Registered number: 08514872

VOUGEOT BIDCO PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 26 NOVEMBER 2015

VOUGEOT BIDCO PLC

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GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 26 NOVEMBER 2015

INTRODUCTION

The directors present their Strategic Report of Vougeot Bidco plc ("the Company") and its subsidiaries ("the Group") for the 52 week period ended 26 November 2015. The comparative period is for the 52 week period ended 27 November 2014.

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

As at 26 November 2015, the Group operates 189 cinema sites. 83 of these sites are in the UK, 1 in Eire, 36 in Italy, 30 in Germany, 3 in Denmark, 1 in Taiwan, 33 in Poland and 1 in each of Latvia and Lithuania.

The Company has issued listed 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. Reports are available within the investor section of the Group website (http://corporate.myvue.com/home/Investor-Relations) and contain unaudited and non-statutory information.

The Company is controlled by Vougeot Holdco Limited, a company incorporated in Jersey, which is considered the ultimate controlling party. Vougeot Holdco Limited is a co-investment vehicle for OMERS Administration Corporation and certain clients of Alberta Investment Management Corporation.

BUSINESS REVIEW

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 forward looking statements and forecasts as they can be affected by a wide range of variables not wholly within the Group's control.

The forward looking statements reflect the knowledge and information available at the date of preparation of the Strategic Report, Directors' Report and financial statements. Nothing in the Strategic Report, Directors' Report and financial statements should be construed as a profit forecast.

RESULTS IN THE PERIOD

Group operating profit for the period was £22.7m (2014: £2.0m).

The retained loss for the Group after taxation, finance costs and minority interests amounted to £60.0m (2014: £90.8m).

Total net cash outflow for the period amounted to £5.3m (2014: inflow £2.9m) as set out below.

Net cash inflow from operating activities for the period was £111.0m (2014: £77.1m) driven by the trading performance of the Group. This includes a £10.1m (2014: £3.4m) cash inflow from working capital which was driven predominately by a movement in creditors.

Net interest including minority dividends paid amounted to £42.3m (2014: £41.3m) and related primarily to the senior secured notes. Taxation of £7.0m (2014: £2.8m) was also paid.

Net cash outflow on capital expenditure and other financial investments during the period was £19.7m (2014: £94.4m). Capital investment in cinemas and related assets, net of landlord contributions, was £19.4m (2014: £23.5m). The net cost of the establishment of Red Carpet Cinema GmbH, the joint venture, a screen advertising business in Germany, totalled £0.3m (2014: £nil). In 2014, the net cost of the acquisition of Space and the remaining shares in CinemaxX Holdings GmbH following the squeeze out of the minority interest, totalled £70.9m.

Net cash outflow from financing activities was £47.2m (2014: inflow £64.4m). Repayment of short term bank loans amounted to £45.8m (2014: nil) and finance leases and other loans of £1.4m (2014: £1.6m) were repaid. In 2014, cash received from the issuing of new senior secured notes and from the revolving credit facility totalled £70.9m. £5.0m of debt issue costs were paid in respect of the new senior secured notes.

Net debt at the end of the period was £1,086.2m (2014: £1,096.1m). This comprised £538.4m of senior secured notes including capitalised issue costs, £594.3m of shareholder loans including capitalised interest, £3.4m of finance lease creditors and other loans less £49.9m of cash balances.

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 four key territories within the Group are shown in the table below.

Market Admissions (m)	FY 2015	FY 2014	FY 2015 vs FY 2014
UK and Ireland	**185.2**	169.7	9.1%
Germany	**139.0**	121.7	14.2%
Italy	**98.5**	92.3	6.7%
Poland	**43.3**	40.1	8.0%

Market GBOR	FY 2015	FY 2014	FY 2015 vs FY 2014
UK and Ireland (£m)	**1,283.5**	1,113.3	15.3%
Germany (€m)	**1,153.9**	979.7	17.8%
Italy (€m)	**630.8**	580.4	8.7%
Poland (PLNm)	**797.5**	721.1	10.6%

Source: UK - IBOE and DCM; Germany - FFA; Poland - boxoffice.pl; Italy - Cinetel (calendar months December to November).

All of the markets in which the Group operates enjoyed significant year-on-year growth in admissions, due largely to the much improved Hollywood film slate compared to the prior period. Additionally, the prior period was impacted by the FIFA World Cup, in particular in Germany where the national team participated through to the final, which they won.

Highlights from the Hollywood film slate included the latest Bond title SPECTRE, the latest Pixar animation Inside Out, Jurassic World and Avengers: Age of Ultron. These international releases, which proved extremely popular across all of our territories, were complemented by several highly successful local productions, which fuelled growth in specific markets and continued to demonstrate the benefit of a diversified portfolio of territories. In the UK and Ireland, such local titles included Paddington and Legend. In Germany, Honig im Kopf was extremely popular during the first quarter and was followed by Fack Ju Gohte 2 which was released in September and which became the second highest grossing title of the period in Germany. In Poland, Listy Do M. 2, which was released in November, performed extremely strongly towards the end of the year and has subsequently become the third highest grossing title of all time in that market. Local content highlights in Italy included Si Accettano Miracoli.

Market GBOR levels developed at an even faster rate than admissions volumes, reflecting a continued strong penetration of high quality 3D content which helped in driving higher average ticket prices across our markets.

All territories, with the exception of Italy, achieved record levels of market GBOR during the period.

Other Revenues

Retail revenues remain a significant source of income for the Group. Traditionally, products such as popcorn, hot dogs, nachos and soft drinks have been popular choices for audiences in terms of food and beverage purchases. However, there is an increasing demand for a more diverse offering both in terms of range of products as well as premium offerings. New product offerings are being developed to meet this demand.

The Screen Advertising market enjoyed a highly successful year, reflecting the blockbuster nature of the slate during the period, with titles such as SPECTRE, Fifty Shades of Grey and Avengers: Age of Ultron proving very attractive to advertisers.

BUSINESS MODEL

The Group generates its revenues mainly through the sale of tickets for audiences to view screenings of movies within its cinemas, the sale of food and beverages to the audiences, and advertising revenue generated, mostly through on-screen advertising.

The main costs for the Group relate to film rental payments to distributors for the right to screen movies within its cinemas, purchasing of concessions goods for resale, rental expense for its cinemas as well as utilities and maintenance to operate the sites and the cost of employing staff working at its cinemas.

STRATEGY

The Group continues to seek to achieve growth through business improvement, organic growth and acquisition.

New Site Development

During the year, the Group opened three new state-of-the-art multiplex sites, one in the UK and two in Poland.

In the UK, Vue opened a seven screen site in Farnborough, on 6 May 2015. The cinema is located in the Meads shopping centre in the heart of the town and has been built to Vue’s high standards including stadium seating, the latest Sony 4K digital projection and Dolby Atmos 3D sound.

In Poland, Multikino opened a new six screen site in Elblag on 6 November 2015, which replaced an old site which closed on 12th July 2015. A further six screen site was opened on 20th November in 2015 in Jaworzno. Both sites are equipped with stadium seating, the latest digital projection, Dolby digital sound, an integrated retail offering and VIP seating.

During 2016, the Group plans to open at least one new site, a nine screen multiplex in Darlington (UK). The Group continues to actively seek new opportunities for value enhancing development and appraises all relevant opportunities as and when they arise, either for organic development or potential acquisition.

Development of Existing Sites

The Group has continued to invest in the improvement of existing sites in order to enhance customer experience. This includes the installation of new screens, including premium large format screens, redevelopment of seating, flooring and foyer areas, and enhancement of the retail offering for our customers.

During the period, four sites in the UK underwent significant works to refurbish them to new Vue brand standards. Additionally, the Vue site in Dublin, Eire, was more substantially modified, resulting in a more optimally sized cinema, fully refurbished with a lower cost base. In Poland, two sites benefitted from foyer and entrance hall refurbishments. In Copenhagen, Denmark, in addition to the installation of an IMAX screen, four additional screens were installed, increasing the screen count at this flagship cinema from 10 to 14.

Enhanced VIP and luxury recliner seats were fitted to the new IMAX screens in the UK during the period. The sales performance from the new seating offer has exceeded expectations with further luxury recliner seat trials to be rolled out across the UK and potentially other territories during 2016. In Germany, Poland, Italy, Latvia and Lithuania, a programme to install new high-quality VIP seats to all screens across each circuit has been instigated, with the roll-out scheduled mid-year.

VueXtreme has remained highly popular among cinema goers as a screen of first choice. The Group currently has 14 VueXtreme screens in the UK and 1 in Poland.

Since the period end, the Group has developed exciting plans to completely refurbish the flagship UK and Ireland site located in the West End in London, which will be delivered during the second half of the year.

The Group will continue to assess opportunities within the circuits for developing existing sites, including the addition of new screens where appropriate.

Technology

All territories within the Group are fully digitalised with state-of-the-art audio and visual technology deployed across the Group's cinemas.

New projection formats and technologies are continuously being explored, with IMAX screens being installed in three of our sites, two in the UK and the first IMAX screen introduced to the Danish market during April 2015. The site in Copenhagen has proved particularly successful, with the cinema enjoying a position in the top six grossing IMAX locations worldwide.

In the UK and Ireland, the Group trialled, during the period, software tools focused on optimisation of scheduling of titles across our sites. The software relies on highly sophisticated algorithms which take into account various metrics to ensure each screen in each site is showing the most appropriate title at the right time to ensure attendances and profitability are maximised. This is to be deployed across the entire UK and Ireland circuit during 2016 with similar scheduling tools being explored in our other territories.

During the period, a comprehensive technical and commercial plan has been created to support customer relationship management, which will span all territories. Common hardware and software tools have been selected to deliver further enhancements to the end to end digital customer experience with new partners in place to develop and deliver this in 2016.

The year ended with excellent performance of the upgraded and flexible new web infrastructure. The expanded physical and virtual platform coped seamlessly with sudden surges in demand for SPECTRE and Star Wars which froze other comparable systems around the world. Record online sales were delivered, with peaks in online traffic more than 50% higher than the previous record.

The Group also invested in its finance systems and infrastructure during the period, with the upgrade of the general ledger system in the UK taking place along with the initiation of a conversion program in Poland and a wider project to deploy new consolidation and analysis tools across the Group during 2016.

Screen Advertising

As anticipated, a combination of increased admissions from the stronger film slate and general macroeconomic conditions drove an uplift in overall screen advertising revenues. Specific titles such as SPECTRE have a high level of attractiveness for advertisers and their target audiences and in combination with their strong admissions levels they deliver significant advertising revenues. The overall advertising market remains highly competitive with screen advertising leveraging digital capabilities and audience insight to compete effectively.

The Group also continues to develop new advertising products, solutions and structures. During the period, a new joint venture was established in Germany, partnering with Cinestar. The joint venture is branded ‘Red Carpet Media’ and ‘Red Carpet Events’ and is dedicated to leveraging our, and Cinestar’s, cinema assets for the purpose of advertising and other corporate and conferencing income.

Operational Efficiency

The Group remains focused on ensuring continuous improvement in site operations to achieve relevant efficiencies.

Our energy saving strategy remains a significant area of importance, from an environmental perspective as well as the associated cost savings this delivers. Energy savings are pursued through investment in capital projects as well as behavioural measures.

During the period, energy saving investment was undertaken in the areas of HVAC controls in the UK, Germany and Poland and more efficient LED lighting installed in the UK. Further investment in these areas is planned for 2016.

In Italy, enhanced management procedures were introduced during the period and these have delivered significant reductions in electricity consumption.

The Group also continues to proactively review and manage lease contracts with our landlords to ensure rent, length of lease and space rented are all optimally configured. During the period, leases in the UK, Ireland, Italy, Poland and Lithuania were regeared to deliver additional value for the Group.

In the UK, changes were made to improve operational efficiencies and increase retail sales at nine sites during the period. This involved the integration of concessions and ice cream counters along with other general retail area reconfigurations to improve customer flow and staffing efficiencies. Similar upgrades were made to certain sites in Poland. The Group plans to continue to invest in this area during 2016, to ensure the retail and concessions areas across all of our territories are both configured in an operationally and visually optimal manner, whilst developing and broadening the product offering for our customers.

During the period, the Group leveraged its increased scale in securing optimally priced supply contracts across various areas including popcorn, soft drinks, packaging, xenon bulbs and 3D glasses.

The Group will continue to proactively review all supply contracts to maximise profitability and cash flow.

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 Group’s approach to risk management is to manage rather than attempt to eliminate risks in the pursuit of its business objectives.

Management considers risks within day-to-day activities and initiatives and appropriate processes are implemented to monitor and mitigate them. During 2015, the Group designed a more formal risk management framework and Group wide internal audit capability to strengthen corporate governance across the Group.

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

Film Production and Quality Risk

The quality of the films released in any period is the main determinant of the Group's admissions which in turn drive revenue and profitability. There is an inherent reliance on major US studios and local film industries to continue to develop successful films and franchises that ensure a reliable and recurring stream of revenue.

The Group maintains close relationships with studios and local distributors to understand, as early as possible, likely film performance. The Group has also significantly increased exposure to its local, non-Hollywood film demand through its increasing presence in European markets. This increased exposure helps to provide a robust hedging mechanism during phases where Hollywood content may not be as appealing to cinema audiences. Additionally, one of the areas where the Group has seen significant growth is around the screening of alternative content, such as operas, live theatre screenings and sporting events.

Competition Risk

The Group operates in a competitive market place. Other operators have sites within the catchment areas of many of the Group cinemas.

To mitigate this risk the local operations teams monitor the services provided to customers with a focus on continual improvement. Additionally the Group invests significant amounts in maintaining and improving its cinema estate resulting in a high proportion of state-of-the-art, stadium seated, high quality multiplexes within its portfolio. The Group is also undertaking a company-wide initiative to improve its customer facing digital platforms. Together these enhance the customer experience from awareness, choice and booking through to ticket collection and the screening experience itself.

Supplier Risk

The Group’s main suppliers are the distributors of the film product that drives admissions at the Group’s cinemas and the suppliers of branded food, drink and confectionery offered in the Group's sites.

The relative importance of each distributor varies over time in line with the relative success of the individual films that they release each year and is managed through the Group's Film Buying teams. During 2015, the Group has developed its procurement capability for non film purchasing activity resulting in international arrangements which benefit the Group as a whole and leverage its increasing scale.

Health and Product Safety Risk

The Group’s cinemas attract thousands of visitors every week. The Group places paramount importance on ensuring the sites are physically safe environments and food products are maintained and served in accordance with food safety regulations. The Group employs ongoing compliance monitoring methods within its sites and conducts frequent and unannounced operational audits as part of its monitoring programme.

Information Security and Data Protection Risk

The Group employs business and customer facing systems across all of its sites and head offices. The integrity of that information is key for effective decision making and day-to-day operational systems including online and mobile applications. Management controls ensure appropriate access and segregation of duties across operational, financial and customer facing systems. During 2015 the business reviewed and upgraded its IT policy set as part of the group policy framework and improved Payment Card Industry Data Security Standard control.

Continuity Risk

The Group has maintained standard operating procedures for its sites in the event of fire or similar incident. During 2015, due to the heightened security concerns for public places, Vue reviewed and upgraded its procedures for protecting its sites, staff, visitors and customers. The revised procedures were reviewed by the Company’s Audit Committee.

People Risk

The business has been growing significantly and management recognises the reliance that may be placed on key personnel at all levels. The Group’s HR division establishes methods for succession planning, effective recruitment and talent management.

Group Internal Audit

During 2015, the business assessed its internal auditing capability. The UK field audit approach was strengthened and this has resulted in improved focus on risk and issues and clearer reporting across the sites in the UK. A head of Group Internal Audit has been appointed to establish a Group-wide auditing capability across the territories including corporate, operational, financial and strategic risk areas.

The business has revamped and expanded its Group policy framework to build consistency in process, controls and the management of risk. Further improvements and the roll out of the framework are planned for 2016.

Key Performance Indicators

The board monitors Admissions, Group Turnover, Box Office Revenue and Group EBITDA. All figures stated below reflect the results of the Group:

	Period ended 26 November 2015	Period ended 27 November 2014
Admissions	**81.2m**	58.7m
Group Turnover	**£697.9 m**	£546.1m
Box Office Revenue	**£458.3 m**	£359.1m
Group EBITDA	**£112.2 m**	£84.3m

Group EBITDA differs from Group statutory operating profit of £22.7m (2014: £2.0m) after adding back amortisation of goodwill and intangible assets of £40.2m (2014: £37.5m), depreciation and impairment of fixed assets of £46.7m (2014: £40.3m), share based payment charges of £2.1m (2014: 2.7m), onerous lease charges to the profit and loss account of £nil (2014: £1.2m), and other property costs of £0.5m (2014: £0.6m).

Future Outlook

The film slate for 2016 promises to be very exciting, building on the record-breaking release of Star Wars Episode VII: The Force Awakens, which was released in December 2015 and which provided an extremely strong start to the new financial year, which commenced 27 November 2015.

In addition to Star Wars, we have already seen solid performances from the Pixar animation, The Good Dinosaur, Daddy's Home, the critically acclaimed The Revenant as well as Deadpool.

During the remainder of the year, key Hollywood releases include Batman vs. Superman, the latest title in the Marvel franchise Captain America: Civil War, Finding Dory and a much anticipated movie adaptation of the J.K. Rowling book Fantastic Beasts And Where To Find Them.

Highly anticipated local productions include Ich Bin Dann Mal Weg and Tatort in Germany. In Italy, the latest release from director Checco Zalone, Quo Vado?, was released in January 2016 with record-breaking results, becoming the second highest grossing title of all time in the Italian market. In Poland, Listy Do M. 2 continued to perform strongly through December 2015, providing a very good start to the period, with Smolensk, an air-disaster movie based on true events, also expected to be a highly popular release.

The Group will continue to invest in its existing cinemas and infrastructure and explore new opportunities through site development, procurement, customer value management, corporate partnerships, operating efficiencies and technology.

This report was approved by the Board and signed on its behalf.

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Alan McNair
Director
Date: 18 March 2016

DIRECTORS' REPORT
FOR THE PERIOD ENDED 26 NOVEMBER 2015

The directors present their report and the audited financial statements of the Group for the period ended 26 November 2015.

RESULTS AND DIVIDENDS

The loss for the financial period, after taxation and minority interests, amounted to £60.0m (2014: £90.8m). Further discussion of the results and performance of the Group is provided in the Strategic Report on pages 1 to 7.

The directors do not recommend that a dividend be paid (2014: £nil).

FUTURE DEVELOPMENTS

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

GOING CONCERN

The directors deemed it appropriate to prepare the financial statements 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.

The longer term finance of the Group is provided by senior secured floating and fixed euro and sterling denominated notes plus shareholder loans (see note 21). As a result the directors believe that the Group will, for the foreseeable future, be able to continue trading and meet all liabilities as they fall due.

DIRECTORS

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

J. Timothy Richards
Alan McNair
Stephen Knibbs
Mark Redman - Non Executive
Peter Teti - Non Executive
Robert Mah - Non Executive
Simon Jones - Non Executive

J. Timothy Richards – Founder and Chief Executive Officer

In 1998 Tim left Warner Bros. Studio in L.A. and founded a start-up cinema exhibition company then named SBC International Cinemas. Today Vue International is one of the largest cinema exhibition companies in the world and boasts 189 state-of-the-art multiplexes in the UK, Ireland, Germany, Denmark, Poland, Latvia, Lithuania, Italy and Taiwan.

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 on the Board of Governors of the British Film Institute ("BFI") and is the Chairman of the children's charity Hope and Homes for Children.

Alan McNair – 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 was named the International Exhibitor of the Year by CineEurope in 2014.

Stephen Knibbs – Chief Operating Officer

Steve joined Vue in 2003. Steve has over 30 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 Manger 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.

Mark Redman – Non Executive

Mark Redman is Global Head of Private Equity for OMERS. Mark founded OMERS' European private equity business ("OPE") in September 2009 which has subsequently completed investments in HayFin, V.Group, Lifeways, Civica, Vue and ERM to date. Prior to OMERS, Mark worked at Grant Thornton in the Audit and Corporate Finance departments, from 1989 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.

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.

Simon Jones – Non Executive

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

PRIVATE EQUITY OWNERSHIP

Private Equity Owners

The Company is controlled by Vougeot Holdco Limited, a company incorporated in Jersey. Vougeot Holdco Limited is a co-investment vehicle for OMERS Administration Corporation (OMERS) and certain clients of Alberta Investment Management Corporation (AIMCo).

AIMCo is one of the largest public sector asset managers in Canada, with approximately CAD$84 billion in assets under management as at December 31, 2014. 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 CAD$4.0 billion allocated to fund and direct investments within its growing private equity program. AIMCo has over 350 employees located at its head office in Edmonton, Alberta and satellite offices located in Toronto, and London.

OMERS administers one of the largest pension funds in Canada with over CAD$77 billion in net assets as at December 31, 2015. 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 14.7% of its net investment assets (CAD$11.3 billion) currently allocated to private equity investments. With 57 professionals, the group is headquartered in Toronto with offices in New York and London.

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.

Ownership Structure

The ownership structure in Vougeot Holdco Limited, the ultimate controlling party, including the shares allocated through the executive incentive scheme is as follows:

OMERS	37.1%
AIMCo	37.1%
Management	25.8%

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the period to 26 November 2015 and to the date of approval of the financial statements, the Company and Group maintained liability insurance for its directors and officers.

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 and internal controls in place that seek to limit the impact of adverse effects of these risks on the financial performance of the Group and its financial reporting process.

LIQUIDITY RISK

The Group actively manages its finances to ensure that the Group has sufficient funds available for its operations. Methods include weekly cashflow reviews across all territories, efficient management of revolving credit facilities and regular forecasting of capital expenditure requirements.

INTEREST RATE CASH FLOW RISK

The Group manages its exposure to interest rate movements by way of interest rate swaps. The directors constantly review the exposure to interest rate fluctuations.

The Company has two swaps, one with Lloyds Bank plc (Lloyds) and one with 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% above a fixed EURIBOR value. Under the Nomura swap the company pays a fixed rate of 1.027% above a fixed EURIBOR value.

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 rate and as such no hedge accounting is applied. The directors keep the exposure to currency fluctuations under constant review.

POLITICAL AND CHARITABLE CONTRIBUTIONS

No political or charitable contributions were made in the period (2014: nil).

BRANCH

The Group operates a branch in Dublin, Eire.

SOCIAL AND COMMUNITY ISSUES

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

RESEARCH AND DEVELOPMENT ACTIVITIES

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.

ENVIRONMENTAL MATTERS

The Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

Vue management have continued a programme of capital and operational initiatives during 2015 that have delivered major reductions in the Group’s carbon footprint. Environmentally beneficial projects include reductions in electricity and gas consumption and improvements in water conservation and waste management.

Notable reductions in electricity consumption have been delivered in Italy, UK and Germany as a result of several major capital projects including energy efficient lighting, enhancements to heating, control of ventilation and air conditioning equipment and enhanced management procedures in relation to operational best practice.

The Group will continue to develop its energy saving strategy during 2016 and will roll out these schemes to its sites.

POST BALANCE SHEET EVENTS

Settlement has been reached on the proceedings which were initiated by the former minority shareholders of CinemaxX AG (a listed company, since delisted and re-registered as CinemaxX Holdings GmbH) against Vue Beteiligungs GmbH (“VBG”), the Vue group company which acquired the CinemaxX business through a German-law “public takeover” in July 2012. The proceedings arose from the exercise by VBG of its statutory call option over the remaining 680,842 minority shares following its acquisition of the majority from the controlling shareholder and others. The proceedings, which are considered routine in listed company takeovers in Germany, were founded on two distinct legal arguments namely (a) the invalidity of the call option exercise and (b) the inadequacy of the share price at which the call option was exercised.

VBG made a final settlement offer to the minority shareholders in December 2015 amounting to an additional €1 per share compensation for all minority shares, which would bring the total amount paid by VBG for the minority shares to €9.76 per share. This offer was conditional on (a) the additional sum being in full and final settlement of all minority shareholder claims with respect to the acquisition of CinemaxX by VBG and (b) the settlement being accepted by all 55 minority shareholders.

On 1 March 2016 VBG was notified by the Hamburg District Court that all minority shareholders had accepted the proposed settlement. The full cost of the settlement to VBG is expected to be approximately €830,000 (valued at £583,070 as at 26 November 2015) and is expected to be paid by VBG before the end of March 2016.

EMPLOYEE INVOLVEMENT

Our People

People are at the core of delivering the best cinema experience across all territories in which we operate. Therefore, creating and retaining high performing teams and individuals is a key focus.

Aligned Organisational Structures

In order to maximise international synergies and local opportunities in each of our markets, we think on an international basis whilst ensuring that each of our operating businesses can capitalise quickly on local prospects. To deliver this strategy, we have reviewed and evolved our organisational structures within each territory.

Developing and retaining talented employees is a fundamental part of the Group strategy. With similar organisational structures in place across all territories, we can improve the way we offer employees career paths across the Group.

Aligned Employees

The Group’s reward and recognition strategy is designed to ensure that employees are aligned to the Group’s goals and are rewarded for the contribution that they make to the Company’s success. Performance is driven by ensuring that incentive and recognition plans 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.

The incentive plans that are in place include both a company and personal element. Employees are therefore rewarded for both overall company performance and individual business contribution. Where teams have direct responsibility for specific revenue lines and profitability, bonuses have been designed to share with the team a percentage of the incremental revenue and profit that they generate.

Finding, Developing and Retaining Our Top Talent

The Group is committed to finding and appointing top talent as well as providing training and on-going development that is aligned to business and employee needs.

Designing effective recruitment tools and clearly defining role accountabilities, skills and capabilities are a prime focus across all territories.

In the UK, modular training frameworks create clear career paths, ensuring that teams fulfil their potential and continue to develop their skills and ability within their current position but also for potential future opportunities. As the business continues to change, develop and grow, focused internal training and development programmes are delivered in order to support employees with the acquisition of newly required business skills and capabilities. There are also bespoke and targeted development programmes for employees in the internal talent pools that support management succession plans. Examples of these development programmes include Leadership, Personal Impact and Commercial Acumen. The talent pipelines ensure that critical vacancies are filled quickly and cost effectively. Building on this UK success, the plan is to introduce similar talent frameworks within all other territories.

Employee Involvement and Implementation of Best Practice

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

Best practice is proactively identified and implemented across the Group using various methods such as setting up regular workshops that bring together key specialist managers from each territory in commercial areas such as Retail, Pricing, Marketing and Screen Content.

Equality of Opportunity and Human Rights

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. The Group seeks to treat all its employees with dignity and respect.

Gender Breakdown

Gender diversity within the Group as at 26 November 2015 was:

Level	Definition	Male	% Male	Female	% Female	Total
Board directors	Statutory Board Members	7	100%	-	-	7
Senior Managers	Group Executive Directors, Territory Managing Directors ("MDs") and Directors reporting to MDs	23	74%	8	26%	31
Employees	All employees excluding those mentioned above	4,023	47%	4,506	53%	8,529
Total		4,053	47%	4,514	53%	8,567

DISABLED EMPLOYEES

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. Appropriate arrangements are made for the continued employment and promotion of disabled persons employed by the Group.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are the directors at the time when this Directors' Report is approved has confirmed that:

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

VOUGEOT BIDCO PLC

DIRECTORS' REPORT
FOR THE PERIOD ENDED 26 NOVEMBER 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 Company and the Group 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 judgments 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 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.

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Board and signed on its behalf.

....

Alan McNair
Director
Date: 18 March 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOUGEOT BIDCO PLC

Report on the Financial Statements

Our opinion

In our opinion, Vougeot Bidco plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 26 November 2015 and of the Group's loss and cash flows for the 52 week period (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.

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the consolidated and company balance sheet as at 26 November 2015;
- the consolidated profit and loss account for the period then ended
- the consolidated statement of total recognised gains and losses for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the reconciliation of net movement in shareholders' deficit; and
- 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 the preparation of the financial statements is 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial 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 by the company, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOUGEOT BIDCO PLC

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 are not 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 International Standards on Auditing (UK and Ireland) ("ISAs (UK and 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and 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 Group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.

Julian Jenkins (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place
London
WC2N 6RH
Date: 18 March 2016

VOUGEOT BIDCO PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 26 NOVEMBER 2015

	Note	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
TURNOVER	2		
Continuing operations		**697,913**	*536,728*
Acquisitions		**-**	*9,366*
		697,913	*546,094*
Cost of sales		**(266,394)**	*(203,162)*
GROSS PROFIT		**431,519**	*342,932*
Administrative expenses		**(408,810)**	*(340,919)*
OPERATING PROFIT	3		
Continuing operations		**22,709**	*(468)*
Acquisitions		**-**	*2,481*
		22,709	*2,013*
Income from interests in joint ventures and associated undertakings		**73**	*-*
Interest receivable and similar income	8	**114**	*195*
Interest payable and similar charges	9	**(73,598)**	*(88,560)*
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(50,702)**	*(86,352)*
Tax on loss on ordinary activities	10	**(9,213)**	*(4,098)*
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		**(59,915)**	*(90,450)*
Equity minority interests		**(129)**	*(358)*
LOSS FOR THE FINANCIAL PERIOD	26	**(60,044)**	*(90,808)*

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

All amounts are derived from continuing operations.

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

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 26 NOVEMBER 2015

	Note	**Period ended 26 November 2015 £000**	*Period ended 27 November 2014 £000*
LOSS FOR THE FINANCIAL PERIOD		**(60,044)**	*(90,808)*
Foreign exchange movements	26	**(28,268)**	*(6,530)*
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD		**(88,312)**	*(97,338)*

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

VOUGEOT BIDCO PLC
REGISTERED NUMBER: 08514872

CONSOLIDATED BALANCE SHEET
AS AT 26 NOVEMBER 2015

	Note		26 November 2015		*27 November 2014*
		£000	£000	*£000*	*£000*
FIXED ASSETS					
Intangible assets	12		715,669		*766,405*
Tangible assets	13		326,325		*366,706*
Investments in joint ventures					
- Share of gross assets		3,360		-	
- Share of gross liabilities		(3,113)		-	
Share of net assets	14		247		-
Investments in associates	14		182		*176*
			1,042,423		*1,133,287*
CURRENT ASSETS					
Stocks	16	4,727		*4,382*	
Deferred tax asset	17	26,012		*27,345*	
Debtors: amounts falling due within one year	17	64,787		*73,629*	
Cash at bank and in hand	18	49,875		*61,349*	
		145,401		*166,705*	
CREDITORS: amounts falling due within one year	19	(160,517)		*(212,189)*	
NET CURRENT LIABILITIES			(15,116)		*(45,484)*
TOTAL ASSETS LESS CURRENT LIABILITIES			1,027,307		*1,087,803*
CREDITORS: amounts falling due after more than one year	20		1,186,394		*1,157,729*
PROVISIONS FOR LIABILITIES					
Other provisions	23		39,119		*42,083*
CAPITAL AND RESERVES					
Called up share capital	24	4,718		*4,718*	
Share based payment reserve	26	4,743		*2,688*	
Profit and loss account	26	(207,778)		*(119,466)*	
TOTAL SHAREHOLDERS' DEFICIT	27		(198,317)		*(112,060)*
			1,027,196		*1,087,752*
MINORITY INTERESTS	28		111		*51*
TOTAL CAPITAL EMPLOYED			1,027,307		*1,087,803*

The financial statements were approved by the Board and signed on its behalf by

....
Alan McNair
Director
Date: 18/3/16

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

VOUGEOT BIDCO PLC
REGISTERED NUMBER: 08514872

COMPANY BALANCE SHEET
AS AT 26 NOVEMBER 2015

	Note	£000	26 November 2015 £000	*£000*	*27 November 2014 £000*
FIXED ASSETS					
Tangible assets	13		**379**		*-*
Investments	14		**204,976**		*204,976*
			205,355		*204,976*
CURRENT ASSETS					
Debtors	17	**1,001,659**		*946,816*	
Cash at bank and in hand	18	**11,283**		*10*	
		1,012,942		*946,826*	
CREDITORS: amounts falling due within one year	19	**(102,720)**		*(73,885)*	
NET CURRENT ASSETS			**910,222**		*872,941*
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,115,577**		*1,077,917*
CREDITORS: amounts falling due after more than one year	20		**1,135,747**		*1,106,098*
CAPITAL AND RESERVES					
Called up share capital	24	**4,718**		*4,718*	
Share based payment reserves	26	**4,743**		*2,688*	
Profit and loss account	26	**(29,631)**		*(35,587)*	
TOTAL SHAREHOLDERS' DEFICIT	27		**(20,170)**		*(28,181)*
TOTAL CAPITAL EMPLOYED			**1,115,577**		*1,077,917*

The financial statements were approved by the Board and were signed on its behalf by

....
Alan McNair
Director
Date: 18/3/16

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 26 NOVEMBER 2015

	Note	**Period ended 26 November 2015 £000**	*Period ended 27 November 2014 £000*
Net cash flow from operating activities	29	**110,986**	*77,111*
Returns on investments and servicing of finance	30	**(42,347)**	*(41,307)*
Taxation		**(7,049)**	*(2,827)*
Capital expenditure and financial investment	30	**(19,737)**	*(94,448)*
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		**41,853**	*(61,471)*
Financing	30	**(47,159)**	*64,350*
(DECREASE)/INCREASE IN CASH IN THE PERIOD		**(5,306)**	*2,879*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE PERIOD ENDED 26 NOVEMBER 2015

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
(Decrease)/Increase in cash in the period	**(5,306)**	*2,879*
Cash inflow/(outflow) from decrease in debt and lease financing	**47,159**	*(64,350)*
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	**41,853**	*(61,471)*
Other non-cash changes	**(31,914)**	*(72,719)*
MOVEMENT IN NET DEBT IN THE PERIOD	**9,939**	*(134,190)*
Net debt at 28 November 2014	**(1,096,144)**	*(961,954)*
NET DEBT AT 26 NOVEMBER 2015	**(1,086,205)**	*(1,096,144)*

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

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

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

A summary of the significant Group accounting policies, which have been applied consistently throughout the period, is set out below.

The financial statements have been prepared on a going concern basis. The directors deemed it appropriate to prepare the financial statements 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.

The longer term finance of the Group is provided by senior secured floating and fixed euro and sterling denominated notes plus shareholder loans (see note 21). As a result the directors believe that the Group will, for the foreseeable future, be able to continue trading and meet all liabilities as they fall due.

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 property provisions, the assessment of the Group's digital investment as prepaid operating lease commitments and the carrying value of fixed assets and intangible assets.

1.2 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 reflect the 52 week period ended 26 November 2015.

The comparative period reflects the 52 weeks ended 27 November 2014.

1. ACCOUNTING POLICIES (continued)

1.3 Basis of Consolidation

The financial statements consolidate the accounts of the Company and all of its subsidiary undertakings ('subsidiaries') as listed in note 15.

Subsidiary undertakings are all entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between subsidiaries in the Group are eliminated upon consolidation.

Associates and joint ventures are entities where the Group has significant influence but not control, accompanying a shareholding of between 20% – 50% of the voting rights for associates and 50% for joint ventures. Investments in associates and joint ventures are accounted for using the equity method of accounting. The investment is initially recognised at cost and then increased or decreased in relation to our share of post acquisition profit or losses and reduced by any dividends received.

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.

The identifiable assets and liabilities of a 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.

1.4 Revenue Recognition

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Revenue includes ticket sales, concession sales and screen advertising income. Revenue from ticket sales is reported in the period in which the film is shown. Screen advertising income is recognised in the period to which it relates. Concession revenue is recognised at the time of sale. Other income is recognised in the period to which it relates.

1.5 Barter Transactions

The Group engages in certain non-monetary barter transactions where cinema advertising slots are exchanged for external advertising on other third party mediums.

In accordance with UITF abstract 26 “Barter transactions for advertising” the associated sales and cost of sales are valued at the weighted average sales price achieved for equivalent cash sales of our own advertising slots.

1. ACCOUNTING POLICIES (continued)

1.6 Tangible Fixed Assets and Intangible Assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	15 years
Long-term leasehold property	-	40 years
Short-term leasehold property	-	Over the life of the lease capped at 25 years
Fixtures and fittings	-	3 - 20 years
Software	-	3 - 7 years
Freehold land	-	Not depreciated

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

Intangible software relates to development costs that are directly attributable to the design and testing of identifiable and unique software products. These are recognised as intangible assets when it is technically feasible to complete the software product and that the future economic benefits to the Group can be demonstrated. Intangible software is amortised over a 5 year period once ready for its intended use.

1.7 Intangible 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. In accordance with FRS 6 any additions to goodwill arising upon acquisitions are provisional in the first full financial year following an acquisition dependant upon subsequent information arising that provides better information about the fair values that existed at the acquisition date.

Goodwill is capitalised and amortised over its 20 year useful economic life. 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.

1.8 Impairment of Fixed Assets and Goodwill

The Group considers each cinema site to be a cash-generating unit (“CGU”). The carrying amount of each CGU is normally reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the CGU, may not be recoverable. For goodwill, the Group considers each territory grouping to be a CGU.

A full impairment test was performed on the Group’s fixed assets and goodwill irrespective of the identification of any impairment triggers.

The need for any fixed asset impairment provision is assessed by a comparison of the carrying value of a cash-generating unit with its recoverable amount being the future value in use to the business. The value in use is made with reference to the future business forecasts of the Group making certain adjustments as required by the accounting standard.

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.

1. ACCOUNTING POLICIES (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Programming stock held in relation to the Group's distribution business is held at historical cost less provision for amortisation and impairment. Amortisation is applied straight line over the expected life of film income. Amortisation is applied in the ratio of revenues earned in the current period as a percentage of estimated lifetime expected for each film.

1.10 Pensions

The Group operates a number of defined contribution schemes for its employees. The assets of the plans are held separately from those of the Group in independently administered funds. The Group retains no obligations in respect of these independent funds. Contributions to these funds are made by employees and are matched by equal contributions from the Group which are charged to the profit and loss account in the period that they arise.

The Group also participates in mandatory government schemes in applicable territories. In such cases an obligation is retained by the Group until retirement of the employees and any resulting liability is held as a provision calculated on an actuarial basis.

1.11 Operating Lease Arrangement And Incentives

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Leasehold incentives include cash contributions from landlords for the purchase of assets and rent free periods. Leasehold incentives are recognised as deferred income and released to the profit and loss account on a straight line basis over the shorter of the length of the lease or the period to the first review date where rentals are expected to be aligned with the prevailing market rate.

1.12 Finance Lease Arrangements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives.

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.13 Current Taxation

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

1. ACCOUNTING POLICIES (continued)

1.14 Deferred Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.15 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

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.

1.16 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 on which the Board approves the development of the cinema site.

1.17 Financial Instruments

The Group has not adopted FRS 26 Financial Instruments: Recognition and Measurement.

Interest rate swap contracts have been entered into as part of 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.

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.

Shareholder loans are held on the balance sheet at their issued amount plus accrued interest that has arisen on them. Interest accrues at a rate of 11.0% per annum over the term of the loans and is capitalised on an annual basis to increase the value of the loans. They are classified as due within one year or due after more than one year depending on the terms of their redemption.

1. ACCOUNTING POLICIES (continued)

1.18 Provisions

Provisions for property, restructuring or other legal costs are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of economic resource will be required to settle the obligation and the amount can be reliably measured. Provisions are measured at the present value of the expenditures required to settle the obligation discounted back to present value using a pre-tax WACC reflecting the risk of those cash flows.

A 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 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.

1.19 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 37.

1.20 Share-Based Compensation

The Group operates one executive incentive scheme under which the Group receives services from executive employees as consideration for equity shares in the Group. The fair value of the employee services received in exchange for shares or share options granted is recognised as an expense with a corresponding increase in the share based payment reserve. Upon the share awards vesting the share based payment reserve is transferred to share capital and share premium.

The total amount of the expense is determined with reference to the fair value of the shares upon grant date with the expense spread evenly over the vesting period. The executive incentive scheme is an equity settled scheme and hence the fair value of the total award at the grant date of the scheme is not remeasured. At the end of each reporting period the Group revises its estimates of the amount of shares that will vest based on an annual reassessment of the likely outcome associated with the service conditions.

1.21 Parent Company Cash Flow Statement

The Company is included in the consolidated financial statements of Vougeot Bidco Plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cashflow Statements'.

2. SEGMENTAL INFORMATION

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

	Period ended 26 November 2015 £'000	*Period ended 27 November 2014 £'000*
Turnover		
United Kingdom	**328,971**	*283,593*
Continental Europe	**360,715**	*255,222*
Other	**8,227**	*7,279*
Total	**697,913**	*546,094*

	Period ended 26 November 2015 £'000	*Period ended 27 November 2014 £'000*
(Loss)/profit before taxation		
United Kingdom	**(78,612)**	*(104,560)*
Continental Europe	**26,626**	*17,526*
Other	**1,284**	*682*
Total	**(50,702)**	*(86,352)*

	Period ended 26 November 2015 £'000	*Period ended 27 November 2014 £'000*
(Net liabilities)/net assets		
United Kingdom	**(403,674)**	*(335,817)*
Continental Europe	**207,161**	*226,809*
Other	**(1,804)**	*(3,052)*
Total	**(198,317)**	*(112,060)*

In the opinion of the directors the disclosure of segmental information relating to geographical origin of results and net assets would be prejudicial to the commercial interests of the Group and has not therefore been provided. This is consistent with the quarterly reporting requirements of our listed bond debt.

Classification of business

All turnover is derived from external customers in the local geographical market from the operation of cinema sites. The following are considered the main classifications of turnover earned by the business:

	Period ended 26 November 2015 £'000	*Period ended 27 November 2014 £'000*
Turnover		
Box office revenue	**458,335**	*359,099*
Concessions revenue	**152,740**	*122,777*
Screen advertising and other income	**86,838**	*64,218*
Total	**697,913**	*546,094*

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period ended 26 November 2015 £'000	*Period ended 27 November 2014 £'000*
Amortisation - intangible fixed assets (note 12)	**40,192**	*37,479*
Depreciation of tangible fixed assets owned by the group (note 13)	**44,753**	*38,620*
Operating lease rentals:		
- other operating leases	**2,541**	*2,678*
- land and buildings	**122,767**	*101,909*
Unrealised foreign exchange losses/(gains)	**80**	*(57)*
Impairment of fixed assets (note 13)	**1,991**	*-*
Depreciation on impaired assets (note 13)	**-**	*1,695*
Realised foreign exchange losses	**72**	*54*
Loss on sale of tangible fixed assets	**562**	*115*
Provisions for liabilities: (note 23)		
- property leases	**(544)**	*1,175*
- jubilee retirement	**217**	*-*
Pre-opening expenses	**384**	*35*

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. BARTER TRANSACTIONS

The Group engages in certain non-monetary barter transactions where cinema advertising slots are exchanged for external advertising on other third party mediums.

The value recognised in sales during the period was £2.2m (2014: £2.7m) in relation to barter transactions. This was as a result of 2,770 (2014: 1,648) individual transactions. The associated sales and cost of sales are valued at the weighted average sales price achieved for equivalent cash sales of our own advertising slots.

5. AUDITORS' REMUNERATION

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	**36**	*37*
Fees payable to the Company's auditors and its associates in respect of:		
The auditing of financial statements of subsidiaries	**418**	*439*
Taxation compliance services	**12**	*14*
All taxation advisory services not included above	**88**	*124*
Corporate finance services	**450**	*848*
All other non-audit services	**117**	*620*

6. STAFF COSTS

Staff costs were as follows:

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Wages and salaries	**86,856**	*72,133*
Social security costs	**9,415**	*5,944*
Other pension costs (notes 23 & 34)	**1,272**	*255*
	97,543	*78,332*

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 26 November 2015 No.	*Period ended 27 November 2014 No.*
Cinema	**8,070**	*6,686*
Administration	**493**	*399*
	8,563	*7,085*

The above analysis shows the average number of people employed, irrespective of the hours worked.

7. DIRECTORS' REMUNERATION

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Remuneration	**1,707**	*1,611*
Company pension contributions to defined contribution pension schemes	**20**	*21*

The highest paid director received remuneration including pensions of £0.7m (2014: £0.7m).

The directors of the Company are remunerated in respect of their executive management services to both the Company and 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.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Bank and other interest receivable	**114**	*195*

9. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Senior secured notes and bank loans	**42,433**	*40,696*
Amortisation of capitalised issue costs	**3,037**	*2,249*
Shareholder loans - rolled up interest	**58,875**	*53,236*
Unwinding of discount factor on provisions (note 23)	**3,079**	*3,208*
Unrealised foreign exchange gains on senior secured notes	**(33,826)**	*(10,829)*
	73,598	*88,560*

Unrealised foreign exchange gains arising on the translation of the euro denominated senior secured notes are classified as a financing item.

10. TAX ON LOSS ON ORDINARY ACTIVITY

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Analysis of tax charge in the period		
Current tax (see note below)		
(Over)/under provision for prior period corporation tax	**(349)**	*290*
Group taxation relief	**(536)**	*(149)*
	(885)	*141*
Overseas tax suffered	**7,511**	*4,179*
Total current tax	**6,626**	*4,320*
Deferred tax		
Origination and reversal of timing differences - UK	**-**	*(3,436)*
Origination and reversal of timing differences - overseas	**2,587**	*3,214*
Total deferred tax (see note 22)	**2,587**	*(222)*
Tax on loss on ordinary activity	**9,213**	*4,098*

Factors affecting tax charge for the period

The effective rate of current tax for the period, based on the UK standard rate of corporation tax is 20.33% (2014: 21.67%). The current tax charge for the period differs from the standard rate for the reasons in the reconciliation below:

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Loss on ordinary activities before tax	**(50,702)**	*(86,352)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.33% *(2014: 21.67%)*	**(10,309)**	*(18,712)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**12,747**	*14,520*
Capital allowances for period in excess of depreciation	**(613)**	*2,915*
Utilisation of tax losses	**(1,712)**	*(3,214)*
Tax (over)/under provided in prior periods	**(349)**	*290*
Other timing differences	**(2)**	*3*
Non-taxable income	**(647)**	*-*
Tax losses carried forward	**-**	*4,393*
Foreign branch income not subject to UK taxation	**-**	*(54)*
Overseas tax suffered	**7,511**	*4,179*
Current tax charge for the period (see note above)	**6,626**	*4,320*

10. TAX ON LOSS ON ORDINARY ACTIVITY (continued)

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 21.0% to 20.0% with effect from 1 April 2015. Accordingly, the Group results for this accounting period are taxed at a blended rate of 20.33%. Further reductions to 19.0% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted by Parliament that received Royal Assent on 18 November 2015 and accordingly deferred tax closing balances have been calculated at a rate of 18.0%.

11. 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 profit/(loss) for the financial period ended 26 November 2015 was £6.3m (2014: (£15.3m)).

12. INTANGIBLE FIXED ASSETS

	Intangible Assets £000	Goodwill £000	Total £000
Group			
Cost			
At 28 November 2014	**629**	**814,035**	**814,664**
Additions	**645**	**-**	**645**
Adjustment to 2014 Goodwill	**-**	**357**	**357**
Foreign exchange movement	**-**	**(11,952)**	**(11,952)**
At 26 November 2015	**1,274**	**802,440**	**803,714**
Amortisation			
At 28 November 2014	**-**	**48,259**	**48,259**
Charge for the period	**-**	**40,192**	**40,192**
Foreign exchange movement	**-**	**(406)**	**(406)**
At 26 November 2015	**-**	**88,045**	**88,045**
Net book value			
At 26 November 2015	**1,274**	**714,395**	**715,669**
At 27 November 2014	*629*	*765,776*	*766,405*

Intangible Assets

Development costs attributable to unique software products are recognised when it is technically feasible to complete the software product and future economic benefits can be demonstrated.

Impairment testing to goodwill

The Group considers each territory grouping to be a cash-generating unit ("CGU"). The carrying amount of each CGU includes an allocation of the Group's goodwill and is then compared to the recoverable amount. The recoverable amount, in the absence of any better information, is deemed to be the CGUs value in use. The Group estimates value in use using a discounted cash flow model, applying a pre-tax discount rate of 8.8% (2014: 8.9%). The future cash flows are based on management approved five year plans. A terminal value is used to estimate cash flows beyond the five year period assuming a 2% growth rate (2014: 2%). No impairment was booked to goodwill (2014: £nil) following the Group impairment test.

Adjustments to provisional goodwill recognised in 2014

£0.4m was booked as adjustments to provisional 2014 goodwill as it was determined that the conditions associated with these adjustments provided better information about events that had existed at the 12 November 2014 acquisition of Capitolesette Srl and its operating subsidiaries ("Space"). The adjustments were as follows: (i) £1.3m relating to pre-acquisition costs (ii) £2.4m relating to the Deferred Portion of the Purchase Price which apportions the relevant amount in accordance with the Selling Parties entitlement as set out in the SPA (iii) (£3.3m) reflecting the recognition of 50% of the deferred tax asset originally written off at acquisition but now deemed to be recoverable. There were earn-out clauses relating to market admissions levels in 2015 and to screen advertising revenues exceeding an agreed floor. As both the advertising revenues and market admissions fell below the agreed thresholds in 2015, no earn-outs were due to the Selling Parties.

13. TANGIBLE FIXED ASSETS

Group	Freehold property £000	Long-term leasehold property £000	Short-term leasehold property £000	Fixtures and fittings £000	Construction in progress £000	Total £000
Cost or valuation						
At 28 November 2014	**4,099**	**14,877**	**276,363**	**109,229**	**4,223**	**408,791**
Additions	**60**	**175**	**9,144**	**11,279**	**2,613**	**23,271**
Disposals	**-**	**-**	**(450)**	**(220)**	**(110)**	**(780)**
Transfer between classes	**1,049**	**18**	**(627)**	**1,115**	**(1,555)**	**-**
Foreign exchange movement	**(346)**	**(1,988)**	**(6,888)**	**(9,819)**	**(254)**	**(19,295)**
At 26 November 2015	**4,862**	**13,082**	**277,542**	**111,584**	**4,917**	**411,987**
Accumulated depreciation						
At 28 November 2014	**377**	**712**	**27,669**	**13,327**	**-**	**42,085**
Charge for the period	**254**	**461**	**25,257**	**18,781**	**-**	**44,753**
On disposals	**-**	**-**	**(67)**	**(122)**	**-**	**(189)**
Transfer between classes	**1,049**	**-**	**(1,049)**	**-**	**-**	**-**
Impairment charge	**-**	**-**	**977**	**1,014**	**-**	**1,991**
Foreign exchange movement	**114**	**(101)**	**(1,359)**	**(1,632)**	**-**	**(2,978)**
At 26 November 2015	**1,794**	**1,072**	**51,428**	**31,368**	**-**	**85,662**
Net book value						
At 26 November 2015	**3,068**	**12,010**	**226,114**	**80,216**	**4,917**	**326,325**
At 27 November 2014	*3,722*	*14,165*	*248,694*	*95,902*	*4,223*	*366,706*

The Group estimates value in use using a discounted cash flow model, applying a pre-tax discount rate of 8.8% (2014: 8.9%). The future cash flows are based on management approved five year plans. A 2% growth rate is assumed to estimate cash flows beyond the five year period up to the end of the life of the lease. As a result of the Group impairment test £2.0m (2014: £7.4m) was booked as an impairment charge against tangible fixed assets as the carrying value of certain CGUs were deemed to have exceeded their recoverable amounts.

Construction in progress mainly relates to assets placed into new cinema sites that at the date of these financial statements had yet to commence trading.

The directors do not consider that there is a material difference between the fair value and the historical book value of freehold land and buildings.

Included within the net book value as 26 November 2015 is £5.5m (2014: £9.1m) 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 £0.8m (2014: £1.1m).

The additions for the period include an amount of £3.9m (2014: £3.7m) of capital expenditure accrued as at 26 November 2015 relating to expenditure on new sites and other projects.

13. TANGIBLE FIXED ASSETS (continued)

Company	Fixtures and fittings £000	Construction in progress £000	Total £000
Cost			
At 28 November 2014	**-**	**-**	**-**
Additions	**359**	**20**	**379**
At 26 November 2015	**359**	**20**	**379**
Accumulated depreciation			
At 28 November 2014 and 26 November 2015	**-**	**-**	**-**
Net book value			
At 26 November 2015	**359**	**20**	**379**
At 27 November 2014	*-*	*-*	*-*

Additions for the year relate to the Group's investment in its finance systems and infrastructure during the period.

14. FIXED ASSET INVESTMENTS

Group	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 28 November 2014	**176**	**-**	**176**
Additions	**-**	**290**	**290**
Foreign exchange movement	**(16)**	**-**	**(16)**
Share of profit/(loss)	**22**	**(43)**	**(21)**
At 26 November 2015	**182**	**247**	**429**
Net book value			
At 26 November 2015	**182**	**247**	**429**
At 27 November 2014	*176*	*-*	*176*

Investment in joint ventures during the year relate to the establishment of Red Carpet Cinema Communication Verwaltungs GmbH and Red Carpet Cinema Communication GmbH & Co. KG, details of which are shown in note 15.

14. FIXED ASSET INVESTMENTS (continued)

Company	**Fixed asset investments £000**
Cost or valuation	
At 28 November 2014 and 26 November 2015	**204,976**
Net book value	
At 26 November 2015	**204,976**
At 27 November 2014	*204,976*

Details of the subsidiaries and joint ventures can be found in note 15.

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

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in subsidiary undertakings do not differ from the voting rights held.

15. SUBSIDIARIES AND JOINT VENTURES

The details of all subsidiary undertakings as at 26 November 2015 are shown below:

	Country of registration	**Proportion of shares held (ordinary shares)**
Direct subsidiary undertakings		
Vue Entertainment International Limited	Jersey	100%
Indirect subsidiary undertakings		
Vue Holdings (Jersey) Limited	Jersey	100%
Vue Holdings (UK) Limited	UK	100%
Vue Entertainment Investment Limited	UK	100%
Vue Booking Services Limited	UK	100%
Vue Entertainment Holdings Limited	UK	100%
Vue Entertainment Holdings (UK) Limited	UK	100%
Winslow sp. z.o.o	Poland	100%
Shake Irish Finco Limited	Ireland	100%
A3 Cinema Limited	UK	100%
Aurora Holdings Limited	UK	100%
Aurora Cinema Limited	UK	100%
SBC Italia Srl	Italy	100%
Spean Bridge Luxembourg Srl	Luxembourg	100%
Spean Bridge Luxembourg Investments Srl	Luxembourg	100%
Spean Bridge Taiwan Srl	Luxembourg	100%
SBC Portugal Limited	UK	100%
Vue Services Consulting Limited	UK	100%
Vue Theatres (UK) Limited	UK	100%
Vue Cinemas Limited	UK	100%
Vue Cinemas (UK) Limited	UK	100%
Apollo Cinemas Limited	United Kingdom	100%
CinemaxX Danmark A/S	Denmark	95%
CinemaxX Entertainment GmbH & Co. KG	Germany	100%
Verwaltung CinemaxX Cinema GmbH	Germany	100%

15. SUBSIDIARIES AND JOINT VENTURES (continued)

Indirect subsidiary undertakings (continued)	Country of registration	Proportion of shares held (ordinary shares)
CinemaxX MaxXtainment GmbH	Germany	75%
CinemaxX Movietainment GmbH	Germany	100%
Multikino Media Sp. z o.o.	Poland	100%
Multikino S.A.	Poland	100%
SBC Taiwan Limited	Taiwan	100%
SIA Multikino Latvia	Latvia	100%
Spean Bridge Cinemas (Algarve) Lda	Portugal	100%
Ster Century (UK) Limited	United Kingdom	100%
The Space Cinema 1 SpA	Italy	100%
The Space Cinema 2 SpA	Italy	100%
The Space Cinema 3 S.r.l	Italy	100%
The Space Cinema 4 S.r.l	Italy	100%
The Space Cinema 5 S.r.l	Italy	100%
The Space Cinema 6 S.r.l	Italy	100%
The Space Cinema 7 S.r.l	Italy	100%
The Space Entertainment SpA	Italy	100%
UAB Multikino Lietuva	Lithuania	100%
Vue Entertainment Limited	United Kingdom	100%
Vue Movie Distribution Sp.z o.o	Poland	100%
Vue Services Limited	United Kingdom	100%
Capitolosette S.r.l	Italy	100%
CinemaxX Cinema GmbH & Co. KG	Germany	100%
CinemaxX Cinetainment GmbH	Germany	100%
CinemaxX Holdings GmbH	Germany	100%
CinemaxX Entertainment Verwaltungsgesellschaft mbH	Germany	100%
Shake UK Newco Limited	United Kingdom	100%
Treganna Bidco Limited	United Kingdom	100%
Vue Beteiligungs GmbH	Germany	100%
Vue Italy SpA	Italy	100%
Vue Properties Limited	UK	100%
Joint Ventures		
Red Carpet Cinema Communication Verwaltungs GmbH	Germany	50%
Red Carpet Cinema Communication GmbH & Co. KG	Germany	50%
Associates		
Kino.dk A/S	Denmark	26%

16. STOCKS

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Finished goods and goods for resale	**4,727**	*4,382*	**-**	-

17. DEBTORS

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014* **£000**
Amounts falling due after more than one year				
Deferred tax asset (see note 22)	**26,012**	*27,345*	**-**	-

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Amounts falling due within one year				
Trade debtors	**25,135**	*28,396*	**-**	-
Amounts owed by group undertakings	**68**	-	**2,302**	*17,389*
Intercompany loans receivable	**-**	-	**986,821**	*919,207*
Other tax debtors	**7,708**	*14,528*	**-**	-
Other debtors	**10,628**	*8,141*	**12,487**	*10,148*
Prepayments and accrued income	**21,248**	*22,564*	**49**	*72*
	64,787	*73,629*	**1,001,659**	*946,816*

Amounts owed by group undertakings relate to trading balances which are interest free and repayable on demand.

At 26 November 2015, the Company had intercompany loan receivables of £886.0m (2014: £826.4m) to Vue Entertainment International Limited inclusive of interest at 8.8% or 9.0% per annum. The Company had an intercompany loan receivable of £100.8m (2014: £92.8m) with Vue Entertainment Holdings (UK) Limited inclusive of interest at 9.0% per annum. All the loan receivables are repayable on demand. All interest is capitalised on an annual basis to increase the value of the loan.

18. CASH AT BANK AND IN HAND

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Cash - unrestricted	**44,417**	*57,270*	**11,283**	*10*
Cash - restricted	**5,458**	*4,079*	**-**	*-*
Total	**49,875**	*61,349*	**11,283**	*10*

Restricted cash relates to certain bank guarantees in relation to the Group's operating sites in Germany.

19. CREDITORS: Amounts falling due within one year

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Trade creditors	**48,069**	*68,932*	**-**	*-*
Amounts owed to group undertakings	**-**	*92*	**92,517**	*46,775*
Other taxation and social security	**1,380**	*1,323*	**-**	*-*
Other creditors	**5,557**	*4,783*	**-**	*-*
Net obligations under finance leases and hire purchase contracts	**680**	*1,760*	**-**	*-*
Corporation tax	**4,849**	*3,279*	**1,746**	*-*
Accruals and deferred income	**102,827**	*85,774*	**11,494**	*13,339*
Other loans and capitalised issue costs	**(2,845)**	*46,246*	**(3,037)**	*13,771*
	160,517	*212,189*	**102,720**	*73,885*

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

20. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Net obligations under finance leases and hire purchase contracts	**1,837**	*3,038*	**-**	*-*
Bank loans and overdrafts	**541,414**	*570,607*	**541,414**	*570,607*
Other loans	**594,994**	*535,841*	**594,295**	*535,424*
Accruals and deferred income	**48,149**	*48,243*	**38**	*67*
	1,186,394	*1,157,729*	**1,135,747**	*1,106,098*

21. LOAN CAPITAL AND BORROWINGS

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Revolving credit facility	**-**	*18,117*	**-**	*16,808*
Capitalised issue costs	**(3,037)**	*(3,037)*	**(3,037)**	*(3,037)*
Bank loans	**192**	*30,977*	**-**	-
Other loans	**-**	*189*	-	-
Loans: amounts falling due within one year	**(2,845)**	*46,246*	**(3,037)**	*13,771*
Senior secured euro - floating notes	**252,896**	*285,126*	**252,896**	*285,126*
Senior secured sterling - fixed notes	**300,000**	*300,000*	**300,000**	*300,000*
Capitalised issue costs	**(11,482)**	*(14,519)*	**(11,482)**	*(14,519)*
External loans	**694**	*417*	**-**	-
Shareholder loans	**594,300**	*535,424*	**594,295**	*535,424*
Loans: amounts falling due after more than one year	**1,136,408**	*1,106,448*	**1,135,709**	*1,106,031*
Total Loans	**1,133,563**	*1,152,694*	**1,132,672**	*1,119,802*

The Group and Company has £1,135m loan capital and borrowings with a maturity falling between 2 and 5 years (2014: £nil).

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Movement in loans is analysed as follows:				
At 28 November 2014	**1,152,694**	*1,011,254*	**1,119,785**	*1,008,762*
Issue of secured euro - floating notes	**-**	*54,919*	**-**	*54,919*
Capitalised issue costs incurred	**-**	*(5,014)*	**-**	*(5,014)*
Revolving credit facility (payment)/ drawdown	**(16,868)**	*16,016*	**(17,088)**	*16,791*
External loans acquired	**-**	*30,685*	**-**	-
Other loans received	**-**	*189*	**-**	-
External loans repaid	**(28,827)**	*(93)*	**-**	-
	1,106,999	*1,107,956*	**1,102,697**	*1,075,458*
Amortisation of capitalised issue costs	**3,037**	*2,249*	**3,037**	*2,249*
Interest accrued in the period	**58,875**	*53,236*	**58,876**	*53,236*
Foreign exchange movement	**(35,348)**	*(10,747)*	**(31,938)**	*(11,158)*
As at 26 November 2015	**1,133,563**	*1,152,694*	**1,132,672**	*1,119,785*

21. 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.

Senior secured floating rate euro denominated notes of €290m (£229.7m) 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. An Original Issue Discount fee (OID) of €1.2m (£1.0m) was paid on the date of issue of the notes.

A further €70m (£55.4m) issue of the senior secured floating rate euro denominated notes occurred on 11 November 2014 with the same terms as the previous notes. The termination date is 15 July 2020. Interest is floating at three month EURIBOR plus a margin of 525 bps and is payable on a quarterly basis. An Original Issue Discount fee (OID) of €1.8m (£1.4m) 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 Bank plc. At 26 November 2015 there were no drawdowns on the facility (2014: PLN 7.0m (£1.3m), €21.2m (£16.8m)). 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 Bank plc (Lloyds) and Normura International plc (Nomura) to hedge the senior secured notes. 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% above a fixed EURIBOR value. Under the Nomura swap the Company pays a fixed interest rate of 1.027% above a fixed EURIBOR value.

Capitalised Issue Costs

Costs incurred in issuing the senior secured notes and the revolving credit and overdraft facility are capitalised and are allocated to the profit and loss account over the terms of the related debt facility. At 26 November 2015 borrowings are stated net of unamortised issue costs of £14.5m (2014: £17.6m).

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.

Bank Loans

Upon the 12 November 2014 acquisition of Space, the Vue Group repaid £29.5m of external bank loans in Space owing to pre-existing change of control clauses. This debt was paid subsequent to the period end on 10 December 2014. The remaining bank term loans had no associated change of control clauses and have been paid in accordance with existing maturity dates.

External Loans

External loans relate to external loans from the German Federal Film Fund (FFA). These loans have a variety of maturity dates with the last due to be repaid in 2021.

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. As at 26 November 2015 accrued interest totalled £122.5m (2014: £63.6m).

22. DEFERRED TAXATION

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
At beginning of period	**27,345**	*25,587*	**-**	-
Arising on acquisition	**-**	*1,618*	**-**	-
Fair value adjustment (note 12)	**3,305**	-	**-**	-
Charged to the profit and loss account	**(2,587)**	*222*	**-**	-
Foreign exchange movement	**(2,051)**	*(82)*	**-**	-
At end of period	**26,012**	*27,345*	**-**	-

The deferred taxation balance is made up as follows:

	Group		Company	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Depreciation in excess of capital allowances	**4,113**	*5,148*	**-**	-
Tax losses brought forward	**21,883**	*22,184*	**-**	-
Advance corporation tax	**16**	-	**-**	-
Other timing differences	**-**	*13*	**-**	-
	26,012	*27,345*	**-**	-

23. PROVISIONS FOR LIABILITIES

	Property provisions £'000	Jubilee retirement £'000	Total £'000
Provisions			
At 28 November 2014	40,148	1,935	**42,083**
Charged/(released) to profit and loss (note 3)	(544)	217	**(327)**
Utilised during the period	(4,710)	(218)	**(4,928)**
Unwinding of the discount factor (note 9)	3,079	-	**3,079**
Foreign exchange movement	(526)	(262)	**(788)**
At 26 November 2015	**37,447**	**1,672**	**39,119**

Property provisions

Property provisions relate to onerous leases, dilapidations and other property liabilities. The majority of the property provisions relates to onerous leases, being the unavoidable costs of the lease obligations in excess of the economic benefits expected to be received from operating it. The unavoidable costs of the lease reflect the lease net cost of exiting from the contract and is measured as the lower of the net cost of continuing to operate the lease and any penalties or other costs from exiting it, measured on a discounted basis. The remaining provision will be utilised over the period to the next rent review date or the remaining lease life depending on the term of the lease. The discount rate used in the period was 8.8% (2014: 8.9%).

Jubilee retirement provision

This provision is for one off jubilee payments to Italian employees when they leave the company as required by Italian law. The provision is calculated by local Italian actuaries annually. Actuarial gains and losses are expensed through the profit and loss account with the provision being discounted at the Italian actuarial rate.

Company

The Company has no provisions (2014: £nil).

24. CALLED UP SHARE CAPITAL

	26 November 2015 £000	*27 November 2014 £000*
Shares classified as capital		
Allotted, called up and fully paid		
4,718,100- Ordinary shares (2014: 4,718,100) of £1 each	**4,718**	*4,718*

25. SHARE BASED PAYMENTS

Vougeot Holdco Limited operates one senior executive share based payment scheme. The plan was established on 8 August 2013 at which date 1,000,000 ordinary “D” shares were authorised for issue to the scheme. As at the balance sheet date 717,500 (2014: 717,500) shares have been issued to members of the scheme.

These shares will vest at a 50% level following satisfaction of a 5.5 year continuous service condition, and at a 100% level following satisfaction of a 6.5 year continuous service condition; or on a change of the ultimate controlling parties of Vougeot Holdco Limited if this occurs earlier.

The scheme is accounted for in accordance with FRS 20 share based payments as an equity settled share based payment scheme. The fair value of this benefit as at the 8 August 2013 grant date is being charged evenly to the profit and loss account over the vesting period with a corresponding increase in equity.

The charge booked to the profit and loss account was £2.1m (2014: £2.7m). The charge has been fully passed down from Vougeot Holdco Limited to Vougeot Bidco plc representing the Group entity where executive employment services are provided.

26. RESERVES

Group	Share based payment reserve £000	Profit and loss account £000
At 28 November 2014	2,688	(119,466)
Loss for the financial period	-	(60,044)
Share based payments	2,055	
Foreign exchange movement	-	(28,268)
At 26 November 2015	4,743	(207,778)

Company	Share based payment reserve £000	Profit and loss account £000
At 28 November 2014	2,688	(35,587)
Profit for the financial period	-	6,301
Share based payments	2,055	
Foreign exchange movements	-	(345)
At 26 November 2015	4,743	(29,631)

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

Group	**26 November 2015 £000**	*27 November 2014 £000*
Opening shareholders' deficit	**(112,060)**	*(17,410)*
Loss for the financial period	**(60,044)**	*(90,808)*
Foreign exchange movement	**(28,268)**	*(6,530)*
Share based payment expense	**2,055**	*2,688*
Closing shareholders' deficit	**(198,317)**	*(112,060)*

Company	**26 November 2015 £000**	*27 November 2014 £000*
Opening shareholders' deficit	**(28,181)**	*(15,554)*
Profit/(loss) for the financial period	**6,301**	*(15,295)*
Share based payments expense	**2,055**	*2,688*
Foreign exchange movement	**(345)**	*(20)*
Closing shareholders' deficit	**(20,170)**	*(28,181)*

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss account.

The profit/(loss) for the period dealt with in the accounts of the Company was £6.3m (2014: (£15.3m)).

28. MINORITY INTERESTS

Minority interests of £111k (2014: £51k) relates to a 5% holding in CinemaxX Danmark A/S. The movement from 2014 reflects the profit for the year attributable to the minority interests.

29. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Operating profit	**22,709**	*2,013*
Amortisation of intangible fixed assets	**40,192**	*37,479*
Depreciation of tangible fixed assets	**44,753**	*38,620*
Impairments of fixed assets	**1,991**	*-*
Non cash items	**(9,302)**	*(4,467)*
Loss on disposal of tangible fixed assets	**562**	*115*
Increase in stocks	**(693)**	*(411)*
Decrease/(increase) in debtors	**2,187**	*(2,777)*
Increase in creditors	**8,587**	*6,539*
Net cash inflow from operating activities	**110,986**	*77,111*

30. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Returns on investments and servicing of finance		
Interest received	**114**	*195*
Interest paid	**(42,485)**	*(41,399)*
Dividends received	**93**	*-*
Dividends paid to minority interests	**(69)**	*(103)*
Net cash outflow from returns on investments and servicing of finance	**(42,347)**	*(41,307)*

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Capital expenditure and financial investment		
Acquisitions	**-**	*(76,122)*
Cash balance acquired on acquisition	**-**	*5,202*
Purchase of tangible fixed assets	**(24,016)**	*(28,359)*
Landlord contributions	**4,540**	*4,831*
Sale of tangible fixed assets	**29**	*-*
Investment in joint ventures	**(290)**	*-*
Net cash outflow from capital expenditure	**(19,737)**	*(94,448)*

30. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Period ended 26 November 2015 £000	*Period ended 27 November 2014 £000*
Financing		
New secured loans	**-**	*70,935*
Issue costs repaid	**-**	*(5,014)*
Repayment of loans	**(45,796)**	-
Repayment of other loans	**-**	*(1,577)*
Repayment of finance leases	**(1,363)**	-
New loans from group companies	**-**	*6*
Net cash (outflow)/inflow from financing	**(47,159)**	*64,350*

31. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	28 November 2014 £000	**Cash flow £000**	**Other non-cash changes £000**	**Exchange Movement £000**	**26 November 2015 £000**
Cash at bank and in hand	**61,349**	**(5,306)**	**-**	**(6,168)**	**49,875**
Debt:					
Debts due within one year	**(48,006)**	**46,860**	**1**	**3,310**	**2,165**
Debts falling due after more than one year	**(1,109,487)**	**299**	**(61,913)**	**32,856**	**(1,138,245)**
Net (debt)/funds	**(1,096,144)**	**41,853**	**(61,912)**	**29,998**	**(1,086,205)**

32. CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at 26 November 2015 (2014: nil).

33. CAPITAL COMMITMENTS

At 26 November 2015 the Group and Company had capital commitments as follows:

	Group		**Company**	
	26 November 2015 £000	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Contracted for but not provided in these financial statements	**9,746**	*14,462*	**-**	-

34. PENSION COMMITMENTS

The Group operates a number of defined contribution schemes for its UK employees. The assets of the plans are held separately from those of the Group in independently administered funds. The Group retains no obligations in respect of these independent funds. Contributions to these funds are made by employees and are matched by equal contributions from the Group. The amount charged to the profit and loss account in respect of these Group funds for the period ended 26 November 2015 amounted to £0.4m (2014: £0.3m).

The Group operates a further scheme in Italy where obligations are retained to the date that employees leave the Group. Refer to note 23 for the Italian retirement jubilee provision. The amount charged to the profit and loss account for the period ended 26 November 2015 amounted to £0.8m (2014: £6k).

35. OPERATING LEASE COMMITMENTS

At 26 November 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		**Other**	
Group	**26 November 2015 £000**	*27 November 2014 £000*	**26 November 2015 £000**	*27 November 2014 £000*
Expiry date:				
Within 1 year	**1,373**	*2,984*	**313**	*123*
Between 2 and 5 years	**21,784**	*15,907*	**259**	*133*
After more than 5 years	**94,433**	*105,149*	**-**	-

At 26 November 2015, the Company had no financial commitments under non-cancellable operating leases (2014: nil).

36. FINANCE LEASE COMMITMENTS

	26 November 2015 £000	*27 November 2014 £000*
Finance lease rentals due:		
Within one year	**680**	*1,760*
In two to five years	**2,056**	*3,394*
Over five years	**-**	*233*
Less interest	**(219)**	*(589)*
Total	**2,517**	*4,798*

37. RELATED PARTY TRANSACTIONS

The Company is party to 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 £0.4m plus applicable expenses are paid by the Company for these services. During the period the full fees of £0.4m (2014: £0.4m) were charged of which all were still outstanding at 26 November 2015 (2014: £0.4m).

38. POST BALANCE SHEET EVENTS

Settlement has been reached on the proceedings which were initiated by the former minority shareholders of CinemaxX AG (a listed company, since delisted and re-registered as CinemaxX Holdings GmbH) against Vue Beteiligungs GmbH ("VBG"), the Vue group company which acquired the CinemaxX business through a German-law "public takeover" in July 2012. The proceedings arose from the exercise by VBG of its statutory call option over the remaining 680,842 minority shares following its acquisition of the majority from the controlling shareholder and others. The proceedings, which are considered routine in listed company takeovers in Germany, were founded on two distinct legal arguments namely (a) the invalidity of the call option exercise and (b) the inadequacy of the share price at which the call option was exercised.

VBG made a final settlement offer to the minority shareholders in December 2015 amounting to an additional €1 per share compensation for all minority shares, which would bring the total amount paid by VBG for the minority shares to €9.76 per share. This offer was conditional on (a) the additional sum being in full and final settlement of all minority shareholder claims with respect to the acquisition of CinemaxX by VBG and (b) the settlement being accepted by all 55 minority shareholders.

On 1 March 2016 VBG was notified by the Hamburg District Court that all minority shareholders had accepted the proposed settlement. The full cost of the settlement to VBG is expected to be approximately €830,000 (valued at £583,070 as at 26 November 2015) and is expected to be paid by VBG before the end of March 2016.

39. CONTROLLING PARTY

At 26 November 2015, the immediate parent undertaking of the Company 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 26 November 2015, 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 publicly available and may be obtained from Vougeot Holdco Limited, Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG.

At 26 November 2015, the ultimate controlling party is Vougeot Holdco Limited, a co-investment vehicle for OMERS Administration Corporation and certain clients of Alberta Investment Management Corporation.