
CITY SCREEN (LIVERPOOL) LIMITED

Registered number: 03970590

CITY SCREEN (LIVERPOOL) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



CITY SCREEN (LIVERPOOL) LIMITED

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CITY SCREEN (LIVERPOOL) LIMITED

COMPANY INFORMATION

DIRECTORS	C Binns R Kaufman
COMPANY SECRETARY	F Smith
REGISTERED NUMBER	03970590
REGISTERED OFFICE	8 th Floor Vantage London Great West Road Brentford TW8 9AG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

CITY SCREEN (LIVERPOOL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Company comprised the operation of a cinema. The directors do not expect any change in the principal activity during the next financial period.

City Screen (Liverpool) Limited is a wholly owned subsidiary of Cineworld Group plc which is listed on the London Stock Exchange. Throughout the rest of this report, the "Group" is used to refer to actions. City Screen (Liverpool) Limited has performed as part of the Cineworld Group plc, while the "Company" is used to refer specifically to City Screen (Liverpool) Limited.

Financial Performance and position

The principal income for the Company is box office revenue. Box office revenue is a function of the number of admissions and the ticket price per admission, less VAT. In addition, the Company operates membership schemes, which provide customers with access to screenings in exchange for subscriptions fees, and this revenue is reported as part of box office. Admissions depend on the number, timing and popularity of the films we are able to show in our cinemas. Admissions are also a key driver for the two other main revenues for the Company; retail revenue, the sale of food and drink for consumption within our cinema; and screen advertising income, from advertisements shown on our screens prior to feature presentations

All of the Group's cinemas were closed on 17 March 2020 in response to the first wave of COVID-19. The estate was reopened on 31 July 2020 but on 8 October 2020, as a result of continued limitations to content and further changes to the expected film release schedule for 2020, the Company's investments temporary closed their cinema operations. The Company's cinema reopened in May 2021.

The closure of cinemas has had a significantly negative impact to the Company's ability to generate revenue for the year ended 31 December 2020. The loss for the year, after taxation, amounted to £205,522 (2019: profit £89,942). At 31 December 2020 the Company had net liabilities of £264,729 (2019: £59,207).

Key performance indicators

The Directors of the Group manage the Group's operations based on three reporting segments: US, UK and Ireland and Rest of the World ("ROW"). For this reason, the Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the UK and Ireland reporting operating segment of Cineworld Group plc, which includes the Company, are discussed on pages 10 to 13 and 26 to 31 of the Cineworld Group plc 2020 Annual Report and Accounts, which does not form part of this document. The Cineworld Group plc Annual Report and Accounts are available on the Group's website at www.cineworldplc.com.

Principal risk and uncertainties

The principal risks and uncertainties which could have a material impact on the Company's performance are largely the same as those described in detail pages 14 to 19 of the Cineworld Group plc 2020 Annual Report and Accounts. The Cineworld Group plc 2020 Annual Report and Accounts also includes details of the controls and mitigation activity in place. The Cineworld Group plc Annual Report and Accounts are available on the Group's website at www.cineworldplc.com.

CITY SCREEN (LIVERPOOL) LIMITED

These include:

Technology and Data Control	A critical system interruption or major IT security breach encountered
Availability and Performance of Film Content	Lack of access to high quality, diverse and well publicised movie product
Provision of next Generation Cinemas	Maintaining/refurbishing existing sites and/or developing new sites fails to provide a circuit of next generation cinemas.
Viewer Experience and Competition	The quality of products and services offered fails to meet the needs of the customer and deliver an enhanced viewer experience
Revenue from Retail/Concession Offerings	Delivery of a retail/concession offering that does not meet the requirements and preferences of our customers
Cinema operations	Failure to maintain and operate well run and cost effective cinemas
Regulatory Breach	A major statutory, regulatory or contractual compliance breach
Strategy and Performance	The approach to setting, communicating, monitoring and executing a clear strategy fails to deliver long-term objectives
Retention and Attraction	Failure to attract and retain Senior Management and/or other key personnel
Governance and Internal Control	A critical internal control and/ or governance failing occurs
Major incident	Inability to respond to a major incident
Treasury Management	Ineffective treasury management slows down our ability to service our debt obligations and deliver against our planned strategic initiatives (e.g. refurbishment programmes)

DIRECTORS

The directors who served during the year and up to the date of this report were as follows:

C Binns

R Kaufman

Directors' and Officers' Insurance and Indemnity

The Company maintains insurance cover for all Directors and Officers of Group companies against liabilities which may be incurred by them while acting as Directors and Officers. As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors as permitted by law and by the Articles against liabilities they may incur in the execution of their duties as Directors of the Company. These indemnities are qualifying third party indemnities. These policies were in force during the financial year and up to the date of signing this report.

Political donations

The Company's policy is to make no donations to political parties (2019: £nil).

Employees

Staff are employed by Picturehouse Cinemas Limited, the immediate parent company, and costs are recharged to the Company. The policy is to recruit, employ and develop staff on the basis of the suitability of their qualifications and experience, regardless of sex, marital status, race, nationality, age, sexual orientation or religion. It is Company policy to give full and fair consideration to applications for employment from disabled people, having regard to their particular abilities and aptitudes. Full consideration is given to continuing the employment of staff who become disabled, including considering them for other reasonable positions and arranging appropriate training. The health, welfare and development of the Group's employees remain a priority. With the intent of attracting, recruiting, developing and retaining key employees, Cineworld maintains a number of policies and procedures for the benefit of its employees, which are available to all employees across the Company. Continuing education, training and development are important to the future success of the Company and employee development is encouraged through appropriate training. The Company supports individuals who wish to obtain appropriate further education or qualifications and reimburses tuition fees up to a specified level. Regular and open communication between Management and employees is essential for motivating the workforce. Briefings are held regularly to provide updates on the Companies business and to provide the opportunity for questions and feedback. The Company encourages the involvement of employees in its performance through the operation of bonus schemes throughout the Group.

CITY SCREEN (LIVERPOOL) LIMITED

Payment of dividends

No dividends were approved or paid by the Directors and paid during the year ended 31 December 2020 (2019: £nil). No other dividends have been approved for the financial year or up to the date of signing this Annual report and financial statements.

Strategic report

The Company is classified as a small company under the Companies Act 2006 and as a result has met the requirements in Companies Act 2006 section 414B to obtain the exemption provided from the presentation of a strategic report.

The directors have also taken advantage of the small company exemptions in the Companies Act 2006 in preparing this Directors' report.

Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Future developments

The COVID-19 pandemic has had a significant impact on the Company's operations both during 2020 and 2021. The Directors have discussed the impact of this on the Company's activities within note 18, post balance sheet events. Other than the above, the Directors do not expect any change in the principal activity during the next financial year.

Going concern

Details of the Directors' assessment of Going Concern are set out in Note 1.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 11 October 2021 and signed on its behalf.

On behalf of the Board



R Kaufman
Director
11 October 2021

8th Floor Vantage London
Great West Road
Brentford
TW8 9AG

CITY SCREEN (LIVERPOOL) LIMITED

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

On behalf of the Board



R Kaufman
Director
11 October 2021

8th Floor Vantage London
Great West Road
Brentford
TW8 9AG

Independent auditors' report to the members of CITY SCREEN (LIVERPOOL) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, CITY SCREEN (LIVERPOOL) LIMITED's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and the financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

The Company requires access to parental support in order to meet its obligations, and the Company has received written confirmation from Cineworld Group plc providing this support. In its published results for the six-month period ended 30 June 2021, Cineworld Group plc ('the Group') included a material uncertainty with respect to its severe but plausible going concern assessment, including the risk that ticket admissions will not meet the forecast recovery and further lockdowns over the going concern period, impacting debt covenants in June 2022 and December 2022. In light of the ongoing COVID-19 situation there remains material uncertainty over the short term in respect of the impact that this will continue to have on the Group and the wider cinema industry. Accordingly, there can be no certainty that the parent will be able to fulfil this commitment. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation in the United Kingdom, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial

statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Review of the financial statement disclosures to underlying supporting documentation, and review of correspondence with legal advisors.
- Enquiry of management, those charged with governance and the group's legal counsel around actual and potential fraud and non-compliance with laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias) and identifying and evaluating any significant transactions outside of the normal course of business
- Enquiry of the entity's tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Obtaining and understanding the results of whistle blowing procedures and assessing any related investigations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Charlotte Marnham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 October 2021

CITY SCREEN (LIVERPOOL) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue	2	361,510	1,416,635
Cost of sales		(502,190)	(888,862)
		<hr/>	<hr/>
Gross (loss)/profit		(140,680)	527,773
Administrative expenses		(241,876)	(452,101)
Other operating income		175,646	-
		<hr/>	<hr/>
Operating (loss)/profit	3	(206,910)	75,672
 (Loss)/profit before taxation		 (206,910)	 75,672
 Tax on (loss)/profit	5	 1,388	 14,270
		<hr/>	<hr/>
(Loss)/profit and total comprehensive (expense)/income for the financial year		(205,522)	89,942

The notes on pages 14 to 27 form part of these financial statements.

CITY SCREEN (LIVERPOOL) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2020 REGISTERED NUMBER: 03970590

	Note	31 December 2020 £	31 December 2019 £
Fixed assets			
Property, plant and equipment	7	63,275	75,689
		<u>63,275</u>	<u>75,689</u>
Current assets			
Inventories	8	1,995	11,113
Trade and other receivables	9	86,721	353,327
Cash and cash equivalents	10	3,604	8,821
		<u>92,320</u>	<u>373,261</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(420,324)	(506,769)
		<u>(328,004)</u>	<u>(133,508)</u>
Net current liabilities		<u>(264,729)</u>	<u>(57,819)</u>
Total assets less current liabilities		<u>(264,729)</u>	<u>(57,819)</u>
Non-current liabilities			
Deferred tax	6	-	(1,388)
		<u>(264,729)</u>	<u>(59,207)</u>
Capital and reserves			
Called up share capital	12	165,000	165,000
Share premium account		82,500	82,500
Accumulated losses		(512,229)	(306,707)
		<u>(264,729)</u>	<u>(59,207)</u>
Total equity		<u>(264,729)</u>	<u>(59,207)</u>

The notes on pages 14 to 27 form part of these financial statements.

The financial statements on pages 11 to 27 were approved by the board of Directors on 11 October 2021 and were signed on its behalf by:



R Kaufman
Director

CITY SCREEN (LIVERPOOL) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Share premium £	Accumulated losses £	Total equity £
At 1 January 2019	165,000	82,500	(396,649)	(149,149)
<i>Comprehensive income for the financial year</i>				
Profit for the year	-	-	89,942	89,942
Total comprehensive income for the financial year	-	-	89,942	89,942
At 1 January 2020	165,000	82,500	(306,707)	(59,207)
<i>Comprehensive loss for the financial year</i>				
Loss for the year	-	-	(205,522)	(205,522)
Total comprehensive loss for the financial year	-	-	(205,522)	(205,522)
AT 31 December 2020	165,000	82,500	(512,229)	(264,729)

The notes on pages 14 to 27 form part of these financial statements.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

General information

City Screen Liverpool Limited is a private limited company limited by shares incorporated and domiciled in the UK. The Companies registered address is 8th Floor Vantage London, Great West Road, United Kingdom, TW8 9AG.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), applying the historical cost convention.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Cineworld Group plc includes the Company in its consolidated financial statements. The consolidated financial statements of Cineworld Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 8th Floor, Vantage London, Great West Road, Brentford, TW8 9AG.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - iii. Paragraph 79(a)(iv) of IAS 1;
 - iv. Paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies *(continued)*

Presentational currency

The financial results of the Company are presented in Pound Sterling rounded to the nearest £.

Going concern

The Directors of the Company have prepared the financial statements on a going concern basis which assumes the Company will be able to meet its future obligations as they fall due and the Company will settle all payments within the agreed terms.

The Company is reliant on financial and other support from a parent entity in order to meet its obligations and the Directors have received written confirmation from Cineworld Group Plc, (the 'ultimate parent undertaking') that it will support the Company with financial and other resources as necessary such that the Company can meet its financial obligations as they fall due. Furthermore, the ultimate parent undertaking has confirmed that it will not seek the repayment of amounts advanced to the Company by the ultimate parent undertaking and/or other members of the ultimate parent undertaking's group unless sufficient financing to meet its obligations as they fall due has been secured by the Company. This written support is available for at least the next twelve months from the date of approval of these financial statements.

The directors of the ultimate parent, in its published Interim Financial Statements for the six-month period ended 30 June 2021, recognised the uncertainty around the continued recovery of the cinema industry following the impact of COVID-19, and the potential risks that remain, which represent uncertainties with respect to the Group's ability to continue as a going concern, and as such any support from the ultimate parent may not be forthcoming in the event it is required.

Further details of the base case and severe but plausible scenarios over a period up to and including December 2022 are included in Note 1 to the Interim Financial Statements which are publicly available (www.cineworldplc.com).

Subsequent to the approval of the Interim Financial Statements of Cineworld Group Plc for the six-month period ended 30 June 2021 ("the Interim Financial Statements"), the Group announced that it had reached an agreement with the dissenting shareholders of Regal Entertainment Group with respect to the payment of the judgement on their outstanding consideration. Under this agreement, the Group paid \$170m of the judgement to the dissenting shareholders and \$92m has been placed into an escrow account to be available to the Group as additional liquidity under certain circumstances. The funds in the escrow account will be paid to the dissenting shareholders no later than March 2022. The Directors assessment at 30 June 2021 considered full payment of the balance and this did not result in any liquidity issues in the going concern period.

The Directors have not updated their assessment of going concern to reflect this additional liquidity up to March 2022. Having considered the basis of preparation of the Cineworld Group Plc Interim Financial Statements, the Directors are satisfied that it remains appropriate to prepare the Company financial statements on a going concern basis. However, the inherent uncertainties outlined above and in Note 1 of the ultimate parent's Interim Financial Statements represent material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. These financial statements do not contain any adjustments that would arise if the financial statements were not drawn up on a going concern basis.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies *(continued)*

Significant accounting policies

The accounting policies set out below have been applied consistently in all the years presented, unless otherwise stated in dealing with items which are considered material in relation to the Company's financial statements.

Revenue

Revenue represents the total amount receivable for goods sold and services provided, excluding sales-related taxes and intra-group transactions. All the Companies revenue is received from the sale of goods and services. The Company disaggregates revenue into three material revenue streams which are made up of the following:

Box office revenue

- Box office revenue is recognised on the date of the showing of the film it relates to.

Retail revenue

- Concessions revenue includes the sale of food and drink in the cinema. All concession revenue is recognised at the point of sale. The Company records proceeds from the sale of gift cards and other advanced bulk tickets in deferred revenue and recognises admissions or retail revenue when redeemed. Dependent on the revenue stream the gift card is redeemed against, revenue will either be recorded within box office revenue or retail revenue. Additionally, the Company recognises unredeemed gift cards and bulk tickets as other revenues based on a proportion of redemptions, which is estimated primarily based on the Company's historical experience.

Advertising revenue

- Advertising revenue is recognised at the point the advertisement is shown in cinemas or the related impressions are delivered.

Membership revenue

- Membership revenue relates to the purchase of a specific number of tickets along with exclusive offers. During long periods while cinemas are forced to close, no income is recognised during this period.

Other revenue

Other revenue includes the following:

- The Company receives rebates primarily from concession vendors. The rebates are either a fixed amount or a specified percentage based on the total purchases made from the vendor. The rebates are subject to some estimation uncertainty but the arrangements are not complex. Rebates are calculated and accrued monthly based on the volume of purchases.
- These rebates are either recognised as other revenues, a reduction of cost of goods sold, or a combination of the two dependent on the nature of the services provided. For arrangements where the Company is providing various forms of in theatre, lobby or website advertising in exchange for the rebate, such rebates are accounted for as a component of other revenues. For arrangements under which the Company provides no material form of advertising such rebates are accounted for as a reduction of cost of goods sold.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies *(continued)*

Deferred revenue

Deferred revenue primarily consists of the following:

- Unredeemed gift cards and bulk tickets: Revenue is initially recognised in deferred revenue and subsequently recognised in revenue in proportion to the pattern exercised by the customer.
- Revenue received in advance for advertising contracts.

Government grants

Government grants relating to costs are deferred and recognised in the Statement of Profit or Loss over the period necessary to match them with the costs that they are intended to compensate. During the year, the Company received support from governments in connection with its response to the COVID-19 pandemic, in particular furlough and job retention scheme relief. Details are provided in note 3.

Property, plant and equipment

Property, plant and equipment are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided by the Company to write off the cost less the estimated residual value of Property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Lease hold improvements	30 years or life of lease if shorter
Plant and machinery	3 to 10 years
Fixtures and fittings	4 to 10 years

Assets acquired for use in cinema are depreciated from the date the cinema is available for use.

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating-unit ('CGU') exceeds its recoverable amount. Impairment losses are recognised in the Income statement and statement of comprehensive income.

Impairment tests in respect of property, plant and equipment assets are based on cash flows for the individual cinema site.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies *(continued)*

Reversals of impairment

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist as a result of a change in the estimates used to determine the recoverable amount, including a change in fair value less costs to sell.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the First-In, First-Out ("FIFO") principle. Cost comprises expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, and net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling costs.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when the contractual obligations are discharged, cancelled or expire.

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

IFRS 9 contains three classification categories for financial assets and liabilities: measured at amortised cost, fair value through profit or loss ("FVPL") and fair value through other comprehensive income ("FVOCI"). At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the financial instruments were acquired:

Financial assets and liabilities at amortised cost:

The Company's loans and receivables comprise trade receivables, and are included in current assets due to their short-term nature. Loans and receivables are initially recognised at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortised cost using the effective interest method, less a loss allowance.

Financial liabilities at amortised cost include trade payables. Trade payables are initially recognised at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within 12 months. Otherwise, they are presented as noncurrent liabilities.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies (*continued*)

Impairment of financial assets

The Company measures expected credit losses using the following expected loss allowance for all current trade and other receivables and amounts receivable from group undertakings.

Loss allowances will be measured on either of the following bases:

- i. 12-month expected credit losses ('ECLs') are the ECLs that result from possible default events within 12 months after the reporting date; and
- ii. lifetime ECLs which are ECLs that result from all possible default events over the expected life of a financial instruments.

The expected loss rates are based on the historical payment profiles of sales during the financial year and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company has identified historical losses measured against receivables to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Expected credit loss allowances on amounts receivable from group undertakings are measured using a probability-weighted amount which reflects the possibility that a credit loss occurs and the possibility that no credit losses occur. All amounts due from Group undertakings are repayable on demand and the nature of these receivables is considered within the expected credit loss calculation.

The expected credit losses are calculated using the 3-stage general impairment model as follows:

- probability of default – the likelihood that the borrower would not be able to repay in the very short payment period;
- loss given default – the loss that occurs if the borrower is unable to repay in that very short payment period; and
- exposure at default - the outstanding balance at the reporting date.

Taxation

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets and liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available which the asset can be utilised.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Accounting policies *(continued)*

Variable lease payments

The company operates a cinema on a leased property, for which the contains variable lease payments. The variable lease payments are linked to the performance of the cinema. Variable lease payments are recognised in the Income Statement in costs of sales in the period for which the condition that triggers the payment occurs

Significant accounting judgements and estimates

Judgements

There are no significant judgements.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

In applying the Company's accounting policies described above the Directors have concluded that there are no key estimates that could have a significant impact on the amounts recognised in the Financial Statements in the next financial year.

New Standards and interpretations

There were no new standards adopted by the Company in the year but the following amendments became applicable during the year:

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform – amendments to IFRS 9, IAS 39 and IFRS 7

These amendments did not have a material impact on the Company's accounting policies and have therefore not resulted in any changes.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Revenue

Revenue can be broken down by product and service provided as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue by product and service provided		
Box Office	215,385	774,003
Retail	71,762	280,570
Membership	59,327	235,876
Advertising	13,819	78,990
Other Income	1,217	47,196
Total revenue	<u>361,510</u>	<u>1,416,635</u>
Timing of revenue recognition		
At a point in time	361,510	1,416,635

No revenue recognised during the year was included within the opening contract liability balance (2019 £nil).

Geographical sector analysis:

All revenues derived from activities in the United Kingdom.

Business sector analysis

The Company has operated in one business sector in both financial periods, being cinema operations.

3. Operating (loss)/profit

The operating profit is stated after charging:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Other operating (Income)	(175,646)	-
Rent, rates and insurance	36,041	61,690
Management charges	-	110,243
Repairs and maintenance	55,989	91,095
Depreciation of tangible assets	<u>12,414</u>	<u>13,800</u>

Other operating income relates to government grants of £175,646 (2019: £nil) relating to the furlough of staff during the year as a result of the COVID-19 pandemic.

Certain management and support activities for cinemas in the Picturehouse Group take place centrally and the costs are therefore borne by Picturehouse Cinemas Limited and subsequently recharged to entities operating stand-alone cinemas on the basis of EBITDA in the year. No management charges are recharged to entities with negative EBITDA in the year. Due to the impact of COVID-19 and external market competition on the company's results for the year, no management charges were made to CITY SCREEN (LIVERPOOL) LIMITED during the year.

The company is party to a property lease for which all lease payments are variable and linked to the performance of the cinema on the site of the leased property. Due to the impact of COVID-19 on the performance the cinema during the year rental charges were nil for the financial year.

Auditors' remuneration for 2020 and 2019 was borne by a fellow Group Company. CITY SCREEN (LIVERPOOL)'s LIMITED allocation of the Group audit fee was £1,544 (2019: £5,500). There were no fees paid to the Company's auditors, PricewaterhouseCoopers LLP for 2020 and 2019, and its associates for services other than the statutory audit of the Company. This is on the basis that such non-audit fees are disclosed in the consolidated financial statements of the Company's ultimate parent company Cineworld Group plc. These group financial statements are required to company with the statutory non-audit services disclosure requirements.

CITY SCREEN (LIVERPOOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Employees

Staff costs were as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Wages and salaries	335,256	350,622
Social security costs	17,980	20,230
	353,236	370,852

The average monthly number of employees, during the year was as follows:

	Year ended 31 December 2020 No.	Year ended 31 December 2019 No.
Management and administration	3	4
Operational	20	21
	23	25

All staff costs for the year are recognised in cost of sales.

Staff are employed by Picturehouse Cinemas Limited, the immediate parent company. Where employees work at the site operated by the Company, related costs are recharged from Picturehouse Cinemas Limited to the Company. Employee numbers are presented on a consistent basis.

5. Tax on (loss)/profit

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Corporation tax		
Adjustments in respect of prior periods	-	(14,338)
Total current tax	-	(14,338)
Origination and reversal of temporary differences	(1,551)	77
Increase in tax rate	163	(9)
Total deferred tax	(1,388)	68
Taxation (credit) on profit	(1,388)	(14,270)

The tax assessed for the period is higher than (2019 – lower) the standard rate of corporation tax in the UK of 19% (2019 – 19%). The differences are explained below:

(Loss)/profit before tax	(206,910)	75,672
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(39,313)	14,378
Group relief	-	(16,984)
Expenses not deductible for tax purposes	(81)	2,694
Adjustments in respect of prior periods	-	(14,349)
Movement on unrecognised deferred tax assets	37,843	-
Increase in tax rate on deferred tax balances	163	(9)
Total tax (credit) for the period	(1,388)	(14,270)

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

At 31 December 2020 the company had unrecognised deferred tax assets relating to the following temporary differences:
-Tax losses: £193,926

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK Budget on 3 March 2021 announced an increase in the UK corporation tax rate from 19.0% to 25.0% with effect from 1 April 2023. The effect of the rate increase is not reflected in the financial statements as it was not substantively enacted at the balance sheet date.

6. Deferred tax

The Company has recognised a deferred tax asset / (liability) as follows:

	31 December 2020 £	31 December 2019 £
Accelerated capital allowances	-	(1,388)
		(1,388)

Movement in deferred tax

	31 December 2019 £	Recognised in income £	31 December 2020 £
Tangible fixed assets	(1,388)	1,388	-
	(1,388)	1,388	-

	31 December 2018 £000	Recognised in income £000	31 December 2019 £000
Tangible fixed assets	(1,320)	(68)	(1,388)
	(1,320)	(68)	(1,388)

7. Property, plant and equipment

	Lease hold improvements £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 January 2020	141,702	597,108	164,663	903,473
At 31 December 2020	141,702	597,108	164,663	903,473
Accumulated Depreciation				
At 1 January 2020	84,351	594,592	148,841	827,784
Charge for the year	5,941	1,678	4,795	12,414
At 31 December 2020	90,292	596,270	153,636	840,198
At 31 December 2020	51,410	838	11,027	63,275
At 31 December 2019	57,351	2,516	15,822	75,689

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Impairment

The Company determines whether these assets are impaired when indicators of impairment exist or based on the annual impairment assessment. The annual assessment requires an estimate of the value in use of the cinema CGUs to which the Company's property, plant and equipment and right-of-use-assets are allocated.

A CGU has been identified as an individual cinema operated by the Company.

Where the recoverable amount is less than the carrying amount, an impairment charge to reduce the assets down to recoverable amount is recognised. The recoverable amount is determined as the higher of value in use or fair value less cost of disposal. The Company determines the recoverable amount with reference to its value in use. The impact of the COVID-19 pandemic on the Company during the period was considered a triggering event and an impairment assessment was performed at 31 December 2020.

Based on the results of this impairment review, no impairment charge was recognised.

Estimating the value in use requires the Company to make an estimate of the expected future cash flows from each CGU and discount these to their net present value at a pre-tax discount rate. A rate of 14.5% was used to discount the expected future cash flows. This was derived from externally benchmarked data.

The value in use is calculated using forecast cash flows (defined as the Adjusted EBITDA generated by each CGU), which are based on management's anticipated performance of the CGU over the term remaining on its lease.

Management have prepared a cash flow forecast for the Company's CGU. This cash flow forecasts applies specific growth assumptions to the key drivers within the cash flow such as attendance, average ticket price ("ATP"), spend per patron ("SPP") and long-term growth rates of other revenue and cost streams. COVID-19 has had a significant impact on the operations of the Company. The impact of COVID-19 has impacted the CGU's ability to generate future cash flows in the short term and management have factored this into the cash flow forecast.

During these uncertain times, there are significant challenges in preparing forecasts necessary to estimate the recoverable amount of the CGU. Management determined that using an expected cash flow approach is the most effective means of reflecting the uncertainties of the COVID-19 pandemic in its estimates of recoverable amount. This approach reflects all expectations about possible cash flows instead of the single expected outcome. The key assumptions applied within the models are as follows:

- Adjusted EBITDA for the year ended 31 December 2019 is deemed to represent a standard year of cash flows generated under normal operating conditions. Management have therefore used 31 December 2019 actuals as the base assumptions within the cash flow forecast.
- These assumptions, however, have been adjusted to reflect management's assessment of the short-term impact of COVID-19 and longer-term growth over the life of each CGU.
- As part of the Group's assessment of long-term viability a five-year forecast reflecting the impact of COVID-19 has been prepared. Management have compared the assumptions used within this model to that of the actuals at 31 December 2019. The differential between 31 December 2019 and the COVID-19 five-year forecast has been deemed to represent a reduction as a result of the virus.
- Within this five-year forecast management believe monthly cash flows will return to pre-COVID-19 levels (31 December 2019 actual Adjusted EBITDA) by the year ended 31 December 2023.
- For the 2021–2023 forecast period, management have applied the respective financial year's hair-cut to the 31 December 2019 actuals to generate the forecast Adjusted EBITDA for each financial year on a like for like basis. In turn, this will result in the Adjusted EBITDA for the year ended 31 December 2023 to represent the 31 December 2019 actuals. From 31 December 2023 onwards management have forecast attendance will remain at 31 December 2019 levels.

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Consideration was given to whether the fair value less cost to sell of each CGU is higher than the calculated value in use. The fair value less cost to sell was found to be lower than the value in use.

Sensitivity to changes in assumptions:

Impairment reviews are sensitive to changes in key assumptions, especially given that the full extent of COVID-19 on the operations and future cash flows of the Company is not fully known at this stage. Management have determined that the following assumptions used within the cash flow forecast are most sensitive to further changes as a result of COVID-19. Sensitivity analysis has been performed on all CGU's calculated recoverable amounts giving consideration to incremental changes in the key assumptions of the following:

- In calculating the CGU recoverable amount, management have applied specific growth rates in admissions which are deemed to be highly sensitive to the short-term impact of COVID-19 and in the recovery of the operations of the business. The growth rate of admissions has been reduced by 1.0% per annum over the forecast period. This has therefore reflected the assumption that attendance for each CGU would decline by 1.0% per annum over the forecast period.
- Growth rates of 1% have been applied to various assumptions within the model such as ATP, SPP and other revenue and costs. Management believe the most sensitive of these assumptions is ATP and SPP and have factored in a decrease in these growth rates by 1.0% to 0.0% within the sensitised scenarios.
- Discount rates are largely derived from market data, and these rates are intended to be long term in nature. However, the models are sensitive to changes in these rates. An increase by a factor of 1% has been applied in the sensitised scenarios.
- The implied hair-cuts applied to the model over the 2021–2023 forecast period is sensitive to the outcomes of various scenarios used within the Group's assessment of going concern and long-term viability as set out in Note 1. We have recalculated the implied hair-cuts based on a severe but plausible scenario over a 2021–2025 forecast period and applied this as a sensitised scenario.

The sensitivities applied reflect realistic scenarios which management believe would have the most significant impact on the cash flows described above. Based on this analysis, Management conclude that a change to key assumptions would not result in an impairment charge.

8. Inventories

	31 December 2020 £	31 December 2019 £
Finished goods and goods for resale	<u>1,995</u>	<u>11,113</u>
Inventory recognised in cost of sales in the year amounted to £28,650 (2019: £88,028). No items of inventory are carried at fair value less cost to sell or were written down to fair value less costs to sell and recognised as an expense during the year (2019: £nil).		

No items of inventory are pledged as security for liabilities

CITY SCREEN (LIVERPOOL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Trade and other receivables

	31 December 2020	31 December 2019
	£	£
Amounts owed by group undertakings	95,233	337,085
Expected credit loss provision	(8,512)	(11,420)
Prepayments and accrued income	-	27,662
	<u>86,721</u>	<u>353,327</u>

An expected credit loss provision of £8,512 (2019: £11,420) has been recognised against amounts owed from Group undertakings. The movement resulted in a credit in the year of £2,908 (2019: £11,420 charge) which has been recognised in administrative expenses.

The amounts owed by Group undertakings from trading activities are repayable on normal trading terms. No interest is charged on these balances.

10. Cash and cash equivalents

	31 December 2020	31 December 2019
	£	£
Cash at bank and in hand	<u>3,604</u>	<u>8,821</u>

11. Creditors: Amounts falling due within one year

	31 December 2020	31 December 2019
	£	£
Amounts owed to group undertakings	360,562	360,561
Other creditors	-	808
Accruals and deferred income	59,762	145,400
	<u>420,324</u>	<u>506,769</u>

The amounts owed to group undertakings are non-interest bearing and repayable on demand.

12. Called up share capital

	31 December 2020	31 December 2019
	£	£
Allotted, called up and fully paid		
330,000 (2019: 330,000) - Ordinary shares of £0.50 each	<u>165,000</u>	<u>165,000</u>

13. Related party transactions

As the Company is a wholly owned subsidiary of Cineworld Group Plc, the Company has taken advantage of the exemption contained in FRS 101 8(k) and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) in-line with IAS 24. The consolidated financial statements of Cineworld Group Plc, within which this Company is included, can be obtained from the address given in note 14.

14. Controlling party

The company is a subsidiary of Picturehouse Cinemas Limited. The company's ultimate parent undertaking is

CITY SCREEN (LIVERPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Cineworld Group plc. The smallest and largest group in which the results of the company are consolidated is that headed by Cineworld Group Plc. Copies of the financial statements are available from 8th Floor, Vantage London, Great West Road, Brentford TW8 9AG.

16. Commitments and contingencies

The Company had no contractual commitments, pension commitments, guarantees and contingencies at 31 December 2020.

17. Remuneration of directors

Directors received remuneration from other Group companies, none of which is considered to be in respect of services rendered to this Company.

Information on emoluments of Directors of this Company borne by Group entities is disclosed in the consolidated financial statements of the Company's ultimate holding parent company Cineworld Group plc. Where Directors of the Company are not Directors of Cineworld Group plc, their salaries have been disclosed within the financial statements of Cineworld Cinemas Limited. No apportionment to determine the amount attributable to individual entities is performed. As part of the Directors' remuneration their employer Cineworld Group plc or Picturehouse Cinemas Limited will provide contributions into a defined contribution pension scheme.

18. Post balance sheet events

Following the closure of cinemas in 2020, the Company's investments reopened their cinema operations in May 2021. Whilst Coronavirus has had a significant negative impact on the short term operations of the Company during 2020, the Directors believe the Company can continue as a going concern as outlined within note 1.