation of Net Cash Inflow to Movement in Net Debt

	Period ended 28 November 2013 £'000
Increase in cash in the financial period	248
Cash inflow from shareholders loans	(461,199)
Cash inflow from senior secured notes and revolving credit facility	(553,905)
Cash outflow from other loans repaid	214
Cash outflow from Multikino acquired debt repaid	25,889
Cash outflow from issue costs paid	15,429
Change in net debt resulting from cash flows	(973,324)
Amortisation of issue costs	(606)
Other non cash movement	(5,880)
Bank loans and other borrowings acquired on acquisition	(32,729)
Cash acquired on acquisition	56,309
Foreign exchange movement	9,425
Issue of debt - rolled up interest	(15,088)
Movement in debt	(961,893)
Net debt at beginning of period	-
Net debt at end of period	(961,893)

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Notes to the Financial Statements for the period ended 28 November 2013 (continued)

33 Analysis of Changes in Net Debt

	As at 2 May 2013	Cash flow £'000	Acquisitions £'000	Non cash movement £'000	Foreign exchange £'000	As at 28 November 2013 £'000
Cash in hand and at bank	-	248	56,309	-	(1,066)	55,491
Other Loans	-	214	(7,050)	-	175	(6,661)
Shareholders loans	-	(461,199)	-	(20,968)	-	(482,167)
Revolving Credit Facility borrowing	-	(1,983)	-	-	-	(1,983)
Senior Secured notes	-	(510,604)	(25,679)	(606)	10,316	(526,573)
	-	(973,324)	23,580	(21,574)	9,425	(961,893)

Non cash movement comprises amortisation of issue costs of £606k and accrued interest of £15,088k on shareholder loans which is capitalised rather than paid. A further £5,880k relates to shareholder loans that were received in exchange for non cash consideration.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

34 Acquisition of Vue Entertainment International Limited

On 8 August 2013, the Company acquired 100% of the ordinary share capital in Vue Entertainment International Limited, which was the top holding company of the Vue cinema operating group.

The Company believes that the carrying value of the underlying assets and liabilities on acquisition are the current fair value and these are reflected below.

	Book value prior to acquisition £'000	Revaluations £'000	Fair value to the Group £'000
Intangible fixed assets	355,384	(355,384)	-
Tangible fixed assets	296,099	(4,000)	292,099
Investments in associate	246	-	246
Stock	1,972	-	1,972
Debtors	40,736	-	40,736
Cash	67,784	-	67,784
Creditors: amounts falling due within one year	(87,275)	-	(87,275)
Provision for liabilities - onerous leases	(38,522)	-	(38,522)
Creditors: amounts falling due after more than one year	(44,449)	-	(44,449)
Borrowings	(639)	-	(639)
Deferred taxation	14,616	-	14,616
Minority interests	(1,532)	-	(1,532)
Net assets acquired	604,420	(359,384)	245,036
Consideration satisfied by:			
Cash consideration			942,205
Shareholder loan (preference shares issued by Vougeot Holdco Limited)			5,880
Total consideration			948,085
Goodwill			703,049

Vue Entertainment International Ltd owns 97.48% of its subsidiary company CinemaxX AG, with the remaining 2.52% held by independent shareholders. The resulting minority interest has been reflected in net assets and liabilities on acquisition in the above table.

Revaluation adjustments reflect the write-down of goodwill that Vue Entertainment International Limited held in relation to previous acquisitions made and an impairment of short leasehold land and buildings to reflect management's current view of fair value. A more detailed analysis of the carrying value of each individual income generating unit is underway and if any further fair value adjustments are required they will be completed during the 2014 financial year.

No adjustments were considered necessary for the alignment of accounting treatment due the decision to adopt accounting policies consistent with those applied in the preparation of the Vue Entertainment International Limited statutory financial statements for the 53 week period ended 29 November 2012.

In its last financial year to 29 November 2012, Vue Entertainment International Limited made a loss after tax and minority interests of £41,424k under UK GAAP reporting.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

34 Acquisition of Vue Entertainment International Limited (continued)

From the start of its latest financial year on 30 November 2012, to the date of acquisition, Vue Entertainment International Limited recorded the following results in its management accounts.

	£'000
Turnover	356,712
Operating profit	11,601
Interest	(62,733)
Loss on ordinary activities before taxation	(51,132)
Taxation	(4,473)
Minority Interest	(215)
Retained loss for the period	(55,820)

The retained loss of £55,820k was the total recognised loss for the period.

35 Acquisition of Multikino S.A.

On 30 September 2013 the Company acquired 100% of the share capital of Multikino S.A., a leading multiplex cinema operator in Poland, Latvia and Lithuania.

The Company believes that the carrying value of the underlying assets and liabilities on acquisition, after revaluations and accounting policy alignments are the current fair value and these are reflected below.

	Book value prior to acquisition £'000	Revaluations £'000	Accounting policy alignment £'000	Fair value to the Group £'000
Intangible fixed assets	247	(247)	-	-
Tangible fixed assets	86,036	(25,762)	6,849	67,123
Stock	3,315	(3,064)	-	251
Debtors	5,907	-	-	5,907
Overdraft	(11,475)	-	-	(11,475)
Creditors	(16,158)	(3,294)	-	(19,452)
Deferred income	(959)	-	(5,834)	(6,793)
Borrowings	(25,679)	-	-	(25,679)
Finance leases	(6,411)	-	-	(6,411)
Deferred taxation	2,799	5,960	(193)	8,566
Net assets acquired	37,622	(26,407)	822	12,037
Consideration satisfied by:				
Cash consideration				43,932
Total consideration				43,932
Goodwill				31,895

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Notes to the Financial Statements for the period ended 28 November 2013 (continued)

35 Acquisition of Multikino S.A. (continued)

The revaluation adjustments reflect management's view of the fair values of the acquired assets and liabilities and relate to the carrying values of a trademark, land and buildings, programming stock and deferred tax and the valuation of certain liabilities associated with previous financing arrangements, an environmental levy, value added tax and commitments to acquire programming rights, together with the associated impact on deferred tax of recognising the above adjustments.

The alignment of accounting policy relates to the treatment of lease incentives, which are recognised as deferred income and amortised over the shorter of the period to the next rent review date or over the remaining term of the lease.

From the start of its latest financial year on 1 January 2013, to the date of acquisition, Multikino S.A. recorded the following results in its management accounts.

	PLN '000
Turnover	237,145
Operating profit	7,944
Impairment of goodwill and tangible fixed assets	(111,464)
Interest	(15,241)
Loss on ordinary activities before taxation	(118,761)
Taxation	3,283
Retained loss for the period	(115,478)

The retained loss of PLN 115,478k (£23,400k) was the total recognised loss for the period.

For the previous financial year, ending on 31 December 2012, Multikino S.A. reported a profit after tax of 4,778k PLN.

36 Related parties

The Company entered into a management services agreement with OMERS Private Equity Inc., PE12GV (Artist) Ltd. and PE12PX (Artist-Management) Ltd. as service providers. Each service provider provides corporate finance, strategic corporate planning and other services. Annual fees of £400k plus applicable expenses are paid by the Company for these services. During the period fees of £134k were charged of which all were still outstanding at 28 November 2013.

37 Post Balance Sheet Events

Subsequent to the balance sheet date an agreement was reached to acquire the remaining 2.52% of the shares in CinemaxX AG that were not owned by the Group. The purchase was made by Vue Beteiligungs GmbH, a subsidiary of the Group, for an amount of €5,967k. Following the acquisition of the shares, CinemaxX AG is now fully delisted from all stock exchanges.

Vougeot Bidco plc

Notes to the Financial Statements for the period ended 28 November 2013 (continued)

38 Ultimate Parent Undertaking

At 28 November 2013, the immediate parent undertaking of Vougeot Bidco plc is Vougeot Midco Limited.

This set of financial statements, with the Company as parent undertaking, is the smallest group of undertakings for which consolidated group financial statements are drawn up and publicly available of which the Company is a member.

At 28 November 2013, Vougeot Holdco Limited, a company incorporated in Jersey, is the parent undertaking of the largest Group in which the results of the Company are consolidated. The consolidated financial statements of Vougeot Holdco Limited are publically available and may be obtained from Vougeot Holdco Limited, Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG.

At 28 November 2013, the ultimate controlling parties are considered by the directors to be OPE Vougeot Holdings Ltd, PE12GV (Artist) Ltd. and PE12PX (Artist) Ltd., investment vehicles for OMERS Administration Corporation, OCP Trust and Her Majesty the Queen in right of Alberta.